



Corporate Governance Principles Compliance Rating Report



***Educational Volunteers
Foundation of Turkey***

26 December 2017

Validity Period: 26.12.2017-26.12.2018

LIMITATIONS

This Corporate Governance Compliance Rating Second Period Revised Report for the Educational Volunteers Foundation of Turkey, issued by Kobirate International Credit Rating and Corporate Governance Services Inc. has been compiled in accordance with CMB's Corporate Governance Principles, the Laws and the Regulations applicable to the NGO in question, and Corporate Governance Principles Compliance Rating Methodology for Non-Governmental Organizations (Revision 2015 / 2) created by our company based on General Corporate Governance Principles.

The Rating report by Kobirate International Credit Rating and Corporate Governance Services Inc. has been drafted based on 69 documents, information and files sent by the NGO in question, data disclosed to the public by the NGO, as well as our experts' observations and interviews at the NGO in question.

Kobirate International Credit Rating and Corporate Governance Services Inc. has formulated its Ethical Rules according to the Law on Banking, CMB and BRSA regulations on the Operations of Rating Companies, widely accepted ethical rules of international organizations such as IOSCO and OECD, widely accepted ethical customs, and disclosed it to the public through its web site (www.kobirate.com.tr).

Although Corporate Governance Principles Compliance Rating is an assessment based on various data, in the final instance, it represents the institutional opinion of Kobirate International Credit Rating and Corporate Governance Services Inc. formulated according to the methodology it has disclosed to the public.

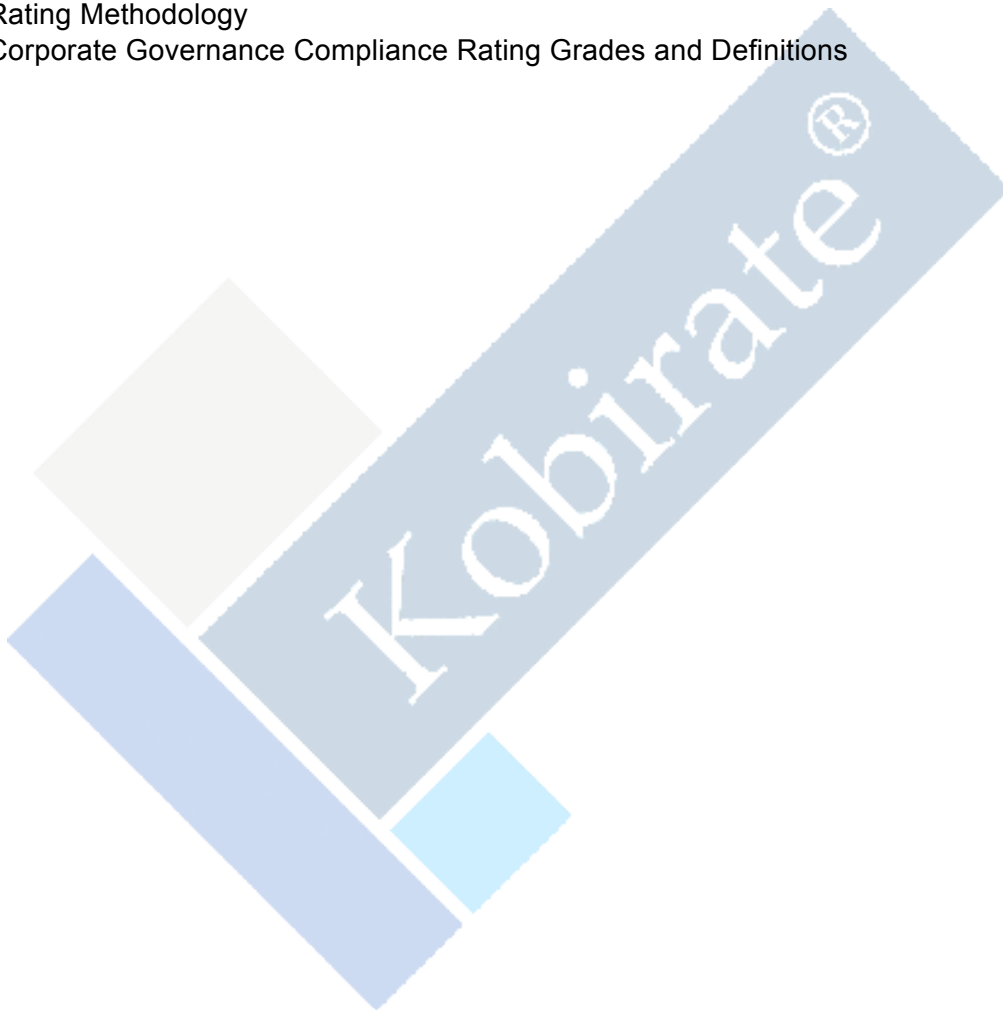
This report was drafted by Kobirate Inc. to set an example for Advancement of Corporate Governance Principles at NGOs, with contributions from Turkey Corporate Governance Association and Argüden Academy.

The rating grade does not constitute a recommendation to purchase, hold or dispose of any kind of borrowing instrument. Kobirate International Credit Rating and Corporate Governance Services Inc. cannot be held liable for any loss incurred due to investments in the company based on this report.

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EDUCATIONAL VOLUNTEERS
FOUNDATION OF TURKEY

CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE

9.33

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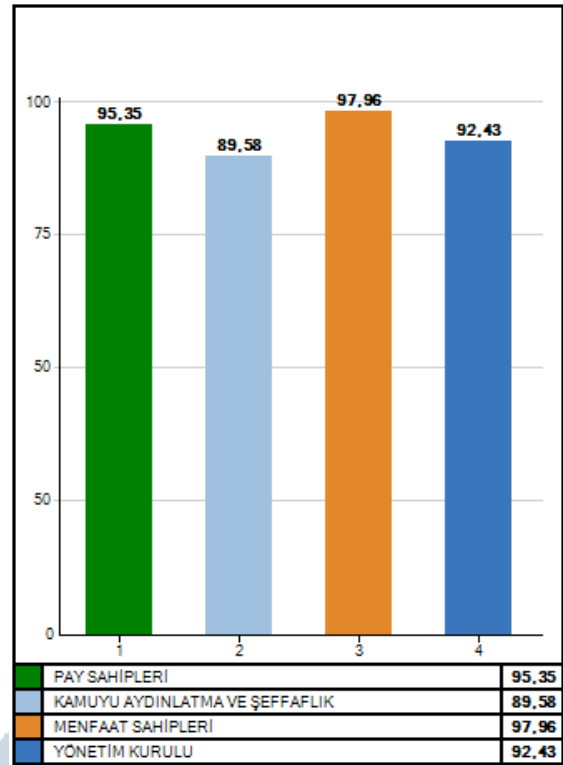
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1. SECOND PERIOD REVISED RATING RESULTS

Kobirate International Credit Rating and Corporate Governance Services Inc.'s 2017 Corporate Governance Revised Rating for **Educational Volunteers Foundation of Turkey** in accordance with Corporate Governance Principles Compliance Rating Methodology for NGOs (Revision 2015 / 2) is compiled through, on-site examinations of documents, interviews held with executives and persons involved, official web site of the NGO, PwC Independent Audit, Independent Accounting and Financial Consultancy Inc.'s 2014-2015-2016 Independent Audit Reports, and interviews at the NGO and other reviews.

As a result of the examination of 302 criteria under the main headings Shareholders, Public Disclosure and Transparency, Stakeholders, and Board of Directors, in line with the Corporate Governance Compliance Rating Methodology for NGO's (Revision 2015/2) developed by Kobirate International Credit Rating and Corporate Governance Services

Inc, Corporate Governance Compliance Rating Grade of **Educational Volunteers Foundation of Turkey** for 2017 was designated as **9.33**.

This result shows that **TEGV** has achieved a considerable level of compliance with Corporate Governance Principles, Laws and Regulations applicable to the NGO, and Widely Accepted Corporate Governance Principles, awareness and culture of responsibility for members, donors, beneficiaries and all other stakeholders is embedded within the NGO, public disclosure and transparency activities are sufficiently developed, rights of stakeholders are protected in fairly, many policies and procedures are put into effect to develop a corporate governance approach, and Board of Director's structure and working principles are in full compliance with Corporate Governance Principles.

Below is a brief summary of the main headings of assessment:

In the section of **Shareholders** (Internal and External Stakeholders) the Foundation achieved a grade of **95.35**.

In NGOs, shareholders consist of members of the Board of Trustees. In this section, it has been determined that TEGV complies and maintains Corporate Governance Principles at a very high level. There is an official assigned to maintain sound relations with the members, to follow up members' records, and to provide sufficient information to the stakeholders.

Ensuring the exercise of members' right to information and examination, general assembly announcements and general assembly meetings in accordance with applicable legislation, and general assembly voting processes in accordance with applicable legislation and the Foundation's Charter are dimensions in line with corporate governance principles.

Documents related to the General Assembly are published on the web site (General Assembly Agenda, List of Participants, Meeting Minutes),

At the General Assembly dated 27 April 2017, it was decided that each member has one vote,

"TEGV General Assembly Working Principles and Procedures Directive" regarding the General Assembly Working Principles was drafted, approved by the Board of Directors with a decision dated 23 October 2017 and numbered 21, and shared with the public through the web site,

The Foundation received **89.58** from the **Public Disclosure and Transparency** section. In compliance with the principles, the web site offers up-to-date information regarding the Foundation and its activities that may be required by members, donors, beneficiaries and stakeholders.

Sharing of the Independent Audit Reports and Financial Statements with members and the public via the web site, and including extensive information about the foundation's work in the annual reports stand out as positive practices under this section.

In Public Disclosure and Transparency, the following new regulations and practices were introduced during our rating period.

- A separate category for **Corporate Governance** (<https://tegv.org/hakkimizda/kurumsal-yonetim/>) was added to the web site of the Foundation (in Turkish and English).
- The **Chairman's Message** was added to the web site under Corporate Governance.
- **Awards** were added to the web site.
- **The English version of the web site** went online.
- **CVs** of Board Members and Department Managers were added to the web site.
- **Audit Committee Reports** for the last 5 years were shared with the public via the web site.
- The category **Frequently Asked Questions** was given a more prominent place in the Foundation's web site.
- On the web site, under the category "Corporate Governance", a separate section was created for **General Assembly Meeting agendas, minutes and trustee participation lists**.
- The Foundation's **Disclosure Policy** was drafted and shared with the public via the web site.
- The Foundation's **Ethical Principles Regulation** was drafted and shared with the public via the web site.
- The Foundation's **Human Resources, Remuneration and Compensation policies** were shared with the public through the web site.

- The **Procurement Policy**, which sets forth the Foundation's principles for working with suppliers, was shared with the public through the web site.
- **“TEGV Board of Directors Working Principles and Procedures Directive”** was drafted, approved by the Board of Directors with a decision dated 23 October 2017 and numbered 21, and shared with the public through the web site.
- **“TEGV General Assembly Working Principles and Procedures Directive”** regarding the General Assembly Working Principles was drafted, approved by the Board of Directors with a decision dated 23 October 2017 and numbered 21, and shared with the public through the web site.
- **Information on the remuneration of top executives** is included in the annual Independent Audit Reports, which are shared with the public via the web site.

The Foundation received a grade of **97.96** in the **Stakeholders** section.

Individual and corporate members, non-member donors, volunteers, beneficiaries, sponsors, NGO employees and society make up the stakeholders of NGOs.

In this section TEGV achieved a very good level of compliance with Corporate Governance Principles. It has been confirmed that comprehensive policies are put in place for members, beneficiaries and donors. Issues concerning employees, such as job descriptions, powers, recruitment, remuneration, performance assessment, leaves and social rights are regulated.

The following developments took place in the rating period, under this section.

- The **“Ethics Committee Regulation”** and **“Ethical Principles Regulation”** drafted by the Ethics Committee were approved by the Board of Directors with a decision dated 23 October 2017 and numbered 20. Committee members and regulations were shared

with the public via the web site.

- Ethics Committee held its first meeting on 23.10.2017.
- **Volunteer satisfaction surveys** have been conducted for two years among volunteers, one of the major stakeholders of the foundation, and efforts are made to improve processes based on the feedback.
- The Foundation signed the **United Nations Global Compact** in 2007. The Foundation was designated a Board Member in Global Compact Turkey for the 2016-2019 period, and is thus represented at Board level. Although Global Compact expects NGOs to publish Progress Report every 2 years, the Foundation drafts these every year in consideration of the importance of the issue, and shares them on the Global Compact and TEGV web sites.
- TEGV became a member of the **“Açık Açık”** (Openly) Platform, in line with its principles of transparency and accountability towards donors, and signed their **donors' rights statement**.
- In order to **measure the efficiency of its programs**, the Foundation implements program-based measurement and evaluation practices, and receives regular feedback from volunteers and children. Due to its successful monitoring and evaluation efforts, TEGV's experience in this field was taken up as a case study in **Harvard Business Review**.
- The Foundation carried out an **Alumni Survey** in 2017 in order to measure its not only immediate but also long-term impact.
- The **Foundation's Orientation Program** for newly recruited employees was revised in 2016. As such, the field staff gets an on-site orientation program from a team trained in this field, and then continue orientation under the supervision of an experienced employee at a different activity point. At the last stage of the orientation, all departments come together at the Head Office.
- In 2017, the Foundation launched the

Algo Digital project with international funding support from **Google Foundation and Tides Foundation**. The project helps children prepare for the new age, and is based on fun exercises in algorithmic thinking, digital literacy and block-based coding / programming. Through the freely accessible web portal developed under the scope of the project, children learn about evaluating, analyzing and interpreting the information they access in the digital world while stepping into the innovative world of the future, and thus master the uses of technology.

TEGV attained a grade of **92.43** in the **Board of Directors** section and largely complied with Corporate Governance Principles.

The number of Board Members is sufficient to conduct productive and constructive work, and set up and operate efficient Board committees.

The presence of two female Board Members was deemed positive.

Board of Directors presents the purpose of the NGO in a clear, informative and motivating way to various stakeholders including members, beneficiaries, volunteers, donors, employees, the media and the public in order to attain the targets outlined in the Foundation's Charter.

The following practices stand out in this section:

The posts of Chairman and General Manager are held by different individuals and the General Manager is not a member of the Board of Directors. This measure helps separate honorary and professional management.

It was deemed positive that the Official Deed, Article 9 elaborates on the operation, powers, meeting format and decision quorum of the Board of Directors, the highest governing body in the foundation.

It was deemed positive that the NGO holds Independent Audits and shares the reports with the public over the web site.

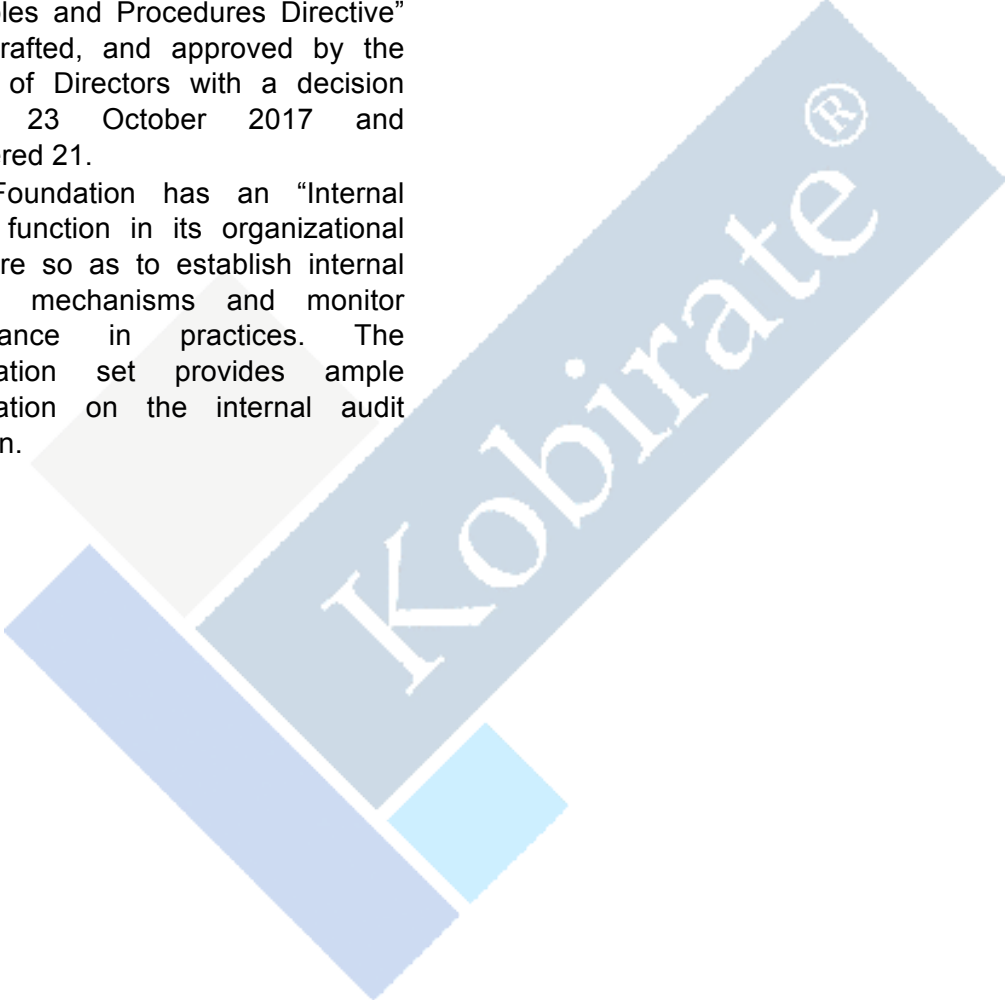
The presence of Board Members in the working committees formed by the Foundation was also considered positive.

In order to provide scientific support to the Foundation's efforts, the Science Board was formed with a decision of the Board of Directors and became operational.

The following developments took place in this section during the rating period.

- **Corporate Governance Committee, Audit Committee and Ethics Committee** were established with a Board of Directors decision numbered 4 and dated 27 March 2017. It was ensured that at least 2 Board Members sit on each committee.
- The "Corporate Governance Committee Regulation" drafted by the Corporate Governance Committee was approved by a Board of Directors decision dated March 27, 2017 and numbered 4. Names of members and the regulation were shared with the public via the web site.
- The "Audit Committee Regulation" drafted by the Audit Committee was approved by a Board of Directors decision dated 21 October 2017 and numbered 21. Names of members and the regulation were shared with the public via the web site.
- The Corporate Governance Committee held its first meeting on 25.09.2017, and the Audit and Ethics Committees on 23.10.2017.
- The High Advisory Board set forth in Article 10 of the Foundation's Official Deed was established with a decision of the Board of Directors and the Board's members were disclosed to the public through the web site. The first meeting invitations were sent to the High Advisory Board on 10 October 2017.

- A decision was taken at the General Assembly dated 27 April 2017, stipulating that, "Board Members cannot vote in decisions regarding a legal proceeding or dispute between the Foundation and themselves, their spouse, parents and children."
- Three substitute members were elected to the Supervisory Board at the General Assembly dated 27 April 2017, in accordance with Article 11 of the Foundation's Official Deed. The names of the substitute members are featured on the web site as well.
- "TEGV Board of Directors Working Principles and Procedures Directive" was drafted, and approved by the Board of Directors with a decision dated 23 October 2017 and numbered 21.
- The Foundation has an "Internal Audit" function in its organizational structure so as to establish internal control mechanisms and monitor compliance in practices. The information set provides ample information on the internal audit function.

A large, light blue watermark logo for "Kobirate" is positioned diagonally across the lower right portion of the page. The logo consists of a stylized 'K' shape formed by overlapping geometric shapes in shades of blue and light blue. The word "Kobirate" is written in a white, serif font across the center of the 'K' shape, with a registered trademark symbol (®) to its upper right.

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2. INFORMATION ON THE NGO



NGO's Name : Educational Volunteers Foundation of Turkey
NGO's Address : Acıbadem Cad. Rauf Paşa Hanı Sokak No: 42 34660
Acıbadem / İstanbul
NGO's Telephone : (0216) 290 70 00 PBX
NGO's Fax : (0216) 492 32 33
NGO's Web Site : www.tegv.org
NGO's Date of Establishment : 23 JANUARY 1995
Location of NGO Head Office : İSTANBUL

NGO's Area of Activity : Despite its indisputable role in public education, the state faces difficulties fulfilling this duty due to lack of resources and certain structural problems. Volunteering organizations, private sector and the public must act in such a way as to enhance the state's efficiency in this vital area. They must share responsibility by providing support, setting examples, and resolving shortcomings. The raison d'être of the foundation is to support the primary education provided by the state.

The objective of TEGV is to provide educational programs and activities to help primary school level children become citizens loyal to the basic tenets of the 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 in human relations.

TEGV's original educational programs are implemented by volunteers at Educational Parks, Learning Units, and Mobile Firefly Learning Units across the country.

NGO Representative in Charge of Reporting:

Didem BİLGİN KESTEK

Plan and Project Manager

didemb@tegv.org

(0216) 290 70 00

Brief History of the NGO

Educational Volunteers Foundation of Turkey (TEGV) believes that “the precondition for seeing bright faces in Turkey’s future is to provide best education to children today” and by its raison d’être, the Foundation aims to provide educational programs and activities to help primary school children become citizens loyal to the basic tenets of the 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. Its values are 1-Credibility, 2-Volunteerism and Solidarity, 3-Innovation, 4-Respect for Diversity, 5-Responsibility and its manifesto is EDUCATION EMPOWERS! EDUCATION IS AN OPPORTUNITY! EDUCATION IS A RIGHT:

TEGV was founded on 23 January 1995 by a group of industrialists, executives and academics, led by **Suna Kırac**, to “support the primary education provided by the government.”

TEGV was founded by a 55-member Board of Trustees who believe that the main reason for some of the major issues that Turkey faces is lack of education, and that it will not be possible to reach the level of contemporary civilization without resolving this issue.

Focused on providing “out-of-school education” support to primary school students, TEGV has become the most extensive NGO in its field of activity. In 2009, Council of Ministers declared TEGV as a foundation allowed to collect donations without prior approval. Since its foundation, TEGV has provided educational support to 2.5 million children across Turkey with over 7000 corporate and 660 thousand individual donors, and tens of thousands of volunteers.

As of 30.11.2017, there are **172** people in TEGV Board of Trustees, and TEGV has **152** employees

TEGV formulated its “Strategic Plan and Approach” for 2016 – 2018 on the basis of six motivations that it designated. In line with the perspective, “Our unique model is our biggest strength, our target is to make the most of this model”, TEGV determined seven strategic areas, namely Education Programs, Activity Locations, Volunteerism, Fundraising, Communication, Information Technologies and Human Resources and continued its activities in accordance with this strategic plan. The Foundation's development and efforts over the last decade are summarized below.

2007 TEGV started to offer training to its volunteers by local instructors. A new standard education program was initiated at the Fireflies. NBA gave its support to TEGV. Sezen Aksu, Nilüfer and Ajda Pekkan shared the stage for the concert “One Child Changes, Turkey Flourishes”. TEGV signed the United Nations Global Compact.

2008 The April 23rd Telethon campaign raised record high donations. Street Theater shows were organized under the I Read I Play Education Program. TEGV projects were promoted at an REM concert. The survey titled “Youth, Volunteering and Social Capital” was conducted. Projects called “Knowledge is My Business” with Avea, and “Young Jerseys” with Migros were initiated. Nirun Şahingiray, a board member who had supported TEGV since its inception, passed away, leaving most of his wealth to TEGV.

2009 TEGV is designated by the Council of Ministers as a foundation that has the right to collect donations without prior approval. Number of Fireflies reached 19, and results of TEGV's second public opinion survey “Lifelong Volunteerism and Achievements” were presented at December 5th World Volunteers Day Conference. Istanbul 2010 “Our Home Istanbul” project was launched and

the "You Have Never Seen Them Like This" event was organized. Adım Adım (Step by Step) supported TEGV, and a one-month April 23rd Campaign was held.

2010 At Turkey Public Relations Association's (TUHID) Public Relations Awards, TEGV won the Golden Compass Award for the "You Have Never Seen Them Like This" concert. A record was broken in Beyaz Show with a promise of 4.7 million TL in donations. Under Istanbul 2010 European Capital of Culture scheme, the first thematic Firefly Culture Truck Trailer became active, in cooperation with European Capital of Culture Agency. The first thematic web site, Our Home Istanbul, was established and TEGV celebrated its 15th anniversary.

2011 Sevgi-Erdoğan Gönül Education Park was opened in Şanlıurfa, and after the Van earthquake, 9 Fireflies were sent to the region. TEGV's activities were brought to seasonal agricultural workers' camps via Fireflies, and TEGV joined the Hürriyet Train. 6th World Volunteers Day Conference was organized and "Fun, Learn, Hygiene" Event was launched with Unilever. For the first time, a TEGV program entered the National Education curriculum.

2012 TEGV joined European Voluntary Service and started to send volunteers. TEGV Culture Truck set off from Istanbul to Macedonia, and held activities in Skopje. The truck delivered TEGV's Education Programs to Macedonian children for 3 months. Fireflies covered 112,214 km in 12 years and reached 720,098 children, and their number rose to 23.

2013 "Good Life Training Program" and "Bernard Van Leer Firefly" Education Program were initiated with KIPA, and Local Volunteer Meetings were held. TEGV Communication Platform - Chatter was launched. Under the EU Financial Support Program and Democratic Citizenship and Human Rights Education Grant Program, "Support Workshops for Volunteers" was launched and Mobile Kids Traffic Firefly TEGV was created in cooperation with Mercedes-Benz Türk.

2014 With the support of Istanbul Development Agency, in order to help primary school children access plastic arts, Dream Wanderer Firefly started its activities. TEGV joined the executive board of National Volunteerism Committee, a strategic advisory body promoting the recognition, strengthening and expansion of volunteerism. TEGV was added to Harvard University curriculum as case study. On the 100th anniversary of Turkish Cinema, TEGV organized the concert Films Through Songs, where actors performed the songs of unforgettable movies.

2015 Based on the high quality Search Conference, which drew ample participation, a three-year Strategic Plan was drafted for the first time in Turkey for many years. On December 5th World Volunteers Day, 'Sustainable Development' activities were organized jointly with AÇEV, ÖSGD (Association of Private Sector Volunteers), TEMA, TOG, UGK (National Volunteerism Committee) and UNV (United Nations Volunteers) in Turkey. The second edition of Nirun Şahingiray International Forum was held with the participation of UN Evaluation Group Chair, Harvard University Faculty Members, international experts and leaders of the industry. After many years, a "TELETHON" was organized to invite viewers to support education. SMS donations and other donations collected throughout the night secured support for the education of 80,000 children.

2016 This was a year when TEGV was appreciated at national and international levels. Due to its consistent participation in the Istanbul marathon for collecting donations, Istanbul Metropolitan Municipality Sports Inc. granted TEGV "Vodafone 37th Istanbul Marathon Incentive and Loyalty Award". Sabancı University gave "The Most Sensitive Navy Blue Award" to TEGV, designated the NGO of the year by students' votes. Educational Volunteers Foundation of Turkey was awarded by Vefa High School the "Honor Award" for Kemal Sunal -a graduate of the school-, thus granting it the biggest award under its "Culture and Art Awards" organization. TEGV also became the first NGO to join United Nations Global Compact network's Turkey Board of Directors.

Here is a chronological list of awards granted to TEGV since its inception

- 1999** II. Turkey Foundations Council - Foundation of the Year
1999 YOSAG New Phenomenon 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 - Achievement Award
2002 Golden Spider - Best NGO Web Site
2002 YA-PA - NGO Caring for the Education of Children
2003 Özel Ortadoğu Education Institutions - Best NGO of the Year
2003 Golden Spider - Best NGO Web Site
2003 Kariyer.net - 'Respect for Humans First' Award
2010 International Union of Turkish Medical Students - Most Successful NGO
2011 Ncomputing - Go Green Innovation Awards & Case Study
2012 Golden Spider - Best NGO Web Site
2013 Golden Spider - Best NGO Web Site
2014 TBV "Information is My Business Project" - ICT Stars Awards
2014 Harvard Business School - TEGV Measurement Evaluation System Case Study
2016 Istanbul Metropolitan Municipality Sports Inc. Vodafone 37th Istanbul Marathon Press Incentive and Fidelity Awards / NGO 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 holds WWF's Green Office Certificate.

Educational Volunteers Foundation of Turkey, Honorary President

Full Name	Title
Suna KIRAÇ	Hon. President

Board of Directors and Supervisory Board as of 30.11.2017 Educational Volunteers Foundation of Turkey Board of Directors

Full Name	Title
Cengiz SOLAKOĞLU	Chairman
Prof. Levent KILIÇ	Vice Chairman
R.Oktay ÖZİNCİ	Board Member
A. Ümit TAFTALI	Board Member
M.Özalp BİROL	Board Member
Nesteren DAVUTOĞLU	Board Member
Arzuhan DOĞAN YALÇINDAĞ	Board Member
Prof. Sami GÜLGÖZ	Board Member
H.Hüsnü OKVURAN	Board Member
Ali GÜRSOY	Board Member
Şirzat SUBAŞI	Board Member

Educational Volunteers Foundation of Turkey Executive Board

Full Name	Title
Cengiz SOLAKOĞLU	Executive Board President
R. Oktay ÖZİNCİ	Executive Board Member
A. Ümit TAFTALI	Executive Board Member

Educational Volunteers Foundation of Turkey Supervisory Board

Full Name	Title
Nevzat TÜFEKÇİOĞLU	Supervisory Board Member
A. Ateş Aykut	Supervisory Board Member
Kemal UZUN	Supervisory Board Member
Aka Gündüz ÖZDEMİR	Supervisory Board Sub. Member
Nadir ÖZŞAHİN	Supervisory Board Sub. Member
Mustafa DANDİK	Supervisory Board Sub. Member

Educational Volunteers Foundation of Turkey High Advisory Board

Full Name	Title
Prof. Yılmaz BÜYÜKERŞEN	High Advisory Board Member
Prof. Üstün ERGÜDER	High Advisory Board Member
Prof. Ayşe Kadioğlu	High Advisory Board Member

Educational Volunteers Foundation of Turkey Corporate Governance Committee

Full Name	Title
Oktay ÖZİNCİ	Corporate Governance Committee President
Cengiz SOLAKOĞLU	Corporate Governance Committee Member
Özalp BİROL	Corporate Governance Committee Member

Educational Volunteers Foundation of Turkey Audit Committee

Full Name	Title
H. Hüsnü OKVURAN	Audit Committee President
Şirzat SUBAŞI	Audit Committee Member

Educational Volunteers Foundation of Turkey Ethics Committee

Full Name	Title
Prof. Levent KILIÇ	Ethics Committee President
Prof. Sami GÜLGÖZ	Ethics Committee Member
Nesteren DAVUTOĞLU	Ethics Committee Member

BOARD OF DIRECTORS COMMITTEES SCIENCE BOARD

Set up to contribute scientifically to the Foundation's activities in the fields of education, children and civil society, so that every child can have access to quality basic education, TEGV Science Board held its first meeting on 16 October 2015. The Board's members, who work at Turkey's distinguished education and science institutions in different fields of expertise, expend efforts to shape TEGV's education and civil society strategies, and support the foundation's activities.

Full Name	Title
Oktay ÖZİNCİ	Science Board Member
Prof. Sami GÜLGÖZ	Science Board Member
Prof. Yavuz AKPINAR	Science Board Member
Assoc. Prof. Lemi BARUH	Science Board Member
Assoc. Prof. Kenan ÇAYIR	Science Board Member
Assoc. Prof. Yasemin KİSBÜ	Science Board Member
Assoc. Prof. Pınar UYAN	Science Board Member

Educational Volunteers Foundation of Turkey Executives (Head Office)

Full Name	Title
Sait TOSYALI	General Manager
Gönenç AYDIN	Information Technologies Manager
Yaprak SARIŞIK AKKOÇ	Education Programs Manager
Onur BENÖN	Internal Audit Manager
Emine COŞKUN	Human Resources Manager
Fulya KULABAŞ	Business Development Manager
Derya YÜKRÜK KILIÇ	Finance Manager
Çeşminaz Didem KESTEK	Plan and Project Manager
Bülent BELİN	Field Support Manager
Ayşe İNAN	International Project Manager

Working Groups

Volunteer Working Group

This working group, established upon a decision by the Board of Directors is chaired by Board Member Oktay ÖZİNCİ. The working group is active in determining the Foundation's volunteerism policies and basic principles of implementation. Working group members are Oktay Özinci, Sait Tosyalı, Esra Huri Bulduk Kaya.

Communication Working Group

This working group, established upon a decision by Board of Directors and chaired by Board Member Nesteren DAVUTOĞLU operates to determine the communication strategy of the Foundation, establish the communication plan and manage the Foundation's brand. Working group members are Deniz MUKAN, Sait TOSYALI, Özlem ŞİRİN, Serdar ERDOĞAN, Fulya KULABAŞ, Nesteren DAVUTOĞLU, Füsün ÖZTÜRK.

Fundraising Working Group

This working group, established upon a decision by Board of Directors, counts Board Member Şirzat SUBAŞI among its members. The working group is active in determining the Foundation's fundraising strategy and developing new models of funding. Working group members are Şirzat SUBAŞI, İ. Renay ONUR, İtir ERHART, Gülsevım KAHRAMAN, Fatma AK, Sait TOSYALI, Aytül ÇINAR, Fulya KULABAŞ.

Educational Volunteers Foundation of Turkey - Comparison of Select Financial Indicators for the 12th months of 2015 and 2016

(THOUSAND TL)	2015/12	2016/12	Change %
Total Current Assets	88,722	94,522	6.53
Total Fixed Assets	11,060	10,701	-3.24
Total Assets	99,422	105,730	6.34
Total Short Term Liabilities	1,856	2,368	27.58
Total Long Term Liabilities	2,757	3,447	25.02
Total Donations	13,193	13,634	3.34

Source: Educational Volunteers Foundation of Turkey 2016 Independent Audit Report

(THOUSAND TL)	2015/12	2016/12	Change %
Total Revenues from Activities	23,544	27,365	16.22
Total Expenses from Activities	21,374	24,232	13.37
General and Administrative Expense	9,516	12,500	31.35
Net Surplus for the Period	2,434	4,068	67.13

Source: Educational Volunteers Foundation of Turkey 2016 Independent Audit Report

Brief Information on the Activities of the NGO

TEGV conducts all of its education efforts in its fixed and mobile locations across Turkey, through its original educational programs, with immense support from volunteers.

Education Parks: TEGV has **10 Education Parks** in Turkey, two in İstanbul and one each in Ankara, Antalya, Eskişehir, Gaziantep, İzmir, Samsun, Şanlıurfa and Van. Education Parks have all the spatial and technological amenities required for versatile educational support. Indoor areas, activity rooms, workshops where hundreds of children can receive educational support, and multi-purpose meeting rooms constitute the activity areas of Education Parks. In outdoor areas, there are sports fields and green spaces. Children participate in sports activities such as basketball and volleyball. With a capacity of around 4,000 children, education parks have an enclosed area of 1,200 square meters and an outdoor area of 10,000-20,000 square meters.

Learning Units: Learning Units have an average area of 150-300 square meters, an average of three to four activity rooms, and standard infrastructure for basic educational and computer activities. There are 38 Learning Units in 25 provinces. In locations without Education Parks or Learning Units, TEGV reaches children through mobile education units called **Firefly Learning Units**. Mobile education units were first launched after the 1999 Marmara Earthquake within the scope of Hope 2000 Buses project in order to ensure that children continue their education without interruption. Then these vehicles were developed into “Fireflies”. All over Turkey, in cooperation with the Ministry of Education, Firefly Learning Units continue their activities in two different models: thematic and standard. Standard Firefly Learning Units consist of an Information and Technology Area with 12-16 computers, and a Free Activity Area for exercises in mathematics, science, reading and arts. In Thematic Fireflies, there is an activity room structured according to the specific theme of the Firefly. In addition to the activity areas, all Fireflies have a living space which the Firefly Manager inhabits. Standard Fireflies each have an annual capacity of approximately 2,300 children, while Thematic Fireflies have an annual capacity of around 1,500 children.

TEGV'S EDUCATION ACTIVITIES:

TEGV carries out educational activities at fixed and mobile locations, through education programs that it develops, with the great support of volunteers.

Education and training programs or activities for children and volunteers are developed by experts in different fields, as well as by TEGV's Education Experts. Programs are delivered to children by specially trained volunteers.

The education model created to this end consists of five main dimensions: Child-friendly spaces, well-trained volunteers, child-centered education programs, a systematic monitoring and evaluation structure, and a governance structure which embraces all these dimensions in a holistic manner and manages these interactively.

The education programs developed within TEGV's Education Model are centered first and foremost on children's needs, allowing children to express themselves and learn in a fun and active manner through various exercises. Programs are designed to provide children with basic skills and life skills, and bolster their self-confidence and motivation. In TEGV's model, education programs and activities are classified as follows.

Education Programs

Short-Term Activities

Club Activities

TEGV Activity Locations: As colorful places full of learning opportunities, which promote and support education, and employ technology efficiently, TEGV's activity locations are divided into 3 models: education parks, learning units and Firefly mobile learning units.

TEGV programs and activities are carried out with the support of volunteers with a strong sense of social responsibility, who embrace TEGV's approach, and show individual affection, respect and attention to children. These volunteers believe in the right of Turkey's children to realize their hopes without any discrimination, and make the greatest contribution to raising the bright individuals of tomorrow by dedicating their effort, time, knowledge and experience to children. Volunteers not only bolster the education of children, but also contribute to raising social awareness, and strengthen non-governmental organizations.

Education Programs are specific to the Foundation, and their aims, targets and contents are formulated by consultants and Foundation's experts, in accordance with children's grade and age.

The Education Programs are as follows:

- Learn Math with Fun
- Learn Science with Fun
- I Read I Play
- Dreams Workshop
- Drama Workshop
- Let's Learn Together
- Algo Digital Program
- Firefly Education Programs
- Lego Robot Education Program
- Summer Activities

Club Activities are designed to participate actively in in-depth efforts in their areas of interest as individuals or in groups, and come up with a product / performance.

Club Activities take place at TEGV Activity Locations for children between grades 1 – 8, for 4 – 10 weeks. These activities cover different subjects including environment, theater, music, media, photography, folk dances, arts and sports.

Short-Term Activities: In addition to the 10-week training programs, TEGV organizes 90-minute Short-Term Activities designed to raise awareness in diverse fields such as arts, hygiene, reading, mathematics, values, and informatics. These activities consist of original education programs with targets, objectives and contents compatible with the grade and age of children, designed by consultants specialized in their fields, and TEGV's education experts. Short-term activities are held at TEGV's education locations and schools.

TEGV'S COLLABORATIONS:

Ministry of National Education aims to carry out efforts in scientific, social, cultural, artistic and sports issues for developing a sense of self-confidence and responsibility among students, and help them create new interests and skills, by means of compulsory courses in primary education, elective courses and leisure time activities. Ministry of National Education attaches importance to the contribution of social and cultural activities such as arts, sports and music to the academic success of children, and thus encourages cooperation with other institutions in this regard. In order to support these activities and render them effective, a cooperation protocol has been signed by MNE and TEGV to ensure that the former's primary education institutions in TEGV's regions of activity benefit from TEGV's amenities, programs and volunteer activities.

UN Global Compact is "the world's biggest corporate citizenship volunteerism initiative." Global Compact is a voluntary initiative that promotes sustainable development and good corporate citizenship practices. It consists of a set of principles based on universally accepted conceptions. The aim of the Global Compact initiative launched in 2000 is to ensure progress on ten universal principles such as human rights, labor standards, environment and anti-corruption. As of 2007, in addition to 3000 companies from nearly 100 countries, 700 international non-governmental organizations have joined Global Compact. TEGV, in order to leave a better and sustainable world for children, continues to diversify its efforts within the framework of the Global Compact that it signed in October 2007.

Adım Adım (Step by Step) Initiative consists of amateur athletes working as professionals in various companies and institutions. The aim is to bring people and institutions in need together with people and institutions which would like to help, by means of sports activities. Amateur athletes participating in these sporting events in Turkey and various countries around the world, announce, before and after the events, the NGO they want donations for, and so the sports event provides benefits to the society. The runners of the Adım Adım (Step by Step) Initiative ran to support the Foundation in the Runtalya and Eurasia Marathons in 2009, providing support for the education of 955 kids.

National Volunteerism Committee is a strategic advisory body working to enhance awareness about volunteerism, and to empower and spread volunteerism efforts. As a founding member, TEGV supports the NVC, along with 30 other institutions. NVC was first established in 2012 as a UN initiative. Three main targets were set: highlighting the contribution of volunteerism to society, involving volunteers in policies and strategies, and enhancing strength and variety of volunteerism efforts. The committee was established officially at a meeting that took place at UN's Ankara office on 24 April 2013.

TEGV VOLUNTEERS:

"Volunteerism consists of activities carried out by individuals of their own free will and with a motivation not based on pecuniary gain, to benefit individuals and / or other living beings outside of their family or immediate community," according to UNV's State of the World's Volunteerism Report.

Educational Volunteers Foundation of Turkey draws its force from thousands of volunteers, who deliver education to children and support the Foundation in offices, excursions and meetings, working in activity locations across Turkey and joining forces with TEGV for a future illuminated with education. TEGV provides the volunteers with the opportunity to support education as an Education Volunteer, Trainer Volunteer and / or Support Volunteer, depending on their

knowledge, skills, experience and preferences. **Education Volunteer** works voluntarily at education programs / activities that take place at TEGV locations all over Turkey or at schools in accordance with the Cooperation Agreement with the Ministry of Education. **Training Volunteer** is selected from among volunteers with at least two years of volunteerism work behind them and delivers training to volunteers. **Support Volunteer** provides support for the Foundation in areas other than education. Within this category are Communication Volunteers, Fundraising Volunteers, Office Volunteers and Project Volunteers. In order to become a TEGV volunteer one has to be over 18, have at least a high school diploma, embrace the Foundation's goal, vision and mission, and possess the professional, educational and personal skills and characteristics to ensure a positive contribution to the events and activities of the Foundation. TEGV volunteers support efforts to raise tomorrow's enlightened adults by dedicating their labor, time, knowledge and experience to children in awareness of their social responsibility. They don't only support children's education, but also contribute to raising social awareness by setting examples of active and responsible citizenship.

PUBLICATIONS AND SOCIAL MEDIA

TEGV publishes **Reports, Studies, Corporate Publications, Books and News Stories** in order to support the development of and raise awareness about education and NGOs in Turkey. These publications aim to strengthen bonds with all stakeholders and to help them access TEGV's efforts. The publications are made available to the public through the Foundation's web site.

Here are some TEGV publications issued since 2004 to this end:

- **E-newsletter on civil society and education published every three months,**
- **Colorful Pencils Newspaper launched as a communication platform for I Read I Play Program,**
- **Donors Bulletin sent to donors digitally once every two months,**
- **Annual Reports of the Foundation,**
- **Independent Audit Reports of the Foundation,**
- **Global Compact Progress Reports,**
- **TEGV Volunteerism Study Reports,**
- **TEGV Magazine,**
- **TEGV Impact Study,**
- **'School Life from the Eyes of Children' Research Report**

TEGV's 15. Anniversary promotion book including the biography of Founding Trustee Nirun ŞAHİNGİRAY was published under the title "**The Man Who Outgrew His Shell: One Child Changes, Turkey Flourishes**". TEGV utilizes social media actively and interacts with tens of thousands of people over **Facebook, Twitter, YouTube and Instagram.**

DONATIONS AND PRODUCTS

Celebrating its twenty-second anniversary, TEGV ensured that 166,903 children participate in its activities at 72 education locations consisting of 10 Education Parks, 38 Learning Units and 24 Fireflies as of the end of 2016. Since its establishment, TEGV has reached more than 2,500,000 children, empowering them with education and preparing them for a better life. TEGV conducts these activities with Volunteers, Donations and Sponsors.

Since its inception, TEGV has offered education support to 2.5 million children across Turkey with over 7,000 corporate donors, 660 thousand individual donors and tens of thousands of volunteers. As of the end of 2016, 5,004,696 TL was collected from 16,315 individual donors and 9,891,428 TL was collected from 285 corporate donors

TEGV receives donations in the form of donations with debit card, bank transfer, internet banking, SMS, sales of products with its logo, sponsorships, and joint projects with sponsors.

TEGV's statement on donors' rights is available on its web site.

TEGV'S COMMERCIAL ENTERPRISES

Educational Volunteers Foundation of Turkey Commercial Enterprise

TEGV Commercial Enterprise was established to buy and sell products and services that generate income for the Foundation, which holds a 99.9% stake. Foundation management runs the Commercial Enterprise, but their formal commercial relationship is almost non-existent. It generates income for the Foundation, but turnover and income volumes are rather low.

Simpar Otomotiv Inc.

Simpar Otomotiv Inc. is a distributor of electrical equipment for certain automotive brands. It is run by the Board of Directors elected by the Foundation, but there is no official commercial relationship between the company and Foundation. TEGV holds a 99.9% stake.

Changes in the Foundation within the Last Year

i. Changes to the Official Deed:

No changes were made to the Foundation's official deed within the last year.

i. Corporate Governance Compliance Progress:

In the rating report based on the assessment of the 2016 activities of Educational Volunteers Foundation of Turkey, the Foundation's Corporate Governance Compliance Rating had been designated as **8.84**. As of 15.12.2017, the Foundation's Corporate Governance Compliance Rating has reached **9.33**, in a 5.54% increase. It has been observed that the Foundation's Board of Directors and Management make intense efforts for the advancement of Corporate Governance.

ii. Policies:

During our monitoring period, the Foundation's Disclosure Policy, Human Resources Policy, Remuneration and Compensation Policy, Procurement Policy and Ethical Principles Regulation were updated and shared with the public through the official web site.

iii. Management and Organization:

It was learned that there was no change in the organization of the foundation during this period.

General Manager Mr. Tahir Mete MELEKSOY resigned as of 31.08.2017, and Mr. Sait TOSYALI has been appointed as General Manager in his place, effective from 1 September 2017.

3. RATING METHODOLOGY

Corporate Governance Compliance Rating is a system which audits whether or not an organization's management structure and management style, regulations for shareholders and stakeholders and processes of transparent and accurate disclosure are in accordance with the modern corporate governance principles, and then assigns a grade corresponding to the given 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 decision-makers, investors, shareholders, companies and stakeholders throughout the world. The principles were revised in 2002 and updated. OECD continued to work on upgrading Corporate Governance Principles in 2014-2015.

Capital Market Board (CMB) has assumed corporate governance-related efforts in Turkey. CMB established its Corporate Governance Principles first in 2003, and later revised these in 2005. Recently, CMB revised the Corporate Governance Principles in December 2011 / February 2012 with the Communiqué Series: IV No: 56 and Series: IV No: 57. Finally, the latest version was issued with the Communiqué numbered II-17.1 dated 3 January 2014.

The principles are grouped under four main headings, namely: Shareholders, Public Disclosure and Transparency, Stakeholders and Board of Directors.

Aside from CMB, BRSA has issued Regulation on Banks' Corporate Governance Principles in the Official Gazette dated 01.11.2006 and numbered 26333, outlining the rules to be upheld by Banks.

Kobirate International Credit Rating and Corporate Governance Services Inc. (Kobirate A.Ş) conducts Corporate

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

In this analysis, the full compliance of workflow and analysis technique with Kobirate Inc.'s Ethical Rules is evaluated.

During this analysis, 302 different criteria are examined in order to measure the NGO's compliance with Corporate Governance Principles. These criteria have been converted into Corporate Governance Rating Question Sets exclusive to Kobirate Inc., and the answers to these questions are received electronically from NGOs. The answers are checked by experts and analysts through an examination of documents and data, and a report complete with results is submitted to the Kobirate Corporate Governance Rating Committee for the final decision.

The sub-sections designated by Capital Market Board in Corporate Governance Principles are evaluated over 100 points. The weights of these sub-sections, as determined by CMB, show their impact on Corporate Governance Compliance Rating:

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

Section grades are transferred to a scale of 10, and the main Corporate Governance Compliance grade is calculated.

The grade to be assigned to the NGO ranges between 0-10. In this scale, a grade of "10" means excellent compliance with CMB's Corporate Governance Principles; while grade "0" means no compliance with CMB's Corporate Governance Principles in the existing weak structure.

4. KOBIRATE INTERNATIONAL CREDIT RATING AND CORPORATE GOVERNANCE SERVICES INC. CORPORATE GOVERNANCE COMPLIANCE RATING GRADES AND DEFINITIONS

GRADE	DEFINITIONS
<p style="text-align: center;">9–10</p>	<p>The NGO has achieved a substantial compliance with Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and operational. Any risks to which the NGO might be exposed are recognized and controlled effectively. Rights of members are protected in a fair manner. Level of public disclosure and transparency is high. Interests of stakeholders are safeguarded fairly. The structure and work conditions of the Board of Directors are in full compliance with Corporate Governance Principles.</p>
<p style="text-align: center;">7–8,9</p>	<p>The NGO has 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 to are identified and managed. The rights of the members are safeguarded fairly. Public disclosure and transparency are at high levels. Rights of stakeholders are protected fairly. The structure and working conditions of the Board of Directors are in compliance with Corporate Governance Principles. Some improvements are needed in order to achieve compliance with Corporate Governance Principles even though they do not constitute serious risks.</p>
<p style="text-align: center;">6–6,9</p>	<p>The NGO has complied moderately with Corporate Governance Principles issued by the Capital Market Board. Internal Control systems have been established at a moderate level and are operational; however, improvement is needed. Potential risks that the NGO may be exposed to are identified and managed. Although the rights of members are safeguarded, improvement is needed. Even though public disclosure and transparency activities are conducted, there is need for improvement. Rights of the stakeholders are safeguarded, 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 shows minimal compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level, and 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 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 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 to are not identified and cannot be managed. The NGO is not responsive to the Corporate Governance Principles at any levels. There are major weaknesses concerning the rights of members and stakeholders, in public disclosure and transparency and in the structure and working conditions of the Board.</p>