

1. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Within the frame of “Communiqué on Principles Regarding the Specification and Application of Corporate Governance” Serial: IV, No: 56 of CMB, which has entered into effect by publishing on the Official Gazette No: 28158 on December 30th 2011, and the Communiqué Serial: IV, No: 57, which has amended the aforementioned Communiqué, this statement reflects the following responsibilities of Soda Sanayii Anonim Şirketi (Soda) regarding determination of duties, authorities and responsibilities of the Board of Directors and subordinate committees and managers and regarding shareholders, public disclosure and transparency and regulation of relations with stakeholders.

Soda, which was established in 1969 as an Institution of Türkiye İş Bankası and as a Group of Şişecam, operates in soda product and chromium chemicals sectors. Soda offers Soda Chemicals manufactured in Soda Factory in Mersin and purchased from its affiliate Solvay Sodi in Bulgaria for the use of domestic and international glass, textile, detergent, chemistry, food and feed industries.

Our Sales Company Şişecam Bulgaria Ltd., which is located in Bulgaria, offers Soda Chemicals purchased from Solvay Sodi for use of various customers in Bulgaria and other countries.

Soda Chemicals, which are manufactured in our Subsidiary Şişecam Soda Lukavac d.o.o. in Bosnia Herzegovina, are mostly exported.

Soda, which is among the major global manufacturers in Chromium Chemicals, offers basic chromium sulfide, chromic acid, sodium sulfur and sodium sulfhydrate products that it manufactures in Mersin Kromsan Factory and supplies from Cromital S.p.A. company in Italy, of which the company became shareholder in 2005 and purchased the entire company in 2011, for the use of significant industrial sectors in domestic and international markets, such as leather, wood impregnate, chemistry and paper.

Asmaş Ağır Makine Sanayii A.Ş., which was established in Izmir and participated to Soda in 2008, offers service in establishing a complete facility, manufacturing projects and technology, and to manufacture the equipment for iron-steel, cement, energy and defense industry sectors.

While Soda is ranked among top 10 suppliers in the world and among top 4 suppliers in Europe in Soda sector, it is among top 3 manufacturers in the world in Chromium Chemicals sector. Due to its position, the company has established its managerial understanding on equality, transparency, accountability and responsibility. With its specialization and position among Europe's and world's most prominent manufacturers with its compatible activities are by far the sharpest proofs of Soda's management insight.

Soda attaches great importance to the increase of productivity and sustainability in cost-effectiveness and carries out these goals by supporting modernization and R&D investments.

Soda, has high level sensibility regarding environment and employee health and conducts its activities in this subject within the scope of Responsible Care System, which is applied based on voluntary action by the chemistry sectors of developed countries.

Modern management and industrialism principles, which carries Soda to its current position, such as high corporation level, market and R&D orientation, growth, increase of productivity and product and service quality, compose the basic foundations for stronger Soda in the future. Soda aims to consolidate its position by adapting these corporate management principles. Our company shows utmost care to comply with Capital Market Legislation and Capital Market Board (CMB) regulations in corporate governance applications, and the principles, which took place in appendix of Corporate Governance Communiqué in activity period that ended in December 31, 2013, and which are not completely harmonized with yet, have not caused any conflicts of interest among stakeholders as of the current status.

In the activity period, which ended in December 31, 2013, the explanations regarding principles that are non-compulsory for the company among the Corporate Governance Principles within Communiqué on Principles Regarding the Specification and Application of Corporate Governance appendix, are stated in related sections of the report.

On the other hand, the applications, which were implemented for compliance with Corporate Governance Principles and which are important are summarized below.

- The most important application regarding Corporate Governance in 2013 was the study of compliance with Turkish Trade Act, and Capital Market Board no: 6362, which entered into force after being published in Official Gazette no: 28513 in 30.12.2012. Within this scope, all changes prescribed in TTA and CMB legislations are applied on Company's Articles of Association.

- All related party transactions and transaction essentials in 2013 are collectively submitted to the Board of Directors. There were no related party transactions or important transactions, which had to be submitted to the approval of General Assembly, due to disapproval of independent members in 2013.
- A “Manager Responsibility Insurance” has been made for compensation of damages to the company and the third persons that occur due to negligences of the managers.

The required harmonization studies will be performed in the following period by considering the provisions of “Corporate Governance Communique” no: II-17.1, which has entered into effect after being published in Official Gazette no: 28871 in January 3, 2014.

In this context, the Corporate Governance Principles Compliance Report for 2013 has been prepared in line with decision no: 2/35 published in weekly Newsletter no: 2014/2 in January 27, 2014 by CMB and in accordance with the format specified in Assembly Newsletter no: 2013/4 in February 1, 2013 and has been introduced in sections as follows.

SECTION I - SHAREHOLDERS

2. Shareholders Affairs Department

In order to perform the obligations resulting from Capital Market Board Legislation within the frame of the rules specified in this regulation and to continue the activities more effectively, a central understanding has been adapted and our Group has been structured accordingly. Within this context, all obligations of our company and other public companies, resulting from Turkish Trade Act and Capital Market Board Legislation have been performed under the supervision, orientation and coordination of the “Investor Relations Department”, which has been constituted within the body of Financial Affairs Group Presidency of Parent Company Şişecam, in line with the Corporate Governance Principles of CMB.

“Investor Relations Department”, which has been constituted to follow all affairs between the stakeholders and the Company and to ensure that the stakeholders’ right to information is fulfilled, plays an active role in right to information and review, and also in protection and facilitation of the rights of the shareholders.

The information and explanations that may affect the shareholders while using their rights, are regularly submitted to the information of the shareholders in the Corporate Web Site of the Company.

The main activities conducted within this scope are summarized as follows.

- a. Except for the confidential, undeclared information and trade secrets about the company, the verbal and written information requests of the shareholders have been satisfied.
- b. The General Assembly Meetings were conducted in accordance with the regulation in effect, the articles of association and the in-house regulations.
- c. The documents that the shareholders can benefit were prepared in the General Assembly meetings and declared on the Corporate Web Site of the Company.
- d. The results of the ballots were recorded and the reports regarding these results were sent to the requesting shareholders.
- e. All kinds of matters regarding public disclosure, including Regulation and Company Information Policy, were protected and monitored.
- f. The investors were informed by participating in the meetings held in the head office of the company and in the conferences and meetings held by various national and international institutions.
- g. The Analysts evaluating the company were informed.
- h. The Corporate Web Site of the Company was updated and thus, the shareholders were enabled to reach quickly and easily to the information regarding the Company.
- i. The information and explanations that may affect the shareholders while using their rights, are regularly submitted to the information of the shareholders in the Corporate Web Site of the Company.
- j. Considering the provisions of “Special Cases Communique” of CMB, the required Material Disclosures were disclosed to the public through KAP (Public Disclosure Platform).
- k. The amendments in Capital Market Board and the related regulation were followed and the related units in the company have made the necessary regulations.

Department Officers, who are responsible for enabling communication with investor affairs

Name and Surname	Position Title	Telephone	e-mail
Cihan Sirmatel	Director of Financial Affairs	0212 350 35 92	csirmatel@sisecam.com
Ahmet Bayraktaroğlu	Accounting Manager	0212 350 36 40	abayraktar@sisecam.com
Bala Zaimoğlu	Budget and Financial Control Manager	0212 350 35 94	bzaimoğlu@sisecam.com

The operations, which were performed to provide detailed information to the investors regarding the activities of the Company in 2013 are summarized below.

- Total of five investor conferences, three of which were national and two of which were international, were participated in 2013.
- 178 one-to-one meetings were held with total investors, 130 of which were share and 48 of which were bond investors; 35 one-to-one meetings were held with equity analysts. In addition, with the roadshow, which was organized within the scope of Eurobond issue, meeting with investors were held in USA and United Kingdom. Meetings were held with thirty fund and investors including conferences and in-house interviews.
- The questions of the investors were answered through telephone or e-mail in accordance with Capital Market legislation, CMB regulations and Articles of Association.

In addition, the questions of the investors, who asked their questions through Investor Relations Communication Form under “Investor Relations – How Can We Help You?” section in the Corporate Web Site, were answered as soon as possible.

3. Shareholders’ Use of Information Rights

The shareholders are not discriminated while using their right of information and review. Each shareholder has the right to receive and review information. There are no regulations under the Articles of Association that limits the right of information

In 2013, written and verbal information requests of investors and shareholders were answered in accordance with Capital Market Legislation, CMB regulations and decisions, related information and documents were conveyed to investors and shareholders pursuing the equality principles except for the confidential information or trade secrets.

Within the frame of the regulation in effect, the Corporate Web Site of the Company is effectively used to make sure that the information rights of the shareholders are expanded and used efficiently. Within this scope, it contains the information suggested by the Corporate Governance Principles and the regulative authorities in Turkish and English for shareholders.

For informing and public disclosure, the following information take place in the Corporate Web Site: products, annual and interim activity reports, corporate governance compliance report, Articles of Association, trade registry information, material disclosures, partnership structure, General Assembly Meeting agendas, General Assembly meeting minutes, list of attendants of General Assembly meetings, ballot form by proxy, registration statement and public offering circular, codes of conduct, Information Policy, announcements regarding association and division. Utmost care is shown to keep the Corporate Web Site up-to-date at all times.

The right of requesting special auditor of the minority shareholders from the General Assembly has been regulated by the legal regulation. The shareholders, who hold minimum 1/20 of the capital, may be entitled with minority rights. The shareholders may request special auditor from the General Assembly to analyze the conditions suggested by the law. Request for assignment of special auditor has not been regulated as an individual right in our articles of association yet. There were no requests regarding the assignment of a special auditor within this period.

4. General Assembly Meetings

The announcement of the General Assembly meeting is made to reach maximum number of shareholders, through Public Disclosure Platform (KAP), Electronic General Assembly System (EGKS), Corporate Web Site of the Company and Turkish Trade registry Gazette at least three weeks before the meeting. In addition, before the general assembly meeting, “information documents” regarding agenda items are prepared and announced to the public. Turkish Trade Act (TTK), Capital Market Legislation, CMB regulations and decisions and Articles of Association in all announcements and notifications are complied.

Along with the notifications and explanations to be made in accordance with the legislation and together the announcement of the General Assembly meeting, on the Corporate Web Site of the Company www.sodakrom.com.tr the following matters are submitted to the information of the shareholders in “Information Documents” section under “General Assembly Announcement and Documents” under “Investor Relations” section.

- a. Total number of shares and voting rights that reflect the partnership structure of the Company as from the announcement date,
- b. The changes in management and activities of the company, which may significantly affect the activities of the affiliates and subsidiaries of the Company planned for the following accounting period, or that may have occurred in the previous accounting period,
- c. If there are any Board of Directors Member dismissal, change or election in the agenda of the General Assembly meeting, the reasons for dismissal and change, and the information regarding the candidate for Board of Directors Membership,
- d. The requests of the shareholders, Capital Market Board (CMB) and/or other public institutions and organizations related to the company regarding to add another subject to the agenda,
- e. In case there are any changes for Articles of Association in the agenda, previous and new versions of the changes in Articles of Association and the Board of Directors Decision.

While preparing the agenda for the General Assembly, it is considered to give each request under a different title and the titles of the agenda are expressed as to prevent different interpretations. Attention is paid not to include phrases, such as "other" and "various" in the agenda.

While preparing the agenda, the subjects, which the shareholders sent to the Shareholders Relations Unit of the Company in written, are considered by the Board of Directors. There were no requests regarding this subject within this period.

Utmost care is shown to hold General Assembly meetings without causing inequality among the shareholders and by organizing the meetings as to make sure the shareholders can participate with lowest possible expenditure. Within this context, the time of the General Assembly meeting is determined by considering traffic, transportation and similar environmental factors. Electronic general assembly application is also considered as an application, which increases the opportunity of shareholders to participate in these meetings.

In the General Assembly meeting, the subjects are openly, clearly and objectively explained in detail and the shareholders are given the opportunity to equally explain their thoughts and ask questions. The shareholders are allowed to explain their thoughts and ask questions under equal conditions. All kinds of questions asked by the shareholders, which are not included within the scope of trade secrets, are answered directly in the general assembly meeting. In case the question is not related to the agenda or it is so comprehensive that it cannot be answered immediately, the question is answered by Shareholders Affairs Department as soon as possible in writing.

In case the shareholders, who are in administrative positions, administratively responsible managers and their spouses and their second-degree kins and affinities by marriage, perform significant operations with partnerships or subsidiaries that may cause conflict of interest and/or perform any business that involves within the field of activity of the partnership or the subsidiaries on his/her or a third party's behalf or if they enter into another partnership with unlimited liabilities, which operates in the same sector, these operations are discussed in another agenda topic to give detailed information in general assembly and are recorded into meeting minutes.

The Board of Directors Members, other related persons, the authorities responsible for the preparation of the financial statements and the auditors present at the general assembly meeting to inform the shareholders about the specific subjects on the agenda and to answer their questions.

On the day, when the Board of Directors makes a decision for the General Assembly, the public is informed through Public Disclosure Platform (KAP) and Electronic General Assembly System (EGKS). In addition, in order to inform national and international shareholders about the announcement texts and agenda of the General Assembly, the documents of the General Assembly are published on the Corporate Web Site of the Company.

Within this context, the Information Policy, Pricing Policy, Profit Distribution Policy, personal backgrounds of all Board of Directors candidates together with the independent members are open for review in company center and web site of the company 21 days prior to the General Assembly Meeting. In addition, detailed explanations for each agenda topic are made in information documents regarding agenda topics and other information prescribed for General Assembly meetings are presented to the investors.

In accordance with the regulations of CMB, it is required to disclose the financial statements to the public within 70 days following the end of the accounting period. In order to inform shareholders immediately, the company aims to complete the financial statements as soon as possible and disclose the statements to the public.

In case there is a significant change in the management and activity organization of the company, the public is informed within the frame of the regulation.

Within this context, since his term of office ended in accordance with article 20 of Personnel Regulation of Parent Company, Chemical Group Vice Chairman of Marketing and Sales Tahsin Burhan Ergene has been appointed as Board Chairman instead of Sabahattin Günceler in January 2, 2014. This change, which was made in administrative and activity organization of the Company, have been disclosed to the public in Public Disclosure Platform (KAP) within the scope of the legislation.

The Articles of Association of the Company has been amended regarding compliance with the Corporate Governance Principles in important transactions and related party transactions defined in Corporate Governance Principles of CMB and regarding giving guarantees, pledges and securities to the third parties.

Within this context, in this period;

- Considering the advantages of the regulations brought by Cash Repatriation Law no: 6486, the restructuring works for ensuring more effective financial and economic administration of international subsidiaries of our company under the body of a company established in the Netherlands have been initiated, and within this scope; 25% of share of our Company in Solvay Şişecam Holding AG located in Austria, 100% of share in Şişecam Bulgaria Ltd located in Bulgaria, 99,5% of share in Cromital S.p.A located in Italy and 89,30% of share in Şişecam Soda Lukavac d.o.o. located in Bosnia Herzegovina have been sold to Sisecam Chem Investment B.V., which is located in the Netherlands and wholly-owned by Türkiye Şişe ve Cam Fabrikaları A.Ş. in October 31, 2013 against 184.102.377 Euro, which is specified in evaluation report prepared by Engin Bağımsız Denetim ve Serbest Mali Müşavirlik A.Ş. in October 7, 2013 and share prices have been collected by our Company as from November 8, 2013.
- Following the completion of share transfer, it has been decided to increase 1.000.000 Euro of Şişecam Chem Investment B.V. capital up to 185.000.000 Euro with 184.000.000 Euro of increase and our company has attended this capital increase instead of T. Şişe ve Cam Fabrikaları A.Ş., which has not attended by not using its preferential rights. The Company became main partner of Şişecam Chem Investment B.V. by purchasing new shares in the amount of 184.000.000 Euro and 184.000.000 Euro has been paid in November 8, 2013 in order to be used in capital increase.

The General Assembly is informed with a separate agenda topic regarding the donations and supports made to foundations and charities for social aid.

The General Assembly meetings are open to public, including media. Our General Assembly meeting is 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 present on the Corporate Web Site of the Company, are open for review of the shareholders in the Head Office of the Company and on the Corporate Web Site of the Company.

Within the period, the General Assembly is informed with a separate agenda topic regarding related party transactions and pledges, securities and mortgages on behalf of third parties.

Within this period, the Extraordinary General Assembly Meeting has been held in January 22, 2013 with 90,66% of quorum, and the Ordinary General Assembly Meeting for 2012 has been held in April 10, 2013 with 90,90% of quorum.

In the announcements and declarations regarding General Assembly meetings, the following information are given;

- The agenda, place, date and time of the General Assembly, and the principles for arranging letter of attorney and letter of attorney form for the shareholders, who will be represented through their attorneys,
- Whether the general assembly meetings will be held in physical or electronic environment, and the information that assigning attorneys, making suggestions, expressing opinions and voting for the general assembly meetings in electronic environment will be made through Electronic General Assembly System (EGKS) provided by Central Registry Office (MKK) and that the shareholders, who would like to participate the general assembly in person or through their attorneys in electronic environment shall make their preferences in accordance with the principles of EGKS,
- The information regarding the necessity of the shareholders, who would like to participate in the General Assembly in person, to present their identities or letters of attorney in case they want to use their rights regarding their shares registered in "Shareholders List" in Central Registry Office (MKK) system in person or through their attorneys,
- That including annual activity report, the financial statements, Independent External Audit Reports, profit distribution suggestion of the Board of Directors and previous and new versions of the amendment text, if there will be any amendments on the Articles of Association, will be available for examination of the partners on the Corporate Web Site of the Company.

5. Voting Rights and Minority Rights

There are not any privileges in the Articles of Association regarding the use of voting rights. In accordance with the Articles of Association, each share has one voting right. If mutual association relations bring a domination relation, the companies in mutual association cannot use the voting rights of their associated company in the General Assemblies of the aforementioned company, unless there are mandatory conditions, such as creating quorum.

Minority shares are not represented in the management. There were no criticisms or complaints regarding the Company in 2013.

6. Dividend Right

“Profit Distribution Policy”, which has been determined considering Turkish Trade Act, Capital Market Board Law, Tax Laws and other legislations that the company is subject to, and the provisions of the Articles of Association, and of which the full text is given below, has been submitted for the information of the partners with a separate agenda topic and has been disclosed to the public in corporate web site of the Company.

Profit Distribution Policy;

The profit distribution policy of our company has been determined considering Turkish Trade Act, Capital Market Board Law, Tax Laws and other legislations that the company is subject to, and the provisions of the Articles of Association.

Accordingly;

- a. Our Company adopts to distribute profit shares in cash and/or as free shares as minimum 50% of the net distributable period profit calculated at the year-end within the frame of Capital Market Regulation and other related regulation. The Ordinary General Assembly of the Partners may decide on a different type of distribution considering the matters such as economic conditions, investment plans and cash position.
- b. Profit distribution proposals of our Board of Directors, which also includes the details projected in Corporate Governance Principles and the regulations of Capital Market Board, are announced within the legal time period through Public Disclosure Platform, our company’s web site and through the activity report.
- c. Cash profit shares, which will be distributed depending upon the decision of the General Assembly, are paid on the date decided in the General Assembly. The transactions regarding the profit shares that will be distributed as free shares are completed within the legal time period projected in the regulations of Capital Market Board.
- d. Within the frame of profit distribution policy, the profit shares are distributed equally to all shares without considering the issue and acquisition dates of these shares.
- e. In case the Board of Directors suggests to the General Assembly that the profit should not be distributed, the reasons and the information regarding the usage area of these undistributed profits are presented to the shareholders in the General Assembly meeting.
- f. A balanced policy between the interests of shareholders and the interests of the company in profit distribution policy is pursued.
- g. There are no preferential shares regarding receiving a share from the profit.
- h. In accordance with our Articles of Association, our Board of Directors members and employees do not receive profit share with founder dividend share.
- i. In accordance with the Articles of Association, the Board of Directors can distribute advance profit share, provided that being authorized by the General Assembly and complying with the Capital Market Law and regulations of Capital Market Board regarding this subject. The advance profit share distribution authority, which is granted by the General Assembly to the Board of Directors is limited to the related year.

7. Transfer of the Shares

There are not any provisions in the Articles of Association that limits the transfer of the shares.

SECTION - II PUBLIC DISCLOSURE AND TRANSPARENCY

8. Information Policy

With “Material Disclosure Communique” of CMB, the partners, whose shares are traded in the exchange market, are obliged to constitute an Information Policy for public disclosure and to disclose these information to the public through the web site of the Company.

The “Information Policy”, which has been constituted within this context and approved in the Board of Directors Meeting no: 10 dated, April 02, 2012, has been announced to public under “Investor Relations” section of the Corporate Web Site of the Company and has been submitted for the information of the shareholders with a separate agenda topic in the general assembly.

The main purpose of information policy is to allow shareholders, investors, employees, customers and other related parties to reach necessary information and explanations except for trade secrets, on time, accurately, completely, perceptively, easily and with low costs and equally.

Our Company, which has an active approach regarding adaptation and implementation of corporate governance principles, also shows utmost effort to actualize the requirements of related legislation and best international practices.

The Board of Directors is authorized and responsible for tracking, monitoring and development of information policy. The managers, who are responsible for financial management and reporting, and investor affairs department have been commissioned for coordination of information function. The aforementioned responsible persons execute their responsibilities in close collaboration with Corporate Governance Committee and Board of Directors.

Names and titles of the persons, who are responsible for conducting Information Policy, are as follows

Name and Surname	Position Title	Telephone	e-mail
Cihan Sirmatel	Director of Financial Affairs	0212 350 35 92	csirmatel@sisecam.com
Ahmet Bayraktaroğlu	Accounting Manager	0212 350 36 40	abayraktar@sisecam.com
Bala Zaimoğlu	Budget and Financial Control Manager	0212 350 35 94	bzaimoglu@sisecam.com
Gül Demirhan	Budget and Financial Control Specialist	0324 241 65 95	gdemirhan@sisecam.com
Ayşe Arzu Beler	Budget and Financial Control Specialist	0212 350 36 34	abeler@sisecam.com

9. Company’s Web Site and Its Contents

In order to maintain the Company’s relations with its shareholders faster and more effectively and to be in continuous contact with the shareholders, Corporate Web Site is actively used as suggested by Corporate Governance Principles of CMB. The information in this web site is constantly updated under the responsibility of the Shareholders Affairs Department. The information in the Corporate Web Site of the Company have the same content with the explanations within the frame of the provisions, of the related regulation and there are not any conflicting or missing information.

In the Corporate web site of the company www.sodakrom.com.tr which is prepared in Turkish and English, the following information are provided along with the mandatory information as per the regulation: trade registry information, latest partnership and managerial structure, there are not any privileged stocks, final form of the Articles of Association along with the date and number of the trade registry gazettes, where the amendments were published, special condition disclosures, financial reports, activity reports, registration statements and public offering circulars, General Assembly documents, list of attendants and meeting minutes, ballot form by proxy, Profit Distribution Policy, Information Policy, Codes of Conduct, and the answers for frequently asked questions. Within this context, the information of minimum the last 5 years are available in the Corporate Web Site of the Company. Financial reports and activity reports on the web site, are also prepared in English for international investors.

10. Activity Report

The Activity Report of the Board of Directors is prepared in detail so that the public reach complete and accurate information about the activities of the Company. Annual Activity Report for 2013 Accounting Period has been prepared based on third clause of article 516 of Turkish Trade Act and article 518, and in accordance with minimum contents specified in article 8 of “Communique of Principles Regarding Financial Reporting in Capital Market” of Capital Market Board and the provisions of “Regulation Regarding Determination of Minimum Contents of Annual Activity Reports of the Companies” by the Ministry of Customs and Trade and has been independently audited.

SECTION III - STAKEHOLDERS

11. Informing the Stakeholders

The stakeholders are the persons, institutions and interest groups, such as employees, creditors, customers, suppliers, unions, various non-governmental organizations, which are related to the activities or the targets of the Company. The company protects the rights of the stakeholders in transactions and activities, which are regulated with legislation and mutual agreements. In cases, where the rights of the stakeholders are not protected by the regulation and mutual agreements, the interests of the stakeholders are protected within the frame of good will and within the opportunities of the Company.

The stakeholders are informed about the Company policies and procedures. The stakeholders may inform Supervisory Committee about the unethical transactions and the transactions against the regulation of the Company. When there are conflicts of interest among the stakeholders or if one stakeholder is involved in more than one interest group, a policy, as balanced as possible, is followed and each right is tried to be protected independently in order to protect all rights.

12. Participation of the Stakeholders to the Administration

The participation of the stakeholders, especially of the employees, to the administration of the company is supported provided that the activities of the company should not be hindered, and the decisions of the stakeholders are taken for the important decisions for the stakeholders. The employees are provided with communication opportunities in broadly-participated platforms. In addition, the ideas are mutually exchanged in detail in dealer meetings of our Company and the ideas put forth in these meetings are evaluated by the administration and utmost care is shown to customer satisfaction.

13. Human Resources Policy

The "Human Resources Policy" of the Company is put in writing by the parent company, and the regulations and procedures, which are prepared within this scope, are submitted for the information of the employees through the portal, which is accessible by the employees.

Within the scope of Human Resources Systems of the Company, the following principles have been constituted: recruitment, working conditions, rating systems, wage management, monetary and social rights, performance evaluation, career management, recognition/appreciation, suggestion development and the termination method and principles of labor contract. The relations with the employees are conducted under the responsibility of Human Resources Directorate of the Company.

The standards regarding personnel employment are specified in written in Human Resources Systems of the Company and these standards are followed.

While creating recruitment policies and planning careers, the principle of providing equal opportunities to the people under equal conditions has been adopted. No complaints were made to the managers of the Company regarding discrimination within this period.

The employees are treated equally and training programs are carried out in order to increase knowledge, skills and manners of the employees. The meetings are organized with the employees about the financial status of the company, wages, career, training and health.

The decisions about the employees or the developments regarding the employees are announced to the employees or their representatives. The opinions of the unions are taken for these types of decisions.

The job descriptions and distribution and performance and incentive criteria are announced to the employees and productivity is considered while determining the wages and other benefits of the employees.

The employees are not discriminated in terms of their races, religious views, language and gender and special precautions are taken in order to prevent physical, mental and emotional mistreatment.

14. Codes of Conduct and Social Responsibility

14.1 Social Responsibility

Being a company, which is aware of its responsibilities against the laws and environmental values, our Company believes in the necessity of leaving a habitable world to the next generations. Our company considers this approach, which is perceived as one of the main factors of strategic management, at each step of its activities. Our purpose is to conduct environmental protection works in our Company with the environmental management system approach and provide continuous optimization with the support of our employees.

For this purpose, environmental-friendly production techniques are prioritized, and the company lays too much emphasis on solutions for efficient energy use, evaluating fuel and raw material alternatives, savings on natural resources, waste recovery and prevention of pollution.

Responsible Care works, which are conducted as a voluntary application in global chemistry industry, have continued in 2013, as well.

14.2 Codes of Conduct

“Şişecam Group Code of Conduct”, which has been regulated within the frame of honesty, transparency, confidentiality, objectivity and in compliance with the laws with the Board Decision no: 49 in 20.07.2010, has been put into effect and guideline regulations that will direct the relations of all Group employees with the customers, suppliers, shareholders and other stakeholders are actualized. The aforementioned rules have been updated as per needs of the period with Board decision no: 33 in 28.03.2013.

The general concept of the Codes of Conduct, which were also disclosed to the public under “Investor Affairs” section of the Corporate Web Site of the Parent Company (www.sisecam.com.tr), is as follows.

14.2.1 General Principles

- In Şişecam Group, integrity and honesty are the key words in the relations with the employees, customers, suppliers, shareholders and all stakeholders.
- Şişecam Group is open and transparent to all of its stakeholders.
- In Şişecam Group, the stakeholders are not discriminated for their religious views, language, race, gender, medical condition, marital status and political views. Everyone is treated equally, biased behaviors are frowned upon.
- In Şişecam Group, the confidential information of the employees, customers and suppliers are protected with utmost care, these information are not shared with third parties.
- Şişecam Group conducts all of its activities in accordance with the laws. The Group closely follows the laws and regulations, takes necessary precautions for compliance with the laws.

14.2.2 Responsibilities

Top level Board of Directors and Supervisory Committee are responsible for effective implementation of the Codes of Conduct of Şişecam Group. All employees are obliged to behave in accordance with the Codes of Conduct.

14.2.3 Applications

- In Şişecam Group, resources of the Group are used effectively and productively and this savings principle is always considered in all activities. The employees of the Group use Group’s resources only for the benefit of the Group and protect them.
- In Şişecam Group, utmost care is shown to protect all kinds of confidential information that is closed to the public. The regulation and procedures regarding the security of the confidential information of the Group are applied precisely and the necessary precautions are taken to keep, archive and protect the information.
- The employees of Şişecam Group protect the interests of the Group within the frame of in-group and legal regulations and they keep away from conflict of interests.
- In Şişecam Group, the overpriced gifts that may be given by other institutions, customers or suppliers are not accepted. The monetary limits of this type of gifts are determined in monetary terms within the codes of conduct. However, the symbolic gifts, such as plaques or plates that are given in meetings or seminars can be accepted.
- In case Şişecam Group employees must inevitably enter into business relations with their family members, close relatives and friends, it is not allowed to create conflict of interests.
- In Şişecam Group, respect, equality, kindness and rules of justice are considered in the relations with customers and suppliers and ethical rules are followed. Deceptive and fallacious behaviors are avoided in relations with customers and consumers.
- In Şişecam Group, which holds on to honesty and truthfulness principles in competition, the competition rules and laws are strictly followed in other countries.
- Şişecam Group is always transparent and open in its relations with public institutions. All kinds of information and documents, which are required by the public institutions, are provided accurately, completely and on time; deceptive and fallacious behaviors are strictly prohibited before public institutions.

14.2.4 Compliance with Codes of Conduct of Şişecam Group

The employees of the Group show utmost care regarding compliance with Şişecam Group’s Codes of Conduct. By using communication channels effectively, it is monitored that Codes of Conduct are strictly followed in the activities of the Group.

SECTION IV – BOARD OF DIRECTORS

15. Structure and Constitution of the Board of Directors

The Board of Directors is determined to allow its members to make productive and constructive works, to take quick and rational decisions and to effectively organize the operations and constitution of the committees.

There are members in Board of Directors, who are in charge of execution and who are not. The Board of Directors member, who is not in charge of execution, is a person, who does not have any other administrative duty in the Company and who does not involve in daily work flow and ordinary activities of the Company. The majority of the Board of Directors Members are not in charge of execution. Chairman of Chemicals Group Sabahattin Günceler and Director of Financial Affairs Cihan Sirmatel are in the Board of Directors as Executors. The Board Chairman and the General Manager is not the same person.

In accordance with the Articles of Association, the works of the Company are conducted by an Board of Directors of at least 5 (five) members by the general assembly of partners in accordance with the regulations of Capital Market Board and the provisions of Turkish Trade Act. The Articles of Association has been amended in the Ordinary General Assembly Meeting held in Thursday, May 24, 2012 and two independent members have been elected in the Board of Directors in accordance with the criteria suggested in Corporate Governance Principles of Capital Market Board.

Independent members have been determined in accordance with the processes prescribed in corporate governance principles in, April 06, 2012 and submitted to the Board of Directors on the same day. The independent members and dependent Board of Directors members, who were determined in the Board of Directors meeting held in April 10, 2012, were elected for 3 years in Ordinary General Assembly Meeting held in May 24, 2012 for 2011. The backgrounds of Board of Directors Members are given in related section of our activity report and in corporate web site of our Company, and there were not any situations that rule out the independences of independent members in this period and the statements of independent members regarding this matter are given below.

STATEMENT OF INDEPENDENCE

SODA SANAYİİ A.Ş.

To the Board of Directors

As Board of Directors member of Soda Sanayii A.Ş., I herewith declare that I still bear the “Independent Board of Directors Membership” conditions, which are determined by Communiques, Principle Decisions and similar regulations of Capital Market Law and Capital Market Board and by the Articles of Association of your Company; that I will inform the Board of Directors and Capital Market Board simultaneously through Public Disclosure Platform immediately, in case there are any situations that rule out aforementioned independence together with its reasons, and that I will comply with the provisions prescribed in article 4.3.8 of Corporate Governance Principles by acting in line with the decision of your Board of Directors.

Best Regards,



Prof. Dr. Halil Ercüment Erdem

February 28, 2014

STATEMENT OF INDEPENDENCE

To Board of Directors Presidency of SODA SANAYİİ A.Ş.

As Board of Directors member of Soda Sanayii A.Ş., I herewith declare that I still bear the “Independent Board of Directors Membership” conditions, which are determined by Communiqués, Principle Decisions and similar regulations of Capital Market Law and Capital Market Board and by the Articles of Association of your Company; that I will inform the Board of Directors and Capital Market Board simultaneously through Public Disclosure Platform immediately, in case there are any situations that rule out aforementioned independence together with its reasons, and that I will comply with the provisions prescribed in article 4.3.8 of Corporate Governance Principles by acting in line with the decision of your Board of Directors.

Best Regards,



Üzeyir Baysal

February 28, 2014

Following the General Assembly Meetings, where the Board of Directors Members were elected by means of making a decision regarding the division of tasks, the Chairman and Vice Chairman of the Board of Directors are elected. In the current Board of Directors of the Company, there are 2 executor and 4 non-executor members, whose names are given below.

The approval of the General Assembly is granted within the scope of articles 395 and 396 of Turkish Trade Act if the Chairman and Members of the Board perform the activities of the Company in person or on behalf of other persons and regarding their partnership with the companies that perform same kind of works.

The Board of Directors Members can express their opinions without being influenced by all kinds of matters. In accordance with the Governance Principles, Zeynep Hansu Uçar is the female member in Board of Directors of the Company.

The Board of Directors administers and represents the company by looking out for the long-term interests of the Company with rational and cautious risk management by keeping risk, growth and gaining balance at optimum level with its strategic decisions.

The Board defines strategic goals of the Company, determines the labor and financial resources needed, inspects the performance of the management, and the conformity of the activities of the company to the articles of association, internal regulations and policies.

The Company has affiliates and subsidiaries. The company believes that it will be beneficial for the Group if the Board of Directors Members of the Company take place in the management of these companies and thus, did not limit their assignments in these companies and the external duties of Board of Directors members are given below.

		External Duties	
Name Surname	Position	Internal	External
Sabahattin Günceler (*)	Board Chairman	Cam Elyaf Sanayii A.Ş., CamiŖ Madencilik A.Ş., Madencilik Sanayii ve Ticaret A.Ş., Oxyvit Kimya Sanayii ve Ticaret A.Ş., Dost Gaz Depolama A.Ş., Cromital S.p.A., ŖiŖecam Shanghai Trading CO. Ltd., CamiŖ Elektrik Üretim A.Ş., ŖiŖecam Soda Lukavac d.o.o., AsmaŖ Ađır Sanayi Makinaları A.Ş. Board Chairman. Solvay ŖiŖecam Holding A.G. Vice Chairman of the Board. Solvay Lodi A.D. Board Member.	None
Soner Benli	Vice Chairman of the Board	None	TibaŖ Individual Loans Allocation Department Manager
Cihan Sırmatel	Member. Corporate Governance Committee Member	Madencilik Sanayii ve Ticaret A.Ş. Vice Chairman of the Board. Cam Elyaf Sanayii A.Ş., CamiŖ Madencilik A.Ş., Dost Gaz Depolama A.Ş., CamiŖ Elektrik Üretim A.Ş., AsmaŖ Ađır Sanayi Makinaları A.Ş., ŖiŖecam Soda Lukavac d.o.o. Board Member.	None
Zeynep Hansu Uçar	Member. Corporate Governance Committee Member. Early Detection of Risk Committee Member	T.ŖiŖe ve Cam Fab.A.Ş., Anadolu Cam YeniŖehir San.A.Ş., Anadolu Cam San.A.Ş., Trakya Cam San. A.Ş., Trakya YeniŖehir Cam San.A.Ş., Trakya Polatlı Cam San. A.Ş., CamiŖ Madencilik A.Ş., Cam Elyaf San.A.Ş., Anadolu Cam EskiŖehir San. AŖ., AsmaŖ Ađır San. Mak. A.Ş., Çayırova Cam San. A.Ş., P.Bahçe Cam San. A.Ş., P.Bahçe Mađ. A.Ş. Board Member. T.ŖiŖe ve Cam Fab.A.Ş., Anadolu Cam San.A.Ş., Trakya Cam San. A.Ş. Corporate Governance Committee and Early Detection of Risk Committee Member.	TibaŖ Affiliates Department Manager, Kültür Yay.İŖ Türk A.Ş., CamiŖ Yatırım Holding A.Ş., AVEA İletifim Hiz. AŖ., İŖ Factoring A.Ş., İŖ Finansal Kiralama A.Ş. Board Member
Halil Ercüment Erdem	Independent Member. Auditing Committee Member. Chairman of Corporate Governance Committee Early Detection of Risk Committee Member.	Anadolu Cam Sanayii A.Ş. Independent Board Member. Anadolu Cam Sanayii A.Ş. Chairman of Audit Committee, Corporate Governance Committee and Early Risk Detection Committee.	Erdem-Erdem Ortak Law Office and Erdem-Erdem Danifmanlık A.Ş. Co-founder Galatasaray University Academic Member CMA-CGM and Yılıport Holding A.Ş. Independent Board Member
Üzeyir Baysal	Independent Member. Chairman of Auditing Committee. Corporate Governance Committee Member. Chairman of Early Detection of Risk Committee.	Denizli Cam Sanayii ve Tic. A.Ş. Independent Board Member. Denizli Cam Sanayii ve Tic. A.Ş. Chairman of Audit Committee, Corporate Governance Committee and Early Risk Detection Committee.	Selçuk Ecza Deposu A.Ş., Ŗekerbank T.A.Ş. Board Member

(*) Tahsin Burhan Ergene has been elected as Board Member instead of Sabahattin Günceler in January 2, 2014.

16. Activity Procedures of the Board of Directors

The Board elects a Chairman and a Vice Chairman following each General Assembly. However, if the Chairman and/or the Vice Chairman resign from his/her duty for any reason, the Board of Directors makes a new election for the vacant positions. When the Chairman is not available, the Vice Chairman moderates the Board of Directors. If the Vice Chairman is also not available, a temporary chairman, who will be elected by the members among themselves, will moderate the meeting. Meeting date and agenda of the Board of Directors are determined by the Chairman. If the Chairman is not available, the Vice Chairman determines date and agenda of the Board of Directors. However, the meeting date may also be determined by the decision of the Board of Directors. The Board of Directors meets as required by the business and transactions of the company. However, it is mandatory for them to meet at least once a month.

The number of decisions taken by the Board within this period is 45 and the decisions were taken unanimously. There were not any objections by the members regarding the decisions taken. Turkish Trade Act, Capital Market Law and the meeting and decision quorums in related legislation are considered by the Board while making decisions.

The information and documents regarding the subjects in the agenda of the Board meeting are submitted for the review of the Board Members prior to the meeting to provide equal information flow. Prior to the meeting, the Board Members may suggest a change in the agenda to the Chairman of the Board. The opinions of the member, who could not attend the meeting but submits his/her opinions in written, are submitted to the information of the other members. Each member has one voting right in the Board.

Secretariat duty of the Board is performed by the Company personnel without any problems, who are assigned in accordance with the procedures in Corporate Governance Principles.

In Board Meetings, the subjects on the agenda are discussed clearly and in all aspects. Chairman of the Board does his/her best in order to ensure active participation of the non-executor members in the Board meetings. Rational and detailed reasons of the negative votes regarding the subjects, where the Board Members dissented, are recorded to the decision record. Detailed reasons of the negative voters are disclosed to the public. However, since there were not any objections or negative votes in the Board Meetings in 2013, no public disclosures were made.

The Board Meetings are held in the head office of the Company and important Board Decisions are disclosed to the public through KAP and the disclosed text is published in the Corporate Web Site of the Company.

Authorities and responsibilities of the Board Members are clearly explained in the Articles of Association. The authorities are explained in more detail in the signatory circular of the Company. These documents are registered and declared as suggested by the laws. The Board of Directors plays a major role in ensuring effective communication between the Company and the shareholders, in settlement of disputes and in reaching a solution and for this purpose, the Board of Directors is in close collaboration with the Shareholders Affairs Department.

All related party transactions and transaction essentials in 2013 are collectively submitted to the Board. There were no related party transactions or important transactions, which had to be submitted to the approval of General Assembly, due to disapproval of independent members in 2013.

A "Manager Responsibility Insurance" has been made for compensation of damages to the company and the third persons that occur due to negligences of the managers.

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

For effective duty and responsibility performance of the Board of Directors, the "Audit Committee", "Corporate Governance Committee" and "Early Risk Determination Committee" have been constituted in accordance with the Corporate Governance Principles and disclosed to the public. The assigned positions, working principles and members of these committees were determined in the Board Meeting held in May 24, 2012 and disclosed to the public on the same day.

The following decisions have been made in the Board of Directors meeting held in, May 24, 2012;

- Independent Board member Üzeyir Baysal has been elected as the Chairman of Audit Committee, Independent member Halil Ercüment Erdem has been elected as member,
- Independent Board member Halil Ercüment Erdem has been elected as the Chairman of Corporate Governance Committee, Independent Board members Üzeyir Baysal, Zeynep Hansu Uçar and Cihan Sirmatel has been elected as members,
- Independent Board Member Üzeyir Baysal has been elected as the Chairman of Early Detection of Risk Committee, independent members Halil Ercüment Erdem and Zeynep Hansu Uçar have been elected as members.

Since each of the Members of Audit Committee and the chairmen of the other committees are suggested to be independent members by the Corporate Governance Principles, and since there are two independent members in the Board of Directors, it became mandatory for a Board Member to take charge in more than one committee.

Corporate Governance Committee, Audit Committee and Early Risk Determination Committee perform their activities regularly in accordance with the procedures suggested in Capital Market Regulation and Corporate Governance Principles. Corporate Governance Committee has gathered in December 2013 and the Committee members attended to this meeting. In Corporate Governance Committee meeting, the activities of Shareholders Affairs Department and Investors Affairs Department, works of committees within the body of Board of Directors and the progress regarding compliance with corporate governance have been discussed and the Board of Directors has been informed. Audit Committee has gathered two times in February, and once in May, August and November in 2013 and the Committee members have attended to these meetings. The topics regarding internal audits conducted in Audit Committee meetings and regarding independent audit process have been discussed in Audit Committee meetings and the Board of Directors has been informed. Early Detection of Risk Committee has gathered once in February, May, August and November and the Committee members have attended to this meeting. The topics regarding risk management activities, risk reports and revision of codes of conduct have been discussed in Early Risk Detection Committee meetings and the Board of Directors has been informed.

The Board of Directors is constituted by considering the internal control systems and the opinions of the related committees including the risk management and information systems and processes, which may minimize the effects of the risks that may affect the stakeholders of the Company, especially the shareholders. The Board of Directors reviews the effectiveness of the internal control systems and risk management systems at least once a year. Information is provided in the activity report regarding the internal controls, the existence, operation and efficiency of the internal audits.

18. Risk Management and Internal Control Mechanism

Our company, which operates in a competitive environment both in national and international markets, applies effective risk management and internal audit processes to ensure sufficient risk assurance for the stakeholders.

Apart from the uncertainty created by global crisis that has been going on since 2008, fierce competition, increasing customer expectations, stricter legal regulations and the developments in corporate governance caused all stakeholders to require more risk assurance, and as a result of this, the companies are now questioning the competency of risk management and internal audit processes.

Our company continuously performs this questioning process and handles current and potential risks proactively and maintains its auditing activities with risk-oriented method.

Results of planned and regular meetings of “Early Detection of Risk Committee”, “Audit Committee” and “Corporate Governance Committee”, which have been constituted within the body of our company, are reported to the Board of Directors in accordance with the legislation.

During the operations that are made to institute a corporate structure, to give assurance to the stakeholders, to protect tangible and intangible assets of the company, to minimize losses resulting from uncertainties, and to make the best out of potential opportunities, the communication between internal audit and risk management function is maintained at the top level and it is aimed to support decision making process and to increase efficiency of management.

Risk Management in Our Company

Risk management activities in our Company are handled in a holistic and proactive approach and they are maintained based on corporate risk management applications. The risks encountered based on countries and/or business fields are integrated into risk processes before they are encountered in other countries and business fields, the interaction of risks are monitored and decision support processes are assisted and the resources are efficiently and productively utilized.

Operation field-based risk catalogs are periodically updated with contribution of the employees of the Company and the risks are ranked as per their importance. Regarding the analyzed risks, the strategies are determined and necessary precautions are taken by considering risk appetite of the Board of Directors. These operations are not limited to financial and strategic risks, they also cover operational risks, such as production, sales, occupational health and safety, emergency management and information technologies.

Internal Audit in Our Company

Internal audit activities in Şişecam Group are structured within the body of the Parent Company. The purpose of Internal Audit operations in our Company, which have been maintained by the Parent Company for many years, is to make sure that the affiliate companies of the Group grow sturdily, to help ensuring unity and solidarity in applications, and to ensure that the activities are conducted in accordance with internal and external legislation and that the corrective actions are performed on time. In line with the aforementioned purpose, continuous audits are performed in all national and international subsidiaries of Şişecam Group. The internal audit operations are conducted within the scope of periodical audit programs that are approved by the Board of Directors of the Parent Company. While creating the audit programs, the results from risk management activities are also utilized, i.e., “risk-oriented auditing” applications are actualized.

19. Strategic Objectives of the Company

The process of creating strategic objectives and updating these strategic objectives by reviewing starts with the clarity of the Vision text by the Board of Directors of Şişecam. Şişecam Board of Directors has determined the point that it wishes to reach with Chemicals Group in 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 soda sector; 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 the Soda San. 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.

Corporate Performance Program is utilized to measure and monitor the implementation success of the strategy. The program enables performance evaluation with monitoring meetings within the period. In order to degrade the performance from corporate level to employee-level, Individual Performance Management System is associated with the Strategic Plan.

20. Financial Rights

All kinds of rights, benefits and wages are determined by the General Assembly annually as it is specified in the Articles of Association. In the Ordinary General Assembly Meeting for 2012, which was held in April 10, 2013, the monthly salaries of the Board of Directors members are determined and disclosed to the public.

The salary principles for the top management and the Board of Directors Members are written and submitted to the information of the shareholders as a separate agenda item on Ordinary General Assembly meeting in April 10, 2013 and published in the Corporate Web Site of the Company.

Top Managers of the Company do not receive any payments, which can technically be considered as premium, and which are directly indexed to endorsement, profitability and other main indicators. To the Top Managers of the Company, such as salaries, premiums and social support, a payment named jest premium is made once a year by considering the indicators, such as inflation, general salary and Company’s profitability increase, and which is determined by considering criteria, such as the activity volume of the Company, the quality of the activities and risk level of the Company, the size of the structure and the sector. In addition, an official car is allocated for the Top Managers. Within this context, the total payments made to the board members and top managers within the frame of wage policy, are disclosed to the public in our financial statement footnotes.

Debts and credits are not given to Board of Directors members, they also cannot receive loans through a third person under the name of personal loan or they are not given securities such as guarantees.