



Corporate Governance Compliance Rating Report



Türkiye Eğitim Gönüllüleri Vakfı

07 November 2016

Validity Period 07.11.2016-07.11.2017

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Türkiye Eğitim Gönüllüleri Vakfı is compiled in accordance with 2015 / 2 Revision Corporate Governance Principles Compliance Rating Methodology for Non Governmental Organizations (NGO), which is based on CMB's Corporate Governance Principles.

The Corporate Governance Compliance Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 69 copies of documents, data and files transmitted by the concerned NGO electronically, including data open to general public and examinations made by our rating experts on site.

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Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

This report has been prepared by Kobirate A.Ş. in order to create a sample report on Developing Corporate Governance Principles in Non – Governmental Organizations (NGO) with contributions from Turkish Corporate Governance Association and Argüden Academy.

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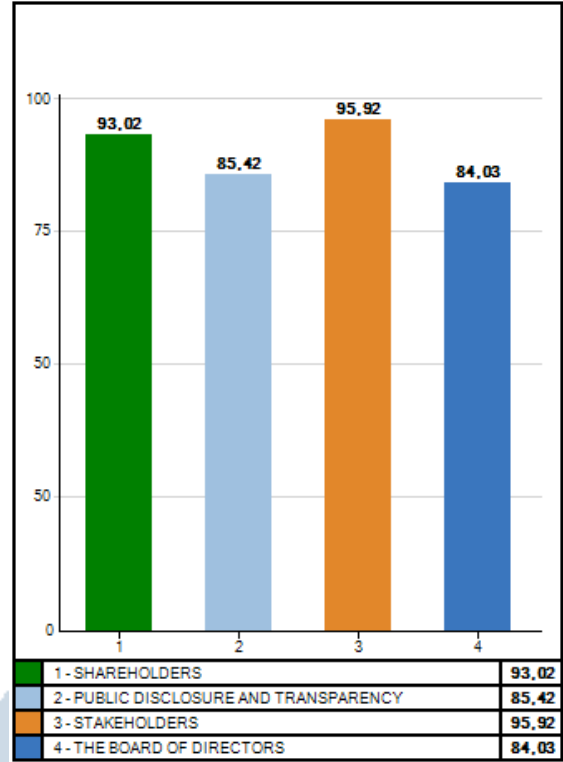
TÜRKİYE EĞİTİM GÖNÜLLÜLERİ VAKFI

CMB CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE GRADE

8.84

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1. RATING SUMMARY

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s Corporate Governance Rating for **Türkiye Eğitim Gönüllüleri Vakfı** (TEGV) in accordance with 2015 / 2 Revision Corporate Governance Principles Compliance Rating Methodology for NGO's is compiled through onsite examinations of the documents, interviews held with executives and persons involved, website of the Association, examination of independent audit reports for years 2014 and 2015 prepared by NAS Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and other reviews.

At the end of examination of 302 criteria under the main headings of Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors, in accordance with the Corporate Governance 2015 / 2 Revision Compliance Rating Methodology for NGO's developed by Kobirate Uluslararası Kredi Derecelendirme ve

Kurumsal Yönetim Hizmetleri A.Ş.", the Corporate Governance Compliance Rating Grade of **Türkiye Eğitim Gönüllüleri Vakfı** is determined as **8.84**.

This result signifies that TEGV has achieved a considerable compliance with the CMB's Corporate Governance Principles; that awareness and culture of responsibility for its members, donors, beneficiaries and all other stakeholders is embedded within the Society; that public disclosure and transparency activities are sufficiently developed; that many policies and procedures to develop corporate governance approach in the Foundation are put into effect. However - although they do not pose a significant risk – it also signifies that some improvements in corporate governance practices are needed.

In view of rating process under main headings in brief;

In the section of shareholders the Association has achieved a grade of **93.02**.

Members of the Board of Trustees are made up of shareholders in NGO's. It is observed in this section that the Association has achieved a significantly good level of compliance with CMB Corporate Governance Principles. The facts that relations with members continue in a healthy fashion, that the member registration book is kept updated and that there is an official responsible for giving sufficient information to stakeholders are all compatible with corporate governance principles. Sufficient care given to ensure members' right to obtain and review information, timely and duly convention of general assemblies and their proper invitations and making sure that voting processes in general assembly are in compliance with TEGV's regulations are also salient positive achievements in compliance with corporate governance principles.

TEGV has received a grade of **85.42** for the section of Public Disclosure and Transparency. It provides access to several current data, referred by principles, on its website, which might be needed by the members, donors, beneficiaries and all stakeholders. This has been found in compliance with principles. Sharing Independent Audit Reports and Fiscal Results with members and public through TEGV's corporate website and annual reports and the fact that 2014-2015 Annual Report contains all information about Foundation's activities have been seen as good practices in this section.

In the section for Stakeholders TEGV has achieved a grade of **95.92**.

Personal and corporate members, non - member donors, volunteers, beneficiaries, sponsors, NGO employees and society make up stakeholders for NGO's.

In this section the Foundation has achieved good level compliance with CMB's Corporate Governance Principles. It has been seen that

comprehensive policies are put into place for members, beneficiaries and donors. The issues concerning employees, such as job descriptions, powers, recruitment, remuneration, performance assessment, leave and social rights have been regulated.

Ethical principles and rules, binding for all members, management and employees have been prepared and became part of the corporate culture. Ethical were written down in 2008 with participation of all employees and approved by the Board on 23.07.2008. TEGV Ethical Values have been published in the corporate magazine in December 2008 and published on the corporate website in January 2009. .

The foundation signed Global Compact in October 2007 and publishes annual progress reports.

TEGV has achieved a grade of **84.03** in the section of Board of Directors and achieved compliance with CMB's Corporate Governance Principles.

The foundation is in adequate position in order for Board members to do their jobs constructively and productively and to set up and organize activities of Board committees.

It has been deemed positive that there are two women members in the Board.

It has been found that the Board of Directors has defined strategic targets to achieve the goals stated in the TEGV's Charter. The goals of the foundation are followed in an open, informative and motivating fashion for various stakeholders including members, beneficiaries, donors, volunteers, employees, media and all segments of society.

Policies below come to the forefront for this section.

The posts of Chairman of the Board and General Manager are held by separate individuals. General Manager is not a member of Board of Directors. Honorary and

professional managements are separated with this practice.

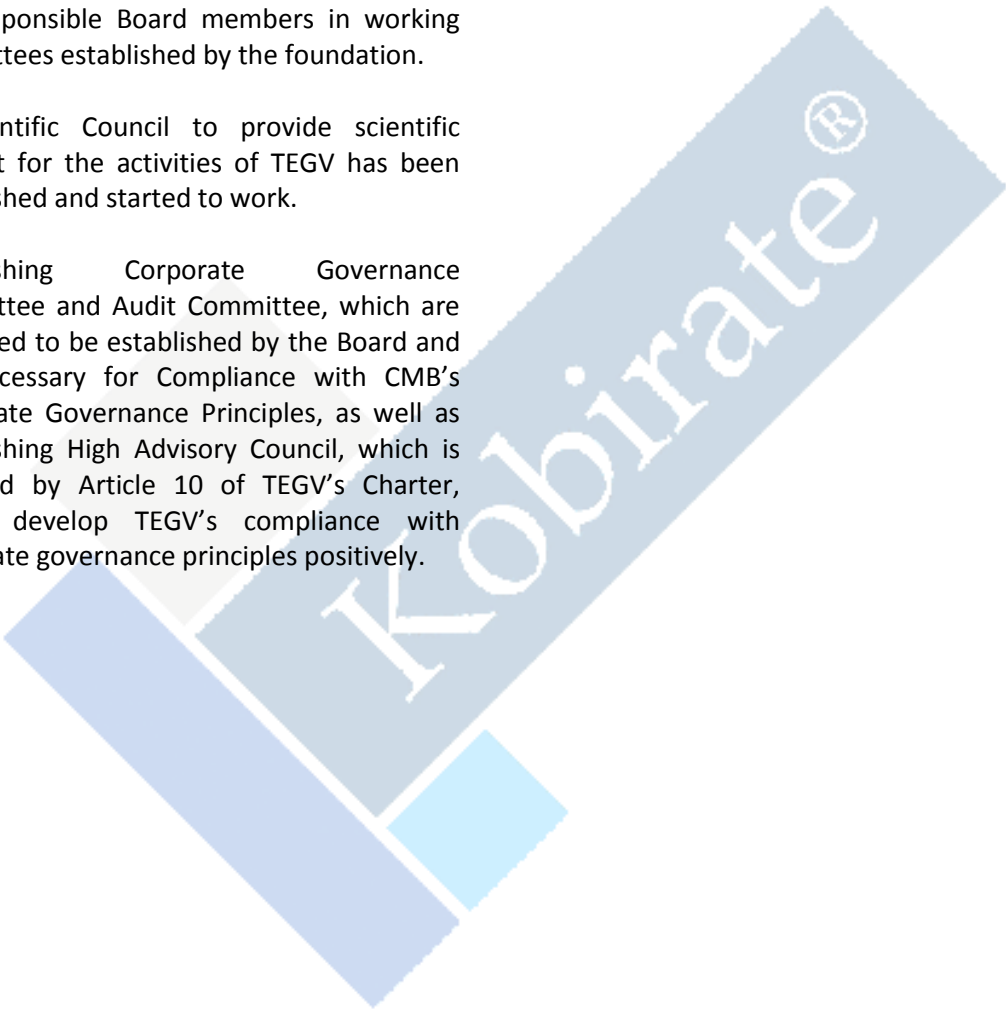
Work, powers, meetings and decision majority for the Board, which is the highest authoritative management platform of the foundation, are described in detail in Article 9 of TEGV's Charter.

It has been deemed positive that NGO has been audited independently and disclosed its results with public through its website.

It has also been deemed positive that there are responsible Board members in working committees established by the foundation.

A Scientific Council to provide scientific support for the activities of TEGV has been established and started to work.

Establishing Corporate Governance Committee and Audit Committee, which are supposed to be established by the Board and are necessary for Compliance with CMB's Corporate Governance Principles, as well as establishing High Advisory Council, which is required by Article 10 of TEGV's Charter, would develop TEGV's compliance with corporate governance principles positively.



2. RATING METHODOLOGY

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

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for the decision – makers, investors, shareholders, companies and stakeholders throughout the world. The principles were re – evaluated in 2002 and updated. Revisioning process for OECD Corporate Governance Principles continues in 2014-2015.

Capital Market Board (CMB) has undertaken to work on Corporate Governance in Turkey. CMB first prepared Corporate Governance Principles in 2003 and published it in 2005 after reassessment. The Board revised Corporate Governance Principles in December 2011 / February 2012 with communiqués Serial: IV No: 56 and Serial: IV No: 57. The principles were published as Communiqué No II-17.1 on 03.01.2014 after a reassessment.

The principles are under 4 main headings of Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors.

Apart from CMB, BRSA also prepared Regulation On Banks' Corporate Governance Principles, which was published by the Official Gazette dated 01.11.2006 and numbered 26333, putting rules together that banks should stick to.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. (Kobirate A.Ş) conducts Corporate Governance Rating

with a system completely based on CMB's Corporate Governance Principles (CMBCGP). In this system, in accordance with CMBCGP, companies are analyzed under four main headings of Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors.

Full compliance of work flow and analysis technique with Kobirate A.Ş.'s Ethical Rules is taken into consideration in this analysis.

302 different criteria are taken into consideration in order to measure the compliance of non - governmental organization with corporate governance principles. These criteria are translated into "Corporate Governance Rating Question Sets" through Kobirate A.S.'s unique software and answers from NGO's are received in electronic environment. The answers are examined and controlled by rating specialists and analysts and results are reported to Kobirate Corporate Governance Rating Committee for final decision.

Sections that CMB has determined for Corporate Governance Principles are each graded over a scale of 1 – 100 points. The weighting scheme for the four main sections to reach total grade, determined by CMB is as below:

Shareholders 25 %

Public Disclosure and Transparency 25 %

Stakeholders 15 %

Board of Directors 35 %

Main grade for Corporate Governance Compliance rating is reached by transferring section grades into coefficients of 10.

The NGO's grade from Corporate Governance Rating Committee would be between 0 and 10. In this grading 10 means perfect, complete compliance with CMB's Corporate Governance Principles, while 0 means a very weak

structure with no compliance with CMB's Corporate Governance Principles.

In this report the following legends have the following meanings:

✓ Due / Correct Application of CMB's Corporate Governance Principles

✗ Improper / Erroneous Application of CMB's Corporate Governance principles

✓/✗ Practices required to be improved in compliance with CMB's Corporate Governance Principles.



3. NGO PROFILE



NGO Name : Türkiye Eğitim Gönüllüleri Vakfı
NGO Address : Acıbadem Cad. Rauf Paşa Hanı Sokak No: 42 34660 Acıbadem / İstanbul
NGO Phone : (0216) 290 70 00 PBX
NGO Facsimile : (0216) 492 32 33
NGO Website : www.tegv.org

NGO's Date of Establishment : 23 OCAK 1995

Province of NGO's Head Office : İSTANBUL

NGO's Area of Activity : The government, with its incontestable role in public education, faces difficulties fulfilling this duty because of lack of resources and certain structural problems. Voluntary agencies, the private sector and the public must act in such a way as to enhance government efficiency in this vital area. They must share the responsibility by supporting, setting examples, and covering the deficiencies. The raison d'être of our foundation is to support the primary education provided by the government.

The objective of TEGV is to provide educational programs and activities to help our elementary education level children become citizens who are loyal to the basic tenets of our republic, who are rational, prudent, self-confident, creative, pacifist, respectful of different beliefs and thoughts, and who do not discriminate based on gender, nationality, religion or language.

The specific educational programs created by TEGV are implemented by volunteers at Educational Parks, Learning Units, and Mobile Firefly Learning Units established all around the country.

NGO Representative in Charge of Rating:

Esra H. BULDUK

Project Management Office Specialist

esrab@tegv.org

(0216) 290 70 00

Türkiye Eğitim Gönüllüleri Vakfı Honorary Chairperson

Name/ Surname	Title
Suna KIRAÇ	Honorary Chairperson

Board of Directors and Audit Board as of 30.09.2016

Türkiye Eğitim Gönüllüleri Vakfı Board of Directors

Name/ Surname	Title
Cengiz SOLAKOĞLU	Chairman of Board
PROF.DR. Levent KILIÇ	Deputy Chairman of Board
R. Oktay ÖZİNCİ	Member of Board
A. Ümit TAFTALI	Member of Board
M. Özalp BİROL	Member of Board
Nesteren DAVUTOĞLU	Member of Board
Arzuhan DOĞAN YALÇINDAĞ	Member of Board
PROF.DR. Sami GÜLGÖZ	Member of Board
H. Hüsnü OKVURAN	Member of Board
Ali GÜRSOY	Member of Board
Şirzat SUBAŞI	Member of Board

Türkiye Eğitim Gönüllüleri Vakfı Executive Board

Ad/ Soyadı	Unvanı
Cengiz SOLAKOĞLU	Member of Board of Executives
R. Oktay ÖZİNCİ	Member of Board of Executives
A.Ümit TAFTALI	Member of Board of Executives

Türkiye Eğitim Gönüllüleri Vakfı Audit Board

Ad/ Soyadı	Unvanı
Nezhat TÜFEKÇİOĞLU	Member of Audit Board
A.Ateş AYKUT	Member of Audit Board
Kemal UZUN	Member of Audit Board

BOARD OF DIRECTORS COMMITTEES

SCIENCE BOARD

TEGV Science Board held its first meeting on 16 October 2015 to scientifically contribute to our foundation's activities in the fields of education, the child and civil society, so that every child can have access to their right of quality basic education. The Board's members, who work at distinguished education and science institutions in different fields of expertise, conduct their activities to direct TEGV'S education and social society strategies, and support the foundation's works.

Name/ Surname	
Oktay ÖZİNCİ	Science Board Member
PROF.DR. Sami GÜLGÖZ	Science Board Member
PROF.DR. Yavuz AKPINAR	Science Board Member
DOÇ.DR Lemi BARUH	Science Board Member
DOÇ.DR. Kenan ÇAYIR	Science Board Member
DOÇ.DR Yasemin KİSBÜ	Science Board Member
DOÇ.DR Pınar UYAN	Science Board Member

Türkiye Eğitim Gönüllüleri Vakfı Management (Head Office)

Name/ Surname	Title
Tahir Mete MELEKSOY	General Manager
Gönenç AYDIN	Information Technologies Manager
Yaprak SARIİŞİK	Education Programs Manager
Deniz Umut EKER	Education Programs
Güney Olcay ÖZER	Education Programs Leader
Zeynet ÖZTUNCA	Education Programs Leader
Simay KARDEŞ	Volunteer Policies Leader
Şaziye Nazlı SOYDAN	Human Resources and Adm. Affairs Manager
Fulya KULABAŞ	Business Development Manager
Aytül ÇINAR	Business Development Leader
Derya YÜKRÜK KILIÇ	Financial Affairs Manager
Çeşminaz Didem KESTEK	Plan Project Manager
Bülent BELİN	Field Support Manager

Audit Committee

Duties of Audit Committee are undertaken by members Audit Board.

Study Groups

Volunteer Study Group

Established by decision of Board of Directors, this group works under the chair of Oktay ÖZİNCİ. The Group works on determining volunteer policies of the Foundation and principles to implement those policies.

Study Group Members; Mete MELEKSOY, Simay KARDEŞ

Communication Study Group

Established by decision of Board of Directors, this group works under the chair of Nesteren DAVUTOĞLU. The Group works on determining communication strategy of the Foundation, preparing communication plan and managing Foundation's brand.

Study Group Members; Deniz MUKAN, Mete MELEKSOY, Özlem ŞİRİN, Serdar ERDOĞAN, Fulya KULABAŞ

Resources Study Group

Established by decision of Board of Directors, this group works under the chair of Board Member Şirzat SUBAŞI. The Group works on determining Foundation's strategy to develop resources and developing new resource models.

Study Group Members; i. Renay ONUR, İtir ERHART, Gülsevım KAHRAMAN, Fatma AK, Mete MELEKSOY, Aytül ÇINAR, Fulya KULABAŞ

Türkiye Eğitim Gönüllüleri Vakfı and Economic Management's Comparison of Consolidated Financial Position Statements of 12th months of last two years

(000 TL)	2014/12	2015/12	Change %
Total Current Assets	84,740	88,722	4,69
Total Non – Current Assets	10,700	11,060	3,36
Total Assets	95,799	99,422	3,78
Total Short Term Liabilities	1,357	1,856	36,7
Total Long Term Liabilities	2,551	2,757	8,07
Total Donations	12,075	13,193	9,25

Source: Türkiye Eğitim Gönüllüleri Vakfı 2015 Independent Audit Report

(000 TL)	2014/12	2015/12	Change %
Total Operating Income	20,449	23,544	15,1
Total Operating Expenses	20,237	21,374	5,6
Total Financial Income	7,623	9,516	24,8
Net Current Year Income Surplus	277	2,512	806,8

Source: Türkiye Eğitim Gönüllüleri Vakfı 2015 Independent Audit Report

Short History of the NGO

The Educational Volunteers Foundation of Turkey (TEGV) was founded on January 23, 1995 by a group of businessmen, directors and academicians, led by Suna Kıraç, in order to “support the primary education provided by the government.”

Türkiye Eğitim Gönüllüleri Vakfı (TEGV) believes that “precondition of seeing bright faces in Turkey’s future is to provide best education for our children today” and by its raison d’être, the Foundation aims to prepare education programs and events that would help children of primary education to become adults who are loyal to basic principles and values of Republic, rational, thinking, questioning, able to mobilize their inner creativity, peaceful, respectful for other opinions and beliefs, non – discriminating against races, languages and religions. Its values include 1- Independence, 2- Being Mission - focused, 3- Justice, Equality, Tolerance and Respect, 4- Reliability, 5- Cooperation and Solidarity, 6- Rights and Responsibilities, 7-Innovation. Its mottos are EDUCATION EMPOWERS! EDUCATION IS CHANCE! EDUCATION IS A RIGHT!

TEGV was founded by a 55-member board of trustees who believe that the main reason for some of the major issues that our country is facing right now is lack of education, and that it wouldn’t be possible to reach the level of contemporary civilization without improving this.

TEGV is focused on providing “out-of-school education” support to elementary level students. Over the years, TEGV became the foremost non-governmental organization in its field of activity. In 2009, National Assembly declared TEGV as one of the foundations allowed to organize charity collection without prior permission. Since its foundation, TEGV has provided educational support for over 2.2 million children with its more than 6,500 corporate, over 560,000 individual donors, USD 139 million cash resources and tens of thousands of volunteers.

As of 30.09.2016, TEGV’s Board of Trustees has **171** members and there are **148** employees.

Türkiye Eğitim Gönüllüleri Vakfı has prepared its “Strategic Plan and Approach” for 2016 – 2018 and determined 7 strategic areas in accordance with its aim of, “Our unique model is our most important strength, our target is to make maximum use of this model”. These strategic areas are Education Programs, Event Points, Volunteerism, Resources, Communication, Information Technologies and Human Resources. The Foundation continues its activities in accordance with the strategic plan.

A summary of TEGV's history and developments in the last decade is below.

- TEGV children won the First Lego League Tournament in 2006. Suna Kiraç, our founder and honorary president, donated the proceeds from her book "I Have Ideals Longer than My Life." The City Representative application was put into action in preparation for widespread propagation. The First International Conference was held on December 5. "I Read I Play" with Yapı Kredi, and "Colorful Horizons" with Visa Europe, were implemented.
- TEGV started to educate volunteers thorough local instructors in 2007. A new program was initiated for the Fireflies. The NBA supported TEGV. Sezen Aksu, Nilüfer and Ajda Pekkan shared the stage for "A Child Changes, The World Changes". The United Nations Global Compact engagement was signed.
- In 2008, the April 23 Telethon campaign raised record donations. Street Theater shows were organized through the "I Read I Play" project. TEGV projects were represented at an REM concert. A "Youth, Volunteering and Social Capital" survey was conducted. Projects called "Knowledge is My Business" with Avea, and "Young Jerseys" with Migros were put into action. Nirun Şahingiray, a board member who had supported TEGV since day one, sadly passed away. He donated most of his wealth to TEGV.
- In 2009 TEGV was announced as one of the foundations allowed to organize charity collection without prior permission by the National Assembly. The number of Fireflies went up to 19. A conference based on the second national survey, "Lifelong Volunteering and Its Benefits", was organized on December 5, International Volunteers Day. The "Our Home Istanbul" project took off. A themed night, "You Have Never Seen Them Like This", took place. The Adım Adım (Step by Step) Initiative supported TEGV. An April 23 campaign was held for an entire month.
- In 2010 TEGV won the Golden Compass Prize during the Public Relations Awards organized by the Turkish Public Relations Association for the "You Have Never Seen Them Like This" project. A new record was set with a promised donation of 4.7 million Turkish Liras during the live stream of the Beyaz Show. The first thematic Firefly Culture Truck took off within the scope of the European Capital of Culture Agency during Istanbul's year as the European Capital of Culture. The first thematic web page, Our Home Istanbul, was established. TEGV celebrated its 15th anniversary.
- In 2011 The Sevgi-Erdoğan Gönül Educational Park was built in Şanlıurfa. 9 Fireflies were sent to the region after the earthquake in Van. TEGV activities were taken to the settlements where seasonal workers live thanks to the Fireflies. TEGV participated in the Hürriyet Train. The 6th International Volunteers Day was organized. Unilever started the project "Enjoy, Learn, Hygiene". A TEGV program, Our Home Istanbul, was included in the educational curriculum of the Ministry of Education for the first time.
- In 2012 TEGV was accredited to the European Volunteer Services Program and started to send volunteers. The Education Truck that took off from Istanbul to Macedonia and Kosovo introduced TEGV's educational programs to the children of Skopje for 6 months. Over the following 6 months,

the Educational Truck was active in Prizren. The number of Fireflies, which covered 112,214 kilometers, and reached 720,098 children in 12 years, was now 23 units.

- In 2013, the “Good Life Education Program” with Kipa and the “Bernard Van Leer Firefly” program were kicked off. Local volunteer gatherings were held. Chatter, TEGV’s communication platform, became active. “Support Workshops for Volunteers” were started as part of the Democratic Citizenship and Human Rights Education grant and the European Union Financial Aid Program. Thanks to Mercedes-Benz Türk, the new MobilKids Traffic Firefly was added to the fleet.

- In 2014, with the support of the Istanbul Development Agency, the Dream Traveler Firefly set out on the road to introduce primary level children to plastic arts. TEGV became a member of the executive board of UGK (National Volunteers’ Foundation), a strategic advisory body that supports recognition, reinforcement and conventionalization of volunteering. TEGV was included in the Harvard University curriculum. Celebrating the centenary of Turkish Cinema, TEGV organized a Movies Through Songs concert, with soundtracks of unforgettable Yeşilçam movies performed by the actors and actresses from these movies.

- In 2015, 3 – year strategic, based on the results of a brain storm conference with high participation and quality was prepared. On December 5th World Volunteers Day a first was undersigned in Turkey when TEGV, together with ACEV (Mother Child Education Foundation), TEMA, TOG, UGK (National Volunteer Committee), ÖSGD (Private Sector Volunteers Association) and UNV (United Nations Volunteers) organized simultaneous events all over Turkey. Second Nirun Şahingiray International Forum has also taken place with the participation of UN Assessment Group Chairperson, academicians from Harvard University, international experts and leading representatives of the sector. A Teleton broadcast to call audience to support education was also done, after a long break and thanks to 125,000 SMS collected during the event, education of 80,000 kids was supported.

Awards given to TEGV since its foundation in chronological order:

1999 II. Turkey Foundations Council Foundation of the Year

1999 YOSAG New Fact Art and Activity Group Best Foundation

2001 LDP Young Dolphins Best NGO of the Year

2001 Platin Magazine Social Responsibility Award

2001-2002 Istanbul Governor’s Office Environment Education and Action Project Success Award

2002 Golden Spider Best NGO Website

2002 YA-PA NGO that Cares for Education of Children

2003 Private Middle East Education Institutions Best NGO of the Year

2003 Golden Spider Best NGO Website

2003 Kariyer net Respect for Human First Award

2010 International Union of Turkish Medical Students Most Successful NGO

2011 Ncomputing - Go Gren Innovation Awards & Case Study

2012 Golden Spider Best NGO Website

2013 Golden Spider Best NGO Website

2014 TBV "Information is My Business Project" - ICT Stars Awards

2014 Harvard Business School - TEGV Measurement Evaluation System Key Study

2016 Istanbul Metropolitan Municipality Spor AŞ Vodafone 37th Istanbul Marathon Press Incentive and Fidelity Awards / STK Category

2016 Sabancı University NGO of the Year - Most Sensitive Navy Blue Award

2016 Vefa High School - Kemal Sunal Culture and Art Awards - Honor Award

TEGV is a member of Global Compact and has Green Office Certificate of WWF.

Short information on activities of the NGO

In 2015, 176,553 children accessed TEGV activities at 72 points, including 10 Education Parks, 38 Education Units and 24 Fireflies. TEGV has reached 2,234,410 children since its foundation.

Currently TEGV has 10 Education Parks, including two in Istanbul and one each in Ankara, Antalya, Eskişehir, Gaziantep, İzmir, Samsun, Şanlıurfa and Van. These are established in places allocated by municipalities and have every spatial and technological facility to support education. Education Parks, with a student capacity of about 4,000, are built on a field of 10 – 20 acres and they each have 1,200 m² closed area. There are fields for football, basketball, etc. in the open areas. There are 10 specially designed multi – purpose event rooms, 2 computer rooms, 1 library and special workshops.

Education Units are smaller places opened in provinces and counties with limited educational facilities. Their places are allocated to the Foundation by municipalities or individuals. There are 38 Education Units. They have a capacity for about 800 children and they have 250 – 300 m² closed areas. There are 4 specially designed multi – purpose event rooms, 1 information and technology room and 1 library.

At places without Education Park or Education Units, Education Volunteers reach children through mobile education units called **Firefly**. The Foundation has 24 Firefly Mobile Education Units. Mobile education units were first launched after 1999 Marmara Earthquake within the scope of Hope 2000 Project in order to ensure that children could continue their education. Then these means have been developed into “Firefly” Project and reached all provinces. The Culture truck, which has been produced as part of Our Home Istanbul Project, was acquired by TEGV as the first thematic Firefly. Fireflies have a capacity of about 3,000 children and they are set up in flatbed trailers. Firefly consists of one information and technology room with 12 computers, free event room and living space.

TEGV EDUCATION ACTIVITIES;

TEGV conducts educational activities at its fixed and mobile special sites through education programs it develops, with the great support of volunteers.

Education programs or activities for children and volunteers are developed by experts in different fields, as well as by TEGV’s Education Experts. They are coordinated by TEGV’s Education Programs Section. Programs reach children through specially trained volunteers.

TEGV Education model is built upon three pillars. TEGV realizes its mission through this 3 D learning model. They are TEGV Education Programs, TEGV Education Points and TEGV Education Volunteers.

TEGV Education programs; support children’s development at different aspects; they provide specific education programs and activities that help children to gain knowledge, skills and values of primary education level. Education programs and activities are classified in TEGV model as below:

- Education Programs
- Short Duration Activities
- Club Activities
- School Support Activities

TEGV Activity Points; TEGV activity points comprise 3 models; education parks, education units and Firefly mobile education units. They are all colorful places, which promote and support education, create opportunities to learn and use technology efficiently.

Socially responsible TEGV Volunteers who internalize TEGV approach and love, respect and interested in children as individuals, are instrumental in bringing children and TEGV activities together. Volunteers do not only support children's education; they also contribute to increasing social sensibilities and making the fact of NGO's real.

Education Programs are specific to the Foundation. Their aims, targets and contents are prepared by consultants and Foundation's experts, in accordance with children's grades and ages.

Education Programs are:

- Enjoy Learning Mathematics
- Enjoy Learning Science
- I Read I Play
- Dreams Workshop
- Theater Workshop
- Lets Learn Together
- Information Technology
- Firefly Education Programs
- Lego Robot Education Program
- Summer Activities

Club Activities aim for children to study their interest areas deeper as individuals or within groups and to produce a performance or a product.

Club Activities take place in TEGV Activity Points for children between grades 2 – 8 and last 4 – 10 weeks. These activities cover different fields including environment, theatre, music, media, photography, folk dances, art and sports.

School Support Activities aim to support children's school education in the fields of Science, Mathematics, Social, Turkish and English, where they need extra studies and development. School support activities take place within this scope, taking schools' programs into consideration at TEGV activity points for children between grades 1 – 8, lasting 4 – 10 weeks.

Short Duration Activities provides 90 minute activities, alongside 10 weeks education programs, aiming to raise children's awareness on different fields including art, hygiene, reading, mathematics and values. These activities comprise unique educations, aims, targets and contents of which are prepared by consultants and Foundation's experts, in accordance with children's grades and ages. Short duration activities are implemented at TEGV education points and schools.

TEGV COOPERATIONS;

In addition to compulsory courses, the **Ministry of Education** aims to run programs in the areas of science, social studies, culture, art and sports, through selective and extra-curricular courses, in order to create confidence and responsibility in elementary students. The Ministry of Education also prioritizes the contribution of artistic, sport and musical activities in students' academic success. Therefore, it encourages cooperation with other organizations in these areas. MEB and TEGV run mutual programs in order to support and activate works in these fields. A cooperation protocol has been signed between the two parties that enables primary education institutions in cities and districts where TEGV operates to make use of TEGV's sites, programs, and volunteer activities.

The **UN Global Compact** is the world's largest volunteer corporate citizenship initiative. The Compact is a volunteer initiative supporting sustainable development and good corporate citizenship applications, and is an entity based on internationally accepted principles. The main objective of the UN Global Compact, established in 2000, is to develop the ten universal principles covering the areas of human rights, work standards, environment and corruption. By 2007, 3000 firms from about 100 countries, and 700 international non-governmental organizations, had joined the UN Global Compact. In order to leave a better and more sustainable world for our children, TEGV signed the UN Global Compact in October 2007, and we vary our works in this direction.

The **Adım Adım** (Step by Step) Initiative is composed of amateur athletes working professionally in various firms and organizations. The main objective is, through sport activities, to introduce needy people and organizations to people and organizations willing to give. Amateur athletes participating in many sport events, both nationally and internationally, announce, before and after the events, the NGO they want donations for, and turn that sporting event into a benefit for society. The runners of the Adım Adım (Step by Step) Initiative ran to support our foundation in the Runtalya and Eurasia Marathons in 2009, and they helped support 955 children.

The **International Volunteering Committee** is a strategic advisory body working to enhance awareness about volunteering, and to empower and spread volunteering. TEGV, as a founder member, supports the IVC, along with 30 different institutions. IVC was first established in 2012 as a UN initiative. Three main strategies were set as targets: realizing the contributions of volunteering to society, including volunteers in policies and strategies, and growing stronger for greater variety. The meeting during which the IVC was officially established took place in the UN's Ankara office on April 24, 2013.

TEGV GÖNÜLLÜLERİ;

"Volunteering means activities carried out by individuals' free will to help out individuals and/or other beings, apart from their family or close circle, with a motivation that does not depend on material things. This definition is taken from the Report on Status of Volunteering of UNV.

The Education Volunteers Foundation of Turkey derives its strength from thousands of volunteers. Our volunteers, who assume the responsibility of carrying out education activities, and support us in the office, on travels and at meetings, demonstrate their efforts at activity points all around Turkey,

and work together with TEGV for a brighter future, illuminated by education. TEGV provides the volunteers with the opportunity to support education as an Education Volunteer, Trainer Volunteer and / or Support Volunteer, depending on knowledge, skills, experience and preferences of the volunteers. **Education Volunteer:** He / she works voluntarily at TEGV points all over Turkey and at programs at schools, taking place in accordance with the Cooperation with Ministry of Education Agreement. **Training Volunteer:** He / she is selected from among those volunteers with at least two years of volunteer work behind them and acts as trainer for volunteers. **Support Volunteer:** He / she provides support for the Foundation in areas other than education. Within this category are Communication Volunteer, Resource Volunteer, Office Volunteer and Project Volunteer. TEGV conducts all its activities with the support of volunteers. In order to become a TEGV volunteer one has to be over 18, graduate of at least high school, adopt Foundation's goal, vision and mission and have professional, educational and individual skills and characteristics that would ensure positive contributions to events and activities of the Foundation. TEGV volunteers are supporting the efforts to raise tomorrow's enlightened people by transferring their labor, time, knowledge and experience to children in consciousness of their social responsibility. They don't only support children's education; they also contribute increasing social sensitivity by exhibiting examples of active and responsible citizenship.

PUBLICATIONS AND SOCIAL MEDIA

Through Publications and Social Media TEGV prepares "**Reports, Studies, Corporate Publications, Books and News**" in order to support development and extension education and perception of NGO in our country. These publications aim to develop relationship with all stakeholders and to enable them access to studies and they are disclosed to public through Foundation's website.

Some TEGV publications since 2004 are;

- **E – bulletin, which is prepared once in every three months on civil society and education,**
- **Colorful Pencils Newspaper, which was launched as a communication tool for I Read I Play Program,**
- **Donors Bulletin, which is sent to donors once in every two months in digital environment,**
- **Annual Report of the Foundation,**
- **Independent Audit Reports of the Foundation,**
- **Global Compact Progress Reports,**
- **TEGV Volunteership Study Reports,**
- **TEGV Magazine,**
- **TEGV Impact Study,**
- **Life at School from the Eyes of Children Report.**

Biography of Founding Trustee Nirun ŞAHİNGİRAY, which was published with the title of "The Man Who Overflew His Shell; One Child Changes, Turkey Changes", is used actively in social media as a promotion book of the Foundation and provides communication with tens of thousands of people through Facebook, Twitter, YouTube and Instagram.

RELATIONS WITH NGO'S

TEGV conducts joint activities with leading NGO's of Turkey. With these activities it is aimed to extend the perception of Civil Society in Turkey, to cooperate with NGO's and to bring TEGV activities to large masses.

On December 5, World Volunteers Day **AÇEV, ÖSGD, TEGV, TEMA Vakfı, TOG, UGK and UNV** presented themselves to public by opening stands all over Turkey. At "Give Color if You are a Volunteer" activity in Kadir Has University hundreds of volunteers who work in different areas came together, shared their experiences and discussed how to increase the number of volunteers.

"Children Discover Nature" activity has been organized by two leading NGO's of Turkey, TEMA Foundation and TEGV. It has aimed to develop children's discovery instincts and reinforce the consciousness of living harmoniously with other creatures.

IV th Istanbul Children and Youth Art Biennale with the theme of "Wake Up Call Good Morning", was presented to public at Beyoğlu Municipality on 05.11.2015. TEGV children and volunteers participated the Biennale, which started in April 2016 and lasted one month, in many areas including waste studies, paintings, music and stage performances.

Music for Peace Foundation, which celebrated its 10th anniversary this year, and TEGV, which celebrated its 20th anniversary this year used uniting power of music and came together for a joint project. Children from TEGV's Zeyrek Education Unit and Aydın Doğan Education Park took lessons on music and musical instruments, while children from B Music for Peace Foundation took courses on Children Rights.

Green TEGV project team managed to get **WWF's** "Green Office" certificate. With the Green Office program, WWF aims to create awareness among office employees on saving of energy, carbon emissions, rational use of natural resources and changing life style.

"Blue Belt Event Volunteer Training" was conducted in cooperation with **TURMEPA** in order to create awareness in children about sea pollution and threats against ecosystem.

DONATIONS AND PRODUCTS

In 2015, 176,553 children accessed TEGV activities at 72 points, including 10 Education Parks, 38 Education Units and 24 Fireflies. TEGV has reached 2,234,410 children since its foundation to support their education and prepare them for better life. TEGV implemented these activities through Volunteers, Donations and Sponsors. .

Since its establishment, TEGV provided educational support for over 2.2 million children with more than 6,500 corporate and over 560,000 individual donors and tens of thousands of volunteers As of yearend 2015 TRY 2,733,116 worth of donations were received from 90,760 individual donors and TRY 10,742,185 from 319 corporate donors.

Bank Card, Bank Transfer, Online Banking, SMS, Sale of Products with Logo, Sponsors and joint projects with Sponsors are the main and successful channels for donations to TEGV.

TEGV Donors' Rights Declaration can be accessed at the website.

FOUNDATION'S ECONOMIC ENTERPRISES

TEGV Economic Enterprise

TEGV Economic Enterprise was established to buy and sell products and services that generate income for the Foundation. TEGV owns 99.9 % of it. Foundation management runs the Economic Enterprise, but their commercial relationship is almost non – existent. It generates income for the Foundation, but the levels of its turnover and income are rather low.

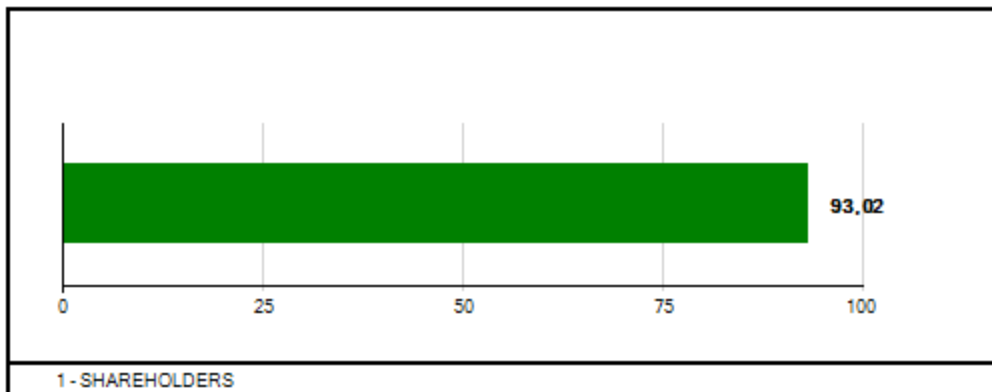
Simpar Otomotiv A.Ş.

Simpar Otomotiv Anonim Company is a general distributor of electrical equipment of certain brands in the automotive industry. It is run by a Board of Directors elected by the Foundation, but there is no commercial relationship between the Company and the Foundation. TEGV owns 99.9 % of it.



4. RATING SECTIONS

A. SHAREHOLDERS



Overview

- ✓ Secretariat of the Office of General Manager conducts relations with Members of Board of Trustees.
- ✓ All information necessary to exercise rights of membership is given.
- ✓ Member registration is conducted in accordance with existing laws, regulations and Deed of Foundation.
- ✓ There is no restriction for members to leave whenever they want.
- ✓ General Assembly meetings are held within their timeline and in accordance with laws, regulations and Deed of Foundation.
- ✓ There are no provisions that make using voting right difficult.
- ✓/* Each member has one voting right. However this should be spelled clearly in the Deed of Foundation and / or Internal Guidelines.

In NGO's, **Members of the Board of Trustees** use the rights of shareholders as described by CMB in Corporate Governance Principles.

In this section TKYD has been evaluated under 6 sub headings of **Facilitating the Exercise of Members' Rights, Responsibilities and Undertakings of**

Members, Right to Obtain and Examine Information, Right to Attend General Assembly, Voting Right and Relations with Volunteer Individuals and Organizations, Donors, Public Institutions and other NGO's, according to **86** different criteria. The Foundation's grade for this section is **93.02**.

a. Facilitating the Exercise of Members' Rights

Activities within the scope of relations with members include; Relations with Foundation members, membership procedures (application, conclusion and notification), giving information to members, donation, collecting and monitoring payments of annual fees and general assembly activities. TEGV's relations with members are handled by the General Secretariat of the Office of General Manager. After expiration of Foundation Memberships – for whatever reason – Item 1 of Article 8 of Deed of Foundation is applied. Accordingly, Board of Directors nominates and candidates who would donate a certain amount determined by the Board or make an important contribution to the Foundation. By the suggestion of Board of Directors and decision of Board of Trustees, the candidate who gets most votes in voting by Trustees is elected.

Membership to the Board of Trustees continues for a life time. Expiration of membership has been clearly described in Paragraph 4 of Article 8 of the Deed.

All current information that may affect the use of membership rights is published on TEGV's corporate website for members.

It is our opinion that TEGV has achieved good level compliance with the principles in this subsection.

b. Responsibilities and Undertakings of Members

The members TEGV Board of Trustees act in parallel with the purpose of the Foundation, being aware of the fact that it is a social service organization based on voluntary support.

The Foundation, established on 23.01.1995, has 177 members of Board of Trustees as 30.09.2016. Members comprise individuals who board members or top executives in important enterprises of our country.

In order to achieve goals described in the Foundation's deed, the members make important gratuitous contributions.

It is our opinion that TEGV has achieved very good level compliance with the principles in this subsection.

c. Right to Obtain and Examine Information

Information necessary for healthy exercise of membership rights is provided for the members and Foundation's website (www.tegv.org) is used efficiently to this end.

Information requests by members through phone or other communication means are answered by the officials of Foundation in the shortest possible time.

It has also been seen that members are notified about important developments in the

Foundation through e – mail or mail and these notifications are published on the website.

There is no ban or restriction on members' right to obtain and examine information due to the Deed and / or any departments of the Foundation.

Right to obtain and examine information has been extended to cover beneficiaries, donors and all segments of society, as well as members.

TEGV is independently audited by Başaran NAS Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and audit reports are disclosed to public on Foundation's website.

It is our opinion that TEGV sufficiently cares about having its members exercise their right to obtain and examine information.

With its policies in this subsection, TEGV has achieved good level compliance with the principles.

d. Right to Attend General Assembly

TEGV general assembly meetings are described by Item 2 of Article 8, which arranges general assemblies.

In accordance with Item 2 of Article 8, general assembly meeting takes place in April every year.

General Assembly meetings are held every year. In addition to methods envisaged by regulations, meeting announcements are made through every means of communication in order to reach maximum possible number of stakeholders. Announcements are published in local press and put on the corporate website of TEGV (www.tegv.org).

Ordinary General Assembly meeting for activities of 2015 was held on April 26, 2016. ,

Annual report, financial statements, audit report, independent audit reports, budget proposal and other documents about issues to

be discussed at General Assembly meeting are sent to members through e – mail.

Upon examination of General Assembly documents it has been seen that the list of members who have the right to attend General Assembly has been well prepared and made available at the meeting; the members have signed in front of their names on the alphabetic list before attending the meeting and there have been no restrictions on expressing their views on items of the agenda.

Special care is also given to express the items clearly in order not to cause different interpretations and to avoid using expressions like “other” or “various”.

Upon examination of General Assembly meeting minutes and list of attending members, it has been determined that members of Board of Directors and Audit Board, officials who prepare financial statements and relevant personnel for urgent items of the agenda attended the meeting. It has also been seen that the items on the agenda were separately voted and the results were shared with attendees before the closure of the meeting.

Through examination of meeting minutes and information given by officials It has also been determined that the chairman of the meeting has taken great care to have the issues of the agenda expressed objectively, comprehensively, clearly and simply. Members with voting rights were able to express their opinions and ask questions under equal conditions.

It has been observed that good level compliance with the principles has been achieved in this subsection.

e. Voting Right

The Foundation Deed doesn't contain any articles describing exercise of voting rights at general assembly meetings. When there is no article on a certain subject in the Deed, Articles of Turkish Civil Law and regulations about

Foundations are valid. Members of Board of Trustees can exercise their right of voting by themselves or by proxy. Writing down the details of voting process for individual Members of Board of Trustees and Corporate Members in the Deed of Foundation would have a positive impact.

It would be appropriate for the NGO to make internal regulations stating that those NGO members who themselves, their parents or their children have a lawsuit against or conflict with the NGO cannot use their voting right in the disputed issue with the NGO

It has been seen that TEGV has areas for improvement in this subsection.

f. Relations with Volunteer Individuals and Organizations, Donors, Public Institutions and other NGO's

TEGV's goals are stated in Article 3 of the Foundation Deed. Article 4 covers the activities necessary to achieve these goals. These Articles support Foundation's cooperation with public institutions, other NGO's and educational institutions.

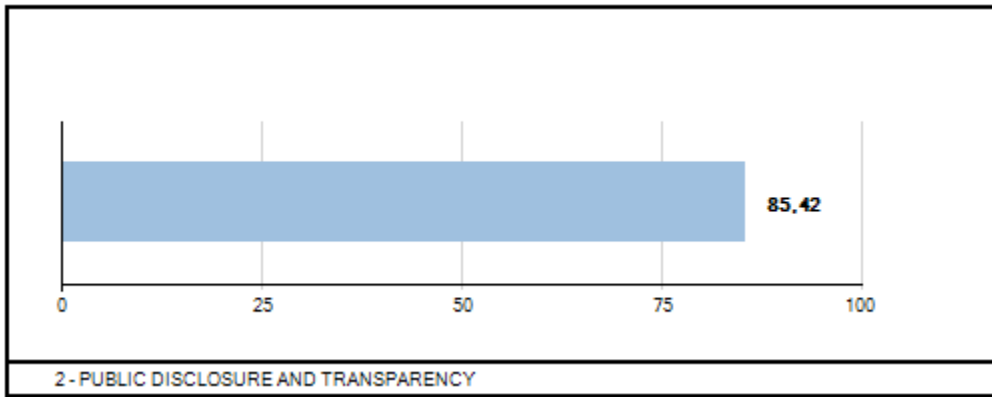
Examples of many projects that TEGV has implemented with national and international organizations are described in the section about NGO profile.

Projects with Ministry of Education, AÇEV, ÖSGD, TEMA Foundation, TOG, UGK, TURPEMA and UNV are some examples.

The government, with its incontestable role in public education, faces difficulties fulfilling this duty because of lack of resources and certain structural problems. In this vital area, TEGV develops collaborations with public institutions and NGO's in a leading position in order to develop education system and increase Government's efficiency in this field.

It is our opinion that TEGV has achieved a rather good level compliance with the principles in this subsection.

B. PUBLIC DISCLOSURE AND TRANSPARENCY



Overview

- ✓ Website is used efficiently to enlighten public with updated information as required by the principles.
- ✓ The information and documents, which are required by principles to be put on the website, cover last 5 years.
- ✓ The content of the annual report is good and in compliance with the principles. However there are some small areas where the report should be improved.
- ✓ Ethic principles and rules have been prepared in detail.
- ✓/✗ It would be appropriate for the Foundation's website to have a simultaneous version in a language other than Turkish.
- ✗ Disclosure policy has not been shared with public.
- ✗ It would be appropriate to publish General Assembly documents on the website on yearly basis.

As for this section, TEGV has been assessed by a total of 48 criteria under three (3) subsections of **Basic Principles and Tools for Public Disclosure, Corporate Website and Annual Report** and received the grade of **85,42**.

a. Basic Principles and Tools for Public Disclosure

Basic tools that TEGV uses actively for public disclosure include; e – bulletin for civil society and stakeholders in education published once in three months, Colorful Pencils Newspaper, which was launched in 2014 as a communication activity of I Read I Play Program, Donor's Bulletin, which is sent to donors once in every two months in digital form, Annual Report, Independent Audit Report, Global Compact Progress Reports, TEGV Volunteership Study Reports and TEGV Magazine.

Corporate website and annual report are assessed under their relevant subsection headings.

E – Bulletin containing information on trainings, meetings and other developments about the Foundation is sent to e – mail addresses of all registered members and latest developments are disclosed to public.

TEGV uses social media (**Facebook, Twitter, Youtube and Instagram**) actively to communicate with tens of thousands of people.

Financial statements and footnotes of the Foundation are prepared in accordance with current regulations and international

accounting standards and audited by independent audit companies.

Independent audit reports and footnotes are disclosed to public in appendixes of annual reports and on corporate website.

It has been learned that there is no lawsuit against and / or by the Foundation at an amount that might have an impact on its financial situation and /or activities.

Information for public is published on the Foundation's corporate website (www.tegv.org.) in a true, timely, comprehensible, interpretable and easily accessible fashion.

It would be appropriate to disclose the disclosure policy – prepared by the Board of Directors – through Foundation's corporate website.

TEGV's policies in this subsection are at good level compliance with the principles.

b. Corporate Website

TEGV's Corporate Website (www.tegv.org;) is being used as an active and efficient platform for public disclosure and the information on the website is continuously updated. The Foundation's goal is disclosed on the website in a clear, understandable and inspiring manner, without leaving room for different interpretations. Donation and aid methods, as well as bank account information are stated in a noticeable fashion. Information on subjects like membership or being donor or beneficiary are also published in an attention grabbing manner and documents for them are easily accessible.

TEGV's corporate website contains information about covers the latest management structure of the Foundation, Deed of Foundation, Board of Directors Annual Reports for the last 5 years, periodical Financial Statements and Reports, Board of Directors Committees, their Working

Regulations, Commercial enterprise and much more.

It would be appropriate for website to have section containing information on General Assembly Invitations, Meeting Agendas, Agenda Items and General Assembly meeting minutes.

It would also be appropriate if information on the website is also published in English, in consistency with Turkish content.

In this subsection, the Foundation has achieved good level compliance with the principles.

c. Annual Report

Board of Directors of the Foundation prepares an annual report at the end of each year about activities and results of that year. Annual reports for the last 5 years are disclosed to members, donors, beneficiaries and public through electronic environment.

Annual reports contain information on;

1. Goal, Vision, Mission of the Association,
2. Activities towards the goal in the past and the period that is under examination,
3. Realization of planned activities,
4. Members of Board of Directors and Audit Board.

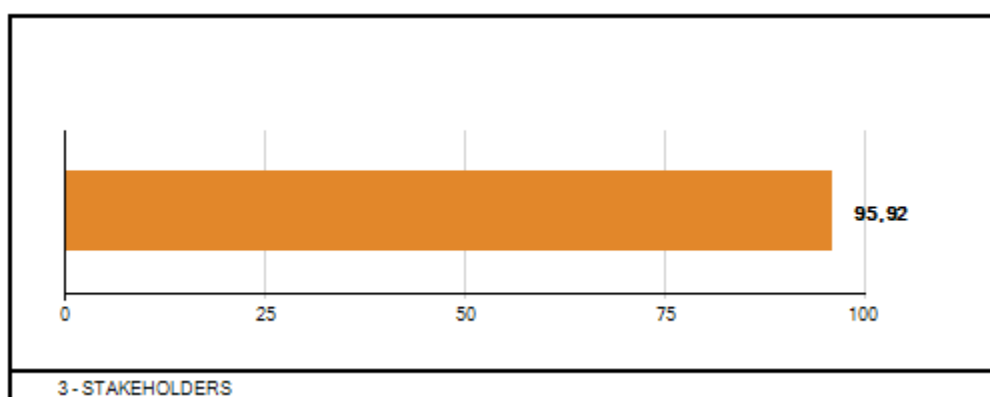
Having the subjects below in the annual report, which is prepared at the end of each year, would contribute positively to the development of Foundation's Compliance with Corporate Governance;

1. The changes in the Articles of Foundation and their reasons, if there are any changes,
2. Conflicts of interest between the Foundation and management, public institutions and other NGO's and policies implemented to prevent them,

3. Internal control system and information on whether it works soundly or not,
4. Audit Board and Independent Auditor Reports,
5. Management and use of real estates and resources,
6. Activities to increase Donations and Resources,
7. Organization and management structure and changes in this field,
8. Subcommittees of Board of Directors, their duties and responsibilities,
9. Final Accounts for 2015 and Budget Proposal for 2016,
10. Declaration of Board of Directors and Executives on the correctness of Financial tables and footnotes,
11. Lawsuits started against and / or by the Foundation and their probable results.



C. STAKEHOLDERS



Overview

- ✓ **There are no regulations that make it difficult for the stakeholders to exercise their rights.**
- ✓ **Safe and enjoyable working environment is provided for the employees.**
- ✓ **A comprehensive human resources policy and an education policy have been prepared.**
- ✓ **There are guidelines for recruitment, promotion, rewarding and discipline and these regulations are respected in practice.**
- ✓ **The Association has prepared remuneration and compensation policy for its employees.**
- ✓/* **It would be appropriate to disclose remuneration and compensation policies to public.**

TEGV's stakeholders are its employees, volunteers, beneficiaries, donors and society.

As for this section, TEGV has been assessed by a total of 49 criteria under three (3) subsections of **NGO Policy on Stakeholders**, **NGO's Human Resources Policy** and **Ethical Rules** and received the grade of **95.92**.

a. NGO Policy on Stakeholders

The Foundation's target, goal and its fields of activity are described in 3rd and 4th Articles of

its Deed and they provide guidelines on how the Foundation would serve outside stakeholders, with its members of Board of Trustees and volunteers and what kinds of services it would provide.

It is observed that the stakeholders' rights, specified in regulations and mutual contracts are protected and respected. The impression is that in case of lack of any regulation, the Foundation respects stakeholders' rights within goodwill rules and its means.

Policies and procedures concerning human resources are disclosed to stakeholders through corporate website. Disclosing remuneration and compensation policies to public would improve compliance with the principles.

All the revenues of the Association, including Membership Registration Fee, Income from Commercial Enterprise, Donations and Aids sent domestically or from abroad, Income from Trainings and Activities and other income received within the frame of Collecting Aid Act are used in accordance with the goal of the Foundation.

No discrimination based on language, religion, political opinion, etc. takes place in Foundation's activities and facilities it provides.

It has been observed that beneficiaries are included in goals and activities of the Foundation, thus ensuring voluntary support for TEGV.

Members and beneficiaries are sufficiently informed about TEGV's activities. It helps to increase Foundation's reach to wider segments of the society.

It has been observed that Members of Board of Directors and Executives of TEGV are using revenues of the Foundation to create income for it, above or equal to market averages.

It is our opinion that the Foundation has achieved good level compliance with the principles.

b. NGO's Human Resources Policy

Organizational structure of the Foundation is published on its website in detail.

According to the organization scheme of the Foundation; activities in the fields of Information Technologies, Education Programs, Human Resources and Administrative Affairs, Business Development, Financial Affairs, Plan Project, Field Support, International Resource Development, Firefly Mobile Education Units, Education Parks and Education Units all report to General Manager Mete MELEKSOY. These activities are conducted by a team of 148. Average age of Foundation employees is 35. 54.7 % of them are women and 45.3 % men. Most of the employees are graduates or post graduates.

Values about quality and quantity of the human resources who provide the services of the Foundation are described in TEGV's 2016 – 2018 strategic plan.

It has been observed that precautions are taken to prevent discrimination on the basis of race, religion, language and gender, to respect human rights and to protect employees against physical misbehaviors and mobbing.

Safe and enjoyable working environment is provided for the employees. It is our impression that these conditions are being continuously improved.

Annual salary raises are done in January. The increases are determined by taking into account the grade of employee's position, TEGV's remuneration policy, performance grade, annual inflation rate and budget considerations.

It would be appropriate for the Foundation's Board of Directors to prepare a Compensation Policy for employees and disclose it to public on its corporate website.

In this subsection TEGV has achieved compliance with the principles to a great extent

c. Ethical Rules

TEGV's ethical principles were written down in 2008 with the participation of all employees, approved by Board of Directors decision on 23.07.2008 and published in TEGV corporate magazine in December 2008.

Ethical Principles and Rules have been prepared for Members of Board of Trustees, Board of Directors and Employees under 7 heading of;

Independence, Mission Focused Use of Resources, Exhibiting Justice, Equality, Tolerance and Respect to all Stakeholders, Reliability, Cooperation and Solidarity, Rights and Responsibilities of Employees and Innovation.

Foundation's Ethical Principles contain many rules and regulations including;

In all their activities and transactions they will be acting in line with regulations and internal provisions of TEGV,

In doing their duties and providing services they will not make any discrimination based

on language, religion, philosophical belief, political belief, race, gender, etc.,

Board of Directors, executive directors and other employees will avoid wasting and extravagance when using Foundation's resources,

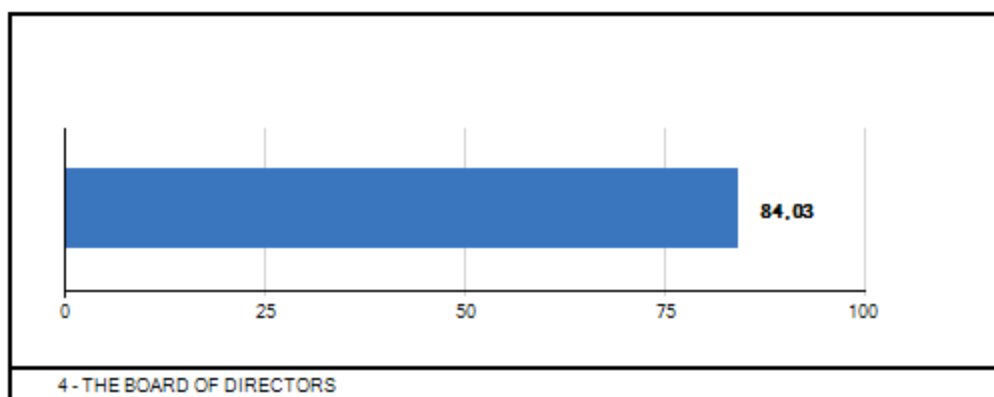
Disclosure, transparency participation and accountability of directors will be ensured.

It has been learned that the board of directors has sufficiently informed Foundation management and employees on how to apply these principles.

The Foundation has achieved good level compliance with the principles of corporate governance.



D. BOARD OF DIRECTORS



Overview

- ✓ TEGV Management has determined strategic targets, human and financial sources it requires.
- ✓ The number of Members of Board of Directors is adequate for them to work productively and constructively.
- ✓ There are two women members of the Board of Directors.
- ✓ Every Board Member has one vote.
- ✓ There isn't any loan/credit involvement between Board Members and the Foundation.
- ✓ Remuneration principles for directors and employees have been determined.
- ✗ Board of Directors Corporate Governance Committee should be established and disclosed to public.
- ✗ Board of Directors Audit Committee should be established and disclosed to public.

In this section, the Foundation has been assessed by **119** different criteria under the headings of **Function of the Board of Directors, Principles of Activity of the Board of Directors, Structure of the Board of Directors, Procedure of Board of Directors Meetings, Committees Formed within the Structure of the Board of Directors and Financial Rights Provided for Members of the Board of Directors and Executives**. TEGV has gained the grade of **84.03**.

a. Function of the Board of Directors

The Board of Directors determines strategies and targets towards achieving Foundation's goal, makes plans to reach targets and continuously assesses degree of achievement, activities and past performance.

This efficient assessment includes reflecting financial situation and results to accounting records, ensuring compliance with international accounting standards and verifying the correctness of financial information.

The Board of Directors has presented the NGO's goal in a clear, informative and motivating fashion to stakeholders including members, beneficiaries, volunteers, donors, Foundation staff, media and public.

In order to promote the NGO in public, the Board of Directors has established a healthy communication between members, donors, beneficiaries and other stakeholders.

It is observed that The Board of Directors has prioritized functions like increasing participation to the NGO, budgeting, monitoring and evaluation, strategic planning, resource creation and improving corporate capacity.

In this subsection, the Foundation has achieved good level compliance with the principles.

b. Principles of Activity of the Board of Directors

Administrative structures of TEGV, their powers, duties and responsibilities are clearly described in detail in the 2nd Section of Deed of Foundation. Article 7 of Deed describes Foundation's structures as;

1- Board of Trustees, 2- Board of Directors, 3- Executive Board, 4- Supreme Consultancy Board, 5- Audit Board, 6- Office of General Manager.

Article 9 of the Deed describes provisions about Board of Directors' activities in detail. Principles of activity, election, duties and powers of the Board, criteria on jobs and duration of terms of Chairperson and members, as well as their authority to represent and bind are clearly described.

Board's number of meetings, minimum number of members to convene, minimum number of members to take a decision, frequency of meetings, the way decisions are taken and recorded are regulated by Article 9 of the Foundation Deed.

The Board of Directors has enabled general assembly meetings to convene in compliance with regulations and NGO's guidelines and it implements decisions taken at these meetings.

The Board of Directors is in continuous and effective cooperation with managers while performing its duties and responsibilities and it has been learned that managers attend Board of Directors meetings whenever necessary.

It would contribute positively to the activities if the Board of Directors establishes Supreme Consultancy Board as it is stated by Article 10 of Foundation Deed.

In this subsection, TEGV has achieved good level compliance with the corporate governance principles.

c. Structure of the Board of Directors

According to the 7th Article of the Deed, Board of Directors comprises 11 full and 9 substitute members. As a principle, Members of Board of Directors are elected by the Board of Trustees from among candidates who are highly knowledgeable, talented, qualified and well respected by the society and can contribute strongly to the realization of Foundation's goals.

The requirement for minimum number of members demanded by principles has been met and the number is sufficient for Board Members to serve effectively and constructively and to form and arrange organization of committees.

Existence of two women in the Board of Directors has been deemed as a positive point.

Chairmanship of Board of Directors and the position of Secretary General are undertaken by different persons. Thus, strategic management and executive management are separated and authority to take decisions is divided between these two boards.

According to Article 8 Paragraph 4, "If a lawsuit against a member of board of trustees is launched with a dishonoring accusation like stealing, conning, forgery or breach of trust, the member cannot continue his / her duty and use powers described by the Deed until the Court makes decision and if he / she gets convicted membership ends." Article 8 Paragraph 3 of the Deed states that membership of those members of board of directors, against whom lawsuit is started for accusations described in Article 8 / 4 states, ends. If the member is acquitted, he / she can be re – elected.

The Foundation arranges the structure of Board of Directors in accordance with the Deed.

In this subsection, TEGV has achieved rather good level compliance with the principles.

d. Procedure of Board of Directors Meetings

According to Article 9 of the Deed - which describes formation of Board of Directors – Board of Directors comprises 11 full members, who are elected for a period of two years. With the suggestion of Board of Directors, Board of Trustees can decide to increase the number of Members of Board of Directors.

At its first meeting after the election, Board of Directors decides on distribution of positions within the Board and determines Chairperson and Vice Chairpersons.

Chairperson of Board of Directors is elected for two years, from among those members who have been at that position for at least one year. A Member can hold the position of Chairperson for four successive years maximum.

At the end of 2 years, 5 members of Board of Directors – formed in accordance with Article 9 of the Deed – who are determined by draw, are renewed through elections. At the end of the following year remaining six members are renewed by elections. Renewal of Board membership takes place like this. Members of Board of Directors can be elected successively.

TEGV held its general assembly meeting to discuss activities of 2015 on 26.04.2016 in accordance with its internal regulations.

Cengiz SOLAKOĞLU is the Chairman of Board of Directors and Prof. Dr. Levend KILIÇ is the Deputy Chairman.

Article 9 / 2 of the Deed of Foundation describes procedures of the Board of Directors. In line with the article, Board meeting is called at the first week of every month by the Chairman. If the Chairman is away the call for meeting is done by the Deputy Chairman. If at least three members of Board ask for it, call for meeting is obligatory. The Board of Directors can take decisions through signatures of all current members, without holding an actual meeting. Those who oppose can state their opposition.

Attendance of half of the members plus one member is enough to hold Board meeting. Majority of the attending members is enough to take decisions at meetings. If votes are equal, vote of the Chairman is counted as two votes.

If a member does not attend three successive meetings and his or her excuse is not accepted, membership is terminated.

TEGV Board of Directors held 11 meetings with sufficient attendance in 2015 and took 29 decisions. There were 8 meetings in 2016 until October 30 and 116 decisions were taken at these meetings.

Every member has one voting right at the meetings of Board of Directors and there is no right of weighted voting for members. The necessary majority to take decisions at the meeting is described by internal regulations of the NGO.

Secretariat has been formed in order to serve all members of the Board and to keep regular records. The secretariat function is undertaken by the Secretariat of the Office of General Manager.

In this subsection, the Foundation has achieved very good level of compliance with the principles of corporate governance.

e. Committees Formed within the Structure of the Board of Directors

Academic Board and Study Groups have been formed in order for the Board of Directors fulfills its duties and responsibilities soundly. Their working principles are described by Article 12 of the Deed of Foundation.

(Boards and Committees as of 30.09.2016 are below)

Audit Board, Audit Committee:

Duties and powers of Audit Committee are described in Article 11 of the Deed of Foundation.

Audit Board is elected by the Board of Trustees as three full and three substitute members.

The Audit Board examines Foundation's income and expenses, as well as its accounts and records at least once a year in order to ensure achievement of the goal stated in the Deed. It is charged with reporting the results to the Board of Directors and to the General Assembly, whenever it convenes.

The Foundation also hires Independent Audit Companies for independent audits and discloses results to the public.

Members of the Audit Board Members

Name / Surname	Job
Nevzat Tüfekçioğlu	Member
Kemal Uzun	Member
Ateş Aykut	Member

In order to improve activities of Foundation's Audit Board and increase their value, "Internal Audit Position" was established within the organizational structure in 2010 as an independent and objective guarantee function.

Reporting to Audit Board, Internal Audit Specialist assesses and improves effectiveness of risk management, internal control and management processes with a systematic and disciplined approach. The specialist conducts audit activities that would help the Foundation to achieve its goals independently from operational departments.

It would be appropriate to elect three substitute members for the Audit Board as required by Article 11 of the Deed and to establish Audit and Corporate Governance Committees under the Board of Directors.

Executive Board:

Executive Board is formed by the Board of Directors, which delegates some of the duties and powers it determines. Executive Board consists of at least three people and one more than half of these people should be members of Board of Directors. Executive Board presents its

decisions to the Board of Directors once a month. Members of the Executive Board determine and implement Foundation's remuneration policy.

Executive Board Members

Name / Surname	
Cengiz Solakoğlu	Member
Oktay Özinci	Member
A. Ümit Taftalı	Member

Science Board:

Science Board has been established and launched in order to provide scientific support for Foundation's activities.

Science Board Members:

Name / Surname	
Oktay ÖZİNCİ	Member
PROF.DR. Sami GÜLYÜZ	Member
PROF.DR. Yavuz AKPINAR	Member
DOÇ.DR. Lemi BARUH	Member
DOÇ.DR Kenan ÇAYIR	Member
DOÇ.DR Yasemin KİSBÜ	Member
DOÇ.DR Pınar UYAN	Member

Study Groups are described in Foundation profile section.

It is our opinion that the Foundation has areas for improvement in this subsection.

f. Financial Rights Provided for Members of the Board of Directors and Executives

Services of members of Board of Directors are honorary for the Foundation; therefore no payments are made as wages or attendance fee.

According to Article 9 Item 2 and Paragraph 5 of Deed of Foundation, any payment for Board membership in the form of attendance payment or anything similar has been taken under control.

It has been found that the Foundation has not lent money and extended credit to any member of Board of Directors and have been very careful to prevent misuse of resources. The Foundation has neither provided securities such as surety in favour of members of Board of Directors.

The impression is that the directors conduct Foundation's activities within the scope of its mission, vision, strategies and policies and that they act in accordance with financial and operational plans, which are annually approved by the Board of Directors.

It has been observed that the person who has been appointed as General Manager is an expert in his field, with sufficient knowledge and managerial experience. He works full time in the Foundation.

Remuneration and other benefits for directors and employees are determined by Foundation's Executive Board. It would be appropriate to write down remuneration principles for Foundation directors and disclose these principles to public.

In this subsection, the Foundation has also compliance with the principles.

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

GRADE	DEFINITIONS
<p>9–10</p>	<p>The NGO achieved a substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the NGO might be exposed are recognised and controlled effectively. The rights of the members are fairly taken care of. The level of public disclosure and transparency are high. Interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles.</p>
<p>7–8,9</p>	<p>The NGO complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place, and operational, although some improvements are required. Potential risks, which the NGO may be exposed are identified and can be managed. The rights of the members are fairly taken care of. Public Disclosure and transparency are at high levels. Rights of stakeholders are treated fairly. The structure and the working conditions of the Board of Directors are in compliance with the Corporate Governance Principles. Some improvements are needed in order to achieve compliance with the Corporate Governance Principles even though they do not constitute serious risks.</p>
<p>6–6,9</p>	<p>The NGO has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems have been established at moderate level and operated, however, improvement is needed. Potential risks that the NGO may be exposed are identified and can be managed. Although the rights of members are taken care of, improvement is needed. Although public disclosure and transparency activities are taken care of, there is need for improvement. Rights of the stakeholders are taken care of but improvement is needed. Some improvement is required in the structure and working conditions of the Board.</p>

GRADE	DEFINITIONS
4-5,9	<p>The NGO has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level, but are not full and efficient. Potential risks that the NGO is exposed to are not properly identified and are not yet under control. Substantial improvements are required to achieve compliance with the Corporate Governance Principles in terms of members' and stakeholders' rights, public disclosure, transparency, the structure and working conditions of the Board.</p>
< 4	<p>The NGO has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It has also failed to establish its internal control systems. Potential risks that the NGO might be exposed are not identified and cannot be managed. The NGO is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the rights of members and stakeholders, in public disclosure and transparency and in structure and working conditions of the Board.</p>