

SODA SANAYİİ A.Ş.

CORPORATE GOVERNANCE COMPLIANCE REPORT

SECTION I – STATEMENT OF COMPLIANCE CORPORATE GOVERNANCE PRINCIPLES

This statement defines the below mentioned responsibilities of Soda Sanayii Anonim Şirketi (the “Company”) for the handling of relations with shareholders, stakeholders, public disclosure and transparency, and for determination of the duties, powers and responsibilities of the Board of Directors, and of the committees and executives reporting thereto, within the frame of the Corporate Governance Principles stipulated by the Capital Markets Board of Turkey (CMB) Communiqué Serial: II-17.1 on Corporate Governance that went into force upon its publication in the Official Gazette issue 28871 dated 03 January 2014.

Incorporated in 1969 as a member of the Şişecam Group and a Türkiye İş Bankası subsidiary, Soda Sanayii A.S. is engaged in the soda ash and chromium chemicals sectors. Soda Sanayii supplies soda chemicals to various industrial sectors at home and abroad, including glass, textiles, detergent, chemicals, and food and feed industries, which Soda produces at its Soda Plant in Mersin and procures from Solvay Sodi, its associate in Bulgaria.

Şişecam Bulgaria Ltd., our sales company established in Bulgaria, ships the soda chemicals procured from Solvay Sodi to abroad base of customers located in and out of Bulgaria.

A substantial portion of the soda chemicals produced at Şişecam Soda Lukovac d.o.o., our subsidiary incorporated in Bosnia&Herzegovina, is exported.

As a most important producer of chromium chemicals, Soda Sanayii supplies the major industrial sectors at home and abroad, including leather, wood preservation, chemicals and paper with basic chromium sulphate, chromic acid, sodium sulphide and sodium sulphhydrate produced at the Kromsan Plant in Mersin, and purchased from the Italy-based Cromital S.p.A., in which it has acquired ownership share in 2005 to become the outright owner at the end of 2011. The Company ranks among the world’s top 10 and Europe’s top four largest suppliers in the soda ash sector, and it is leader producer in the field of chromium chemicals. In line with the position it enjoys, Soda Sanayii has built its management concept on the principles of equality, transparency, accountability and responsibility. This concept is best exhibited in the Company’s position established as one of the select producers in its field of activity in Europe and in the world, by virtue of the current magnitude of its business, the degree of its specialization, and its highly competitive operations.

The Company attaches great importance to continued productivity increase and cost reduction, and attains these targets with the support of modernization and R&D investments.

Displaying a high level of sensitivity with respect to environmental and occupational health, Soda Sanayii carries out its initiatives in these topics in accordance with Responsible Care, a voluntary initiative implemented by the chemicals industries in developed countries.

Modern governance and industrial operation principles, high level of institutionalization, market-orientation and R&D focus, growth, productivity increase, and product and service quality, which have brought the Company to its current position, also make up the pillars of the future’s stronger Soda Sanayii A.S. The Company pays the utmost attention to achieve compliance with the Capital Market Board (CMB) regulations in its corporate governance practices. The principles, which are appended to the Communiqué on Corporate Governance and with which full compliance could not yet be achieved in the fiscal year ended 31 December 2016, have not led to any conflict of interests among the stakeholders to date. Explanations regarding those Corporate Governance Principles covered in the appendix to the Corporate Governance Communiqué, which are non-compulsory for the Company, *are provided* in the related sections of the report for the year ended 31 December 2016. Specific activities carried out during the reporting period for achieving compliance with the Corporate Governance Principles are summarized below.

- 1) The Company has announced publicly the dividend payment dates and capital increase history of last five years in Turkish and English on the web site.

- 2) Any losses which might arise due to consequence of mistakes made by board of directors are insured by Anadolu Anonim Turk Sigorta within the scope of Director Liability Insurance.
- 3) The scope and content of the Company's corporate website were expanded so as to increase the efficiency of shareholders' and stakeholders' access to information. Accordingly, the corporate website features investor presentations, investor calendar, frequently asked questions, and similar information and explanations, which may affect the exercise of shareholder rights, in an up-to-date manner for shareholders. During 2016, all related party transactions and transaction principles were collectively presented to the Board of Directors. There were no related party transactions or material transactions that needed to be put to the vote at the General Assembly by reason of the withdrawal of approval by independent members

The Company's 2016 Corporate Governance Principles Compliance Report was prepared in the format specified in the CMB resolution no. 2/35 published in the Weekly Bulletin no.2014/2 dated 27 January 2014, and presented under separate headings hereinbelow.

SECTION II. STAKEHOLDERS

2.1. Investor Relations Department

In order to fulfill the obligations arising from the capital market legislation within the frame of the regulatory rules and to more effectively pursue the activities along that line, a centralized approach has been embraced, and the Parent Company created an organization accordingly.

All requirements and responsibilities of Soda Sanayii A.Ş. in accordance with the Turkish Commercial Code and capital markets board legislation have been fulfilled with the supervision, guidance, and coordination of the "Investor Relations Department" which falls within the area of responsibility of Financial Affairs Group Director Mustafa Görkem Elverici in line with the corporate governance principles of the CMB. In this context, in accordance with CMB II- 17.1 No. Corporate Governance Communiqué of Article 11, Asuman Durak, Department Manager who holds advance level Capital Markets Activities Licence and Umut Barış Dönmez, financial director were assigned as responsible parties, and this assignment was disclosed to the public through the PDP on 23 March 2016.

The investor relations department plays an active role in protection of shareholding rights and in facilitating the use of those rights, particularly the right to a debriefing and the right to analyze. The main activities conducted within this scope are summarized as follows:

- a. Keeps the records of the correspondence between the investors and the Company, and other information and documents in a sound, safe and up-to-date manner.
- b. Responds to written information requests about the Company received from the shareholders;
- c. Ensures that the General Assembly meetings are held in accordance with applicable legislation, articles of association and other internal guidelines;
- d. Prepares the documents that may be beneficial for shareholders at the General Assembly meetings;
- e. Supervises the fulfillment of obligations arising from the Capital Market Legislation, including all aspects of corporate governance and public disclosure.

The Department submits a periodic report to the Board of Directors, which covers the Department's activities during the reporting period, investor feedback and opinions that may be deemed important, and brokerage firms' comments and assessments about the Company.

One-on-one meetings and teleconferences are held with the analysts and fund managers of domestic and foreign brokerage firms and asset management companies at the Company's head office, and the information requests received by the Department are responded to. To request information, shareholders can directly contact the Investor Relations Department employees, or send an email to the Department's email address or use the contact form available on the website. Records of written and oral information requests, and of the responses thereto, are regularly kept by the Investor Relations Department.

Information and disclosures, which are of a nature to affect the exercise of shareholding rights, are made available for shareholders in an up-to-date manner on the corporate website.

2016 activities aimed at providing detailed information on the Company's activities and operations to investors are summarized below.

- During 2016 the Company participated in conferences regarding shares and bond investors organized by Bank of America Merrill Lynch (Miami), Citi (Frankfurt), BGC (London), Bank of America Merrill Lynch (London& New York), Ak Yatırım (Istanbul), BNP Paribas (London), HSBC (London), Goldman SACHS (London), İş Investment (America&Europe) and Raiffesen (London). The meetings were held with above 300 investors in total, including investor meetings held in our Company Headquarters.
- In March and August 2016 teleconferences were held via webcast with investors and analysts to evaluate the financial results for the year end of 2015 and the first half of 2016.

In addition to the contact persons of the Investor Relations Department, Bala Zaimođlu, Budget and Financial Control Manager reporting to the Financial Affairs Department, and Ahmet Bayraktarođlu, Accounting Manager, can also be assigned to the Investor Relations Department as and when necessary.

2.2. Exercise of the Shareholders' Right to Information

Shareholders are not discriminated against when exercising their right to obtain and review information. Each shareholder has the right to obtain and review information. The Articles of Association contains no provisions restricting the right to receive information. During 2016, written and verbal information requests from investors and shareholders were responded to in accordance with capital markets legislation, CMB regulations, and resolutions, and related information and documents, except for confidential information or trade secrets were, conveyed to investors and shareholders as required by the equality principles.

Within the framework of applicable legislation, the Company's corporate website is used effectively to broaden the shareholders' right to information and to facilitate proper exercise thereof. Within this scope, information and documents stipulated by the Corporate Governance Principles and regulatory authorities are made available in Turkish and in English for shareholders on the Company's corporate website accessible at www.sisecamkimyasallar.com.

The Company's Articles of Association do not stipulate the request for the appointment of a special auditor as an individual right as yet. No request for the appointment of a special auditor was received during the reporting period.

2.3. General Assembly Meeting

The announcement of a general assembly meeting is made through the Public Disclosure Platform (KAP), the Electronic General Assembly System (EGKS), the corporate website of the Company, and the Turkish Trade Registry Gazette at least three weeks before the meeting in order to reach the maximum number of shareholders. In addition, before the general assembly meeting, "information documents" regarding agenda items are prepared and announced to the public. All announcements and notifications required by the Turkish Commercial Code (TCC), capital markets legislation, CMB regulations and decisions, and the Company's Articles of Association.

The announcements clearly specify the date and time of the meeting, the exact meeting venue so as to avoid any ambiguity, meeting agenda, the body issuing the invitation to the meeting, and the address where the annual report, financial statements, and other general assembly meeting documents can be examined. In this context, the annual report, financial reports, other documents forming the basis for agenda items, and the profit distribution proposal were made available for review from the date of promulgation of the meeting announcement in various environments guaranteeing easy access to shareholders, including the Company head office and the electronic environment.

In addition to those, the following were posted in a manner to draw the attention under the "Informational Documents" section of the "General Assembly Announcements and Documents" under the "Investor Relations" heading on the Company's corporate website at www.sisecamkimyasallar.com.

- a. The total number of shares and voting rights reflecting the Company's shareholding structure as of the date of disclosure, privileged share groups within Company capital, voting rights, and the nature of privileges,
- b. Information that no material changes occurred in the management and/or activities of the Company and its subsidiaries in the previous fiscal year, nor are they planned for the upcoming fiscal period, which may have a material impact upon the Company's operations,
- c. Grounds for dismissal and replacement of Board Members, along with the nominees' résumés, posts held in the last decade, the nature and significance of their relationships with the Company and its related parties, whether they qualify as independent members, and information on similar matters.

When preparing the general assembly agenda, care is taken to assign a separate heading to each motion, and to express agenda items clearly in a manner that will not result in any misinterpretations. Words like "other" and "various", etc. are avoided.

When preparing the agenda, the Board of Directors takes into consideration the topics that shareholders communicated in writing to the Company's Investor Relations Department, which they wish to be incorporated in the agenda. No such requests were received during the reporting period.

The utmost attention is paid to hold General Assembly meetings without leading to inequality among the shareholders and to organize the meetings so as to make sure that shareholders can participate at the lowest possible cost. Within this context, the time of a general assembly meeting is determined by considering traffic, transportation, and similar external factors. Electronic general assembly meeting is considered as an option that can increase the ability of shareholders to participate in these meetings..

During the General Assembly meeting, the chairman takes care to make sure that the topics covered in the agenda are addressed in an unbiased and detailed manner, they are presented clearly and comprehensibly, and the shareholders are given the opportunity to voice their opinions and ask their questions under equal conditions. The shareholders' questions during a general assembly meeting, which are not trade secrets, are directly responded to during the course of the meeting. If the question is irrelevant to the agenda or is too comprehensive to be answered forthwith, the query will be responded to in writing as soon as possible by the Investor Relations Department. During the Ordinary General Assembly convened in 2016, however, no questions were raised.

In the event that shareholders having management control, members of the Board of Directors, executives with administrative responsibility and/or their spouses or relatives by blood or marriage unto the second degree carry out a material transaction that might lead to a conflict of interest with the Company or its subsidiaries, and/or perform a transaction on their own or other's behalf which falls within the scope of the commercial activity of the Company or its subsidiaries, or become a partner with unlimited liability in another company dealing with the same kind of commercial activity, such transactions are included in the agenda as a separate item for presentation of detailed information at the General Assembly, and are recorded in the minutes of the General Assembly meeting.

Activities that the members of the Board of Directors perform within the scope of Articles 395 and 396 of the Turkish Commercial Code are presented for the information of the General Assembly.

Members of the Board of Directors, other relevant individuals, officials who were responsible for preparing the financial statements, and auditors attend the General Assembly in order to provide necessary information on specific matters covered in the agenda and to answer questions.

If there is a significant change in the management and operation of the company, public disclosure is made within the frame of the legislation.

Due to Zeynep Hansu Uçar's, member of the Company's Board of Directors, resignation as of 4 August 2016, in this context that change was disclosed on the PDP in line with the applicable legislation on 5 August 2016.

The Company's articles of association were amended in compliance with corporate governance principles with respect to significant transactions and related party transactions defined in the corporate governance principles of the CMB and providing guarantees, pledges, and mortgage in favor of third parties.

Within this context, during the reporting period;

In the Board of Directors' meeting held on 30 June 2016, Şişecam Soda Lukavac, one of the subsidiaries which operates in Bosna Hercegovina borrowed a loan from IFC amount of USD10 Million. The Company decided to stand guarantor as joint and several responsibility with Türkiye Şişe ve Cam Fabrikaları A.Ş. . As of 31 December 2016 amount of USD 2,1 Million is used.

At the last Ordinary General Assembly meeting, Shareholders were informed of donations made during the reporting period, and the upper limit of donations for the upcoming period was approved. In the Ordinary General Assembly meeting held on 23 March 2016, ceiling amount decided as TRY 1.975.000. In 2015, amount of TRY 61.977 donations were made.

General Assembly meetings are open to the public, including the media. Our General Assembly meetings are held under the supervision of a representative from the Ministry, who is assigned by the Ministry of Customs and Trade. The General Assembly meeting minutes, which are posted on the Company's corporate website, are also made available for review by shareholders at the Company's head office. During the reporting period, information on related party transactions and on guarantees, pledges and mortgages provided in favor of third parties is provided at the General Assembly under a dedicated agenda item. The Ordinary General Assembly meeting for 2015 was held on 23 March 2016 with a quorum of 80,47%.

In the announcements and declarations regarding General Assembly meetings, the following information is provided;

- a) The agenda, place, date, and time of the General Assembly, and sample proxy form and the principles for the wording of the proxy form for those shareholders who will be represented by proxy;
- b) The information that the general assembly meetings will be held in a physical and electronic environment, and that in the case of electronic general meetings, proxies will be assigned, suggestions will be made, opinions will be expressed, and votes will be cast via the Electronic General Meeting System (e-GEM) provided by the Central Registry Agency (MKK), and that right holders wishing to participate in the general assembly in person or by proxy in the electronic environment shall make their preferences known in accordance with the principles of e-GEM;
- c) The information that shareholders wishing to participate in the physical general assembly must present their identities or proxy forms, as the case may be, if they wish to exercise their rights in relation to their shares registered in the "Shareholders List" with the Central Registry Agency (MKK) system in person or via their proxies;
- d) That the annual report, including financial statements, independent audit reports, the profit distribution proposal of the Board of Directors, and the former and new versions of the amended Articles of Association, if applicable, will be made available for examination by the shareholders at the Company head office and on the corporate website at least three weeks in advance of the General Assembly date.

2.4. Voting Rights and Rights of Non-controlling Interests

There are no privileges stated in the Company's Articles of Association regarding the exercise of voting rights. In accordance with the Articles of Association, each share is entitled to one vote. If cross ownerships is associated with a controlling relationship, the corporations in such cross ownership may not exercise their voting right in the General Assembly meetings of the corporations in which they have cross ownership, unless a compulsory situation arises, such as ensuring a quorum.

Soda Sanayii A.Ş. does not have treasury shares.

The Company avoids practices that complicate the exercise of the voting right, and all shareholders, including those who reside abroad, are given the opportunity to exercise their voting rights conveniently and easily..

The utmost care is taken to make sure that minority rights are exercised. However, the Articles of Association do not grant minority rights to those holding less than one twentieth of the capital, and the Company adopted the same ratios that are stipulated in the legislation for publicly-held companies. There are no findings indicating that there is a conflict between the interests of the blockholder and those of the Company.

2.5. Dividend Right

The Company has in place a specific, consistent “Dividend Distribution Policy” determined by considering the Turkish Commercial Code, the Capital Markets Board Law, tax laws and other legislation governing the Company, as well as the Articles of Association. This policy has been submitted to the approval of shareholders at the General Assembly, incorporated in the annual report and publicly disclosed on the corporate website.

The Company’s profit distribution policy contains the minimum information that is clear enough to give investors an insight into the distribution principles and procedures for the Company’s future profit. The profit distribution policy, the full text of which is provided hereinbelow, observes a balanced policy between the interests of the shareholders and those of the Company.

The Profit Distribution Policy is as follows;

The dividend distribution policy of the Company has been determined considering the Turkish Commercial Code, the Capital Markets Board Law, tax laws, other legislation the company is subject to, and the provisions of the Articles of Association.

Accordingly;

- a) The Company has determined that a minimum of 50% of its distributable net profit for each period, calculated at year end within the framework of the legislation on capital markets and other relevant legislation, is distributed in cash and/or in the form of bonus shares; the Shareholders’ Ordinary gGneral Assembly may resolve on a distribution which differs from the targeted percentage, taking into consideration matters such as economic conditions, investment plans, and cash position.
- b) The Board of Directors’ profit distribution proposals, which also contain the details stipulated in the arrangements pertaining to the Capital Markets Board and in the corporate governance principles, are, within the relevant statutory periods of time, disclosed to the public through the Public Disclosure Platform, the Company’s website, and activity reports.
- c) Cash dividends, which shall be distributed depending on the resolutions taken at the General Assembly, are paid on the dates decided upon at the General Assembly; the transactions, which are relevant to the dividends that shall be distributed in the form of bonus shares, are completed within the statutory periods of time stipulated in the arrangements pertaining to the Capital Markets Board.
- d) Within the framework of the profit distribution policy the dividends are equally distributed among all the shares existing at the date of distribution, regardless of issuance and acquisition dates.
- e) If the Board of Directors proposes against distribution of profits to the General Assembly, the grounds for this proposal and information on how the undistributed profits shall be utilized are announced to the shareholders at General Assembly meetings.
- f) The profit distribution policy observes a balance between the interests of the shareholders and the interests of the Company.
- g) There are no privileged shares in terms of acquisition of shares from the profit.
- h) The Articles of Association do not contain any provisions governing founder’s shares or payment of dividends to the members of the Board of Directors or to employees;
- i) In accordance with the articles of association, the Board of Directors can distribute profit advances, provided this is authorized by the General Assembly and complies with the Capital Markets Law and regulations of the Capital

Markets Board regarding this subject; the profit advance distribution authority, which is granted by the General Assembly to the Board of Directors, is limited to the related year.

In 2016, dividends amounting to (240+90=) TRY 330 million have been distributed, of which TRY 240 million were cash and TRY 90 million were bonus shares.

2.6. Transfer of Shares

Neither the Articles of Association of the Company nor any decisions adopted at the General Shareholders' meeting contain any provisions that impede the transfer of shares which are publicly traded.

SECTION III. PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Company's Website and Its Contents

The corporate website, www.sisecamkimyasallar.com, is actively used as suggested by the corporate governance principles of the CMB in order to be in continuous contact with its shareholders and to maintain the company's relationships with its shareholders more effectively. The information on this website is constantly updated by the investor relations department. The company's corporate website has the same content with explanations within the framework of the provisions of the related regulations and there is not any conflicting or missing information on the site.

On the Company's corporate website www.sisecamkimyasallar.com, which is available in Turkish and English, mandatory information is disclosed pursuant to the legislation. The following is included on the corporate website: segment information, information about products, annual and interim reports, financial statements, corporate governance compliance reports, the Articles of Association, trade register information, information about the latest shareholder and management structures, publicly disclosed material information, periodical financial statements, annual reports, prospectuses and circulars and other public disclosure documents, agendas from the general assembly meetings and lists of the participants and minutes for the general assembly meeting, a form for proxy voting at the general assembly meeting, the donation policy, the remuneration policy, the dividend distribution policy, the ethical rules of the company, frequently asked questions and the responses. Information on these topics can be accessed on the website for at least the last five years.

The shareholding structure of the Company, specifying the names of the real person shareholders holding more than 5% share after the elimination of indirect and cross-shareholding relationships, and the ratio and amount of shares are disclosed on the Company's corporate website and are updated quarterly.

Türkiye Şişe ve Cam Fabrikaları A.Ş. holds 60,65% of the issued shares of the company, amounting to TRY 750.000.000 as of 31 December 2016.

Türkiye Şişe ve Cam Fabrikaları A.Ş. is the controlling shareholder and as of the date of this report there are individual shareholders who hold more than 5% of the company's shares within its capital structure.

3.2. Annual Report

The annual report is prepared in order to provide complete and accurate information regarding the activities of the company to the public. The annual report for 2016 has been prepared based on the third clause of Article 516 of the Turkish Trade Act and Article 518 of the same act, in accordance with the minimum content specified in Article 8 of the "Communique of Principles Regarding Financial Reporting in Capital Market" of the Capital Market Board and the provisions of the "Regulations Regarding the Determination of Minimum Contents of Annual Activity Reports of the Companies" by the Ministry of Customs and Trade and the annual report has been independently audited.

The annual report contains the following information;

- a. The period covered by the report, the title of the company, trade registry number, contact information,
- b. The names of the chairman and the members of the board as well as committees and upper management,
- c. The sectors in which the company and its subsidiaries operate and information on its positions in these sectors,
- d. Information about the company's functional units, general explanations related to their activities and performance and yearly developments,
- e. Progress on investments, the eligibility and status of government incentives,
- f. The changes to the Articles of Association in the current period,
- g. The Corporate Governance Principles Compliance Report,
- h. Information on related party transactions,
- i. Other relevant and beneficial information that is not included in the financial statements,
- j. The company's organizational, capital and ownership structure and any changes made in the related accounting period,
- k. Information on all benefits provided to staff and the number of personnel,
- l. Information about the fact that no board members were involved in any transactions with the company on their own behalf or on someone else's behalf within the framework of permission granted by the General Shareholders' meeting along with their activities within the scope of restraint of trade,
- m. The dividend distribution policy,
- n. Basic ratios that explain the company's financial position, profitability and solvency, and,
- o. The Company's financing resources and risk management policies,

In addition to the matters specified in the legislation, information on the following matters is included in the annual reports;

- a) External positions held by Board members and executives and the declaration of independence of the relevant Board members,
- b) The members of the committees set up under the Board of Directors, their operating principles including meeting frequencies and activities carried out,
- c) The number of Board meetings held during the year and the attendance of Board members to these meetings,
- d) Any changes to legislation which could significantly affect the Company's operations,
- e) Any major lawsuits brought against the Company and their possible outcomes, and,
- f) The benefits provided to employees, professional training opportunities for employees, and corporate social responsibility initiatives pertaining to the Company activities that give rise to environmental and social consequences.

SECTION IV. STAKEHOLDERS

4.1. Informing the Stakeholders

The Company recognizes the rights of stakeholders which were established by law or through any other mutual agreement. In case the rights of the stakeholders are not regulated by the relevant legislation or protected by contracts, the Company protects the interest of stakeholders under good faith principles and within the capabilities of the Company. Effective and expeditious compensation is provided in case of a violation of rights.

Stakeholders are adequately informed on the protection of their rights, and the Company's relevant policies and procedures, through various tools including the corporate website.

The Company's corporate governance practices are structured to allow its stakeholders including its employees to report their concerns about any illegal or unethical transaction to the management.

The employees can report any act that is illegal and/or are unethical to the Audit Committee and the Internal Audit Department. A dedicated telephone line was set up for reporting ethical issues, which stakeholders can use to communicate any transaction that they deem to be contradictory to the laws or the Company's ethical values to the Audit Committee, which is formed of independent Board members. Such complaints can also be emailed to "etik@sisecam.com".

Şişecam has created the framework for a compensation policy, though not a very detailed one, and has disclosed it to the public on the corporate web site.

In order to increase communication with the employees, two in-house periodicals, the "Şişecam Group Periodical" and the "Technical Bulletin" are published. In addition, subjects that are followed by the public are broadcasted on the "Corporate TV". On the portal, which is available for in-house employees, instruction manuals and announcements regarding policies, procedures, instructions and systems that are in effect are submitted for the information of the employees.

4.2. Stakeholders' Participation in the Company Management

Principles which are embraced to allow for the participation of Company employees in management, keeps all lines of communication open and eliminates all possible obstacles. Practices such as "message to the General Manager", "Communication Line and Email Address for Ethics" and "Idea Factory" are used to this end.

The Company maintains constant communication with its employees, pays attention to their needs and creates various platforms and mechanisms by which employees can convey their opinions and comments.

Internal meetings are held, which company employees attended when necessary. These meetings play a significant role in the decision-making process of senior management. Expectations and demands from all of the stakeholders involved with the company are addressed based on the code of ethics and are resolved through mutual communication.

Even though these models and their applications are not incorporated in the Articles of Association, they are included in the "Şişecam Constitution" prepared by the Company management.

4.3. Human Resources Policy

The Company's Human Resources Policy has been documented by the Parent Company. The bylaws and procedures prepared accordingly are posted on the internal portal for the information of the Company employees.

Recruitment and career planning are based on equality and transparency. These activities are carried out in line with the relevant provisions of the "Human Resources Systems Bylaws", and of the "Recognition Appreciation and Rewarding System". The recruitment Department works to attract new graduates and other professionals by actively using all existing recruiting methods and techniques and by organizing various communication activities at universities and other institutions.

The Company's Performance Management System runs in interaction with the vision, mission and strategies of the Group. The Balanced Scorecard System, launched by the Group in 2010, has been scaled down to personal targets, and the SuccessBased Performance Culture is being converted into Success-Based Corporate Culture. The foundation of the Performance Management System is to create value for the employee and to ensure that the value created by the employee serves the development and sustainability targets of the Company.

Expectations for the individual employee and the requirements of the organization are discussed by means of the Career Development Plan, a part of the Performance Management System, in the career committees that are held regularly each year. Moreover, strategic career maps as well as the Group-based career and succession plans are developed using data from the Performance Management System.

The Company aims to add the necessary human resources to its organization while preserving a high level of loyalty among current employees, as well as creating a positive, equal and competitive working environment. During 2016, there is no any complaint from employees including especially discrimination. Relations with employees are executed in the coordination of Human Resource Department.

The compensation management system of the Group takes into account variables such as the wages in the market, the existing compensation structure and payment ability, individual performance and job levels. Our compensation management systems are compatible with market conditions that reward steady, high performance with competitive compensation and benefits strategies. The compensation and benefits management takes into consideration the criteria of knowledge, skill and experience that is required by the job without any discrimination on religious, language, race etc.

All employees of the Company are offered;

- An up-to-date competitive salary package that rewards success,
- A flexible and sustainable benefits package based on the employee's needs and expectations,
- A social structure that provides a work-life balance,
- A productive and fostering working environment which leads to open communication, and,
- Deep-rooted and innovative development and career opportunities aimed at global leadership.

Training and development activities are carried out to prepare employees in Şişecam Group for new positions, to support the skills necessary for their positions, and to support professional competence and self-development needs.

At the end of 2015, training and development activities were restructured under Şişecam Academy to add new dimensions with innovative methods and investments. Şişecam Academy and Şişecam aim to contribute to corporate targets, improve human resources competency, and contribute considerably to corporate image and employee loyalty. These activities continued with enrichment in 2016.

The Leadership School and the Sales School were set up in 2015. The aim of the Sales School is to create a sales driven culture in Şişecam Group and the school is prepared to serve sales representatives. The programme reach 450 group employees. The Leadership School was prepared based on Global Leadership Model competencies, declared in 2015, and its aim is to improve the management level's leadership and management competencies that will enable Şişecam to achieve its objectives. In 2016 activities continued with enrichment.

Internal Coaching Certificate Programme aiming to transferring of information from seniors to juniors. In this content it is aiming to provide training for employees from seniors which are given by external firms to seniors.

During 2016, employees who received monthly salaries received 31,6 hours of training and those who received hourly salaries received 20,7 hours of training.

Coordination meetings are held with the Petrol-İş Union organized at our Company's workplaces with respect to the implementing collective bargaining agreements, industrial relations and increasing productivity. Similarly, coordination activities are also carried out with the trade unions organized at the workplaces abroad.

Culture of occupational health and safety adopt to employees by projects which aiming to changing behaviour of employees. In this context every year painting contest is hold involving of family of blue collar employees traditionally.

All data regarding root cause analysis of accidents are collected in the tracking system of workplace accidents. "Sisecam workplace Accidents Report" is prepared yearly according to collected data in the system.

The system, which covers all workplaces and units, including the management and sales centers, ensures the tracking and control of workplace accidents in a systematic manner integrated with the SAP system. Another phase of the project, the DOF system (corrective/preventive action system) ensures proper rectification covering also the financial dimension of all failures which may cause a risk of workplace accidents, arising from OHSAS 18001, internal and external inspections, managerial reasons, in a systematic manner. The health and safety audits of the factory are carried out together with the Şişecam Internal Audit Department. The projects towards changing the attitudes to improve the Şişecam Occupational Health and Safety culture are carried out at the factories in Turkey and abroad.

4.4. Codes of Conduct and Social Responsibility

The Şişecam Group Code of Conduct formulated around the general principles of honesty, transparency, confidentiality, impartiality and compliance with laws based on the Parent Company's Board of Directors decision no. 49 and dated 20 July 2010 was put into effect. The Code introduced guiding principles that will steer the relationships of all Group employees with customers, suppliers, shareholders and other stakeholders. These guidelines were updated according to current needs based on the Board of Directors decision no. 33 dated 28 March 2013. The Code of Conduct is publicly disclosed on the corporate website of the Parent Company.

Soda Sanayii A.Ş. awards an Education Incentive Scholarship to its employees and their children who are studying. Within this scope, TRY 395.014 of scholarships were awarded in 2016.

It is known that sea turtles, an endangered species, have been using the coastal areas in Mersin for laying eggs for centuries. Within the scope of the "Kazanlı Shore Project, researching the population, observing and protection of sea turtles" has been continuing in collaboration with Mersin University ensuring to protect the endangered Caretta and Chelonia mydas sea turtles and their nests since 2007. The aims of the event were to raise awareness about this issue among local people and to enable endangered sea turtles to contribute to ecotourism and socio-cultural and socio-economic life, while ensuring that endangered "Caretta" and "Chelonia mydas" turtle nests are protected under the "Kazanlı Project" by Soda Sanayii A.Ş. since 2007.

In 2016, as a result the project, the expected improvements in the total number of sea turtle nests continued to increase, a record number 1705. The aims of the event were to raise awareness about this issue among local people and to enable endangered sea turtles to contribute to ecotourism and socio-cultural and socio-economic life, while ensuring that endangered "Caretta" and "Chelonia mydas" turtle nests are protected under the "Kazanlı Project" by Soda Sanayii A.Ş. since 2007.

In 19 May 2016, the Kazanlı Shore Spring Cleaning event was organised by Soda Sanayii A.Ş. in collaboration with Mersin University to protect the endangered Caretta and Chelonia mydas sea turtles and their nests. At the event, in which 500 people participated and which was carried out with the participation of employee families, the sea turtles' living spaces were cleaned.

In addition to that, Soda Sanayii A.Ş has social responsibility facilities about forestation and sportive activities such as sailing too.

SECTION V. BOARD OF DIRECTORS

5.1. Structure and Constitution of the Board of Directors

Through its strategic decisions, the Board of Directors observes the Company's long-term interests on the basis of rational and cautious approach to risk management, while maintaining an optimum balance between the Company's risk exposure, growth and return, and administers and represents the Company based on these principles.

The Board of Directors has defined the Company's strategic goals and identified the needs in human and financial resources, and controls management's performance. The Board also oversees that company activities are managed in compliance with the legislation, articles of association, internal procedures and established policies.

The Board of Directors has been formed in order to allow the Board members to work productively and constructively, to make quick and rational decisions and with the purpose of setting up committees and allowing those to organize their operations effectively.

There are executive and non-executive members of Board of Directors. A non-executive member of the Board of Directors is the one who is not involved in ordinary operations and daily workflows of the Company and is not responsible for any other administrative role apart from the membership in Board of Directors. Most of the members of Board of Directors consist of non-executive members. Tahsin Burhan Ergene, the President of the Chemicals Group and Umut Barış Dönmez, Director of Financial Affairs participate in the Board of Directors as executive members. The Chairman of the Board of Directors and the General Manager are not the same person. In accordance with the criteria set by the Capital Market Board's Corporate Governance Principles, there exist two independent members in the Board of Directors.

Independent members have been determined in accordance with procedures anticipated in the corporate governance principles on 25 February 2016 and proposed to Board of Directors at the same date. In the Board of Directors meeting held on 25 February 2016, due to termination of independent and non-independent members' duty terms as of 23 March 2016, Board of Directors have been selected for a year. Since the one-year duty terms of the members of Board of Directors cease to exist in the ordinary general assembly meeting to be held on 28 March 2017, the board members will be elected in the aforementioned Ordinary General Assembly meeting.

In this context, independent members have identified according to corporate governance compliance anticipated process on 16 January 2017 and presented to Board of Directors at the same date. In the Board of Directors meeting on 16 January 2017 relating to selection of independent members there is not found any discrepancy with CMB paper published on 30 January 2017 no. 29833736-110.99-E.1171

The curriculum vitae of the member of Board of Directors have been announced in the related section of our annual report and the Company's corporate website and no issue arose that may threaten the independence of independent members. Accordingly, the statements of independence of members are presented as follows.

STATEMENT OF INDEPENDENCE

Soda Sanayii A.Ş.

To the Board of Directors

I hereby declare that I, as a member of the Board of Directors of Soda Sanayii A.Ş., still satisfy the “Independent Board Member” requirements set out in the Capital Market Law, communiqué, resolution and other regulations of the Capital Markets Board of Turkey, as well as the Articles of Association of your Company; that I will forthwith notify any circumstance that compromises my independence to the Board of Directors, together with the grounds therefor, to be disclosed on the Public Disclosure Platform, and that I will concurrently notify the same in writing to the Capital Markets Board of Turkey, and that I will act in line with the decision of your Board of Directors and comply with the requirements set out in Article 4.3.8 of the Corporate Governance Principles.

Yours faithfully,

(Signature)

Üzeyir Baysal

06.03.2017

STATEMENT OF INDEPENDENCE

Soda Sanayii A.Ş.

To the Board of Directors

I hereby declare that I, as a member of the Board of Directors of Soda Sanayii A.Ş., still satisfy the “Independent Board Member” requirements set out in the Capital Market Law, communiqué, resolution and other regulations of the Capital Markets Board of Turkey, as well as the Articles of Association of your Company; that I will forthwith notify any circumstance that compromises my independence to the Board of Directors, together with the grounds therefor, to be disclosed on the Public Disclosure Platform, and that I will concurrently notify the same in writing to the Capital Markets Board of Turkey, and that I will act in line with the decision of your Board of Directors and comply with the requirements set out in Article 4.3.8 of the Corporate Governance Principles.

Yours faithfully,

(Signature)

Prof. Dr. Halil Ercüment Erdem

06.03.2017

Subsequent to General Assembly meetings, in which the members of Board of Directors are elected, Chairman and vice President of Board of Directors have been determined with the purpose of making decision on segregation of duties. As stated in the table below, there exists 2 executive and 3 non-executive members of the Board of Directors.

In accordance with Turkish Commercial Code Law no 395 and 396, the approvals with respect to participation of Chairman and members of the Board of Directors in the Company's area of activity, either in person or on behalf of others and their engagement to partnership of the companies operating in similar activities is given by the General Assembly.

The member of Board of Directors can express their opinion freely, without any influence. In accordance with Corporate Governance Principles, there is a female member in the Company's Board of Director, Zeynep Hansu Uçar resigned on 04.08.2016. On the other hand, there is neither a target rate nor a target period defined but limited to the fact that the rate of female members of the board shall not be fewer than 25% and there has been no defined policy in order to meet those targets yet.

The Company has subsidiaries and associates. Considering the fact that the involvement of members of Board of Directors in the management of these companies is for the interests of the Group, their responsibilities out of the Company are not limited and the out-of-company responsibilities of board members are explained below.

| Name & Surname | Title | As-is Out of Group Responsibilities |
|---------------------------------------|----------------------|--|
| <i>Prof. Dr. Ahmet Kirman</i> | <i>Chairman</i> | <i>Anadolu Cam San.A.Ş., Paşabahçe Cam San.ve Tic.A.Ş., Trakya Cam San.A.Ş., Paşabahçe Mağazaları A.Ş., Trakya Glass Bulgaria EAD., Trakya Cam Investment B.V., Trakya Investment B.V., Fritz Holding GmbH., AnadoluCam Investment B.V., OOO Ruscam Glass., OOO Ruscam Glass Packaging Holding., OOO Ruscam Management Company., Balsand B.V., TRSG Autoglass Holding B.V., Şişecam Chem Investment B.V., SC Glass Trading B.V., Paşabahçe Investment B.V, Şişecam Çevre Sistemleri A.Ş., OOO Posuda, AC Glass Holding B.V. Chairman of Board of Directors., Türkiye Şişe ve Cam Fabrikaları A.Ş. , Vice Chairman of Board of Directors-General Manager.</i> |
| <i>Tahsin Burhan Ergene</i> | <i>Vice Chairman</i> | <i>Oxyvit Kimya Sanayii ve Ticaret A.Ş., Cromital S.p.A..Şişecam Soda Lukavac D.o.o., Şişecam Shanghai Trading CO. Ltd. Chairman of Board of Directors, Solvay Şişecam Holding A.G.Vice Chairman of Board of Directors.,Solvay Sodi A.D., Şişecam Chem Investment B.V.member of Board of Directors</i> |
| <i>Umut Barış Dönmez</i> | <i>Member</i> | <i>Cam Elyaf Sanayii A.Ş., Camiş Madencilik A.Ş., Madencilik Sanayii ve Ticaret A.Ş., Şişecam Shanghai Trading CO Şişecam Soda Lukavac D.o.o. , , Rudnik Krecnjaka Vijenac d.o.o. Şişecam Chem Investment B.V member of Board of Directors, Şişecam Bulgaria Ltd. Company responsible.</i> |
| <i>Prof. Dr. Halil Ercüment Erdem</i> | <i>Member</i> | <i>Anadolu Cam Sanayii A.Ş.and Paşabahçe Cam Sanayii A.Ş. Independent member of Board of Directors. Anadolu Cam Sanayii A.Ş. member of Committee which is responsible from Audit, Chairman of Corporate Governance Committee and Early Risk Identification System Committee, Erdem-Erdem Ortak Law office and Erdem-Erdem Danışmanlık A.Ş.co-founder, Galatasaray University academic member, CMA-CGM and Yılport Holding A.Ş. Member of Independent Board of Director, Co-Chairman of International Chamber of Commerce and International Commercial Applications Committee</i> |
| <i>Üzeyir Baysal</i> | <i>Member</i> | <i>Şeker Leasing Independent Board of Directors and member of Audit Committee, Denizli Cam member of Board of Directors.</i> |

5.2. Fundamentals of Activities of Board of Directors

The Board of Directors elects a chairman and vice-president subsequent to each general assembly meeting. The Board of Directors makes a new election for the chairman and/or vice-president when they cease to have their roles for any reason. The vice President leads the Board of Directors when the Chairman does not participate. If the vice President does not participate neither, any member of the board who is elected by the board itself temporarily leads the meeting of Board of Directors. The date and agenda of the meeting of Board of Directors are determined by the Chairman. The vice President is responsible for these duties when the Chairman does not participate in the meeting. The Board of Directors organizes the meetings as necessary with respect to the transactions of the Company. However, a meeting once a month is required.

The number of decisions made by the Board of Directors during the period is 41 and the decisions are made at the consensus of the available members. There has not been any opponent member of the board. The meeting and decision quorums of Turkish Commercial Code, Capital Markets Board and related legislations are considered in making Board of Directors' meeting.

The information and documents related to topics included in the Board meeting agenda are made available for review by Board members allowing sufficient amount of time before the meeting and ensuring equal availability of information. The members of the Board of Directors can make suggestion for changes in the agenda to Chairman, before the meeting. The opinion of any member who does not participate in the meeting and expresses his opinion to Board of Directors in written is presented to the other members. Each member of the board has a voting right in the Board of Directors.

At Board meetings, topics included in the agenda are discussed openly, addressing all relevant aspects. Participation rate of members of the board of Directors to the Board of Directors meeting is 95,9% in 2016. The Chairman makes his best effort to ensure the effective participation of non-executive members in the meetings of Board of Directors. The reasonable and detailed reasons of opponent votes related to opposed agenda items by the members of the Board of Directors. The reasons for the opposite opinions are declared publicly in detailed. However, there is no such publicly announcement in the year 2016 since there exists no such opinion was declared.

The meetings of Board of Directors are generally held at head office of the Company and the significant minutes of Board of Directors are announced to public via PDP and the minutes announced to public are also published in the Company's corporate website.

The powers and responsibilities of the members of the Board of Directors are clearly set out in the Articles of Association. The powers are exercised in accordance with the principles specified in the internal guidelines, which were drawn up in accordance with the Board of Directors decision no. 59 dated 21 November 2014 pursuant to Articles 367 and 371 of the Turkish Commercial Code, registered on 28 November 2014, and promulgated on 04 December 2014. The Board of Directors plays a leading role in ensuring effective communication between the Company and the shareholders, in settlement of disputes and in reaching a solution and with this purpose, the Board of Directors is in a close collaboration with the Department of Investor Relationships.

5.3. The Number, Structure and Independence of the Committees Constituted in the Board of Directors

For effective duty and responsibility performance of the Board of Directors, , "Corporate Governance Committee", "Early Risk Identification System and Committee and the "Audit Committee have been constituted in accordance with the Corporate Governance Principles. The assigned positions, working principles and members of these committees were determined in the Administrative Board Meeting and disclosed to the public on the same day.

Audit Committee members are selected from the independent members of the Board. The chairman of the Corporate Governance and Early Risk Identification System and Committee are independent Board members. The Corporate Governance Committee, the Early Risk Identification System and Committee and the Audit Committee consist of four and two members, respectively.

The Chairman of the Board of Directors and General Manager do not participate in the committee. There exists no executive member in the committees except for the manager of the "Department of Investor Relations" participating in the Corporate Governance Committee, in accordance with corporate governance principles. A member of the Board of Directors, who is independent, does not have any responsibility in two committees, simultaneously.

The committees are provided with necessary support and resources in order to accomplish their tasks by the Board of Directors. The committees can invite any manager to their meetings and ask for his ideas when necessary.

The frequency of meeting of the committees is sufficient and is documented in written and recorded. The reports including information concerning their activities and minutes of meetings are presented to the Board of Directors.

Being responsible for the Company's accounting system, the independent audit and issue of financial information to public and the observation of internal control and process and effectiveness of internal audit system, the Audit Committee is also responsible for determining the methods and principles of the review and resolution of complaints related the company's accounting and internal control and its independent audit and assessment of feedbacks of the company's employees related to the accounting and independent audit issues within the framework of a confidentiality. It declares its findings related to its tasks, responsibilities, related assessments, and suggestions to Board of Directors in written. It also declares its assessments related to the consistency of annual and interim financial statements to be issued publicly with the company's accounting policies in terms of fair presentation and accuracy by the use of consultation from the Company's responsible managers and independent auditors.

The members of the Audit Committee possess the qualifications defined in the Corporate Governance Principles. The details related to the activities of the Audit Committee and the minutes of meetings have been disclosed in the annual report. The Audit Committee held 4 meeting in 2016. The determination of independent auditors is performed in a way that the Audit Committee suggests an audit firm to the Board of Directors, considering the circumstances related to the competence and independence of independent audit firms.

The Corporate Governance Committee determines whether the corporate governance principles are applied properly within the company and if not, detects the conflicts of interests due to in compliance with these principles and provides the Board of Directors with improving suggestions related to corporate governance applications. Additionally, it traces the activities of "Investor Relations Department. The Corporate Governance Committee held 5 meeting in 2016.

Nomination Committee and Remuneration Committee have not been established and the duties of these committees have been included in the activities of Corporate Governance Committee. The candidacy proposals for independent memberships of the Board of Directors are evaluated by considering the fact whether they possess the requirements of independence of related legislation and these evaluations are reported.

The setting-up of a transparent system for the determination, evaluation and training of appropriate candidates for the memberships of Board of Directors and definition of related policies and strategies and performance of regular evaluations for the effectiveness and structure of Board of Directors and providing Board of Directors with the suggestions concerning the necessary changes are determined as the duties of the committee.

The wages policy including the principles of determination of wages of managers involved in the administrative responsibilities and the members of Board of Directors was defined and announced to public in the corporate website.

Early Risk Identification System and Committee performs activities related to early identification of the risks concerning the company's going concern and taking necessary precautions related to detected risks with the purpose of risk management and preparing reports by reviewing the risk management systems of Group companies. Early Risk Identification System and Committee held 8 meeting in 2016.

Board of Directors were informed about all the declarations regarding the meetings of the Audit Committee, the Early Risk Identification System and Committee and the Corporate Governance Committee, considering the procedures.

Due to the fact that all members of Audit Committee and chairman of other committees and two members of Board of Directors are required to be independent, in accordance with Corporate Governance Principles, it has required a member of Board of Directors to be involved in more than one committee.

The Audit Committee;

Chairman Üzeyir Baysal (Independent), Prof. Dr. Halil Ercüment Erdem (Independent).

The Corporate Governance Committee;

Chairman Prof. Dr. Halil Ercüment Erdem (Independent), Üzeyir Baysal (Independent), Umut Barış Dönmez and Asuman Durak.

Early Risk Identification System and Committee;

Chairman Üzeyir Baysal (Independent), Prof. Dr. Halil Ercüment Erdem (Independent)

5.4. Risk Management and Internal Control System

Financial crisis and effects are still being felt today, intense international conflicts of interest, security problems triggered by geopolitical factors, technological developments which are also called fourth industry revolution, changes to business models resulting from digitalisation, and dramatic results of climate change caused different political, economic, and environmental risks globally compared to those of the past.

The fact that global risks started affecting people, companies, and states in new and unusual ways changed perspectives on risks around the world. The importance of risk management as a discipline increased considerably. In parallel with these developments, the efficiency of risk management and internal audit processes were reviewed in 2016 and these two functions, which form important elements of corporate governance, were closely managed. The Group continues its audit activities at a risk-based perspective and evaluates the available and potential risks proactively, under this structure.

Risk Management and internal audit activities at the Sisecam Group have been structured under the Parent Company. These activities have been carried out under the Parent Company's Board of Director and in coordination with our Group Presidency. The Early Risk Identification System and Committee, the Audit Committee and the Corporate Governance Committee that are formed in the Company have been reporting the outcomes of periodical and planned meetings to the Board of Directors in compliance with the legislation.

During the activities carried out with the aim of establishing a corporate structure, ensuring assurance to shareholders, protecting tangible and intangible assets, resources and environments of the Group, minimizing losses from uncertainty and having the maximum benefit from potential opportunities, relationship between the internal audit and risk management functions is maintained at the maximum level and is directed toward the goal of supporting decision-making processes and increasing management efficiency.

Risk Management in the Company:

Risk management activities in Soda Sanayii A.Ş. are executed fundamentally on the corporate risk management principles and a comprehensive and proactive approach is maintained. The group focused on increasing the efficiency of risk management processes, and invested in human resources and technology in 2016, with the aim of increasing the risk security it provides to stakeholders in a sharply competitive internal and external environment which is a result of the conditions above, and also with the aim of efficiently managing the uncertainties lead by global developments. Accordingly, the risk management function, which has been managed centrally for years, was revisited so as to focus on micro and local risks. Technological support in the form of an integrated risk management platform named "MicroSCope, which will help effect the changes necessary due to this new focus, was provided.

The activities of the risk management function, which was organised within the Parent Company, are carried out in accordance with legal requirements. As in previous years, we coordinated with Risk Management presidencies, which

manage the group's main business fields, to manage the risks which were determined, prioritised, and included in an action plan in line with risk appetite. Reporting which enables the process to be followed up properly is performed in line with regulations.

Internal Audit in the Company:

In Sisecam Group, internal audit activities has been structured in the Parent Company's constitution. The aim of the internal audit functions which is keep going by the Parent Company is to provide a healthy development for the Group Companies, to create unity in practice, to ensure that the operations are in line with both internal and external regulations and to ensure that correctional measures are taken timely. In accordance with the aforementioned purpose, for both domestic and abroad establishments of the Group; audit procedures are carried out.

Audit work is done according to the periodical audit programs which are approved by the Board of Directors. When creating audit programs; risk management studies are utilized, in other words "risk-based audit" exercises are applied.

5.5. Strategic Goals of the Company

The process of definition of strategic goals of the Company and the evaluation and review of these strategic goals are initiated with the clarification of the set of Vision/Mission and Values by the Board of Directors.

Şişecam Board of Directors has put forward the objective of the Group for year 2020 as follows: "Chemicals Group is a Group, which is ranked among the leading companies in basic competencies, which evaluates new opportunities that will create synergy with its existing activities, and which offers global solutions for its customers with environmental-friendly technologies". The vision of Soda Sanayii A.Ş., which operates under the Chemicals Group, is as follows: "Soda Sanayii, which is ranked among the leading soda providers in the world, aims to strengthen its position in the global soda sector and; it also aims to maintain its leading position in all product groups in chromium chemicals".

In the second phase, a series of analysis are performed to understand the conditions, under which the company will operate to fulfill its vision. The analysis for the in-house audits are called Internal Analysis; the analysis for the market, competitors, input and output sectors, different geographies, consumers and suppliers are called External Analysis. In the phase following the analysis, Strategic Maps are created and/or updated. Strategic Map determines the subjects to be focused on by Soda Sanayii A.Ş. in Finance, Customers, Processes and Intangible Assets and become perfect in which differentiating (strategic) factors. Strategic Map is diversified based on business fields. Thus, the route map of the activities are created. Each strategy, defined in the map, is associated with a performance indicator, the level of success, which this indicator is desired to be reached, required projects for this activity and an organizational structure.

The Corporate Performance Program is utilized to measure and monitor the implementation success of the strategy. The program gives a chance to evaluate performance with main monitoring meetings four times a year. In order to degrade the performance from corporate level to employee-level, Individual Performance Management System is associated with the Strategic Plan.

5.6. Fiscal Rights

As indicated in the Articles of Association; rights, benefits and wages that are procured to the Members of the Board of Directors are established by the General Assembly. The monthly wages of the Members of the Board of Directors are determined and declared to the public in Ordinary General Assembly Meeting of year 2015 which was held at 23 March, 2016.

Wage policy principles for the high level executives of the Company are stated in written form in the Ordinary General Assembly Meeting for Shareholders which was held at April 10, 2013 and are declared to the Shareholders of the company and posted to the website of the Company.

The Company's senior executives do not receive any payments directly indexed to turnover, profitability or other key indicators, which can be technically considered as a premium. In addition to cash payments including salaries, bonuses, and fringe benefits, the Company's senior executives are paid a sum under the name bonus payment once a year, which is based on various criteria including the nature and risk level of the Company's operations, the magnitude of the structure that is administered and conducted, and the sector in which the Company is engaged, and is either increased, or kept unchanged, as the case may be, in view of various indicators such as inflation, overall salary increases and the rise in the Company's profitability. Furthermore, company cars are provided to the Company's senior executives as part of intangible benefits.

Within this scope, total payments made to the members of the Board of Directors and senior executives within the frame of the remuneration policy are disclosed in the notes to the financial statements. Non-disclosure of the benefits provided on the basis of individuals has not led to a conflict of interests.

The Company does not lend any money or extend credit to the Board members and executives, does not grant any personal loans through a third party, or furnish any collateral such as guarantee in their favor.