CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

SECTION I- STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

The Corporate Governance Committee of the company is elected by the resolution of the Board of Directors dated 31.03.2015 and Board Members E.Melih Araz (Chairman) and Erdoğan Turgut (Member) as well as Gizem Özsoy (Member) which has the Capital Market Activities Advanced Level License and the Corporate Governance Rating Specialists License are selected. According to the same resolution it is decided that scope of activities of Nominating and Compensation Committee will be carried out by the Corporate Governance Committee. Principles and responsibilities of the committees are approved by the Board of Directors on 28.05.2012 and have been announced to the public. On 11.06.2014, the duties and working principles of the committees were revised to ensure compliance with the legislation and were declared on company's official website. There are no compulsory principals, which are stated on the annex to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1 and which are not applied.

Corporate Governance Committee's main objectives are; to present the proposals for the corporate governance policies of the company, enhance the quality of the corporate governance applications and inform the Board of Directors about the effective pursuit of the legislation of the Capital Markets Board related to the corporate governance principles and the generally accepted corporate governance principles of the international capital markets, and about implementing those principles which it deems applicable. The corporate Governance Principles Compliance Report of the Corporate Governance Committee has been presented below to the review of our stakeholders.

for and on behalf of the
CORPORATE GOVERNANCE COMMITTEE

Chairman	Member
E. Melih ARAZ	Erdoğan Turgut
(signature)	(signature)

SECTION II- SHAREHOLDERS

2.1. INVESTOR RELATIONS UNIT

The Investor Relations Management was established in 2002 within the structure of ENKA İnşaat ve Sanayi A.Ş., for the purpose of arranging the relations with the shareholders.

The Investor Relations Department reports to Ilhan Gücüyener the Deputy General Manager of the company and is not preparing reports on activities.

The main activities conducted by the unit can be summarized as answering the questions on financial statements, activities of the company, conditions to participate in the company's General Assemblies, announcements to public, capital increases, information on issuance of new share certificates and preparation of the company's annual reports. The numerous applications to the unit and the responses to the investors are generally made through telephone. The members are; Sinan Yavuz Akturk, Leyla Yüksel, Ali Aslan and the manager Gizem Özsoy of the Investor Relations Unit. Gizem Özsoy holds Advanced Level License (205945) and the Corporate Governance License (700865). The Investor Relations Unit can easily be accessed through the general telephone numbers of our company, which is +90 212 376 10 00.

2.2. EXERCISE OF THE SHAREHOLDERS' RIGHTS TO OBTAIN INFORMATION

Any kind of information about the company in relation to the developments that would possibly affect exercising of the shareholder rights is presented to the consideration of the shareholders on the internet environment (www.enka.com). The Investor Relations Unit provides guidance to those shareholders who prefer to use internet facilities for their requests for information. The shareholders, who cannot use internet facilities, are informed either by fax or mail.

Within the period, there are no complaints made to the company by any shareholders regarding the usage of their shareholding rights. There is no regulation about right to request appointment of special auditor in the Articles of Association of the firm. Within the period, there has been no special auditor appointment request pursuant to the Turkish Code of Commerce.

2.3. GENERAL ASSEMBLY MEETINGS

Any shareholders of our company who are entitled to attend or take part in the General Assembly Meetings thereof and the shares of whom are being traced by the "Central Securities Depository Institution" (MKK = Merkezi Kayıt Kuruluşu) on the basis of the records thereof are authorized to attend physically or to take part in person or by proxy in such General Assembly meetings. Any shareholders intending to attend physically such General Assembly Meetings are entitled, by submitting their identity cards, to exercise their rights arising out of their shares recorded in the "Shareholders List" kept by the "Central Securities Depository Institution" (MKK). However, any shareholders who have previously provided to their stock brokers any restrictions for the provisioning and communication to our company of any information on their identities and on the shares kept in their accounts, are required to apply to their relevant stock brokers for the abolishment of such restrictions and provisioning and communication by such stock brokers to our company of the information on their identities and on the shares kept in their accounts, until at the latest one day before the General Assembly Meetings, should they intend and request to be enlisted in the "General Assembly Shareholders List". Taking part online in such General Assembly Meetings by the shareholders themselves in person or by virtues of their proxies is allowed only by secure electronic signatures. Any shareholders are allowed to authorize their proxies by whom they will be represented in the General Assembly, either online in electronic environment by virtue of the Electronic General Assembly System or by providing them an authenticated Official Power of Attorney as provided in related legislation of the Capital Market Board, or a non-authenticated Formal Power of Attorney bearing their duly signatures in the accompaniment of their authenticated Official Signature Sample Statement as an integral part. Information about date, agenda and location of General Assembly meetings are announced to the public via Public Disclosure Platform (KAP), on our website and by e-mail sent to the people who have selected the option on our website to receive e-mails. The minutes of the General Assembly meetings are disclosed to the public by Public Disclosure Platform, in accordance with the provisions of the Communiqué about special conditions in force of the Capital Markets Board, and further announced in the Turkish Trade Registry Journal. The minutes of the General Assembly meetings are disclosed on our website and always made available to the shareholders at the company's head office. Our company does not have any practice to make the usage of the voting rights of the shares difficult.

Further to the Communiqué of the Capital Markets Board on the Principals Regarding Determination and Application of Corporate Governance Principles, there are provisions in the Articles of Association related to important decisions such as spin-off, sale, purchase and lease of significant amount of assets to be resolved by the General Assembly.

Within related period, the Ordinary General Assembly Meeting has been held on 27.03.2015. Shareholders did not give any agenda item proposals to the General Assembly. The related information is herebelow:

Type of the meeting	Ordinary
Date of the meeting	27.03.2015
Participation Rate	88%
Participation of stakeholders	Yes
Participation of media	No
Was right of asking questions by shareholders used?	Used
Were questions answered?	Answered
Did shareholders make any proposals?	No proposals made
Result of proposal	-

The minutes of meetings of the General Assembly are disclosed to the public by Public Disclosure Platform as well as on our website and always made available at the company's head office upon any request.

All questions asked by shareholders at Ordinary General Assembly meeting were answered directly at the event. Therefore, there were no questions that had to be answered by Investor Relations Unit in written format.

Donations made in 2014 have been submitted to the shareholders' information as a separate agenda item at the General Assembly on 27.03.2015. Our Company's Donation & Aid Policy which was approved at 2014 General Assembly is as follows;

Donation & Aid Policy

Any donations and aids to be granted by our Company are determined by it pursuant to the below given basic criteria, provided, however, that such donations and aids are always in compliance with the provisions of the applicable Capital Markets Legislation.

Main Purposes:

Our Company's main purpose in making donations and aids to various organizations is not only to fulfill our social responsibility towards the society but also to create a corporate social responsibility for the shareholders, employees and partners thereof, provided, however, that all such donations and aids meet a certain social need and provide public benefit.

Organisations to Which Donations / Aid could be Granted :

- ENKA Spor ve Eğitim Vakfı (ENKA Sports and Education Foundation): Major part of the donations and aids of our Company are granted to ENKA Spor ve Eğitim Vakfı. Making donations and aids to this Foundation, the main purpose of which is to contribute to the Turkish youth to reach the contemporary sports level and to strengthen its educational and social structure in international standards, has been adopted by our Company as a principle.
- Relief accounts to be formed by the government agencies upon occurrence of natural disasters.
- Foundations listed in the Schedule of Recognized Foundations.
- Any other foundations and organizations in case of need.

Limitation for Donation/aids:

- If there is no limitation set in the General Assembly about donations and aids for the current year, the limit of donation/aid could be at most 3% of the distributable profit of previous year which is calculated in accordance with the Capital Markets Board regulations and other relevant legislations.
- Donations/aids for relief accounts to be formed by the government agencies upon occurrence of natural disasters are not taken into account of calculation above.

The Internal Decision-Making Procedure for providing donations/aids:

- Any donation/aid of which the amount exceeds TL 10,000 is allowed to be made only upon approval thereof by at least one member of the Board of Directors or of the Executive Committee.
- Any internal committees, departments and workshop-groups may make proposals to the members of the Board of Directors or of the Executive Committee regarding any donations/aids.

2.4. VOTING RIGHTS AND MINORITY RIGHTS

The shareholders or their representatives participating in the General Assembly meetings of ENKA İnşaat ve Sanayi A.Ş. have the right of 10 votes for each Group-A share and 1 vote for each Group-B share that they hold. However, even if it is considered cumulatively, it will not have any influence on changing the result on any decision and therefore it will not have any negative impact to any Group-B shareholders due to the immaterial amount of shares.

The share amount of each group with a nominal value of 1 Kr (One Kurus) and the total voting right as of the year end is stated below:

	Share Amount	TL Nominal	Total Voting Right
Group A	1,167	11.67	11,670
Group B	399,999,998,833	3,999,999,988.33	399,999,998,833
TOTAL	400,000,000,000	4,000,000,000.00	400,000,010,503

The list of the shareholders of ENKA İnşaat ve Sanayi A.Ş. having 5% and above shareholding as of December 31, 2015 is as follows:

SHAREHOLDERS	%
TARA HOLDİNG A.Ş.	49.27
VİLDAN GÜLÇELİK	7.99
SEVDA GÜLÇELİK	6.43
ENKA SPOR EĞİTİM VE SOSYAL YARDIM VAKFI	5.87
OTHERS	30.44
TOTAL	100.00

The list of legal person ultimate controlling shareholders as of March 27, 2015 is as follows:

Shareholder	Group of Shares	Share Amount	Actual Share-holding	Legal Per-son Ultimate Shareholder	Explanation
Tara Holding A.Ş.	A	459	0.00%	0.00%	-
	B	177,383,165,387	49.27%		
Şarık Tara	A	-	0.00%	33.56%	Tara Holding A.Ş. 66.49% + 0.80%
	B	2,862,133,922	0.80%		
Sinan Tara	A	-	0.00%	16.58%	Tara Holding A.Ş. 33.51% + 0.06%
	B	232,401,833	0.06%		
Vildan Gülçelik	A	-	0.00%	7.99%	-
	B	28,748,184,938	7.99%		
Sevda Gülçelik	A	-	0.00%	6.43%	-
	B	23,135,761,731	6.43%		
Enka Spor Eğitim ve Sosyal Yardım Vakfı	A	-	0.00%	0.00%	-
	B	21,126,175,763	5.87%		
Ayşe Verda Gülçelik	A	28	0.00%	5.02%	Alternatif Aksesuar San. ve Tic. Ltd. Şti. 99.90% + 0.66%
	B	2,364,132,929	0.66%		
Alternatif Aksesuar San. ve Tic. Ltd. Şti.	A	-	0.00%	0.00%	-
	B	15,725,950,228	4.37%		
Ali Gülçelik	A	75	0.00%	4.51%	-
	B	16,239,998,091	4.51%		
Bilgi Gülçelik	A	11	0.00%	4.31%	-
	B	15,514,412,096	4.31%		
Nurdan Gülçelik	A	-	0.00%	1.57%	-
	B	5,667,772,627	1.57%		
Selim Gülçelik	A	160	0.00%	1.55%	-
	B	5,589,302,953	1.55%		
Publicly traded and others	A	434	0.00%	18.48%	Publicly traded 12.61% + Enka Spor Eğitim ve Sosyal Yardım Vakfı 5.87%
	B	45,410,606,336	12.61%		
		360,000,000,000	**100.00%**	**100.00%**	

The shareholder structure of ENKA İnşaat ve Sanayi A.Ş. does not involve any legal person engaged in cross-shareholding relation. There is no provision for representation of the minority shares in the management, and cumulative voting is not allowed. Our company does not have any practice to make the usage of the voting rights of the shares difficult.

2.5. DIVIDEND RIGHT

The Profit Distribution Policy of ENKA Insaat ve Sanayi A.S. which has been approved at the General Assembly held on 27.03.2014 and publicly disclosed on company's website is as follows:

The Board of Directors of ENKA İnşaat ve Sanayi A.Ş ("the Company") takes into account the performance of the Company of that year, economic conditions, the finalized projects, investments and the cash flow of the Company as well as Turkish Commercial Code, the relevant articles of Capital Markets Law, regulations and the practices of the Capital Market Board when presenting the profit distribution proposal to the General Assembly.

The principal policy adopted and applied by the company in aspect of profit distribution is to act always in compliance with the applicable criteria as provided in the Capital Markets Legislation while considering a fair balance between the interests of the Company and that of the shareholders thereof. In this manner, at least 20% of the distributable profit which is calculated in accordance with the Capital Markets Board regulations and other relevant legislation is distributed as cash and/or bonus shares.

Under the framework determined by profit distribution policy and the Capital Markets Board, after reserving the 1st dividend pursuant to the provisions of Article 36 of the Articles of Association, dividends are distributed to the Bonus Certificate holders as per the rate stated in the Articles of Association (total 7.5%).

Dividends are distributed equally at once to all existing shares as per their rates regardless of date of issuance and acquisition dates. Distribution of cash dividends is planned to be paid no later than one month after the General Assembly where the date of dividend distribution is resolved by the General Assembly.

The place and date of the profit distribution, agreed upon during the General Assembly in accordance with the relevant legislation provisions, is announced to the shareholders through the Public Disclosure Platform and by the announcement on the website of the Company.

The Board of Directors may distribute dividend advance if it is authorized by the General Assembly as well as in compliance with the regulations of the Capital Market. The authorization given to the Board of Directors by the General Assembly is limited with that year in which the authorization is given.

The distribution of profit is made within the period required by the provisions of the Capital Market Law, as set forth in the Profit Distribution Policy. Until this day, profit distributions have been done without any delays.

At the Ordinary General Assembly Meeting held on 27.03.2015, regarding the distribution of the year 2014 profit, it has been resolved to distribute TL 300,000,000 cash dividend and by taking into account the legal status of the shareholders to distribute 8.33% gross and 7.58% net dividend to the shareholders representing the 3,600,000,000 TL equity and to distribute the cash dividend starting from April 14, 2015 and to add 295,000,000 TL which will be distributed as shares dividend, together with 90,000,000 TL from the extraordinary legal reserves and 15,000,000 TL from the subsidiary sales profit fund to the share capital of our company and therefore to increase the share capital by 400,000,000 TL (at a rate 11.11%) in total to 4,000,000,000 TL.

Additionally, further to the power vested in the Board of Directors by the Ordinary General Assembly for year 2014 held on 27.03.2015, the Board of Directors resolved to distribute, starting from November 11th, 2015, a total of 280,000,000 TL from the amount that remains after deduction of the relevant reserves as required, pursuant to the provisions of the Turkish Code of Commerce and the Articles of Association, to be set apart from the net profit of the current period as indicated on the financial statements comprising the interim period from 01.01.2015 to 30.09.2015, as Dividend Advances at a rate of 7.00% gross and 5.95% net per share, to the holders of share certificates representing the share capital amounting to 4,000,000,000 TL.

2.6. TRANSFER OF SHARES

Pursuant to Article 8 of the company's Articles of Association which is related to the transfer of share certificates, the share certificates can be freely transferred in accordance with the provisions of Turkish Code of Commerce. The transfer of shares requires full compliance with Turkish Code of Commerce and Capital Market Law.

SECTION III- INFORMING THE PUBLIC AND TRANSPARENCY

3.1. WEBSITE OF THE COMPANY AND ITS CONTENT

The internet address of ENKA İnşaat ve Sanayi A.Ş. is www.enka.com. This site contains all the information listed in the legislation as well as in the Corporate Governance Principles of the Capital Markets Board both in Turkish and in English and this information is updated periodically. Special condition disclosures done by our company can be followed from the company's or Public Disclosure Platform's (www.kap.gov.tr) internet sites. Special condition disclosures announced in the related reporting period are listed on company's internet site with chronological order.

3.2. ANNUAL REPORT

All the information listed in Corporate Governance Principles is provided in our company's Annual Report.

SECTION IV- STAKEHOLDERS

4.1. INFORMING THE STAKEHOLDERS

Our company uses circulated announcements and the electronic media to inform the stakeholders about the matters that concern them and the company.

Provided information is governed by the agreement concluded between the employee and the company on the rights, tasks and liabilities of the personnel.

The execution procedures for the administrative and social works of the personnel at the local construction sites have been established by the regulations. In case of update, the relevant persons are notified.

Our company provides efficient and expeditious compensation to the employees in violation of the rights protected by their contracts. At the same time compensation payments are made by the company to the employees as stipulated by the law.

Stakeholders may submit the transactions of the company which are unethical and contrary to the legislation through Investor Relations Unit to the Corporate Governance or Audit Committees.

4.2. STAKEHOLDERS' PARTICIPATION IN MANAGEMENT

The Corporate Governance Committee established within the structure of ENKA İnşaat ve Sanayi A.Ş. performs, in addition to its other assignments, the necessary coordination in relation to beneficiaries' participation in the management.

Stakeholders who have an access to ENKA Portal have an opportunity for presenting ideas and submitting proposals about any topic.

4.3. ENKA HR/ HSE/ QUALITY POLCIES

4.3.1. HR POLICY

Prepared for the aim to support ENKA İnşaat ve Sanayi A.Ş. and to accomplish its vision &values, the Human Resources Management Policy, as shown on our web page, is as follows:

1. Advance the strategic goals and interests of our company,
2. Be responsive to the changing needs of employees, management & government related entities,
3. Establish and sustain ENKA's reputation as a preferred employer,
4. Maintain a workplace culture in which there is mutual trust and respect, where all employees feel valued, are listened to and are able to contribute their best efforts to achieve our mission,
5. Hire the individual who is best qualified for the position. Provide an equal opportunity to all qualified candidates regardless of race, language, religion, sex or physical disabilities,

6. Consider external sources after ascertaining that the open position cannot be filled by an employee of ENKA,

7. Know and comply with the laws and guidelines relevant to the functions performed,

8. Commit to ensuring that all employees know what is expected from them in their jobs and are helped to develop their capabilities through constructive performance evaluations, training and career planning.

As an organization committed to the effectiveness and compliance of its services with the specifications and the agreements that are contingent upon its employees, ENKA provides the necessary working environment and resources to meet the needs of its employees.

To ensure effective management of the activities by the qualified employees, "work flexibility and enhancement" is focused on in each stage of the organization.

The personnel of ENKA, cannot disclose any confidential information obtained during their employment in the company, in relation to the operating structure and technical matters of the company. Unless a legal sanction applies, the personnel can under no circumstances make any disclosure to any authority, institution or person.

Ceyhun Tutkun (Human Resources and Administrative Affairs Manager) has been working as a representative of ENKA, for coordination and relation between the employer and employees of the company. The company did not receive any complaint about any kind of discrimination.

4.3.2. HS&ES POLICY

A "Zero Accident" policy is both a goal and an achievement at ENKA. The company implements its comprehensive Health and Safety & Environment and Social Responsibility (HS&ES) policy to protect all employees and associates working at ENKA offices, construction sites and related facilities. It includes protection from every kind of pollution, hazard and accident that may result from its business. HSE Management System is based on the standards of the ISO 14001:2004 Environmental Management System and the OHSAS 18001 Occupational Health and Safety Management System.

It is clearly understood by all levels of the company that the HS&ES policies are core company values and this management system is managed in five steps:

- Setting HS&ES policies
- Planning
- Implementation
- Measuring / monitoring the performance
- Auditing & Management Review

ENKA will always have a comprehensive HSE training program to increase awareness of safety, to teach safer working practices and to promote environmental adherence. In the ENKA'a HSE Manual all roles and responsibilities of the individuals in the organization are clearly defined to promote a positive HSE culture.

All managers demonstrate a clear commitment to the HS&ES policies to establish and implement a discipline procedure and an award program to run the HSE management system more effectively.

Monitoring is essential to maintain and improve HSE performance. ENKA believes that proactive monitoring, which oversees the achievement of plans and the extent of compliance with standards before an accident, incident, illness or environmental leakage occurs, is a key factor in HSE performance.

Auditing and reviewing provide considerable improvements on HSE corrective actions by managing risks through lessons learned from past experiences. Internal and external audits are continually performed.

Health, safety and environment are, in fact, its highest priority. ENKA recognizes and acknowledges the importance of achieving world-class performance with respect to the protection of HSE on every project as an integral part of its organizational culture. All personnel are encouraged to actively engage in all the HSE programs and every conceivable effort is made to provide all the necessary training and development to enforce the project requirements to attain its Zero Accident goals.

Health and Safety Policy Statement

Our company is proud that safety and health management is its highest priority in all activities.

The Management of ENKA believes that all accidents are preventable. This is achievable through our desire for continual improvement and our dedication to a Zero Accident policy.

All employees are expected to be accountable for their own actions and shall execute their work in a safe and healthy manner, protecting the environment and property. This expectation is communicated to all people involved in all projects including, but not limited to, ENKA's own workforce, joint venture partners' employees, subcontractors and suppliers.

Preventative measures and the elimination of potential hazards are of the utmost importance for the safety of all employees, visitors and the public in general. By this means, our policy is to provide a safe environment for our own workers and subcontractors on all projects.

We commit to comply with the requirements of all applicable Safety Health and Environmental (HSE) legal and other requirements, and we expect every employee to uphold the applicable requirements in the countries in which they operate.

The protection of health and safety is given the highest priority throughout all project phases, from tendering, front-end engineering through construction and commissioning, ending with demobilisation and reinstatement.

Our project management teams put into place clear and effective Project HSE programs to implement this policy.

To achieve this goal, each Project HSE program;

- Is well informed, motivated and committed to achieve the Zero Accident Target,
- Will embrace the philosophy that no job or task is so important that we cannot take the time necessary to do it safely.
- Upholds the virtue of protecting and keeping the environment in its original state, or making it better.
- Has a workforce and management sensitive, conscious, responsible and proactive with regard to all hazards.

All employees have the responsibility to take the required action - within their authority - to implement the Project HSE program. This responsibility includes eliminating potential hazards, or reporting potential hazards to their immediate supervisor, and contributing to and supporting the implementation of safety precautions.

Environment and Social Responsibility Policy

ENKA is committed to maintaining a conscientious attitude to the environment by using all available and relevant knowledge to identify and eliminate or minimise environmental impacts which may arise from construction activities in all countries of operation.

Starting from the business development stages, through the tendering, front-end engineering, mobilisation, construction and commissioning, ending with demobilisation and reinstatement, all activities shall be performed with due consideration given to environmental impact and related aspects.

The Management of ENKA shall provide all necessary resources to establish and implement environmental management systems as required by assigning responsibilities, authorising respective persons and fostering environmental awareness amongst all personnel.

ENKA aims to create environmental awareness in all of its employees and to continuously increase awareness towards the environment and to promote conservative usage of natural resources. To realise this aim, its environmental management philosophy is based on the continual improvement and implementation of preventative and corrective activities as a natural behaviour of all employees.

With this aim, ENKA is:

- Complying with the environmental laws and regulations applicable in the countries of operation, and other requirements associated with environmental aspects of our activities.
- Using natural resources economically.
- Mitigating environmental impacts through effective waste management.
- Reducing the risks of emergency.
- Fostering environmental awareness of all employees.
- Meeting the requirements of the ISO 14001 Environmental Management System and providing the necessary resources.

All our employees are responsible for supporting and assisting in establishing, implementation and continual improvement of Environmental Management System.

4.3.3. QUALITY POLICY

ENKA's Quality Management System has been established based on the principles of minimal bureaucracy and documentation which allows, quick decision making and implementation. These features are achieved and successfully integrated into the quality management system by utilizing the site-based management and process approach which includes:

- Understanding current and future customer needs, meeting with customer requirements and striving to exceed customer expectations,
- Leadership to establish unity of purpose and direction to create and maintain the internal environment in which ENKA employees can become fully involved in achieving the company's objectives,
- ENKA members, at all levels, are the essence of ENKA organization and their full involvement enables the usage of their abilities for ENKA's quality achievement,
- Management of activities and related resources as a whole process to achieve the desired results more efficiently,
- Identifying, understanding and managing interrelated processes as a system which contributes to the ENKA's effectiveness and efficiency in achieving ENKA's quality objectives,
- Continuous improvement of ENKA's overall performance as a permanent objective of ENKA organization,
- Effective decisions based on the analysis of data and information,
- Mutually beneficial relationships with suppliers to create value.

On each project undertaken, ENKA is paying attention to;

- Protect human beings and the environment,
- Complete its tasks at the highest quality standards,
- Complete each work contracted by the client before the end of the specified completion period,
- Establish long-term collaboration with clients,
- Treat client satisfaction as a priority matter.

In order to effectively fulfill its obligations towards its suppliers and subcontractors as a natural part of its services, ENKA pays utmost attention to:

- Establish long-term collaboration with reliable suppliers/subcontractors,
- Fulfill its agreement obligations towards the reliable suppliers/subcontractors who fulfill their responsibilities.

ISO 9001:2008 Quality Management System is used as an important tool for the continuous assurance and improvement of ENKA's Quality Management System. By way of closely monitoring the process performed, the certification body of British Standard Institution performs periodical audits for the continuation of the validity of the ISO 9001:2008 certificate.

All employees do have an access to ENKA Quality Manual, which has been prepared by the Corporate Quality Management Department, on Electronic Document Management System. All Projects shall delineate their projects' quality programs in their Project Quality Plans to be prepared based on ENKA's Quality Manual.

In addition to the ISO Certification, ENKA's Quality Assurance Program for performing construction, including engineering design, procurement, quality control, contracting, fabrication or installation, as applicable complies with the ASME Boiler and Pressure Vessel Codes. The following ASME certification marks, which is regarded as the hallmark of acceptance and certification, is used to indicate that the stamped item(s) conform to the latest edition of the ASME Boiler and Pressure Vessel Codes on respective projects.

(FS 57544 ISO 9001) (FS 71388 ISO 14001) (FS 71389 ISO 1001)

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4.4. ETHICS AND SOCIAL RESPONSIBILITY

As also stated at company's website, the employees of ENKA İnşaat ve Sanayi A.Ş;

- Do not compromise the general and professional ethic rules,
- Act honestly, reliably and transparently and in accordance with the principles and strategies of the corporation in the course of execution of their tasks,
- Pay utmost attention to behave honestly toward the employer, government, dealers (suppliers), shareholders, and subcontractors and treat quality as a priority in each and every work they perform,
- Do not only fulfill our contractual obligations but also have a constructive attitude towards our employers, customers and partners at all times,
- Use their best endeavor to comply with all the relevant laws and regulations regarding the environment in the countries of operations,
- Make economical use of the natural sources and avoid wastefulness,
- Keep the wastes under control and minimize their adverse environmental effects,
- Fulfill the requirements of ISO 14001 Environmental Management System and provide the necessary resources,
- Constantly improve the work security and employee health applications and ensure avoidance of work accidents.

ENKA Sports, Education and Social Aid Foundation is one of the leading platforms of Turkey where ENKA İnşaat ve Sanayi A.Ş. fulfills its social responsibility. The activities carried out by ENKA Foundation throughout the year are included in the annual reports of ENKA İnşaat ve Sanayi A.Ş., and such information is accessible through the company's website at www.enka.com.

In order to continue its environment-friendly and responsible attitude and minimize the risk of pollution that could affect the construction works, ENKA uses all the available and expedient information in each and every country where it operates.

All the activities starting from the business development stage, including proposals, design, establishing the construction site, construction and closing the construction site, are performed by taking into account the environmental dimensions and effects.

By delegating power and responsibility to the necessary persons for operating the Environment Management System, the top management of ENKA enables the entire personnel to become conscious of the environment policy and objectives and provides all the necessary resources.

ENKA plans to increase the degree of diligence it exercises for the environment and the economical use of natural sources. In order to carry out this plan, enabling the entire personnel to commit themselves to continuously improving the Environmental Management Implementation Program constitutes the basis of this policy.

All employees are responsible of protecting the environment and establishing the Environmental Management System, providing support and assistance in the implementation stage and of continuously developing the system. During the period, no action has been brought against the company for damages to the environment.

SECTION V- THE BOARD OF DIRECTORS

5.1. STRUCTURE AND FORMATION OF THE BOARD OF DIRECTORS

The target in determining the company's board members is to create a structure which will enable the members to make productive and constructive activities, to take decisions quickly and rationally, and to form committees in order to organize their activities in an effective way. Although the aim is to have one female member at the Board of Directors, the proposal of the Board Members submitted to the General Assembly has been formed in line with the above-mentioned targets. The Board of Directors which is approved by General Assembly consists of 5 members; as two executive members, one non-executive member and two independent non-executive members.

Regarding the independent members, 2 nominees were submitted to Corporate Governance Committee, which undertook authority of Nominating Committee, on 06.01.2015 and were approved by the Board of Directors on 07.01.2015.

Declaration of Independent Members of the Board of Directors about their independency is as follows:

In the context of my nomination being "Independent Member of the Board of Directors" at ENKA İnşaat ve Sanayi A.Ş.'s ("ENKA") Ordinary General Assembly Meeting of 2014 which will held in 2015:

- *No relationship was formed in employment, in capital or in important trading activities, neither by me nor by my spouse, nor by my blood or affinity relatives up to the 3rd degree within last five years did not have any direct or indirect relationship with ENKA, 3rd parties in relation with ENKA or legal entities who have relation with shareholders of ENKA having a share of 5% or more,*
- *Within the last five years, I have not been a partner (5% or above), employed as an executive having a significant duty and responsibility, or as a member of the board of directors in a company, which is primarily serving as auditing (tax audit, legal audit and including any internal audit), consulting and rating of ENKA, which undertakes material business activities under an agreement, in the period where the services or goods have been purchased or sold,*
- *As being an independent member of the board of directors, I have the required professional training, knowledge and experience for undertaking the duties of the position,*
- *I am not working full time in a governmental or public institution,*
- *I am a resident in Turkey in accordance with the Income Tax Law no 193 dated 31.12.1960,*
- *I have strong standards of ethics, professional reputation and experience for adding positive contribution in activities of ENKA, for securing my independency about subjects in relation with the conflicts of shareholders and for making independent decisions with taking into account of stakeholders' rights,*
- *I will be able to spend necessary time for fulfilling the requirements of the position and monitoring processes of the activities of the company,*
- *I have not been on the board of ENKA for more than six years within the last ten years,*
- *I am not an independent board member in more than three of the companies which are controlled by ENKA or its controlling shareholders and in more than five companies listed on the stock exchange.,*
- *I am not registered as a board member elected for the legal entity.*

I hereby declare my independency within the framework of relevant legislation in force, articles of association of ENKA and criteria mentioned above.

In the period, no situation occurred that may remove the independency of members. For the Members of the Board of Directors, there is no restriction for undertaking responsibilities outside of our company.

Besides his membership in the Board of Directors of our company, E. Melih Araz has no relation with our group companies. He is also a member of the Board of Directors of Ata Menkul Değerler ve Yatırım A.Ş., Ata Portföy Yönetim A.Ş., Ata Gayrimenkul Yatırım Fonu A.Ş., TFI Tab Food Investments A.S., Burger King China JV, İzmir Enternasyonel Otelcilik A.Ş., Entegre Harç Sanayii A.Ş. and Zorlu Enerji A.Ş.

Besides his membership in the Board of Directors of our company, V. Ergin İmre has no relation with our group companies. He is the Chairman of the Board of Directors of Ahmet Veli Menger Holding A.Ş and Mengerler Ticaret Türk A.Ş. V. Ergin İmre has no relation with our group companies.

In accordance with the Articles of Association of the company, the Board of Directors is responsible for the management of ENKA İnşaat ve Sanayi A.Ş. and its representation. Validity of all documents to be given by ENKA İnşaat ve Sanayi A.Ş. and all the agreements to be concluded require the names of two persons authorized to represent the company under the official heading and per the signature circular of ENKA İnşaat ve Sanayi A.Ş. The Board of Directors assembles at the beginning of each fiscal year and divides up the tasks as well as the management and representation authorizations between the board members. With Ordinary General Assembly resolution dated March 27, 2015, the Board of Directors has been resolved to a tenur of one year with a task division as below:

Board of Directors

Name, Surname	Profession	Position
M. Sinan Tara	Civil Engineer M.Sc.	Chairman of the Board
Haluk Gerçek	Industrial Engineer	Vice Chairman of the Board
Erdoğan Turgut	Civil Engineer M.Sc.	Member of the Board (Non-Executive Member)
E. Melih Araz	Economist	Member of the Board (Non-Executive & Independent Member)
V. Ergin İmre	Chemical Engineer M.Sc.	Member of the Board (Non-Executive & Independent Member)

Şirketimizin İcra Kurulu ise aşağıdaki gibi olup herhangi bir görev süre sınırlaması bulunmamaktadır.

Executive Board

Name, Surname	Profession	Position
A. Mehmet Tara	Civil Engineer	Chairman of the Executive Board and General Manager (Engineering and Architechtural Project Offices; Personnel and Human Resources; Health, Safety and Environment; Legal Matters; Quality Assurance; Machinery Supply and Real Esate Investments)
M. Gökhan Sağnaklar	Civil Engineer	Vice Chairman of the Executive Board
B. Burak Özdoğan	Civil Engineer	Member of the Executive Board (Moscow Projects)
C. Şan Gürdamar	Civil Engineer M.Sc.	Member of the Executive Board (Nuclear Related Projects)
Özger İnal	Civil Engineer M.Sc.	Member of the Executive Board (Infrastructure Projects)
S. Oğuz Kırkgöz	Civil Engineer	Member of the Executive Board (Oil, Gas and Petrochemical Projects)
Zafer Gür	Civil Engineer	Member of the Executive Board (Special Projects)
M. Asaf Yener	Mechanical Engineer M.Sc.	Member of the Executive Board (Industrial Production and Fabrication)
H. Fehmi Bayramoğlu	Mechanical Engineer	Member of the Executive Board (Power Projects)

Curricula Vitae of Board of Directors and the Chairman of the Executive Board and General Manager, which were also announced at the official internet site prior to the General Assembly, are as follows:

M. SİNAN TARA – Chairman of the Board (Executive Member)

Sinan Tara, born in 1958 at Istanbul, graduated in 1980 from the ETH Zürich, Department of Civil Engineering with Bachelor of Science Degree (B.Sc.) and completed thereafter in 1983 his Master of Business Administration (MBA) Degree Program at the University of Stanford. He is fluent in English and German.

Having joined ENKA in 1980 when he was assigned to ENKA's jobsite in Saudi Arabia as field engineer, Sinan Tara worked thereafter actively in various departments, units and projects of the company in the fields of finance, energy investments, construction projects, project financing and other investment areas. Since 1984, he acted as General Manager, Board Member and Managing Director and Executive of ENKA İnşaat ve Sanayi A.Ş., and since 1994, he acts as the Chairman of the Board of Directors of ENKA İnşaat ve Sanayi A.Ş. Moreover, in the fields of social activity and social responsibility projects of the company, he acted actively in the organization and operation of the ENKA Foundation and Sadi Gülçelik Sports Center established in 1983 and the ENKA Sports Club under the umbrella of the ENKA Foundation as well as of the ENKA Schools İstinye, founded in 1996, the ENKA Schools Adapazarı, founded in 1999, and the Private ENKA Technical and Industrial Vocational High School Gebze, founded in 2008 as well as of the ENKA Culture and Arts Unit. Besides these, Sinan Tara is a member of the Turkish Contractors Association.

Sinan Tara, being an Executive Board Member within the scope of the Corporate Governance Principles as applied by the Capital Markets Board, is not an Independent Member of the Board of Directors of ENKA İnşaat ve Sanayi A.Ş. He was within the last ten years and is currently director in charge in the Board of Directors of ENKA İnşaat ve Sanayi A.Ş. and of the affiliated group companies thereof.

HALUK GERÇEK – Vice Chairman of the Board (Executive Member)

Haluk Gerçek, born in 1956 at Istanbul, graduated in 1979 from the Middle East Technical University, Department of Industrial Engineering.

He joined ENKA in 1980 when he started to work in the group company ENKA Pazarlama İhracat İthalat A.Ş. in the position of Deputy General Manager. After having worked as Logistic Manager in Tripoli, Libya between 1981 and 1982, he continued to act as Deputy General Manager of ENKA Pazarlama İhracat İthalat A.Ş. until 1983. Between 1983 and 1987 he was assigned as the Deputy General Manager in charge of ENKA İnşaat ve Sanayi A.Ş., and acted between 1986 and 1987 as Project Manager of the Bombah Water Supply Pipeline Project in Libya. He has acted as Management Committee Member in the investment and construction projects in Russia between 1987 and 1991, as Board Member of ENKA İnşaat ve Sanayi A.Ş. between 1991 and 2001, as the General Manager of ENKA İnşaat ve Sanayi A.Ş., between 2006 and 2012. Since 2001 Haluk Gerçek acts as the Vice- Chairman of the Board of Directors and he is fluent in English.

Haluk Gerçek, being an Executive Board Member within the scope of the Corporate Governance Principles of the Capital Markets Board, is not an Independent Member of the Board of Directors of ENKA İnşaat ve Sanayi A.Ş. He was within the last ten years and is currently director in charge in the Board of Directors of ENKA İnşaat ve Sanayi A.Ş. and of the affiliated group companies thereof.

ERDOĞAN TURGUT (Non-Executive Member)

Erdoğan Turgut, born in 1953, graduated in 1977 from the Aegean University, Department of Civil Engineering, and completed thereafter in 1979 his Master of Science (M.Sc.) Degree Program in Soil Mechanics at the London University Kings College, so that he is fluent in English.

After having worked as Deputy Project Manager in the company Koray Al- Mutamidoon İnşaat A.Ş. in Saudi Arabia between 1981 and 1986 during the construction of the Intercontinental Hotel, Erdoğan Turgut acted between 1986 and 1991 as General Manager in the company Koray – Turser A.Ş. when the latter constructed the 5 Stars Sheraton Hotel & Karum Shopping Center in Ankara, and between 1991 and 1993 as Board Member of the Kavala Group of Companies, and as the partner in the company PMS A.Ş. between 1993 and 1995. Between 1995 and 2010 he acted as Foreign Relations Manager, Deputy Chairman of the Executive Board and Group Coordinator in and of the company Koray Yapı Endüstrisi ve Ticaret A.Ş.

Erdoğan Turgut, being a Non- Executive Board Member within the scope of the Corporate Governance Principles of the Capital Markets Board, is not an Independent Member of the Board of ENKA İnşaat ve Sanayi A.Ş. and acted between 2012 and 2014 as a Non- Executive Board Member, and has also been selected for the year 2015.

E. MELİH ARAZ (Non-Executive Independent Member)

Melih Araz, born in 1948, graduated in 1967 from the Robert College of Istanbul and in 1972 from the University of Ankara, Faculty of Political Sciences, Department of Economy and Public Finance. He completed in 1975 his Master of Business Administration (MBA) Degree Program at the University of Indiana, and took part in 1988 in the Executive Management Program at the Harvard Business School, so that he is fluent in English. Having started his professional working life in 1977 at Citibank N.A., Melih Araz built a career in the fields of international corporate banking and investment banking during his employment of 12 years in various global organizations of Citibank, and acted as senior official in various units of the bank. After having acted as CEO of Interbank A.Ş. between 1988 and 1996, he provided independent consulting services to various firms and groups in the fields of initial public offering, acquisition of companies, venture capital, formalizing of family constitution, institutionalization, restructuring of debts to banks, NPL tenders of the Savings Deposit Insurance Fund (TMSF), and strategic management. Melih Araz acted as Board Member of Medya Holding A.Ş. between 1990 and 1996, of Klimasan A.Ş. between 2000 and 2011, and of Şenocak Holding A.Ş. between 1998 and 2011 and also he acted as an Independent Member of Board of Zorlu Energy A.Ş. between 2008 and 2013. He currently acts as a Member of Board of Directors of Ata Holding A.Ş., Ata Portföy Yönetim A.Ş., Ata Gayrimenkul Yatırım Ortaklığı A.Ş, Burger King China JV, Entegre Harç Sanayi A.Ş., İzmir Enternasyonel Otelcilik A.Ş. and TFI TAB Food Investments A.Ş. Since 2006 Melih Araz, as Board Member of Ata Yatırım ve Menkul Değerler A.Ş., is active as the responsible official thereof in the fields of corporate finance, investment banking, company mergers and venture capital. Moreover, Melih Araz acts also as active member of various non- governmental organizations, associations, and institutions, and is one of the charter members of the Turkish Economic and Social Studies Foundation (TESEV). He acted between 1989 and 2007 as the President of the Education & Training Committee, the Social Affairs Committee and the Social Security Reform Project of the Turkish Industry & Business Association (TÜSİAD), and is since 1989 Member and Honorary Member of the Board of Trustees of the Robert College of Istanbul. Melih Araz also acts as Member of Executive Committee of Turkish – Japanese and Vice- Chairman of Turkish – Chinese Business Councils in Foreign Economic Relations Board (DEIK) as well as having other memberships in various clubs and associations.

Melih Araz meets the criteria applicable to Independent Board Members within the scope of the Corporate Governance Principles of the Capital Markets Board, and acted between 2012 and 2014 as a Non- Executive Independent Board Member of ENKA İnşaat ve Sanayi A.Ş., and has also been selected for the year 2015.

V. ERGİN İMRE (Non-Executive Independent Member)

Ergin İmre, born in 1958, graduated in 1981 from the Polytechnic School in Zurich, Department of Chemistry Engineering. He is fluent in German and English.

Having started his professional career in 1982 in the company Ahmet Veli Menger Holding A.Ş. and its subsidiary Mengerler Ticaret Türk A.Ş., Ergin İmre acted until 2010 in the company Ahmet Veli Menger Holding A.Ş. as Board Member and General Manager thereof, and as Board Member of Mengerler Ticaret Türk A.Ş., and after 2010 he started to act as the Chairman of the Board of Directors of both companies. Moreover, Ergin İmre acted also as Board Member of the company Mercedes Benz Türk A.Ş. between 1994 and 1999 and of the company Robert Bosch Türk A.Ş. between 1987 and 1994, and upon expiry of the partnership between these companies, resigned from both positions.

Ergin İmre meets the criteria applicable to Independent Board Members within the scope of the Corporate Governance Principles of the Capital Markets Board, and acted between 2012 and 2014 as a Non- Executive Independent Board Member of ENKA İnşaat ve Sanayi A.Ş., and has also been selected for the year 2015.

A. MEHMET TARA (President and Chairman of Executive Board – General Manager)

Mehmet Tara, born in 1983, graduated in 2002 from the Cushing Academy and in 2006 from Wentworth Instıtute of Technology, Department of Civil Engineering. Having started his professional working life in 2006 as a construction site engineer, on the forthcoming years he achieved titles, Deputy Project Manager, Vice President and Executive Board Member responsible for Moscow Projects and Investments. Board of Directors' appointment dated May 02, 2012, he entitled as The President and The Chairman of Executive Board and also General Manager of ENKA. Mehmet Tara is fluent in English, member of Turkish Industry & Business Association (TUSİAD), married and has two children.

5.2. OPERATIONAL PRINCIPLES OF THE BOARD OF DIRECTORS

The Board of Directors of ENKA İnşaat ve Sanayi A.Ş. which was approved at the Ordinary General Assembly dated 27.03.2014 and the Board of Directors which was approved at the Ordinary General Assembly dated 27.03.2015 made 11 meetings until the end of report period and the average of attendance rate is 78%. Prior to each meeting, the secretariat of Board Directors personally informs board members about the meeting agenda. Since the IPO of ENKA İnşaat ve Sanayi A.Ş., no divergent views have been suggested by board members. There are no privileged voting rights for any member of the Board of Directors.

The Board of Directors were authorized at the Ordinary General Assembly for execution of written transactions listed in articles No. 395 and 396 of the Turkish Commercial Code and no transaction were done with this authority.

There were no material or related transactions neither which was submitted for the approval of the Independent Board Members nor submitted for the approval of the General Assembly with non-approval of Independent Board Members.

The Board of Directors of the Company had discussed about the Affiliated Company Report and the declaration is as follows:

"On such date on which the relevant legal steps as mentioned in the report have been taken, always a proper counteract has been undertaken for/towards each of such legal steps in accordance with such terms and conditions and circumstances as being to our knowledge. In this aspect, there is neither any measure to be taken or to be avoided to be taken nor any loss to be suffered by the company."

5.3. NUMBER, STRUCTURE AND INDEPENCE OF THE COMMITTEES ESTABLISHED WITHIN THE BOARD OF DIRECTORS

Three committees officiate in affiliation with the Board of Directors of ENKA İnşaat ve Sanayi A.Ş. The committees assemble as often as it is necessary. Board of Directors' resolution dated 31.03.2015 about these committees is as follows:

For the Audit Committee to elect for a tenor of one year:
E. Melih Araz (Chairman) and V. Ergin İmre (Member)

For the Corporate Governance Committee to elect for a tenor of one year:
E. Melih Araz (Chairman), Erdoğan Turgut (Member) and Gizem Özsoy (Member)

To establish the Early Identification of Risks Committee and to elect for a tenor of one year:
V. Ergin İmre (Chairman) and Erdoğan Turgut (Member)

Also, it has been resolved that according to the structure of the Board, the issues falling within the scope of activities of the Nominating Committee and the Remuneration Committee to be carried out by the Corporate Governance Committee and for the working principles of the committees and task fields to be identified by the committee members and to be submitted to the Board of Directors. Purposes of committees as established thereof, have been stated below:

Purpose of the Audit Committee:

It is to ensure the duly supervision of the independent audit of the accounting system and financial data of the company as well as of the functioning and efficiency of the internal control system.

Purpose of the Corporate Governance Committee:

It is to propose suggestions regarding the corporate governance of the Company; to ensure the increase in quality of the corporate governance applications; to pursuit efficiently the legislation of the Capital Markets Board regarding the corporate governance principles and any other corporate governance principles generally accepted on the international capital markets as well as to advise the Board of Directors on the implementation of any applicable ones thereof; to make the necessary workings for the nomination, assessment and training of the proper candidates for the Board of Directors of the Company, and for the determination of the principles of remuneration of the members of the Board of Directors and top managers of the Company and to propose suggestions to the Board in this aspect.

Purpose of the Early Identification of Risks Committee:

It is to early identify any potential risks that might jeopardize the existence, development and continuation of the Company, and to take and implement the necessary measures and preventive actions for the elimination of such detected potential risks as well as to perform any workings related to risk management and to review at least once a year any applied risks management systems.

Due to the formation of the Board of Directors as being in total 5 people, some of the members of the Board of Directors are assigned in more than one committee.

In 2015 Audit Committee made 5 meetings, Corporate Governance Committee made 2 and the Early Identification of Risks Committee made 6 meetings within the months stated below.

COMMITTEE MEETINGS			
	AC	**CGC**	**EIRC**
JANUARY		X	X
FEBRUARY	X		
MARCH	X		X
APRIL			
MAY	X		X
JUNE			
JULY		X	X
AUGUST	X		
SEPTEMBER			X
OCTOBER			
NOVEMBER	X		X
DECEMBER			

AC: Audit Committee **CGC:** Corporate Governance Committee **EIRC:** Early Identification of Risks Committee

5.4. RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

The Financial Control Unit within the structure of ENKA İnşaat ve Sanayi A.Ş., which periodically inspects the projects and the group companies in advance and proposes the necessary solutions for any deviations from the objectives, as well as all of the potential risk factors to the management.

The internal control systems and its structure is organized in a way that can eliminate all risks to be encountered by the company, especially the ones which could adversely affect the activities and proactively works for the solution without encountering any problems even in the crisis period. Increasing strength of the company's financial position is an indication of this system working effectively.

5.5. MISSION, VISION AND OBJECTIVES OF THE COMPANY

Our Mission:

To design, build and deliver safe, high-quality and cost-effective construction projects on schedule for our customers while providing quality employment and career growth opportunities for ENKA Employees.

Our Vision:

To be one of the best and innovative engineering & construction companies serving globally.

Our Performance Objectives:

- To be open to innovations, using advanced technologies and always seeking the better,
- To be prudent and sensitive about work security and environment protection,
- To train our young employees in accordance with our culture as creative, hardworking and honest employees and to ensure that our employees work as individuals who have self-confidence, are able to communicate and use discretionary power and take responsibility, and
- To seek our competitive power and profit in perfecting our management and technical skills.

Pursuit of the Objectives and Achievement of Goals:

The objectives that reflect of our sensitivity about completing the works before the end of the planned time frame and delivering to the client are pursued very diligently at the highest and most detailed level. The members of the Executive Board pursue the objectives and the degree of their achievement in relation to the projects carried out in those countries where they are responsible and periodically resolve in the Executive Board to find out the leading motives of the deviations, whether the deviations affect the result of the project and if it is necessary to create new targets and to take the necessary measures about the personnel who have responsibility in such delay.

5.6. FINANCIAL BENEFITS

For stand-alone ENKA İnşaat ve Sanayi A.Ş.; total wages paid for the members of the Board of Directors is TL 3,540,194, the social security payments is TL 45,368 and the accrued retirement pay provisions as of December 31, 2015 are TL 255,767. The total amount of the fees and similar benefits provided to the top managers such as the general manager, general coordinator and vice general managers is TL 28,974,490 the social security payments is TL 760,402 and the accrued retirement pay provisions as of period end are TL 2,269,546. There are no payments made to the members of the Board of Directors and top managers in the way of shares, derivative products originating from shares, share buying options or payments not made in cash such as house or car whose proprietorship bestowed and/or allocated for their use. ENKA İnşaat ve Sanayi A.Ş. is not in any sort of debt relation whatsoever with any of the members of the board or any top managers.

The Remuneration Policy Applicable to the Board Members and Administratively Responsible Managers was submitted to the shareholders at the General Assembly dated 27.03.2014 which was published on our internet site is as follows:

1. Objective and Scope

The purpose of the policy described hereunder is to determine, in compliance with and under consideration of such regulations, obligations and principles as specified in the Capital Markets Legislation and the Capital Markets Board's corporate governance principles, any rules, requirements, principles and modus of implementation applicable to the remuneration of the Board Members and Administratively Responsible Managers of ENKA İnşaat ve Sanayi A.Ş. as approved by the Board of Directors thereof. Any rights, benefits and remunerations to which the Board Members of the Company are entitled to, and any modus of and requirements applicable to the payment thereof are defined in the Articles of Association of the Company, and such rights, benefits and remunerations are concluded and fixed each year by the General Assembly thereof in its annual meeting under a separate item of agenda and the same are published thereafter in the website of the company. The remuneration policy hereunder aims the sustainability and enhancement of the performances of the Board Members and Administratively

2. Principles Applicable to Remuneration

Remunerations Payable to the Members of the Board of Directors

Independent Members and Non-executive Board Members: The Independent Members and Non-executive Board Members of the Board of Directors are entitled to a monthly attendance fee as honorarium in such amount as to be determined each year by the General Assembly. The amount of such monthly attendance fee is not fixed on the basis of the performance of the Company so that the independency thereof is not impacted of the Independent Members thereby.

Executive Board Members: The Executive Board Members are paid a monthly attendance fee in the same amount as payable to the Independent Members as aforesaid, besides such below-mentioned bonuses as payable to the same on the basis of their performances and contributions to the company as well as their level of reaching the targets as set.

Remunerations Payable to Administratively Responsible Managers

Remunerations payable to Administratively Responsible Managers include performance determined bonuses besides the fixed pays to be determined and calculated in accordance with the scope of duties and responsibilities thereof under consideration of the requirements and the experiences designated for each position. Executive Committee Members are entitled to a monthly attendance fee as honorarium as well as bonuses and fixed pays.

3. Performance and Remuneration Methods

Fixed Pays: *In the determination of the attendance fees payable to the Members of the Board of Directors as well as of the fixed pays to the Administratively Responsible Managers as aforesaid, the preservation of the company's internal balances and the compliance thereof with strategic targets and the ethical values of the company are always considered. The amount of the fixed pays are determined and calculated for each position in accordance with the scope of duties and responsibilities of the relevant payee under consideration of various factors such as economic conditions in the market, the size of the company, any long-term targets and the level of realization thereof as well as the position and the level of experience of the relevant payee. In the determination and calculation of the remunerations payable to the Board Members and Administratively Responsible Managers of the Company, no short-term performance based payment plans such as Company's profit or income shall be applicable.*

Performance Pays (Bonus Payments):

Also in the determination and calculation of the performance based bonus payments, various factors such as bonus policies applicable in the market to any staff in similar or equivalent position, the level of reaching and realization of the company targets and the individual performances are taken into account, and they are determined and calculated so that the equity of the company is not impacted thereby. Within the scope of this policy, no Board Member or Administratively Responsible Managers of the Company is lent any money or granted any loan or any personal credit by virtue of any third parties or provided any securities or guarantees. Any remunerations and benefits paid to Board Members and Administratively Responsible Managers of our company are disclosed to public in the Annual Report thereof.