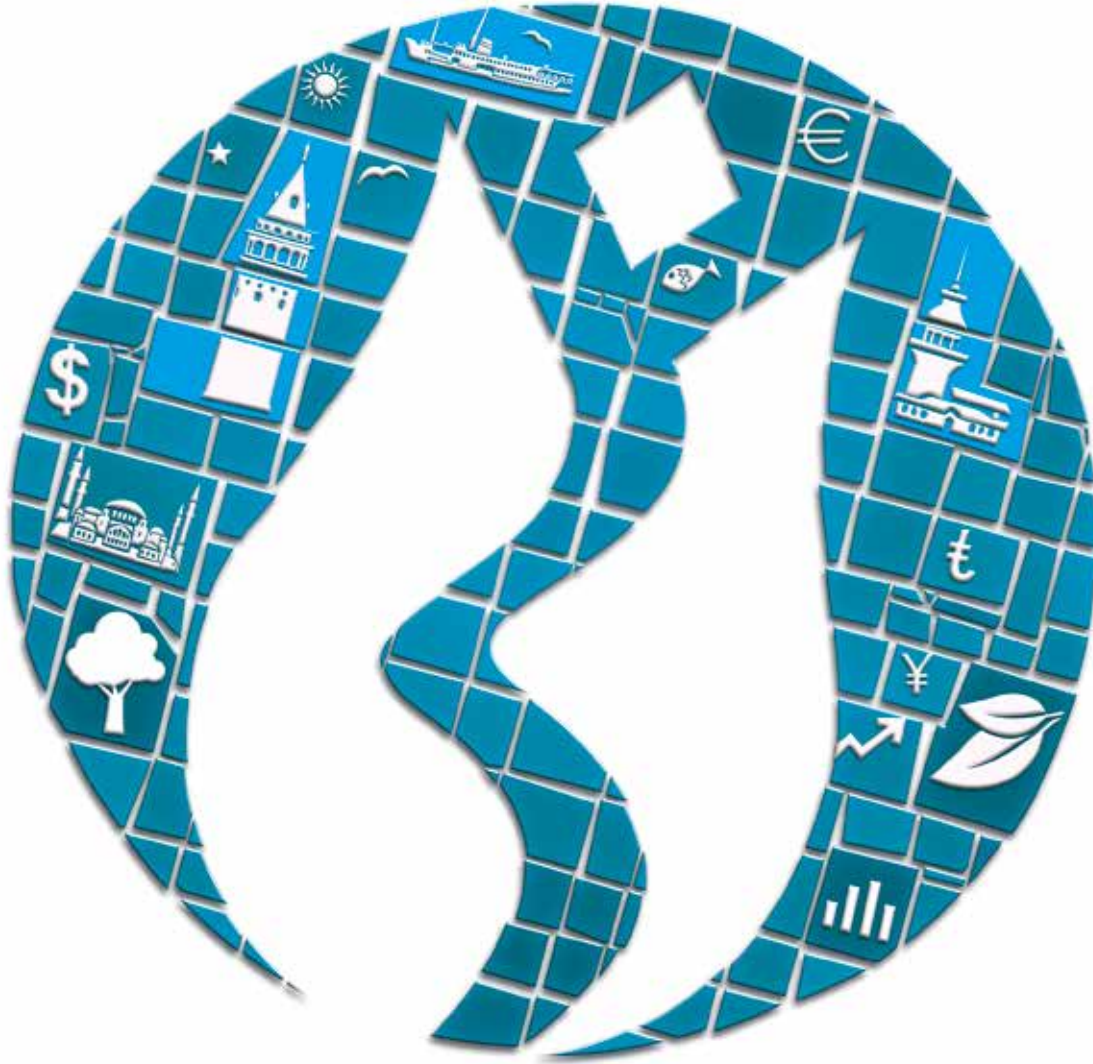


SUSTAINABILITYREPORT2015

Efficient and Sustainable Markets



*Value for Tomorrow!
Benchmark for Investment!*



**BORSA
İSTANBUL**



BORSA İSTANBUL
Adanmış Çılgın!

BORSA İSTANBUL
Adanmış Çılgın!

BORSA İSTANBUL
Adanmış Çılgın!

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Dear Stakeholders,

I would like to take pride, and express my great joy, in presenting our first Sustainability Report, where our endeavors on sustainability that we have maintained for some time are compiled into a single reference, to our esteemed stakeholders.

As Borsa İstanbul, we are aware of the transformative and triggering power of exchanges for a sustainable, inclusive economic growth and for a stable financial environment. Global and complex risks, such as macroeconomic instability, fluctuations of the commodity prices, unemployment, poverty, and ascending societal problems constitute a severe threat for the financial markets. The sustainability studies of exchanges are of paramount importance due to the incentive roles that would support the risk perceptions of the listed companies, investors, and stakeholders in all other financial markets as well as contribute to stable growth.

Acting on the strategy of making our country a regional power with the aim of becoming one of the 10 major economies of the world, where societal problems continue to present gradually increasing structural challenges for a sustainable economy, Borsa İstanbul continues to take steps as required for achieving a financial system that prioritizes participation and innovation.

We support the responsible and sustainable development of the financial markets, clearly aware of the significance of being located at the junction of distinct cultures and geographies. To this end, Borsa İstanbul assumes a critical role for promoting the financial markets to adopt sustainability practices. Borsa İstanbul Sustainability Index not only conducts the environmental, social, and corporate governance (ESG) assessments of the companies, the capital market instruments of which are traded on our Exchange, but also supports the long-term sustainability in a fair competition environment.

Sustainability is a comprehensive process such that it cannot be addressed by a single institution. We consider this process as a joint opportunity for growth and development for the companies whose capital market instruments are traded on our Exchange, intermediary institutions, investors, and all other stakeholders. We attach importance to both national and international partnership in the context of our objective of becoming a global actor. We endeavor to improve the competition power of SMEs by further developing their capacities, which are one of the most significant elements of inclusive growth. Sustainability can actually be achieved by working together, sharing information, adapting good practices, and developing new products and services

in joint effort services. We implement operations for possessing world class technological infrastructure based on the objective of becoming the trading and data hub of the region. In addition to the foregoing, we further encourage the companies whose capital market instruments are traded on our Exchange, to disclose their performances as regards the environmental and social aspects. We might be able to implement a more resilient market through such approaches.

Our approach on sustainability is not restricted solely to offering innovative and sustainable financial instruments. We construct our business case around sustainability in order to create an exemplary model for our stakeholders. We build our sustainability strategy by focusing on more efficient financial markets by generating long-term and permanent solutions rather than short-term solutions. The present and very first Sustainability Report, produced as an integral part of such endeavors, represents a major step taken toward a more efficient and sustainable finance system that is more resistant against global risks, and I would like to acknowledge all of the employees and stakeholders for taking the same path along with us.

Talat ULUSSEVER, Ph.D.
Chairman of the Board





Dear Stakeholders,

Today, various economic, environmental, and social risks that render the traditional business models idle, gradually increasing stakeholder expectations, and the rate of technological advancements make it essential for those actors who wish to exist and maintain their competitive advantage in the future to act proactively and develop new approaches. As Borsa İstanbul, we consider sustainability that facilitates the management of such risks and brings forth a long-term and integrative perspective as an important tool for securing finance for economic growth under the vision of becoming a global force and a regional actor. In this respect, I am pleased to share our first Sustainability Report with you, wherein we have disclosed our sustainability approach, objectives, and performance for the year 2015. This very first report, produced pursuant to the Global Reporting Initiative (GRI) G4 standards, further incorporates our commitments to the United Nations Global Compact that we made in 2005.

The year 2015, wherein significant international developments such as the adoption of United Nations Sustainable Development Goals and Paris Agreement were experienced, has also been an important year with respect to the sustainability activities of our Exchange. We not only managed to accelerate our sustainability efforts for our Exchange, but we also continued to

encourage our stakeholders on sharing their ESG performance achievements. We attach importance to the Sustainability Index, which currently incorporates 29 companies, due to the fact that such an index facilitates receiving shares from responsible investments and accelerates the transformation of the business world. We expanded the index, which enables the companies to compare their transparency and accountability performances concerning ESG, and the investors to distinguish the companies that adopt and implement sustainability and corporate social responsibility principles as well as to make investments in such companies by allowing the voluntary peer participation of BIST 100 companies.

In order to provide secure and stable environment for capital market transactions and for sustainable growth, we also maintained our strategic partnerships for minimizing technology-dependent risks and ensure technological transformation on the markets. We further broadened the scope of our support programs started in 2011 for SMEs which constitute 99% of the total number of companies incorporated in Turkey. We kept on realizing both regional and international strategic collaborations in a contemporaneous, efficient, and innovative vision of improving our international reputation and corporate brand value, and further our

leadership reflexes, and on assuming the pioneer role for initiatives concerning the sustainability aspects. We pledged our contribution to the sustainability efforts in the international platforms also during 2015 as one of the founding members of the Sustainable Stock Exchanges Initiative (SSE), an active member of Sustainability Working Group of World Federation of Exchanges (WFE), and a signatory to the United Nations Principles for Responsible Investments (UNPRI).

Being aware of the role we assume by leading the business in accordance with our sustainability vision and strategy as well as the objectives that we set in this respect, we will continue our efforts for founding efficient markets for ensuring growth in exchange activities, becoming a regional hub, and developing best practices for our respective geography by virtue of our corporate structure.

I would like to express my sincere gratitude to all of our employees and to all our stakeholders who pledged their contributions to our work on further strengthening our risk resistant company structure that presents competitive advantage as well as creating value for the markets not only in economic aspects, but also in social and environmental aspects.

Tuncay DİNÇ
CEO



ABOUT THE REPORT



As Borsa İstanbul A.Ş., we are publishing our first Sustainability Report to transparently share our Environmental, Social, and Corporate Governance (ESG) performance, as well as our contribution to the sustainability of the capital markets, with our stakeholders.

We compiled our first sustainability report in accordance with the requirements of the “core” option of the Global Reporting Initiative’s (GRI) G4 Sustainability Reporting Guideline. The report was submitted for the GRI Materiality Disclosures Service, and GRI confirmed the correctness of the locations of the G4 materiality disclosures. When compiling the report, we made use of G4 Financial Services Sector Brief, Sustainability Accounting Standards Board’s (SASB) Security & Commodity Exchanges Research Brief and the Security & Commodity Exchanges Sustainability Accounting Standard as well as the Sustainable Stock Exchanges Initiative’s guideline entitled “Sustainable Development Goals: What do they mean for stock exchanges?”. The report further incorporates our Communication on Progress regarding

the 10 principles of the United Nations Global Compact (UNGC), of which we are a signatory party since 2005.

Unless indicated otherwise, the information disclosed in the report belongs to Borsa İstanbul A.Ş., and excludes the affiliates of Borsa İstanbul. Within the scope of Borsa İstanbul’s sustainability approach and material issues that were identified via a stakeholder analysis, we have disclosed our ESG performance data in the report for the activity year ending on December 31, 2015. We also made comparisons with the years 2013 and 2014 whenever necessary to show certain trends. The report further contains the practices to be implemented in the near future.

You can let us know about your questions, opinions, and recommendations on the Sustainability Report via: surdurulebilirlik@borsaistanbul.com.



BORSA İSTANBUL WITH FIGURES

COMPANIES LISTED ON
BORSA İSTANBUL

416

TOTAL TRADED VALUE

TRY
12 / **4.5**
TRILLION TRILLION
USD

DAILY AVERAGE TRADED VALUE

TRY
47 / **17**
BILLION BILLION
USD

SHARE OF THE FOREIGN
INVESTORS IN THE FREE FLOAT
MARKET CAPITALIZATION

62.4%

ORDER TRANSMISSION
SPEED

100
MICROSECONDS

OUR SUPPORT TO THE PHYSICAL
CONTRIBUTION TO NATIONAL EDUCATION
PROJECT (EFIKAP) UP TO TODAY

TRY
1.5
BILLION

STUDENTS REACHED THROUGH
THE EFIKAP PROJECT

800,000

COMPANIES IN THE BIST
SUSTAINABILITY INDEX

29

ENVIRONMENTAL
INVESTMENTS MADE IN THE
LAST THREE YEARS

TRY
15.5
MILLION

RATIO OF EMPLOYEES EMPLOYED AT
OUR EXCHANGE FOR 10 YEARS OR MORE
TO THE TOTAL NUMBER OF EMPLOYEES

37%

ANNUAL INCREASE IN TRAINING
HOURS PER EMPLOYEE *

17%

*Starting from 2013

NUMBER OF MEMBERS*

210

*Excluding the real persons/corporate bodies that are not members of the Exchange and authorized solely for trading in the Diamond and Precious Stones Market



OUR MISSION



Our mission is to establish, operate, and develop transparent, efficient, reliable, and accessible markets in facilitating trading, liquidity, and price discovery for capital markets instruments; and to offer such markets to issuers, investors, intermediaries, and other stakeholders thereby contributing to financing economic growth.

OUR VISION



Borsa İstanbul aims to become a leading stock exchange of a size reflecting Turkey's potential in terms of the number of publicly traded companies and market capitalization. This goal couples with maximum participation by domestic and international portfolio investors who trade both local and foreign capital markets instruments. Borsa İstanbul envisions a world-class in-house exchange technology, which enables, among other things, linkages with other markets. This vision will add value to the drive of making İstanbul an international financial center.

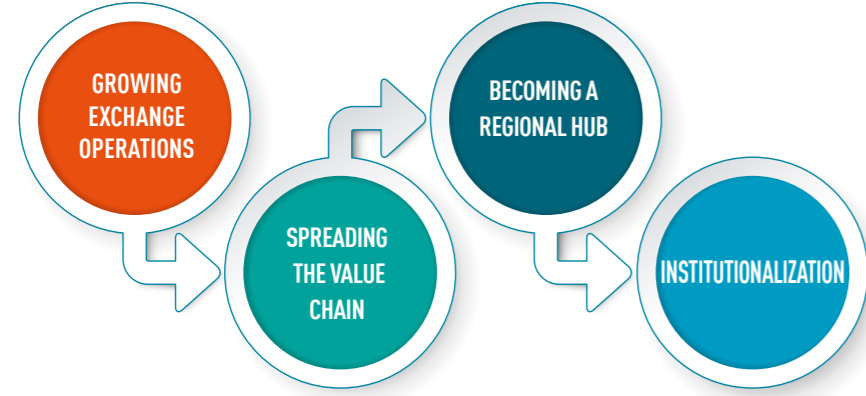
OUR PRINCIPLES



- Integrity
- Reliability
- Equality
- Transparency
- Social Responsibility
- Environmental Sustainability



STRATEGIC APPROACH



In accordance with our vision of contributing to making Istanbul an international finance center and becoming a leading exchange worldwide, we designed the strategy of Borsa İstanbul around the themes of “growing exchange operations”, “spreading the value chain”, “becoming a regional hub”, and “institutionalization” that complement each other.

In harmony with our strategy, we set Borsa İstanbul’s 2016-2020 goals in a collaborative approach. In this respect, we are leading our efforts to increase the number of publicly traded companies, enhance the value of market capitalization to a magnitude that reflect the country’s potential, and become an exchange that possesses and offers competitive technology, wherein both local and foreign capital market instruments are traded with participation from both national and international investors.

“We believe that a financial system that creates value is a requisite for sustainable economic growth, and thus we build the strategy of our Exchange in this context.”

Dr. Talat Ulussever
Chairman of the Board

→ Growing exchange operations

This theme incorporates the strategic projects that ensure the growth of fundamental exchange operations, through which we aim to offer innovative products and services to the market, increase the number of publicly traded companies and their free float rates, expand the investor base, raise awareness and improve financial literacy, and enhance market efficiency.

→ Spreading the value chain

This theme aims to seize the opportunities from the value chain that would meet recent needs and expectations from the value chain; we incorporated projects that enable us to seize the opportunity of both organic and inorganic growth in the fields of index-data, technology and corporate solutions, post-trade services, and support the entrepreneurship environment.

→ Becoming a regional hub

Originating from our competitive advantage as the most important financial center in the region, this theme aims at the strategic projects that will strengthen our position as the regional leader. The projects in this theme will enable us to establish market connections and collaborations to become the regional trading and data hub, and to seize inorganic growth opportunities in the region.

→ Institutionalization

Aiming for the sustainability of our operations, this theme incorporates the projects that assure an efficient and professional exchange organization, and a competitive and flexible structure, with the purpose of achieving Borsa İstanbul’s initial public offering (IPO). The projects will ensure the adoption of world-class technological infrastructure, consolidation of our corporate reputation and image, and compliance of our way of doing business with our sustainability principles.



SUSTAINABILITY STRATEGY

Our Sustainability Approach

Sustainability is an integral part of our strategy. We integrate sustainability into our decision-making mechanisms and business models based on our belief that, in addition to its economic value for the markets and continuously increasing ESG value, sustainability will further support an efficient, fair, and competitive environment that is resilient against risks.

Taking global risks and opportunities for a sustainable financial system into account, we aim to assume a pioneer role for the development and diversification of the capital market instruments.

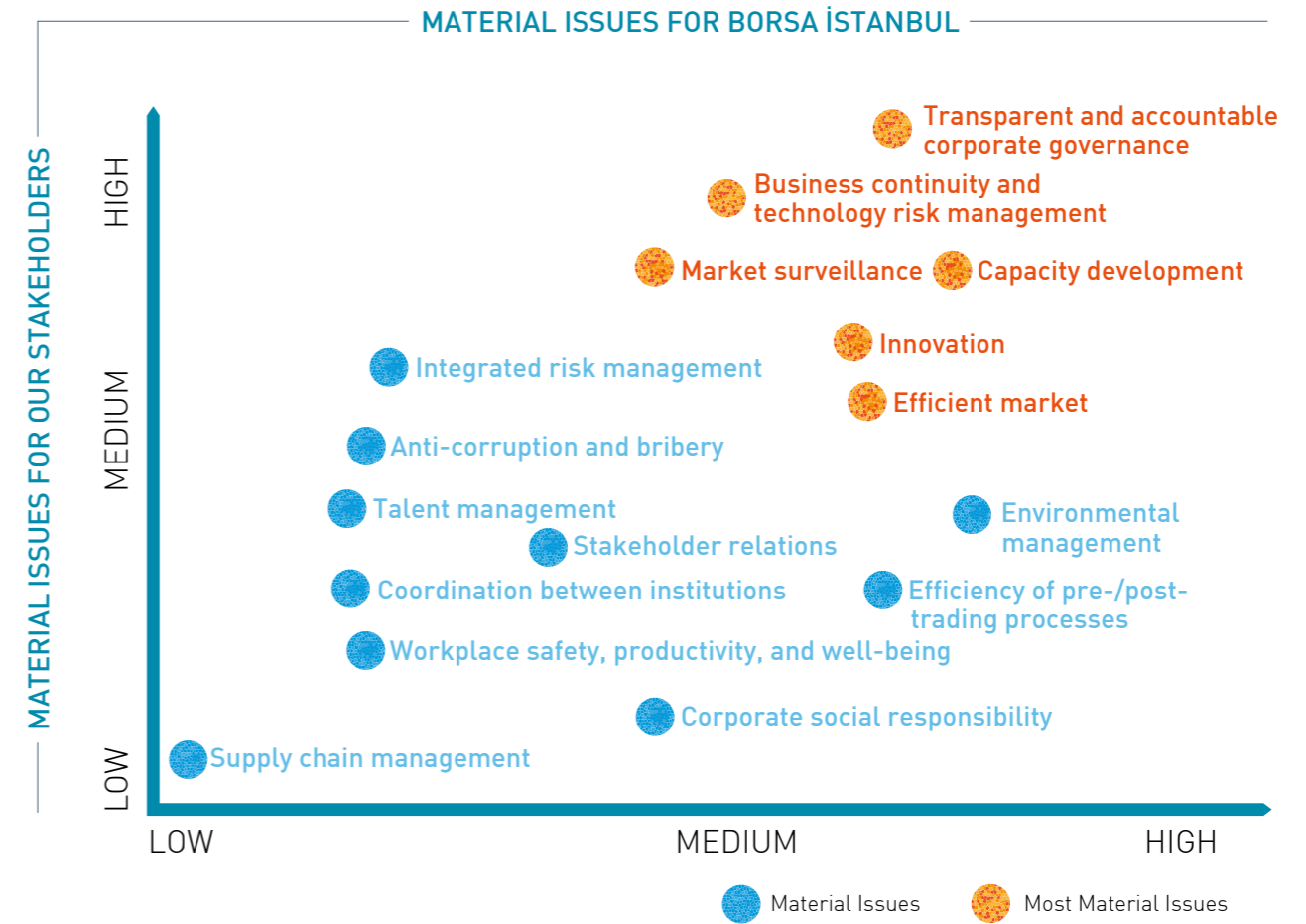
Our efforts on contributing to sustainability practices on a local, regional, and global scale continue and to complement our efforts on sustainability, we maintain our work for raising the awareness of all stakeholders.

We embrace sustainability at the highest level in our Exchange. We manage and monitor the integrated and efficient implementation of sustainability, sustainability strategy and performance through our Sustainability Committee. The Committee was established in 2015 and reports to the CEO.

While preparing our Sustainability Report, which was overseen by our Sustainability Committee, we identified our material issues with the contributions of our stakeholders. The material issues make up the basis of our sustainability strategy and the focus of our report. **Transparent and accountable corporate governance, business continuity and technology risk management, efficient market, capacity development, innovation, and market surveillance were identified as the material issues during the detailed stakeholder analysis conducted during November and December 2015.** We view these material issues as an integral part of our strategy and we continue our efforts to integrate sustainability in all business processes accordingly.

“Sustainability is an important tool for Borsa İstanbul in our efforts to become a Global Exchange.”

Tuncay Dinç
Borsa İstanbul, CEO



→ Transparent and Accountable Corporate Governance

Conducting the Exchange transactions in an efficient and stable manner by offering fair, transparent, and responsible markets to investors is one of the most material issues of our sustainability strategy. Therefore, the most fundamental prerequisite for a reliable and responsible market is forming an accountable corporate governance structure. As Borsa İstanbul, we aim to be ranked among the most competitive exchanges of the world by ensuring compliance with the internationally recognized corporate governance principles and by consolidating the corporate governance performances of the companies, the capital market instruments of which are traded on our Exchange.

→ Business Continuity and Technology Risk Management

We identified having a reliable and fast trading platform, free of the risks associated with business continuity and technology in order to enable easy and safe trading of capital market instruments in a stable environment under free competition conditions, as a material aspect of our sustainability strategy.

We aim to become a more attractive market for the investors by assuming a leadership position with our Exchange in such a technological transformation process required at the capital markets at the present time where novel means of communication has become widespread and rapid advancements are experienced in the technology. Moreover, we further endeavor to minimize the technology risks and prioritize the security of information technologies in order to ensure efficient market conditions and business continuity.

→ Efficient Market

Transparent and reliable information sharing and the dissemination of any and all data that would affect the value of the capital market instruments fairly and in the soonest time possible for improving the market efficiency is considered among the priorities of our sustainability strategy. We are putting various regulations in operation for enabling our investors to access the information coequally, and we are implementing regulations, corporate structuring and processes that are necessary for the settlement of disputes between market participants in an efficient and effective manner.



→ Capacity Development

We aim for the generation of sustainable profitability from capital market instruments for all stakeholders, notably the companies whose capital market instruments are traded on our Exchange, the investment firms, and the investors for the development of a sustainable financial system.

We are endeavoring to increase the financial literacy in our society, and organize the increase of awareness and informative seminars, training courses, and conferences on the functioning of the capital markets, new regulations, international and local good practices, current developments in the sector, new products, services as well as responsible investment and ESG, publish guides and conduct academic studies.

→ Innovation

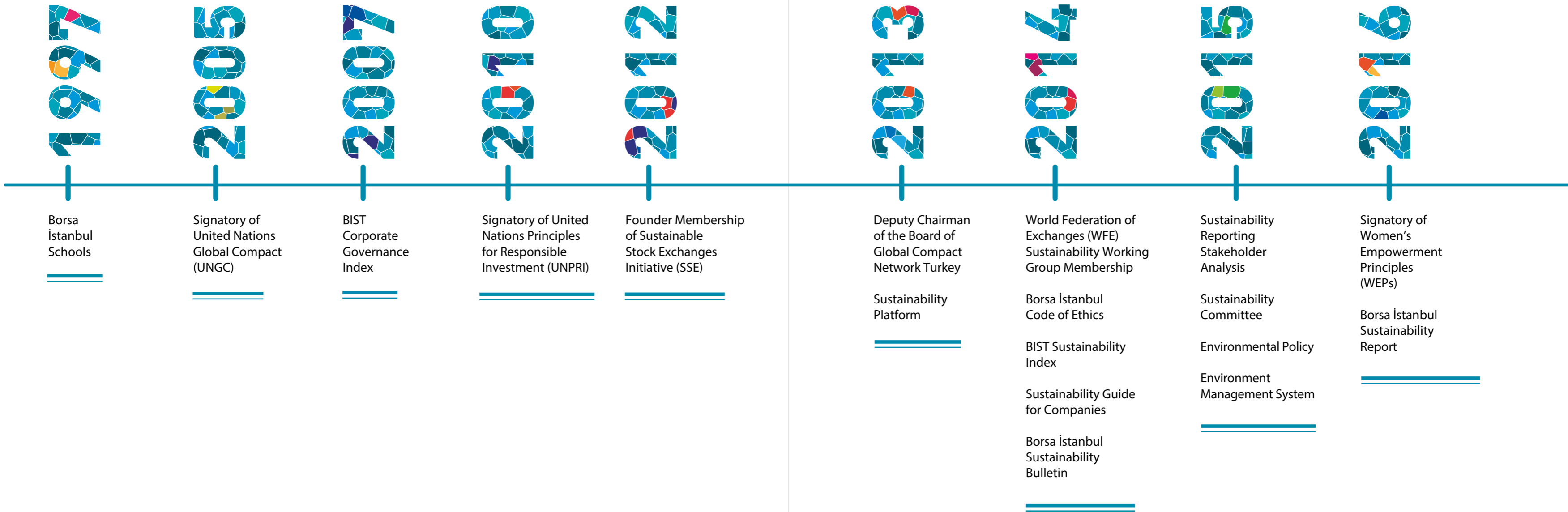
Rapidly changing expectations of the investors and, the number and financial asset size of institutional investors mindful of sustainability, put an increased demand on the global markets for innovative products and services with high added value. Therefore, one of the most important material aspects of our sustainability strategy is to develop innovative, attractive, sustainable, and responsible investment instruments under the ever-changing market conditions for both institutional and individual investors. Moreover, developing products and services in the field of financial technology intended for enhancing the global competitive capacity and secure the sustainable growth trend and assuming a position capable of exporting technology are also considered among our priorities.

→ Market Surveillance

As Borsa İstanbul, we consider ensuring the execution of the transactions at the markets in a fair, just, and competitive environment as one of our material issues and obligations. We execute effective supervision and surveillance activities intended for the identification of insider trading, manipulation, and market abuse actions



OUR SUSTAINABILITY MILESTONES





**EFFICIENT AND
SUSTAINABLE
MARKETS AT BORSA
İSTANBUL**

EFFICIENT AND SUSTAINABLE MARKETS AT BORSA İSTANBUL

Functioning of the capital market in a reliable, transparent, efficient, stable, fair, and competitive environment is a prerequisite for stable and sustainable economic growth.

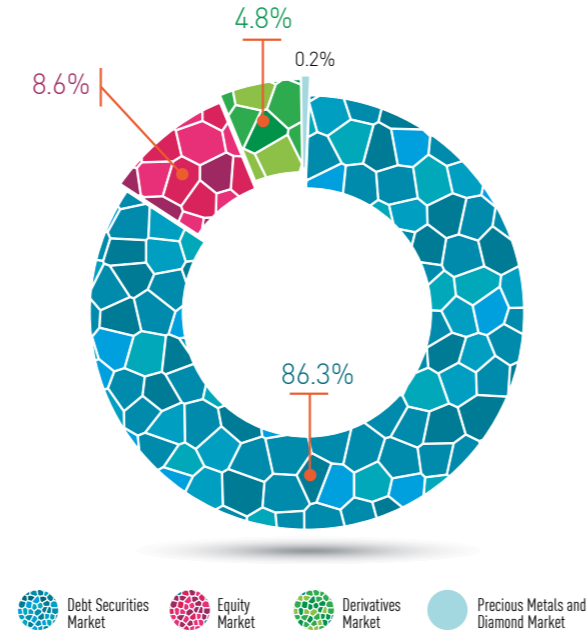
As Borsa İstanbul, we are improving and diversifying our products and services in order to increase the number and diversity of our investors. In addition to our market efficiency practices that adopt transparency as a rule and accelerate the flow of information, we support the safe and stable trading of capital market instruments on the Exchange through market supervision and surveillance activities. We work to settle any dispute that may arise between our members or between our members and investors.

Our Markets

The overall traded value on Borsa İstanbul markets is TRY 11.90 trillion with an annual increase of 33% in 2015. 86.3% of the traded value is formed by the Debt Securities Market.

- Daily average traded value of Borsa İstanbul: TRY 47.2 billion
- Borsa İstanbul Equity Market Market Capitalization/GDP: 26%
- Total Number of Companies Listed on Borsa İstanbul: 416

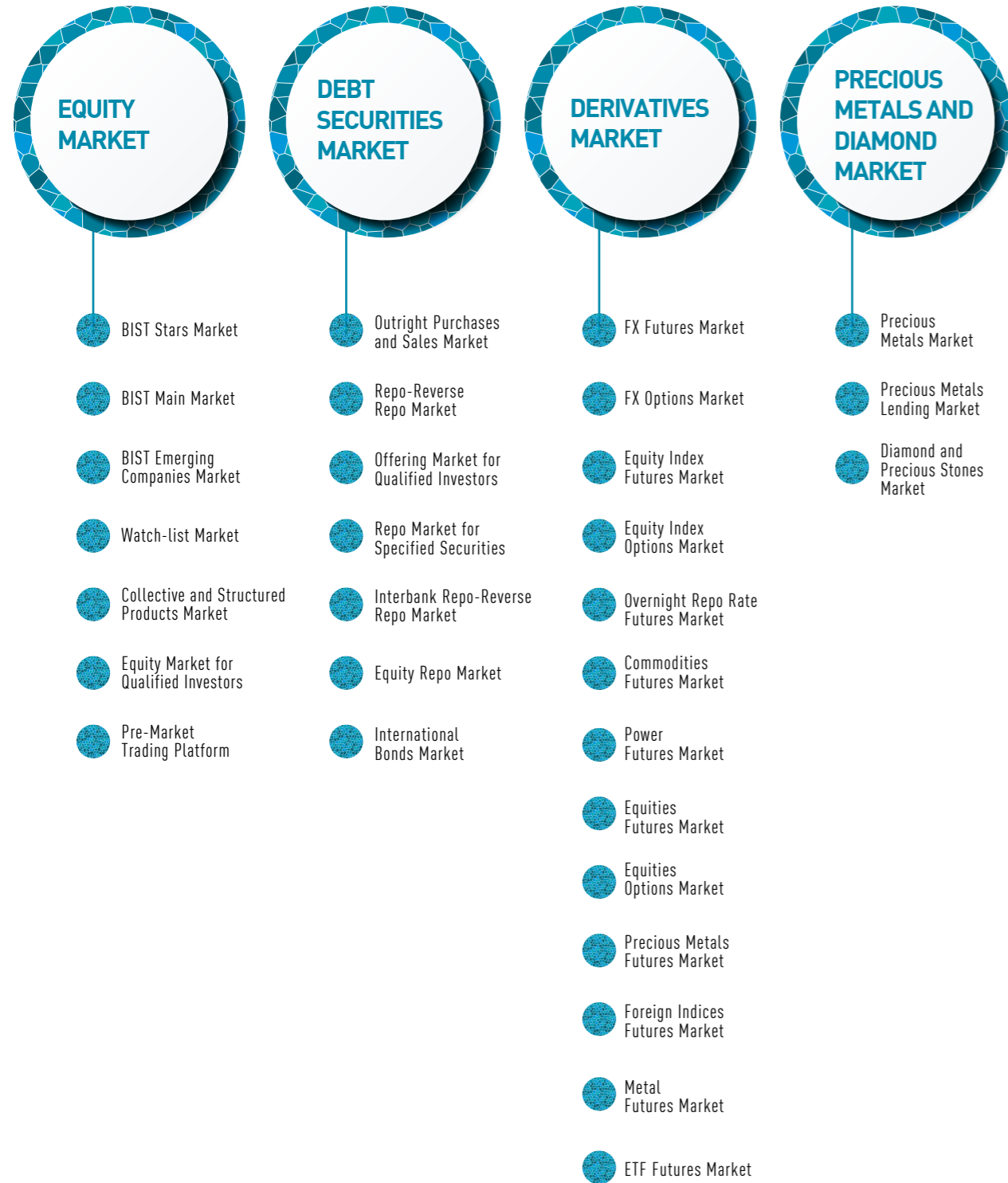
DISTRIBUTION OF TRADED VALUE



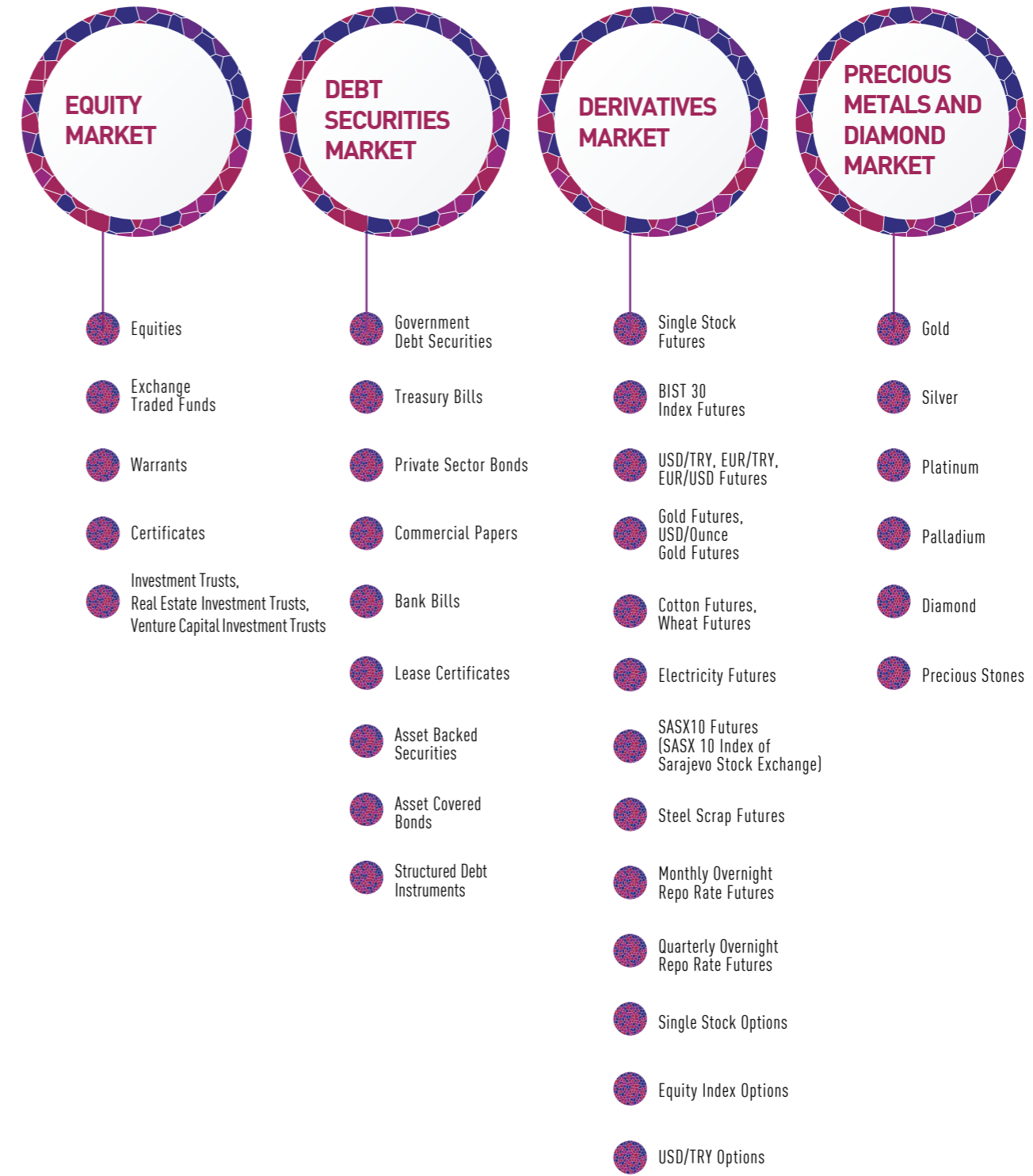
Offering stable markets where diverse and in-depth financial instruments capable of meeting the needs of the real and financial sectors and where investors can reach a broad range of financial products in the shortest time is a priority for Borsa İstanbul. Organized around 4 principal market groups, namely the Equity Market, Debt Instrument Market, Derivatives Market, and Precious Metals and Diamond Market, Borsa İstanbul offers more than 30 product groups addressing the specific demands of investors.



→ Borsa İstanbul Markets and Sub-Markets



→ Products Traded on the Markets



Borsa İstanbul Equity Market consists of the Stars Market, Main Market, Emerging Companies Market (ECM), Collective and Structured Products Market, Equity Market for Qualified Investors and Watchlist Market where equities from various sectors, preemptive rights, exchange traded funds, and the warrants and certificates are traded.

At the end of 2015, our Equity Market was ranked 4th among 56 members of the World Federation of Exchanges with a turnover velocity of 212%, indicating significant liquidity. The share of foreign investors in the Equity Market free-float market capitalization, which increased gradually in the last decade, maintained its historical average level in 2015. The fact that foreign investors hold 62.36% of the free-float market capitalization is an evidence of the foreign investors' trust in both our Exchange and our country. The diverse range of products traded in our Equity Market is warmly welcomed by our investors.

Borsa İstanbul Debt Securities Market comprises of the Offering Market for Qualified Investors, Outright Purchases and Sales Market, Repo-Reverse Repo Market, Repo Market for Specified Securities, Interbank Repo-Reverse Repo Market, Equity Repo Market and International Bonds Market. The government debt securities, treasury bills, private sector bonds, commercial papers, bank bills, lease certificates, asset backed securities, asset covered bonds, and structured debt instruments are traded on the Debt Securities Market.

Ranked 7th among the members of the World Federation of Exchanges in 2015 in terms of traded value, our debt securities market is ranked among the most advanced markets of the world.

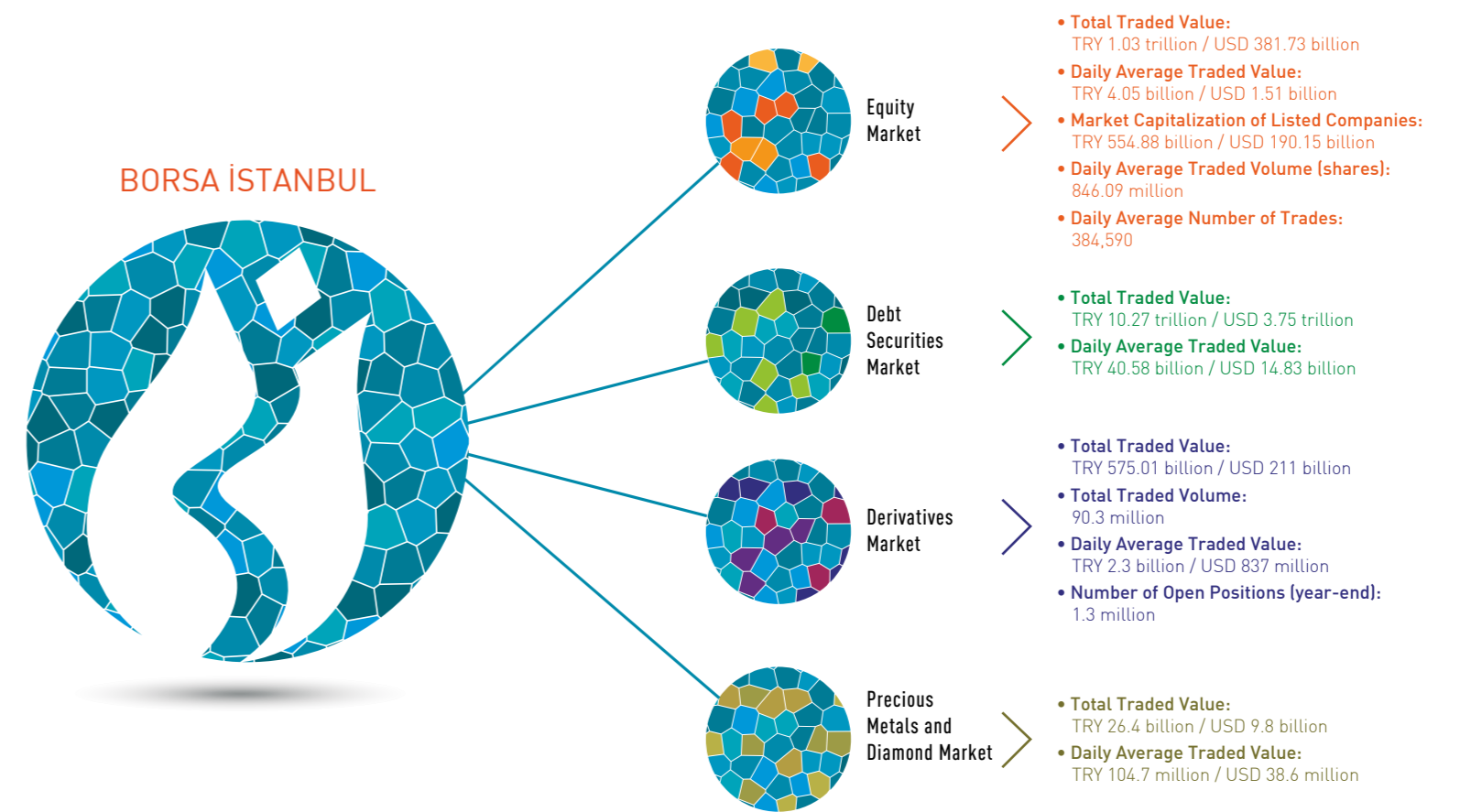
The traded value of our Repo-Reverse Repo markets has reached USD 3.7 trillion in 2015. Since repo-reverse repo transactions are already conducted on Borsa İstanbul, our competitive position is strengthened as the world gradually engages more with trading, and/or registering of debt instruments on the organized markets.

Borsa İstanbul Derivatives Market is an organized market where single stock, BIST 30 Index, USD/TRY,

EUR/TRY, EUR/USD, Gold, USD/Ounce Gold, cotton, wheat, power, Sarajevo Stock Exchange SASX10 Index, steel scrap and overnight repo futures contracts and single stock, BIST 30 Index and USD/TRY option contracts are traded. The Derivatives Market continued its growth in 2015 with contributions of the new practices intended to meet market participants' demands of new products and market making mechanism based on revenue sharing. In 2015, although the global derivatives markets exhibited falling trends, the traded volume of the Borsa İstanbul Derivatives Market demonstrated an increase by 52% compared to the previous year, reaching 90.3 million contracts.

Our endeavors are welcomed not only in domestic markets, but also in the foreign markets. The Derivatives Market is awarded as one of the fastest growing derivatives markets and is also short-listed in the category of Most Innovative New Contract with its USD/TRY contract by Futures & Options World (FOW), world's leading derivative contracts information and news database.

Our Precious Metals and Diamond Market comprises of Precious Metals, Precious Metals Lending and Diamond and Precious Stones Markets. The Precious Metals and Diamond Market, where gold, silver, platinum, palladium and diamond are traded, attracts a great deal of attention from our members and the investors that are clients of our members. This interest is not only due to the fact that it is an organized and transparent market in this respect, but also due to its availability on 7/24 basis and the web-based market system. In 2015, a daily average of 1,025 kg gold and 2,006 kg silver were traded in our market, while the Diamond and Precious Stones Market welcomed 355 new members.



Transparency and Market Efficiency

Taking the market, platform, and the free float market capitalization of the equities into account, and in line with the Capital Markets Board (CMB) regulations, we classify the publicly-traded equities as A B C D. We support a more effective market formation, reduce market abuse and prevent equity shortages and settlement deficits by setting trading rules that conform to the risks inherent to the shares. We intend to improve transparent and reliable knowledge sharing and investor awareness in order to achieve market efficiency in Borsa İstanbul. We work for disseminating all kinds of data that might impartially affect the value of the capital market instruments as soon as possible hence accurately reflecting the data on the prices.

We aim to ensure that our investors can access all kinds of information readily and swiftly. In accordance with our information policy we provide for timely, complete, comprehensible, easy access to all essential information and disclosures in a cost-effective manner. Our investors can access the information that might influence their investment decisions simultaneously and cost-effectively by using our web site and Public Disclosure Platform (PDP). We respond to the questions from investors using a single center, the Investor Information Center.

In addition, we enabled access to historical data of Borsa İstanbul by establishing a new sales spot in BIST DataStore. The investors can subscribe to this online platform and reach the current data.

Besides, we extended our market data dissemination infrastructure to London. Corporations located in different parts of the world are since capable of accessing the BIST market data feed via the Point-of-Presence (PoP) in London Equinix without connecting to Istanbul Data Center.

Technical infrastructure provides redundancy by two separate lines from Borsa İstanbul main campus to London and one line from the Borsa İstanbul Ankara Disaster Recovery (DR) location to London. By this means, not only the Istanbul connectivity costs of data vendors, but also the DR connectivity costs would be

eliminated. This step, which considerably reduces the international line and equipment costs of data vendors, is designed to enable order routing to Borsa İstanbul markets in the near future.

The stakeholder analysis that we conducted revealed the fact that our stakeholders prioritize our efforts to continue our technological investments capable of coping with global competition, and our communication activities to promote the capital market to the investors to reach our objective of becoming a regional center and a global actor.

We aim to complete the pre- and post-trade processes in the fastest and most effective way, thanks to our technological transformation as stipulated by our technology delivery agreement with NASDAQ. In this context, the Equity Market trading system, clearing system and surveillance and risk management systems came into effect, as of November 2015. We managed to reduce the order transmission speed down to 100 microseconds using this novel technology we named BISTECH, and offered numerous other innovations, including new types of orders, to disposal of our members and investors.

Resolution of Disputes Among Market Participants

We resolve the disputes that may arise between our members regarding the Exchange transactions in Borsa İstanbul. Furthermore, upon request of the parties any disputes that may arise between members of the Exchange and clients of the members due to Exchange transactions can also be resolved within the Exchange. The Directive that organizes the procedures and principles on resolution of disputes by Borsa İstanbul is publicly available on our website. Any solution worked out by the Arbitration Committee is reviewed and settled

by our Board of Directors; any such resolution might be challenged and referred to CMB, who represents the public authority, based on the amount of the dispute. In this context, 10 out of 13 files on disputes reviewed in 2015 were finalized within the same year, while the remaining 3 are passed on to 2016.

Any reviews on the acts and actions that require disciplinary actions as stipulated in the Borsa İstanbul A.Ş. Regulation on Principles Relating Stock Exchange Activities are conducted by our Disciplinary Committee based on the procedures and principles publicly available on our website. The resolutions made as a result of the reviews are submitted to the Board of Directors. Since no appeal mechanisms against such resolutions is applicable in the legislation, the resolutions made by our Board of Directors on disciplinary matters are considered final. Resolutions concerning the temporary suspension or cancellation of authorization to trade or to represent by our Board of Directors are promptly notified to CMB. In 2015, 5 disciplinary files were opened, 4 of which concerning those who are authorized to trade, and the remaining about the representatives. All cases were resolved in 2015, except one about those authorized to trade which was passed on to 2016.

Despite its status as a for-profit company, the procedures and principles on the fees and guarantees collected from the members of our Exchange, listing and/or delisting of capital market instruments, listing fees, trading of capital market instruments, temporary suspension or termination of trading, transmission of orders to the Exchange, the types of orders and principles applicable, the method applicable for settlement, resolution of disputes and the Disciplinary Committee enter into force upon CMB's approval. While the principles on incorporation, operation, activity and supervision of the Exchanges are regulated by CMB, amendments to the articles of association, share and indirect control transfers of Borsa İstanbul are allowed upon CMB's permission. Therefore, these issues are reviewed by the public authority and are further examined according to conflict of interest and impartiality criteria with the intention of protecting the public welfare.

Market Surveillance

Borsa İstanbul, ensures fair, just, and competitive trading practices for the transactions realized within its markets and is responsible for identifying illicit trading transactions. In this respect, we are executing market monitoring, surveillance, and comprehensive market examination activities. Market monitoring and surveillance consists of the real-time monitoring of the orders submitted to, and trades executed at, the Borsa İstanbul market over electronic surveillance system installed within the Exchange and assessment and examination of signals and warnings generated from the system by the auditors. In case any doubt arises with respect to any act contrary to the legislation, at the end of said process, then the case is subjected to a comprehensive investigation. Comprehensive investigations comprise the phases of gathering evidence on the doubt, identification of perpetrators, proving the criminal intent, analyzing and calculating the advantage obtained, investigation and reporting. During surveillance inquiries, the Audit and Surveillance Board also benefits from the databases provided by the Settlement and Custody Bank (Takasbank) and the Central Registry Agency (MKK). Any findings and assessments made during each phase of surveillance activities are shared with the CMB.

Our efforts on the replacement of the current surveillance system for market supervision and surveillance activities with SMARTS System, a world class surveillance infrastructure, are still in progress. We have completed the transition on Equity Market and our work on debt instruments and derivatives market are currently in progress. We anticipate that this new surveillance system will improve the speed and efficiency of signals and warnings as well as the analyses and reviews made by the auditors. Moreover, we further aim to improve the precautions currently implemented for preventing orders and trades capable of disrupting the functioning of the market. We continue the improvements within this scope in collaboration with the CMB.



Market and Product Diversification

Following our vision to become a “financial supermarket” in capital markets, where investors have easy access to all types of instruments, we proceed to diversify our products and markets.

→ Restructuring the Equity Market

Novel and distinct approaches and innovative financial instruments are finding more coverage in the global capital markets every day. As Borsa İstanbul, we are committed to adapting to such changes and making the legislation on the listing of capital market instruments readily comprehensible and integrative. With these new arrangements, we are aiming to facilitate and speed up the listing process and to ensure the diversification of the platforms, where companies can be listed according to their market values and free-float rates.

We abolished National and Secondary National Markets and created Stars Market and Main Market under the Equity Markets in accordance with the new Listing Directive entered into force in 2015. The Stars Market is the market where the equities included in BIST 100 Index or with free-float market capitalization equal to and more than TRY 100,000,000 are traded. The equities with free-float market capitalization under TRY 100,000,000 (with the exception of the equities included in BIST 100) are traded in the Main Market. In addition to such modifications, we ensured the inclusion of companies in loss due to financing and investment costs during the growth period, by seeking the profit before interest, depreciation and tax - rather than profit before tax - at the initial listing.

In line with the Directive, we also created the Equity Market for Qualified Investors (EMQI) where equities of corporations not planning to go public can be traded between qualified investors. The market enables non-public companies that issue equities for qualified investors either within or outside the Exchange or public companies that are not traded on the Exchange, to file a listing application for trading of their equities on EMQI.

Moreover, we initiated a fast-track listing process for foreign companies in order to facilitate the process for listed foreign companies and increase the number of companies. With this regulation, the capital market instruments traded on main markets of foreign stock exchanges can also be listed and traded on the Exchange on the condition that the prospectus or certificate of issue is approved by the CMB.

→ Financial Support for SMEs

The small and medium-sized enterprises (SMEs) in Turkey represent 99% of the total number of companies and 75.8% of the employment. Based on our awareness of SMEs' potential for enabling sustainable economic development and improving social welfare, we have adopted a bottom-up approach to support all economic actors, as our responsibility. Therefore, we are developing alternate markets and instruments to meet the financing requirements of SMEs and non-public enterprises, which possess great potential for economy, and to invigorate the entrepreneurship ecosystem.

In 2011, we established the Emerging Companies Market (ECM) within Borsa İstanbul in order to create a transparent and organized environment where the companies with growth potential can secure equity from the capital market. A market advisory mechanism was established to inform, guide and facilitate legislative harmonization of the companies wishing to be listed on ECM. The mechanism enables the market advisors to inform SMEs that lack adequate information on the markets and assist them to fulfill their obligations accurately and on time.

Within the scope of The Emerging Companies Market SME Support Program Protocol signed between the CMB, Small and Medium-sized Enterprises Development Organization (KOSGEB), Turkish Capital Markets Association (TSPB) and Borsa İstanbul, we support the SMEs that are publicly listed on ECM since 2011. The SMEs benefit from the program since the fees and costs from independent audit service, the CMB board registration, acceptance to ECM listing and MKK costs as

well as intermediary institution commissions are covered by KOSGEB. After being listed on ECM for two years, companies that meet the necessary requirements can be transferred to the Stars Market and the Main Market.

We started to work for enabling SMEs to issue collective bonds as of April 2015, in order to facilitate utilization of capital markets by SMEs. Under Borsa İstanbul's lead, a cooperation protocol between Borsa İstanbul and Turkish Capital Markets Association (TSPB), Ziraat Bank, Ziraat Asset Management, Akbank, Ak Asset Management, Finansbank, Finans Asset Management and Finans Invest to establish a joint venture capital investment fund is concluded. Moreover, Credit Guarantee Fund (CGF), the European Bank for Reconstruction and Development (EBRD) and European Investment Fund (EIF) will act as the guarantor for SME bonds by offering a surety system specifically designed for the project model.

→ Private Market

The Private Market started operations in 2014, brings entrepreneurs and investors together for establishment of long-term partnerships without being subject to the CMB regulations. The Private Market offers the companies the opportunity to use alternate solutions on meeting their finance and liquidity requirements without going public. Total capital amount of TRY 18 million has been raised for the venture firms as a result of 3 transactions that took place in the Private Market in 2015.

→ New Futures Contracts

Risk management is an important factor in the adoption of sustainable management approaches and business practices by the companies.

Our efforts to improve product diversity in the Derivatives Market, such as the commodity contracts and the physical delivery products support sustainability of the real economy. In this respect, the steel scrap futures contracts with cash settlement commenced trading on April 2, 2015. These contracts enable us to offer a tool where all of the sector participants are capable of managing the price risks in all of the steel products from raw material up to end product. Reflecting a

significant step taken in terms of integrating the real and financial sectors, the contract addresses to not only the scrap suppliers or scrap users, but also to the market participants in need of financial protection in semi-product and end products, the prices of which parallel the scrap prices. The contract will contribute to a sounder and more sustainable functioning of the steel market by proving financial protection against the price risks in the steel sector.

Besides, wheat futures contracts with physical delivery were introduced in 2015. Gold and cotton futures contracts with physical delivery are expected to be introduced in 2016.

→ Facilitating the Diamond and Precious Stone Trade

Turkey is ranked in the top 5 in the world with the market size of its jewelry sector and in the top 3 with its jewelry production. At Borsa İstanbul, we contribute to reduction of jewelry production costs by providing an organized and transparent market environment.

In 2011, we laid the foundation of the Diamond and Precious Stones Market in order to create an international identity for the jewelry sector, for the sector to utilize credit sources and to foster the opportunities for trading on a global scale. Amendments were made regarding the Value Added Tax (VAT) and Special Consumption Tax (SCT) for the exemption of the precious stones from VAT when imported for trading on the Exchanges in Turkey and when traded between the members of the Exchange and for the exemption of precious stones from SCT. Such exemptions fueled an increase at production, exportation and prevention of informality. The changes in the tax landscape also created new employment opportunities since the jewelry sector developed and new jewelry workshops opened.

In addition, the agreement signed with World Diamond Mark Foundation, WDM, on January 18, 2016 opens the way for cooperation to institutionalize diamond trading in Turkey and in other markets.



Strategic Partnerships

→ Establishment of the Energy Market

The process for establishment of an Energy Exchange, one of the most significant steps taken for making Turkey a regional hub for energy, is completed in 2015 by incorporation of Enerji Piyasası İşletme A.Ş. (EPIAŞ). As one of the EPIAŞ's major shareholders, we are sharing our experience and knowledge on exchange management with the energy market participants.

We cooperate with sector participants in order to extend product offerings both on EPIAŞ and Derivatives Market of Borsa İstanbul. We plan to continue the diversification of the energy market products, and to offer sustainable and responsible investment alternatives in the future. We also continue our efforts for adding new features addressed to the market participants, to the currently traded cash settled base load electric futures contracts.

In near future we aim to introduce trading in the derivative instruments based on other energy products, notably the natural gas, in addition to the electricity based derivatives within Borsa İstanbul. Moreover, our research conducted on the carbon market is still in progress, and we are actively attending the meetings organized by Republic of Turkey Ministry of Environment and Urban Planning on the carbon markets.

UN 2030 13th Sustainable Development Goal:

Climate Action, Goal 13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

✓ “- We develop financial instruments that will encourage companies to manage their impact on climate change.”

In accordance with our strategy on regional leadership, we are forging cooperation agreements to strengthen our connections with different international stakeholders in order to transfer global know-how and to adopt and spread global perspectives and ways of doing business. The strategy we pursue in this respect is composed of three stages, namely (i) transforming Istanbul into an international finance center, (ii) establishing strategic partnerships with global exchanges in the fields of technology, sustainability, information sharing, product and service diversification, and conceptual leadership, and (iii) establishing a cooperation network with the stock exchanges in the region during our activities in the global arena.

→ Nasdaq Strategic Partnership

We anticipate that the strategic partnership that we founded with Nasdaq in January 2014 based on technology transfer will meet the technological requirements of our Exchange, thus improving investor trust. The partnership that combines Borsa İstanbul's dynamic resources with Nasdaq's superior technological potential will integrate Nasdaq's trade, settlement, market surveillance and risk management systems for capital market instruments into our own systems in place. To enable Borsa İstanbul to operate efficiently and continuously, in addition to transforming our trading platforms and its applications, we continue to receive know-how and consultancy from Nasdaq about market technology solutions and exchange operations. We acquired the licenses and source codes of the software and other technology components used in our renewed markets, which allow us to make modifications on the BISTECH products depending on need. In this way, we are creating a structure capable of supporting self-development within our Exchange. This enables us to approach our aim to become a leading self-sustained exchange that possesses world-class technology and acts as a technology provider.

→ London Stock Exchange and LCH.Clearnet Strategic Partnership

Another significant development in 2015 was the

strategic partnership agreement signed with the London Stock Exchange and LCH.Clearnet, which enables the trading of the financial derivative products listed on Borsa İstanbul at the markets of the London Stock Exchange. Said partnership envisages trading of futures and options contracts on index and equities at London Stock Exchange and settlement by LCH.Clearnet in accordance with our objective on increasing liquidity and market attractiveness targeting global investors. The agreement covers BIST 30 Index Futures at the first phase. According to the agreement with London Stock Exchanges Group, Borsa İstanbul also acquired an interest share of 2.04% from LCH.Clearnet.

→ EBRD Strategic Partnership

In December 2015, we signed a strategic partnership agreement with the EBRD. With the agreement, the EBRD acquired 10% of Borsa İstanbul's capital. The agreement also involves cooperation to increase Borsa İstanbul's efficiency and liquidity and it showcases the trust in the Turkish capital market, and in the growth potential of the Turkish economy in terms of international investments. It is planned that EBRD will join the efforts during Borsa İstanbul's public offering process in the forthcoming period. Hence, EBRD will provide support for our Exchange to fulfill its potential in terms of the number of listed companies and the market capitalization.

The projects planned for the future involve collaboration between our Exchange and EBRD on investments and technical support for developing the markets in the Balkans, Central Asia, Southeast Europe, and North Africa and for supporting regional economic development.

→ Integration with the Stock Exchanges in the Region

Our Exchange continues to improve the level of integration with the prospective Exchanges with high potential in Central Asia, Balkans, North Africa, and the Middle East in order to develop and support the capital markets in the region through direct and indirect investments.

As Borsa İstanbul, we are developing partnerships with the Exchanges in the surrounding regions for contributing to the development of their capital markets:

- Montenegro Stock Exchange 24.39%
- Sarajevo Stock Exchange 9.89%*
- Baku Stock Exchange 4.76%
- Kyrgyz Stock Exchange 24.51%

* The total shareholding ratio at Sarajevo Stock Exchange including our indirect shareholding arising from those of our affiliates - Settlement and Custody Bank and MKK - is 16.54%.

→ Cooperation with Foreign Exchanges and Financial Institutions

In 2015, we have signed Memoranda of Understanding (MoUs) with foreign exchanges and financial institutions in the diverse fields of collaboration for the purpose of strengthening our communication with our international stakeholders as per our goal of becoming a regional and global power. These MoUs allowed us to formalize our agreements on sharing information, personnel exchange programs, and paved the way for us to develop common products and seize business development opportunities. We invited and hosted senior executive delegates from various international institutions and exchanges to Borsa İstanbul for meetings and informative programs. Likewise, Borsa İstanbul employees also attended training programs held abroad.

→ Cooperation with the World Bank and Contribution to the Development of Islamic Finance

Islamic financial instruments are making significant contributions to the reduction of global income inequality with their direct association with the principle of integrity, risk sharing structure, and connection to the real economy. They help improve the level of welfare, which contributes to economic development. One of the most significant advancements for Borsa İstanbul on its path to becoming a regional hub has been the implementation of the World Bank Group Global Islamic Finance Development Center – GIFDC within our Stock Exchange in 2013.



The Center focuses on subjects such as the development of Islamic finance assets, which is a rapidly growing market throughout the world and attained a size of USD 2 trillion as of the end of 2014. Another area of focus for the Centre is information sharing, technical support, consultancy services, and harmonization in practice of the Islamic finance. As Borsa İstanbul, we are working on the establishment of a market where lease certificates can be used in order to meet the short-term finance needs of participation banks.

Privileged Transformation Programs

Borsa İstanbul assumes a significant role in the process of making Istanbul a financial center, first on the regional and then on the global scale. Our Exchange is incumbent with major responsibility with regards to possessing world-class technological infrastructure, offering a safe and transparent platform where both domestic and foreign investors can trade freely and readily, and becoming a point of intersection through diversified products and services responding to specific requirements.

We have completed 3 out of 11 actions that we are responsible for under the scope of Istanbul International Financial Center (IFC) Program and Program on Increasing Domestic Savings and Preventing Waste, which represent two out of 25 Privileged Transformation Programs listed in Tenth Development Plan.

→ Istanbul International Financial Center Program (IFC)

An Action Plan is produced under the coordination of the Ministry of Development in accordance with the vision of making Istanbul, historically located at the meeting point of the East and the West, first a regional and then a global finance center by virtue of both its proximity to significant markets and young and dynamic population it accommodates, as well as its competitive and diversified sectors.

As Borsa İstanbul, we are directly responsible from 8 actions under IFC Action Plan that covers the period of 2015-2018. We are further involved in 35 more actions in collaboration with other public and capital market institutions.

The actions from which our Exchange is directly responsible as part of the IFC Program are as follows:

- Introduction of a market-making mechanism for shares and private sector debt instruments traded on Borsa İstanbul,
- Establishment of organized markets for metals and other commodities,
- Completing integration process of the Borsa İstanbul Joint Data Center,
- Enhancement of trading, surveillance, data dissemination, index calculation, risk management, clearing and settlement infrastructure of Borsa İstanbul Equity Market,
- Enhancement of trading, surveillance, data dissemination, risk management, clearing and settlement infrastructure of Borsa İstanbul Derivatives Market, Debt Securities Market and Precious Metals and Diamond Market,
- Consolidation and improvement of surveillance systems of Borsa İstanbul markets,
- Establishment of the Technology Development Zone jointly by Borsa İstanbul and Boğaziçi University,
- Ensuring a more effective usage of precious metal markets by participation banks.

In this respect, we established a market-making mechanism and Joint Data Center in 2014, and we completed enhancement of Equity Markets infrastructure system, which we are responsible from under IFC Program, by commissioning of BISTECH as of November 30, 2015. The efforts made in 2015 under the scope of IFC Program include improvement of trading, surveillance, data dissemination, risk management and clearing and settlement infrastructure for Borsa İstanbul Derivatives Market, Debt Securities Market and Precious Metals and Diamond Market. Improvement of technological infrastructure for these markets which belong to the second and third phases of technological upgrading process are currently maintained under the existing schedule.

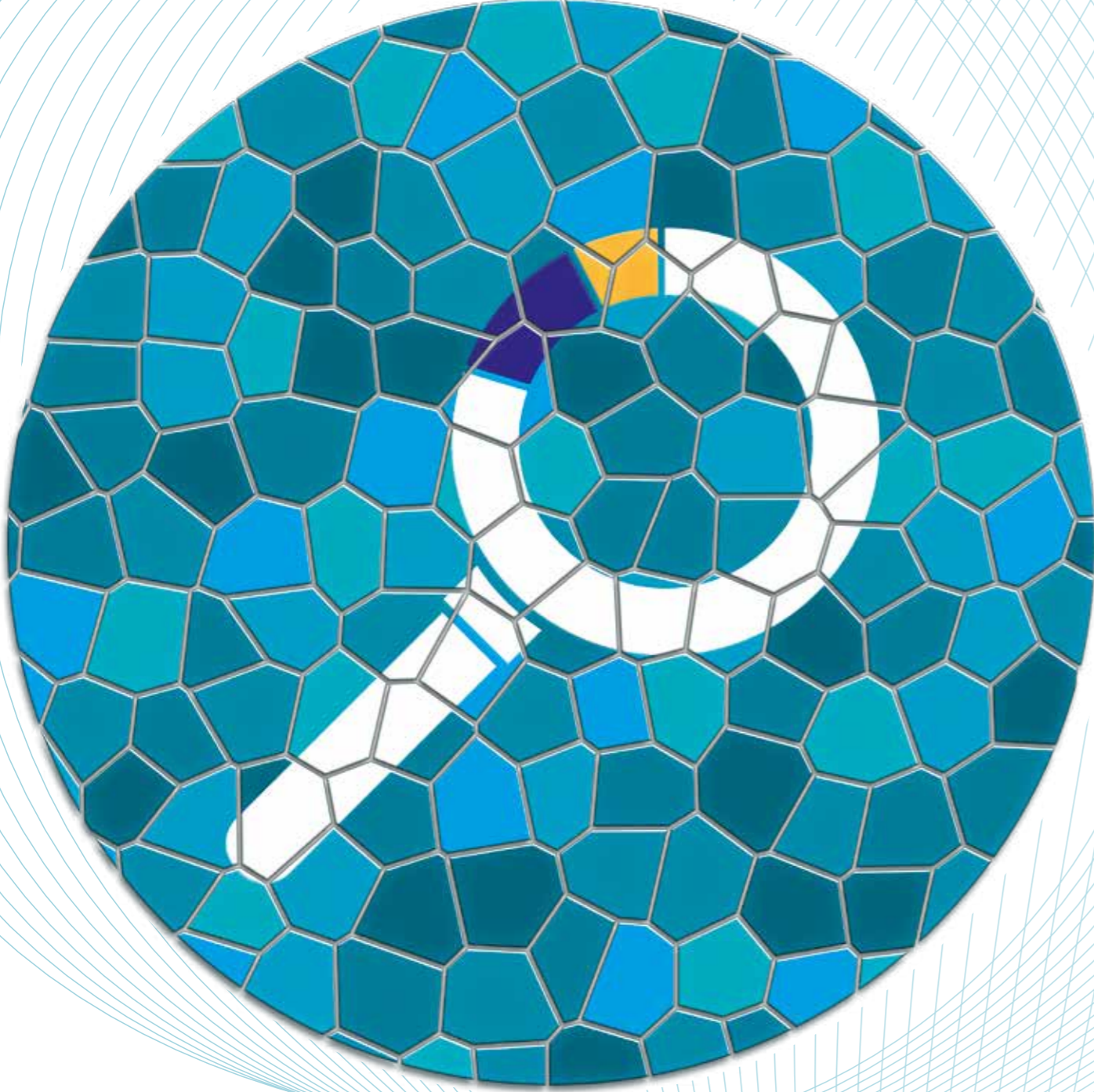
As part of the action plan, we are responsible of founding the "Finans Teknopark Technology Development Zone" with Boğaziçi University. The project was declared by a resolution of the Cabinet of Ministers and a construction design plan was prepared for the R&D center and office building. The civil works for the center will begin in the near future.

In addition to the foregoing, we introduced the trading of steel scrap futures contracts in order to allow the trading of metal and other commodities in our Exchange, thus fulfilling another responsibility under IFC. We then initiated our efforts for the establishment of a murabaha platform which would ensure the active utilization of the participation banks, to enable precious metals market to become accessible by all Exchange participants.

→ Program on Increasing Domestic Savings and Preventing Waste

Improving the saving rate is crucial not only for the national welfare, but also for attracting investors and guaranteeing a smooth growth for economies. Under the scope of the Program on Increasing Domestic Savings and Preventing Waste, we are responsible of communicating the advantages of the capital market to the private sector, notably to the SMEs, attracting the companies included in the Istanbul Chamber of Industry (ISO) 500 List to the Exchange and developing gold custody services. Our efforts in the three aforementioned areas are still in progress and we report our advancements to the Ministry of Development quarterly.





CORPORATE GOVERNANCE



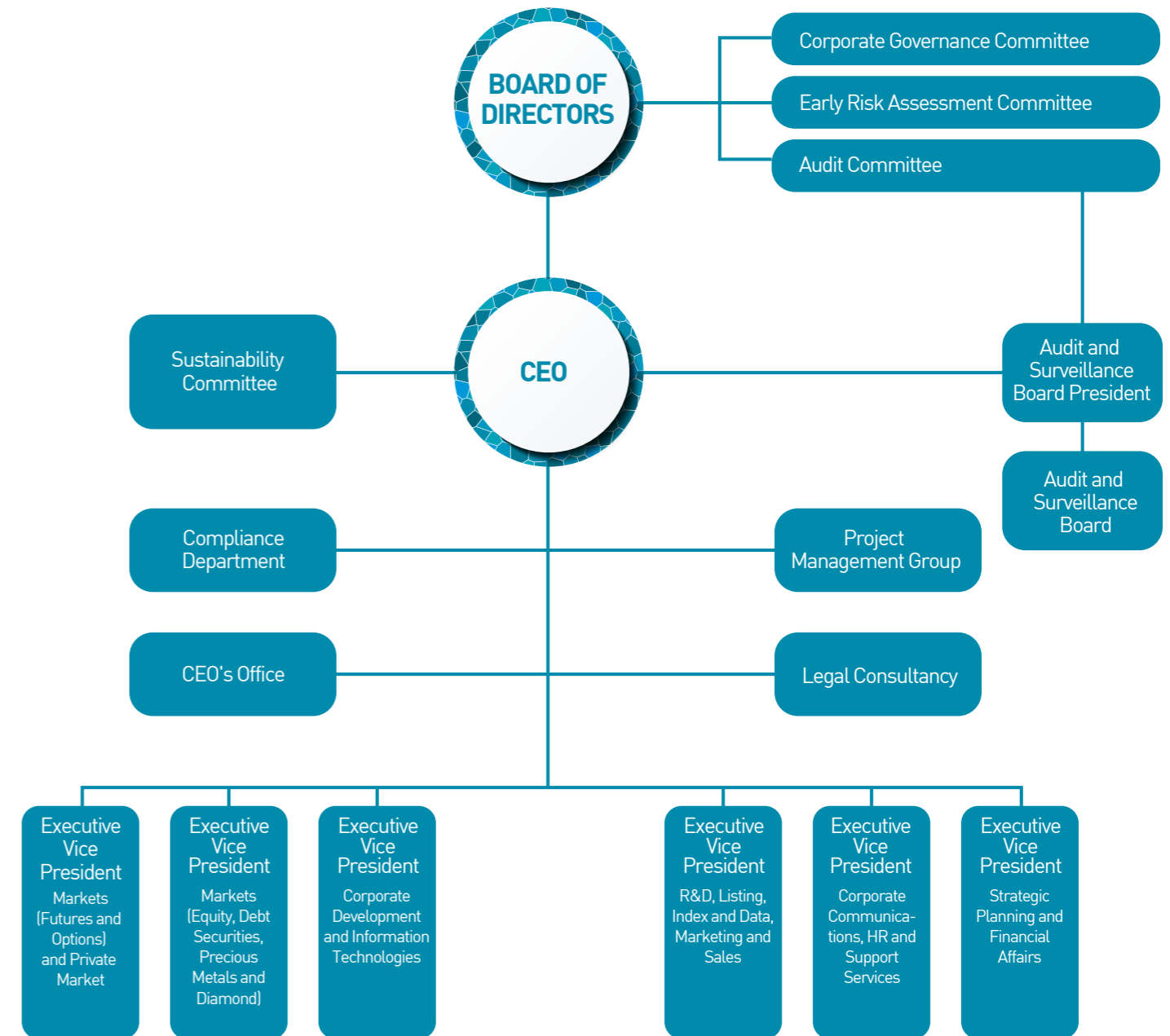
CORPORATE GOVERNANCE

It is of great importance for Borsa İstanbul to earn trust of the markets through transparent and fair corporate governance due to its central role in the finance sector. Furthermore, the stakeholders essentially expect fair, transparent, and accountable corporate governance from our Exchange. Therefore, we endeavor to create a sound and reliable corporate governance structure and manage distinct risks proactively within the framework of the "institutionalization" theme, which is one of the four key aspects of our 2020 strategy. We are building fundamental principles of governance that regulate all stakeholder relations on the principles of equality, transparency, accountability and responsibility. We are taking steps required for complying with the Capital Markets Board Corporate Governance Principles as announced by the CMB. In spite of the fact that we are not a publicly-traded company and although we are not obliged to do so, we share the steps taken in this respect by issuing the Corporate Governance Compliance Report. We embrace the principle of separation of powers, which reflects one of the most significant elements of the corporate governance principles. The Board of Directors comprises of 10 members in total elected by the General Assembly, wherein two members of the Board are elected from the candidates nominated by the Group A equities and three members of the Board are elected from the candidates nominated by the Group C equities pursuant to the provisions of the Turkish Commercial Code. Comprising of nine males and one female member, 4 out of 10 members of the Board are independent members preventing conflict of interest. There are six committees affiliated to the Board of Directors or the CEO, namely the Arbitration, Disciplinary, Early Risk Assessment, Audit, Corporate Governance and Sustainability Committees.

As identified under the scope of the stakeholder analysis, 90% of our stakeholders attach importance to fair, transparent, responsible, and accountable corporate governance and consider the same among the material issues of Borsa İstanbul.

“We have been calculating the BIST Corporate Governance Index since 2007 in order to encourage the listed companies to implement corporate governance principles. There are 49 companies included in the Index as of the end of year 2015.”

BORSA İSTANBUL ORGANIZATIONAL STRUCTURE

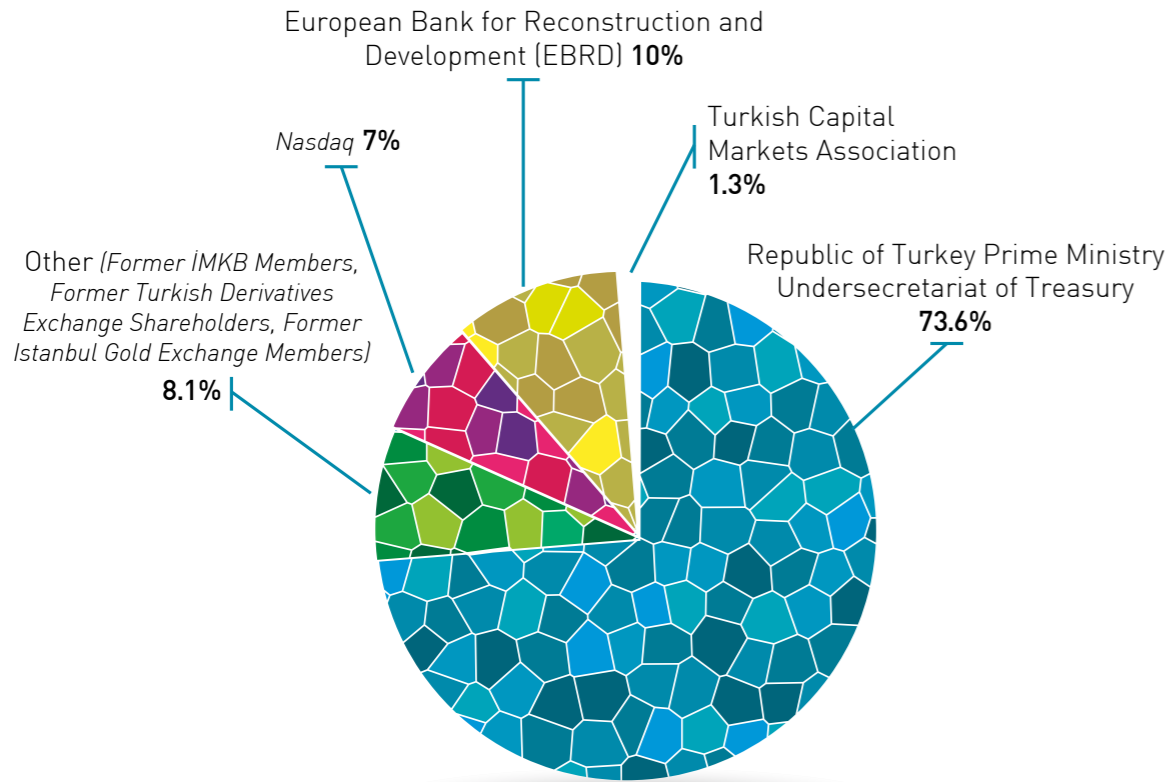


Compliance of the corporate governance and internal audit practices of Borsa İstanbul with the international standards is of paramount importance. Within this framework, a Quality Assurance Review was performed in 2015 as intended for reviewing conformity of Borsa İstanbul internal audit practices to the International Internal Audit Standards and good application practices. The review conducted by an independent audit and consultancy company revealed that the activities and structure of the Audit and Surveillance Board (the Board) complies with the International Internal Audit Standards and good application practices, that the Board executes its functions in an independent, professional and objective manner, that the activities of the Board adds value to the Exchange processes, and that the Board assumes an important role in remedying any control defects in the processes. The score from the review is identified as "Generally Compliant", which is the highest level of compliance in this respect.

Shareholding Structure and Affiliates

Located at the intersection of the Europe, Middle East and Asia markets, Borsa İstanbul makes significant contributions for growth of Turkish economy for the last three decades since 1986, when Borsa İstanbul started to operate under the name of Istanbul Stock Exchange (İMKB). Since the merge of Istanbul Stock Exchange, Istanbul Gold Exchange and Turkish Derivatives Exchange in 2013, Borsa İstanbul brings together the equities, exchange traded funds, debt instruments, derivatives and structured products and commodities at a common platform and is active in three continents through its affiliates in different countries.

BORSA İSTANBUL SHAREHOLDING STRUCTURE



	Affiliate/Subsidiary	Shareholding Ratio
Domestic	Istanbul Takas ve Saklama Bankası A.Ş. (Takasbank)	62.25%
	Merkezi Kayıt Kuruluşu A.Ş. (MKK)*	30.1%
	Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş. (SPL)*	20%
	Istanbul Altın Rafinerisi A.Ş.	0.01%
	Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş. (ELİDAŞ)*	17.33%
	Istanbul Gemoloji Enstitüsü A.Ş.	51%
	Enerji Piyasaları İşletme A.Ş. (EPIAŞ)	34.16%
	Finans Teknopark A.Ş.	50%
	Borsa İstanbul İTÜ Teknoloji A.Ş.	50%
Foreign	LCH.Clearnet	2.04%
	Montenegro Stock Exchange	24.39%
	Sarajevo Stock Exchange*	9.89%
	Baku Stock Exchange	4.76%
	Kyrgyz Stock Exchange	24.51%

*The table given above illustrates the direct shareholding ratios. The total shareholding ratios which include our indirect shareholdings arising from those of our affiliates is 70.50% for MKK, 33.94% for SPL, 19.55% for ELİDAŞ, and 16.54% for Sarajevo Stock Exchange.

Code of Ethics

We established Borsa İstanbul Code of Ethics in line with the vision on transparent and fair corporate governance. Code of Ethics incorporates the code that the employees should observe along with the code that should be observed in our stakeholder relationships. In 2015, we reviewed and broadened the scope of the Code of Ethics which is expected to be effective in 2016 after the approval by CMB.

The Directive addresses conflict of interest, bribery, and fighting corruption as important aspects of the Code of Ethics. The Directive predicates on the integrity, reliability, equality, transparency, social responsibility, and environmental sustainability merits, and we are aiming to ensure responsible acts and actions by the employees, protecting the rights of the stakeholders and efficient, effective and transparent realization of the exchange transactions through such principles.

Acts and actions contrary to the Directive can be communicated to the Compliance Department of our Exchange via telephone, uyum@borsaistanbul.com e-mail address or the intranet, and the Compliance Department monitors actions on remedying any nonconformities. The employee confidentiality is maintained during this process. All Borsa İstanbul employees are obliged to abide by the Directive. In this respect, our employees are constantly subjected to briefings and training organizations on the applicable Code of Ethics. In 2015, we have provided training as regards the Directive for 52 employees from high priority departments. We are planning to provide Code of Ethics training to all of our employees in 2016. There were no bribery and/or corruption cases identified in our Exchange during the period of 2013-2015.



Borsa İstanbul Sustainability Committee

The Sustainability Committee reporting directly to the CEO is responsible for sustainability issues in Borsa İstanbul. Borsa İstanbul Sustainability Committee was founded in 2015 in order to implement integrated and efficient sustainability practices in our Exchange. To create long-term value for financial markets where Borsa İstanbul is active together with all stakeholders, the primary objective of the Committee is establishment of strategies, policies and goals required for management of ESG risks and compliant with the Corporate Governance Principles and ensuring the integration of these strategies and policies with the company's decision making, management, operation, and audit processes.

The Committee comprises the Deputy Chairman of the Borsa İstanbul Audit and Surveillance Board and the Directors of System Management Group, Research and Business Development Department, Support Services Department, Compliance Department, Marketing and Sales Department, Strategic Planning and Investor Relations Department and Human Resources Department or one person to be delegated by the same, and an Executive Vice President commissioned by the CEO for chairing the Committee. All stakeholders may communicate all kinds of questions, recommendations, and complaints on the sustainability issues of Borsa İstanbul to Özge Velimahmutoglu from Research and Business Development Department via ozge.velimahmutoglu@borsaistanbul.com mailing address.

Members of the Sustainability Committee

Mustafa K. YILMAZ	Committee Chair, Executive Vice President
Harun ÖZAY	Committee Coordinator, Research and Business Development Department
Mustafa ÖZBAY	Compliance Department
Kemaleddin DİLBAZ	Audit and Surveillance Board
Özlem TAĞTEKİN	Marketing and Sales Department
Hüseyin ÇARPICI	Information Technologies
Hasan Barlas AKINCI	Strategic Planning and Investor Relations Department
Sibel KILIÇSOY ÖZTÜRK	Support Services Department
Hayriye AYKAÇ	Human Resources Department



Risk Management

We consider risk management as an important aspect of corporate governance at Borsa İstanbul. The Board of Directors develop risk management practices capable of minimizing the effects of the risks associated with Borsa İstanbul and identify the internal audit policies for all critical processes of the organization. The Board of Directors manages the risk and internal audit mechanisms via the Early Risk Assessment Committee. In turn, the Early Risk Assessment Committee execute studies for the purpose of the early assessment of risks that might jeopardize the existence, development, and perpetuity of the company, implementation of the precautions as required for the risks identified and the management of the risk in all aspects. All risks varying in the range of cyber-attack risks to the risks that might disrupt the business continuity are assessed comprehensively and the precautions that must be implemented are identified and submitted to the approval of the Board of Directors. Thereafter, we are implementing the precautions following approval of the Board of Directors and we are updating the risks and risk plans on annual basis. In this respect, we are maintaining our efforts for minimizing the risks and establish an enterprise risk management (ERM) system for integrated governance.

Business Continuity and Technology Risk Management

The technology implies increased risks and opportunities for exchanges. On the one hand, the technological advancements make the achievement of a more efficient market with innovative products possible, but the technology risks emerge as the most significant risk factor that affects the business continuity. The business continuity must be ensured through the management of the security of, and the errors at, the information technologies for efficient and smooth functioning of the market. Furthermore, our stakeholders also consider the technology risk management as one of the material issues.

→ Transformation through Technology Program - BISTECH

We consider technology and technology risk management to be one of the most vital aspects in our Exchange and adopted constant development in the technological aspect and acting as pioneer through investments as a principle in this respect. Accordingly, we initiated "Transformation through Technology Program", BISTECH. **BISTECH transformation program enabled us to pave the path for becoming a market that can compete with the global markets.** We are aiming to further this process through long-term collaborations and through effective and result-oriented projects with high value-added. In this framework, we initiated Finans Teknopark project in collaboration with Boğaziçi University, which aims to bring together the companies that would develop technologies and software on finance, and we incorporated Borsa İstanbul İTÜ Teknoloji A.Ş. in cooperation with Istanbul Technical University.

The supreme step taken under the scope of BISTECH initiative is **the strategic cooperation agreement concluded with Nasdaq in 2014. By virtue of this agreement, it is aimed to substantially renovate the available market practices and technological infrastructure within Borsa İstanbul and to become integrated with the advanced capital markets of the world.** At phase one, all peripheral systems such as Equity Market Trading System, settlement system and the surveillance and risk management systems were replaced with the new systems. At phase two, the Derivatives, Debt Instruments, Precious Metals and Diamond Markets trading systems will be implemented, ensuring that the trading systems for all markets are operated on a single and common platform. The project is expected to be completed in 2017. BISTECH transformation and cooperation with Nasdaq makes further contributions to Borsa İstanbul also within the frame of risk management. Trading halts that might arise from technological problems will be minimized by virtue of the modular, reliable, high performance and fast BISTECH technologies with low-maintenance and low-operating costs.



→ Business Continuity Management

While minimizing the risks with the new technology, we also adopt measures against probable problems. "Borsa İstanbul A.Ş. Business Continuity Plan" is prepared against situations that might preclude the rendering of services to the markets. This plan aims at rapid, accurate, and effective management of the actions required for the perpetuity of vital services, and minimize any negative consequences in case of any emergency situations that might arise in the course of the service delivery. An Emergency Drill is further organized with our members and data vendors within the framework of the emergency preparedness activities. In this context, two drills were held in June and November 2015. Moreover, we identified all the critical processes for all the business units under the scope of emergency and updated the Disaster Recovery Plans of the units so as to include the transition scenarios and return plan.

We established the Business Continuity Management Committee in 2015. The Audit and Surveillance Board conducted audits and reviews on ensuring system security in 2014 and on ensuring service continuity in 2015. **We are planning to establish the ISO22301 Business Continuity Management System in 2016** in order to further improve our performance in this respect. Thereby, we are aiming at implementing the requirements of the management system in the best manner available by receiving consultancy service for due diligence studies and remedying any defects.

→ Information Security Management

In order to ensure our security against the risks arising from fraud and computer crimes, we purchased "Bankers Blanket Bond" and the "Comprehensive Crime Insurance Policy". Another insurance that we have purchased, the Professional Liability Insurance, provides coverage for the losses that the third parties might suffer due to any deterioration, loss of data, and due to virus infections. Moreover, we are performing penetration tests on annual basis and on reactive basis intended for due diligence for the information technologies infrastructure and adopt measures as required, taking into account the current threats. We also have **ISO27001 Information Security Management System** certification for the security of the information used in the business processes and management of the risks in this respect. We formed Information Security Management Committee affiliated to Early Risk Assessment Committee within the context of the information security practices. This Committee holds meetings periodically on quarterly basis. Moreover, we are providing "Information Security and Awareness Training" for all the employees every year.





DIALOGUE WITH OUR STAKEHOLDERS



DIALOGUE WITH OUR STAKEHOLDERS

At Borsa İstanbul, we build our basic management practices, which regulate our relations with the executives, shareholders, employees and all institutions, on the principles of equality, transparency, accountability, and responsibility.

We prioritize effective and continuous communication with our stakeholders and continue to improve channels for stakeholder communications. We have various means of dialogue, notably the hotlines, websites, e-bulletin, reports, and meetings in order to establish and improve the relations with employees, members, companies, investors, regulatory bodies and international organizations that we consider our primary stakeholders as well as build relations based on mutual trust. In addition to various means of communication, we further engage in different initiatives with our stakeholders and develop collaborations.

Stakeholder Analysis

We performed a comprehensive stakeholder analysis in November-December 2015 in order to assess our impact on our stakeholders, to obtain opinions and feedback from our stakeholders on sustainability, and to identify the material issues of Borsa İstanbul within the framework of the sustainability of capital markets. The stakeholder engagement process was managed by an independent consultancy firm, in compliance with international Accountability AA1000SE Stakeholder Engagement Standard.

During the stakeholder analysis process, interviews were held with the companies, investors, intermediary institutions and banks authorized for operating in the markets, Borsa İstanbul employees, affiliates, non-governmental organizations, suppliers, regulatory bodies, international institutions, technoparks, business incubation and entrepreneurship centers, angel investors, venture capital funds and universities, that we consider to be our primary stakeholders. A total of 154 individuals representing the institutions that Borsa

İstanbul has close relations, such as Nasdaq and the CMB, were reached via online questionnaires and we received a **65% response rate**. The response rate of our questionnaire is considered adequate and high in terms of obtaining desired information and ensuring diversity among the stakeholders we contacted.

According to the stakeholder analysis that was conducted, the major problems that influence the financial market throughout the world include global economic crises, conflicts, and political instability. In addition, the majority of our stakeholders think that lack of transparency and investor awareness induces significant problems at the capital markets, probably due to the after effects of the economic crisis of 2008.

According to our stakeholders, Borsa İstanbul assumes a significant role in adopting precautions against such risks. Borsa İstanbul's stakeholders attach primary importance to transparent and accountable corporate governance, capacity development, business continuity and technology risk management, innovation, market efficiency, and surveillance. The stakeholders further expressed great expectations on raising awareness of the investors in the fields of financial markets and sustainability.

The outcomes of the analysis indicate that the informative efforts of Borsa İstanbul for the investors for enhancing the perception of sustainability, the innovative products offered and the strategic partnerships established are welcomed and received positive feedbacks. Our sustainability efforts and innovative products and practices are followed by the majority of our stakeholders. It is noteworthy that, among our sustainability practices, Borsa İstanbul's Sustainability Index comes into prominence with a recognition level of 90%. BIST Sustainability Bulletin and the Sustainability Guide are also well known by our stakeholders. Our stakeholders are also informed about our memberships to international multi-stakeholder sustainability initiatives and our sustainability commitments.

In our analysis our stakeholders have expressed that the BIST Sustainability Index created a new motivation for sustainability and reputation among the public companies, thus is an important driving force for sustainability of the capital markets. They also brought up their expectations on **improving the assessment criteria** for the index with a view to contribute to the improvement of other companies in the market.

“*First of all, Borsa İstanbul's efforts and vision on sustainability are commendable. While working on sustainability, Borsa İstanbul should pursue a process that aims a pioneer position, encourages company participation and increases the number of participants in time, between the ideal and the factual state of Turkey. The Exchange should be aware of the legislation and the facts that affect the companies, and should therefore convey the information observed and obtained from respective platforms to the concerned private sector actors and government bodies in a constructive and formative manner.*”

Cenk Göksan
Head of AKBANK Investor Relations Department

Stakeholders request from Borsa İstanbul to adopt sustainable business practices and to encourage long-term thinking among investors. In this context; Borsa İstanbul is expected to continue to take the lead for the practices that would increase the number of investors and develop the capacities of all capital markets actors.

“*We too might benefit from the experience that will arise from the best practices developed by Borsa İstanbul.*”

Nurana Heydarova
International Relations Director, Baku Stock Exchange

Stakeholder Groups and Means of Communication

Shareholders	<ul style="list-style-type: none"> Required information is disseminated by the Strategic Planning and Investor Relations Department, Annual Reports, General Assembly Meetings, and the corporate website (www.borsaistanbul.com).
Investors	<ul style="list-style-type: none"> Information to the investors is provided through informative documentation, media and press releases, disclosures of data vendors, investor training and seminars and hotlines. Our websites offer both up-to-date and comprehensive information for domestic and foreign investors. Borsa İstanbul website (www.borsaistanbul.com), Private Market website (www.bistozelpazar.com) Conscious Investor Financial Education Portal – E-Learning Portal aims to enlighten the investors and the individuals who intend to make an investment. The portal contains explanatory videos and modules on general concepts, training courses on basic subjects concerning the capital markets, e-library and current news. We are planning to renovate the website and the mobile application in 2016. Listing İstanbul Program promotes Borsa İstanbul to foreign investors with aim to facilitate and encourage trading of the companies based abroad in our Exchange and ensure that the demands and requirements of the foreign investors are met promptly by disclosing processes such as a public offering, listing, etc. and explains the benefits of being listed on Borsa İstanbul. Investor Information Center responds to, and keeps archive of, various questions, recommendations and complaints received from investors and other stakeholders. Regional Center Global Actor Forum series
Members, Intermediary Institutions and Banks	<ul style="list-style-type: none"> We organize annual meetings, seminars and training courses for our members, In addition to the hotlines, the market participants can access directly to our employees at the market departments. We come together with the intermediary institutions in various events that we join as speakers or participants. We distribute annual awards for 3 investment firms - that achieve the highest annual traded value in 4 main markets of Borsa İstanbul.
Borsa İstanbul Employees	<ul style="list-style-type: none"> We engage with our employees by means of intranet – local network, meetings organized periodically at each department, training courses and activities including by feedback systems and performance reviews. We measured the perception of our employees on the Exchange and its future as a part of “My Dream Exchange” project. We meet with our employees at events such as the annual fast-breaking meal, picnic, Borsa İstanbul Foundation Anniversary celebrations, holiday celebrations and at various sports activities. We share e-bulletins with our employees twice per month, the first of which containing news on Borsa İstanbul and the second on IFC. We hold monthly meetings with union representatives, and we bring together the union representatives with the HR management when deemed necessary.

Affiliates	<ul style="list-style-type: none"> We are in direct contact with our affiliates via members of the Board of Directors. We work together with Takasbank and MKK both of which we consider as our most important stakeholders, as a part of the activities of the Synergy Committee. We actively participate to the Board of Directors and General Assembly meetings. We contact our affiliations on a quarterly basis due to financial statements; minimum once annually due to general assembly meetings as well as during the periods when any information request is in question.
Regulatory Bodies	<ul style="list-style-type: none"> We are in constant communication with the CMB. Borsa İstanbul Compliance Department attends to the process of updating the Communiqués and Regulations enacted by the CMB.
International Financial Institutions and Foreign Exchanges	<ul style="list-style-type: none"> In 2015, we signed cooperation agreements with Pakistan Mercantile Exchange, Dubai Gold and Commodities Exchange, Antwerp World Diamond Center and JTR Jewelry Exporter’s Association, Dalian Commodity Exchange, Tehran Stock Exchange, Qatar Stock Exchange, Development Bank of the Republic of Belarus and Bosnia Bank International. We are constantly monitoring the studies and developments with our international federation and union memberships. We have active memberships at World Federation of Exchanges (WFE), Federation of Euro-Asian Stock Exchanges (FEAS), Federation of European Securities Exchanges (FESE), International Islamic Financial Market (IIFM), World Federation of Diamond Bourses (WFDB), London Bullion Market Association (LBMA), Kimberley Process Certification Scheme (KPCS), Association of Futures Markets (AFM), Futures Industry Association (FIA), Intermarket Surveillance Group (ISG), World Economic Forum (WEF), OIC Member States’ Stock Exchanges Forum, UN Global Compact, and Sustainable Stock Exchanges Initiative (SSE). We organize meetings and informative programs with the representatives from foreign exchanges. The representatives of the foreign exchanges and the international institutions can direct any questions, recommendations and requests to us via international@borsaistanbul.com e-mail address.
Suppliers and Service Providers	<ul style="list-style-type: none"> We conduct due diligence and assessments on a regular basis with the aim to improve the work efficiency and quality of our service providers and suppliers. We communicate with them through teleconference interviews, personal meetings and mutual studies.
Non-Governmental Organizations (NGOs) and the Society	<ul style="list-style-type: none"> We collaborate with, and make donations to, the sectorial and social non-profits on common projects for a social cause. We also invite the NGOs to the activities we organize and we receive their feedback through satisfaction surveys to follow-up. We inform the society on the capital markets through training, seminars, informative publications and various collaborations with NGOs and universities.
Universities and Students	<ul style="list-style-type: none"> We organize training courses to introduce the capital markets to the students and we provide information through visits and participation to the career days following the requests of education institutions. We cooperate with the universities on various education programs. We publish the international peer-reviewed Borsa İstanbul Review magazine in order to contribute to the academic work in our field.



Our Exchange's relations with the shareholders are led by the Strategic Planning and Investor Relations Department founded in 2014. We share all kinds of information concerning the company business and transactions, except for the commercial secrets, with the shareholders. We update the information on Borsa İstanbul website continuously in line with our Information Policy. We are planning to launch an Investor Relations website in 2016. Besides, we inform our stakeholders in compliance with our Code of Ethics, Information Policy, and according to our principles of integrity, impartiality, and equality.

We take into account the feedback we receive on our products and services in the course of developing new products and services. In this respect, we informed the intermediary institutions at each step of changes when transiting to the new operating system in the Equity Market and we considered their opinions and recommendations about the changes that were made. We organized numerous training courses and information meetings during transition to the new system to ensure active engagement of all intermediary institutions and market participants to the process. We made modifications on the system following the feedbacks we received and we implemented some of the communicated requests to the new system.

The investors may communicate all kinds of questions, recommendations, complaints and requests concerning

the markets, products and indices directly to the related department via e-mail or phone, or to the Corporate Communications department or the Investor Information Center under the same department."

In 2015, via international@borsaistanbul.com e-mail address, we received 1,148 feedback comments and 532 questions, 98% of which were answered while 8 of which are still in resolution. We conclude the complaints by maintaining mutual communication, and by incorporating the suggestions of the counterparty to the solution provided.

In 2015, we received 3,952 phone calls and 1,781 e-mails via Investor Information Center. We responded to all the questions received via telephone, and returned 82% of the e-mails. The remaining percentage of e-mails was not answered due to their containing irrelevant content, stating general opinions, or failure to reach the concerned party, etc.

In the event that the complaint arises from any transaction between the investment firms and their customers, we inform the concerned party to file a complaint referring the case to the Arbitration Committee. If the case is referred to the Arbitration Committee, then the Committee conducts an extensive investigation on the subject matter and issues a report accordingly.




Memberships and Supported Initiatives

As Borsa İstanbul, we accede to many international multi-stakeholder initiatives and attend joint efforts with such initiatives in accordance with the global sustainable development goals. Through collaborations and joint efforts, we contribute to the development of listed companies' ESG performances. We promote companies to share their good practices within the scope of sustainability and maintain our efforts to raise awareness on the part of investors about sustainability.

UN 2030 17th Sustainable Development Goal:

Partnerships for the Goals, Goal 17.16

Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries

 *"- We share our expertise by collaborating with domestic and foreign organizations through initiatives that we support and the joint efforts we participate in, and we develop solutions for sustainability problems with joint efforts."*

→ United Nations Global Compact

Established in 2000 with the endorsement of the world leaders so as to promote a shared global development culture, the United Nations Global Compact (UN Global Compact - UNGC) endeavors to ensure the implementation of 10 universal principles that incorporate human rights, labour, environment, and anti-corruption in accordance with a shared vision, objective, and values through the participation

of thousands of companies, international labour and non-governmental organizations throughout the world. Having signed UNGC in 2005, Borsa İstanbul currently carries out the duties of the Global Compact Turkey Deputy Chairman of the Board of Directors for the 2013-2016 period as an indication of its commitment to the principles and active participation in the initiative.

→ United Nations Principles for Responsible Investment

United Nations Principles for Responsible Investments Initiative (UNPRI) was formed by 20 major institutional investors from 12 countries that came together upon the invitation of the UN Secretary General in 2005. With more than 1,400 signatories, the initiative is a platform that encourages ESG matters to be taken into consideration during investment analyses and decision-making processes, and to put forth principles in line with the same goal. As Borsa İstanbul, we endorse UN Principles for Responsible Investment Initiative since 2010.

UN Principles for Responsible Investment Initiative has 3 signatory categories, which are asset owners, investment managers and service providers, and the signatories are entitled to identify their respective category. Our Exchange, taking part in the initiative as a "service provider", not only integrates the ESG principles to its processes of investment management but also provides services that enable and encourage its clients to do the same. These services enable our clients to integrate ESG principles into their business and allow further improvement on their ESG performance in the future.



→ Women's Empowerment Principles

As Borsa İstanbul, we signed the Women's Empowerment Principles (WEP) in 2016 in order to contribute to women's participation in the economy in all sectors and levels. The Women's Empowerment Principles were effectuated in 2010 through the collaboration of the UN Global Compact and UN Women to ensure women's inclusion in the economy and to further advance equality between women and men. Leading figures of the business world are anticipated to make their commitment to the WEPs, consisting of 7 principles: leadership, equal opportunity, health, safety and well-being, education and training, enterprise development, community leadership and engagement, and transparency, thus stating their contribution to the social justice.

In 2015, we held a Gong Ceremony within Borsa İstanbul in collaboration with the SSE, UN Women and UN Global Compact prior to the March 8 International Women's Day activities in order to raise awareness concerning gender equality and to pledge our contributions for empowering women in the economic life. Every year during the week of March 8, activities are organized during the opening or closing ceremonies of the stock exchanges worldwide titled "Ring the Bell for Gender Equality". In addition to Borsa İstanbul, Mumbai, Egypt, Nasdaq, Nigeria, Santiago, Stockholm, and Warsaw Stock Exchanges also took part in the activities held in 2015.



→ Sustainable Stock Exchanges Initiative

Since 2012, the Sustainable Stock Exchanges Initiative (SSE) offers its contribution to the enhancement of corporate transparency and performance on the ESG aspects, as well as the development of sustainable investments, in collaboration with the Stock Exchanges, investors, regulators, and corporations. As Borsa İstanbul, we are among the founding members of the SSE Initiative. Our Exchange is also among the first five exchanges taking part in this voluntary commitment intended for raising awareness on sustainability in financial markets under the SSE Initiative.

→ World Federation of Exchanges

London based World Federation of Exchanges (WFE), is a federation with 60 exchange members from various countries around the world. WFE endeavors to ensure transparent and fair functioning of the capital markets. Our Exchange is currently being represented within WFE in the Sustainability Working Group, the Cyber Security Working Group, and the Statistics Advisory Group.

World Federation of Exchanges Sustainability Working Group

The World Federation of Exchanges Sustainability Working Group endeavors to develop universal principles on sharing data concerning ESG performance at the global markets. The group further endeavors to assure that the ESG performance data so obtained have priority, and are significant, for the institutions. Our Exchange is an active member of the WFE Sustainability Working Group since 2014.

Active since 2014, the Group conducts researches on sustainability practices, discloses the outcomes obtained from such efforts, and promotes the disclosure of sustainability performance as part of WFE's goal to promote transparent and fair capital markets.

→ Our Initiatives: Borsa İstanbul Sustainability Platform

As Borsa İstanbul, we founded the Sustainability Platform in 2013 with the participation of various distinct non-governmental organizations in order to create a platform that would enable its members to form joint efforts within the scope of sustainability, adopt good practices, and share know-how on sustainability. We published the [Sustainability Platform Statement](#) which includes the objective, function, and responsibilities of the platform.

Through the Sustainability Platform, we aim to bring together non-governmental organizations that include the employee associations, voluntary organizations as well as international organizations and public regulatory authorities that promote sustainable practices in Turkey while also endorsing sustainable development goals to raise awareness and further advance the media coverage, and public and corporate perception of sustainability.

The members of the Sustainability Platform include, in addition to Borsa İstanbul, the CMB, The Banks Association of Turkey, Turkish Capital Markets Association, Corporate Governance Association of Turkey, Business World and Sustainable Development Association, Global Compact Turkey, Carbon Disclosure Project (CDP) Turkey, Turkish Industrialists' and Businessmen's Association (TÜSİAD), Turkish Investor Relations Society (TÜYİD), Sustainability Academy, Sabancı University Corporate Governance Forum, Argüden Governance Academy, and Yıldız Technical University Center for Finance, Corporate Governance and Sustainability.



Capacity Development

Our Exchange, puts forth capacity development efforts intended for companies, whose capital market instruments are traded on Borsa İstanbul, the investment firms, the investors and other market actors for the purpose of enhancing the corporate performance and transparency, as well as raising the awareness of investors on ESG matters while encouraging them to share their know-how on ESG.

The capacity development endeavors are carried out by organizing conferences, seminars and training courses; by endorsing the studies conducted in Turkey on finance and economy, and by conducting academic studies.

Conferences and Seminars

Borsa İstanbul holds seminars, training courses, and conferences in order to brief all stakeholders on various subjects, notably the current developments in the finance sector, new products, services and regulations, responsible and sustainable investment instruments, investor awareness on ESG aspects, corporate governance, and international and local good practices pursuant to the collaborations with international and local institutions, and attends actively to the activities held by the international organizations.

→ Seminar on the Impacts of Current Capital Market Regulations on the Listed Companies and Investment Firms

A series of seminars were organized in November-December 2015 appertaining to the regulations made at the Capital Market Law in order to inform the executives of the companies whose capital market instruments are traded on Borsa İstanbul and investment firms, so as to enable them to adapt to these new regulations promptly and get acquainted with the current developments in the capital markets. During the first seminar, we elucidated public disclosure of financial reports, KAP updates, takeover bids, squeeze out and sell out rights, capital market crimes and the administrative measures intended for precluding such crimes to the executives of the listed companies. In the second seminar which

was held for the executives of the investment firms, the disputes experienced by the investment firms with their clients and the role of effective internal audit for preventing these disputes, the market crimes, market abuse actions and the administrative measures on preventing market crimes were handled.

→ International Borsa İstanbul Finance and Economy Conference

The "International Borsa İstanbul Finance and Economy Conference" brings together policymakers and practitioners, researchers, academics, and all the relevant stakeholders working on financial issues from all around the world so as to discuss the recent developments in the sector and exchange ideas on these developments, wherein requirements for sustainable and robust economies are debated. Held for the second time this year, the academics from both Turkey and abroad partook in and shared their academic publications and studies on Banking and Finance, Corporate Finance, Market Microstructure, Behavioral Finance, Asset Pricing, Quantitative Methods, Financial Crises and Contagion, Capital Flows, Ownership Structure, Initial Public Offerings and Index Performances with the participants of the conference.

→ Islamic Economy and Finance Seminars, Conferences, and Panels

The "International Islamic Economy and Finance Conference" was held in collaboration with Marmara University Faculty of Theology, for the purpose of promoting the scientific endeavors of the academics, practitioners and researchers working on Islamic economy and finance and the development of the applicable literature. Within the framework of the conference, academics, researchers, practitioners and policy makers from Malaysia, the Gulf Countries and Turkey debated the Islamic finance and economics from various aspects.

Another activity held in 2015 for the purpose of initiating a significant international forum on leadership of ideas and information development in the field of Islamic economy and finance was the Annual Islamic Economic

and Finance 2015 Symposium organized pursuant to the collaboration of the World Bank Global Islamic Finance Development Center (GIFDC), Borsa İstanbul, Islamic Development Bank (IDB), Islamic Research and Training Institute (IRTI) and the Guidance Financial Group. The theme of the symposium was identified as "Islamic Finance: A Catalyst for Shared Prosperity".

Besides, we reviewed the contribution of Islamic finance to the long-term sustainable growth during the conference "Mobilizing Islamic Finance for Long-Term Investment Financing" held in collaboration with the World Bank and the CMB in November 18-19, 2015 under G20 Presidency period of Turkey.

→ Derivatives Market Risk Management Conference

The Risk Management Conference was held so as to inform the investment firms trading on Borsa İstanbul markets, particularly on the Derivatives Market, investors and the companies, on the efficient management of the financial risks. Various topics were addressed during the conference, such as corporate culture and behavioral risk management, enterprise risk management, currency risk at the real economy, currency risk at the energy sector and portfolio risk management.

Training

→ Financial Literacy Studies

As Borsa İstanbul, we are conducting awareness enhancing activities throughout the country in order to promote the Exchange and the capital markets to our stakeholders from all the segments of the society and to raise the awareness of different stakeholders on investments. To this end, we render the activities of Borsa İstanbul, the investment instruments and sectorial concepts accessible and comprehensible to all the segments of the society by means of bilincliyatirimci.org and Borsanedir.tv websites, as well as the training courses and seminars we hold in this respect.

We sponsored and hosted the "Composition Competition" organized annually by the CMB every year for the students in elementary and secondary schools in order to create a sense of investment and savings, and introduce the capital market to the students during the period of 2012-2014. We organized the "My Money and Me" Children's Festival, intended for the 3rd and 4th graders from various elementary schools as a dedicated organization for April 23 National Sovereignty and Children's Day in collaboration with Turkish Capital Markets Association and Financial Literacy and Inclusion Association.

→ Student Training Program

In addition to innovation and responsible investments, training has a vital importance in achieving a sustainable growth performance. We are organizing Student Training Programs on a regular basis so as to enable the youth, who will shape Turkey's future, to get acquainted with the Exchange and the capital markets. During these training courses held in 22 periods throughout the year in two-week periods, specialists from Borsa İstanbul, the Settlement and Custody Bank, MKK, as well as representatives from the intermediary institutions lecture on various topics. The topics covered during the Student Training Program included a total number of 16 subjects such as the structure of Borsa İstanbul, the financial markets in Turkey, Equity Markets, Debt Securities Market, settlement transactions, audit processes, etc. The university students improve their theoretical knowledge during the training activities, and get the opportunity to get acquainted with the work life by assisting the work of their respective units outside the training hours.

In addition to the Student Training Program, promotional activities are executed in collaboration with the universities in Turkey so as to promote our Exchange and the capital markets to our stakeholders in these universities. We also held an information meeting at Kocaeli University in 2015 under the scope of "7 regions 7 Universities" project.



→ Training for the Personnel of the Companies Listed on the Exchange

Initial public offering is characterized as one of the vital steps taken for the institutionalization of companies and for sustainability. Executing studies for improving recognition of and knowledge on corporate transparency and governance, Borsa İstanbul organizes training courses for the personnel of the companies whose capital market instruments are traded on the Exchange and investment firms, concerning public offerings, corporate governance, and the new Listing Directive.

→ Training for the Exchange Correspondents

As Borsa İstanbul, we are organizing training courses for the exchange correspondents with the contributions of the Center for Applied Research in Finance so as to establish transparent communication with all stakeholders, promote Borsa İstanbul and the capital markets better, and to furnish accurate information to our stakeholders. After the training, the participants are certified with an "Exchange Correspondent Certificate".

→ Training for the Personnel of Public Companies

As Borsa İstanbul, we are organizing training courses for the personnel of public companies twice a year to improve their knowledge on Borsa İstanbul and the capital markets. Besides, the representatives of the members, active on Borsa İstanbul markets, attend to theoretical and applied training offered by our Exchange.

→ Angel Investor Training

Entrepreneurship and innovation represent two vital building blocks that generate sustainable economic value due to the novel business areas and employment opportunities they create. Entrepreneurship plays a critical role in identifying the technological opportunities that emerge as a consequence of the constantly and rapidly advancing technology and scientific breakthroughs and introducing these developments and advancements to the economy. Aware of the value entrepreneurship will add to Turkey's economy, we endorse entrepreneurs and entrepreneurship efforts. Through the Angel Investor Training held in collaboration with Galata Business Angels, Angel Lab İstanbul and our Exchange, we aim to advance

entrepreneurship efforts as well as to increase the number of angel investors in Turkey. In the framework of the training, we also held a comprehensive training course on angel investors through Angel Investor Certification program, held for the first time in Turkey, in collaboration with the European Trade Association for Business Angels, Seed Funds and Early Stage Market Players (EBAN) and Business Angels Association of Turkey (TBAA).

→ Training on the New Trading System

We implemented BISTECH project in cooperation with Nasdaq so as to strengthen the technological infrastructure of Borsa İstanbul. During the transition period of the project, which enhanced the execution speed 10 times, we informed our members at each step concerning the changes made to respond proactively to any question, problem or setback that might occur at our stakeholders' side and to introduce the new system. We remedied any flaws experienced at the user side in the system in accordance with the feedbacks from our members and we integrated the approved requests to the system.

→ Borsa İstanbul – General Electric Mentorship Program

We are planning to generate solutions for the problems that new and small enterprises might experience during their growth process through the mentorship program which will bring together experienced companies with new ventures in the sector. The program will be initiated in 2016 with the cooperation of Borsa İstanbul Private Market and General Electric Turkey.

→ Derivatives Market Portfolio Competitions and Derivatives Market Training

As Borsa İstanbul, we aim to enhance investor awareness and financial literacy through Derivatives Market Portfolio Competitions. The simulation employed at the Derivatives Market Portfolio Competition, the 3rd and 4th of which were organized in 2015, remains open and accessible throughout the year enabling us to interact with the investors throughout the year. We relocated the training activities to the online platform so as to introduce the Derivatives Market training to broader audiences as well as organized two webinars on option contracts.

Center for Applied Research in Finance

Borsa İstanbul founded the Center for Applied Research in Finance (CARF) in 2014 in cooperation with Boğaziçi University so as to conduct academic research activities on the capital market and endorse the research activities executed in the fields of theoretical and empirical quantitative finance, financial innovation and finance technologies which are needed by the finance sector. We are planning to make İstanbul an academic center recognized on the global level through the academic publications produced, as well as the training courses, seminars, workshops, and conferences held. We further aim to support the enhancement of financial literacy through CARF. Our intention is to ensure that the academic studies and publications created at CARF sheds light to the decision makers and regulatory bodies when determining financial policies. In this respect, in addition to the research projects, we also held activities within CARF during 2015 that brought together the academic and business world, such as Entertainment Economy Summit, Investors First Summit and A Summer Day with Finance.

Academic Studies

Borsa İstanbul employees published 9 academic papers during 2015 so as to make contributions to the academic publications on finance and improve the recognition of Turkey in the international arena and to render such efforts accessible by all stakeholders. The studies were presented by our employees during various conferences organized by institutions such as International Monetary Fund, Hong Kong Monetary Authority, University of Oxford and International Institute on Finance and Banking. The academic publications of our employees are available in the RePEc database, the platform on economic research that accommodates 45,000 economists and 13,000 institutional members all around the world, on the page reserved for Borsa İstanbul.

We further make contributions for increasing the number of academic publications on finance and economy through our academic magazine, Borsa İstanbul Review. 4 issues of the magazine, where we publish papers on finance and economy, published within 2015 contained 23 papers in total. Borsa İstanbul Review is currently being indexed at TÜBİTAK-ULAKBİM and Scopus, thus improving both national and international recognition and accessibility of the magazine.

Promoting Environmental, Social, and Corporate Governance Practices

We operate in cognizance of the role of the Exchanges in adaptation of a transparent, accountable and sustainable business mentality on ESG principles by the capital markets. In this context, we encourage the companies for engaging in good ESG practices and making their progress in this respect publicly available. We direct the companies and the investors for managing risks, making long-term investments and integrating the sustainability strategy into their business processes; and we endeavor to deliver sustainable products and services.

Comparability of both Borsa İstanbul and the companies whose capital market instruments are traded on the Exchange, not only in terms of economic performances, but also in terms of ESG performances emerges as a critical factor that improves reliability, transparency and investor awareness. In this context, as Borsa İstanbul, we are encouraging our stakeholders to disclose their ESG performances. We work in cooperation with International Integrated Reporting Council (IIRC) and endorse the activities of IIRC in order to guide our stakeholders more efficiently.

UN 2030 12th Sustainable Development Goal:

Responsible Consumption and Production, Goal: 12.6

Encourage companies to adopt sustainable practices and to integrate sustainability information into their reporting cycle

"We publish guides and organize training courses for companies."

We introduced BIST Sustainability Indices."

Borsa İstanbul also supports the Sustainable Finance Forum which is organized to assess the risks and opportunities in the field of sustainability with the collaboration of Sustainable Development Association (SKD), United Nations Environment Program Finance Initiative (UNEP FI) and the Global Compact Turkey.

We are organizing training courses, conferences and seminars for our stakeholders, guiding the investors and the companies on sustainability as well as supporting them on issues that might be experienced during this process.

Conferences, Seminars, and Panels

→ Integrated Reporting Turkey Network Meeting

We held a kick-off meeting on October 21, 2015 with the attendance of IIRC officials for the purpose of establishment of an Integrated Reporting Network in Turkey, as is the case in South African and Brazilian models. After the kick-off meeting, we organized the Second Integrated Reporting Turkey Network Meeting. We also made our contributions by stating our opinion on the Competence Matrix issued by IIRC in order to be used during further training activities to be organized by different stakeholders.

→ Panel on Environmental, Social and Corporate Governance Perspective in Investments

Borsa İstanbul attaches significant importance to sustainable growth in Turkey. Accordingly, we are encouraging conformity of the companies whose capital market instruments are traded on our Exchange, to the ESG principles, and endorsing the investors for making responsible and sustainable investments. In this respect, we organized a panel on "Environmental, Social, and Corporate Governance Perspective in Investments" in collaboration with the Borsa İstanbul Sustainability Platform and the Bank of New York

Mellon (BNY Mellon). Representatives from our Exchange, TÜYİD, BNY Mellon and Sustainalytics as well as the representatives of major institutions and organizations of Turkey attended the panel, where topics such as the role and the importance of compliance to the ESG principles on ensuring a sustainable growth, its positive impact on the long-term performances of the companies and the competitive advantage it provides for the companies were discussed.

→ Borsa İstanbul Sustainability Index Meeting

The meeting with the companies in BIST Sustainability Index was also held in this year, as in the previous years, for the purpose of supporting the processes of the companies to enhance their sustainability performances and to generate solutions for all kinds of questions and problems that might arise during these processes. In the meeting, we exchanged ideas on the assessment studies to be realized during the next index period and provided information on the functioning of the assessment process.

Indices

As Borsa İstanbul, we are encouraging the companies to improve their ESG performances through BIST Sustainability Index and Corporate Governance Index where the companies are included on the basis of their ESG performances.

We granted deductions to the listing fees of the companies in Corporate Governance Index until 2015 so as to encourage the companies for improving and disclosing their ESG performances. Besides, starting from 2015, we restructured the deductions within the frame of the Listing Fee Schedule effectuated recently. According to the new schedule, the deductions shall be applicable for 4 years after the admission to the Corporate Governance Index.

 *By virtue of the Sustainability Index practice, many companies became obliged to take the ESG aspects more seriously and more diligently for the first time, thereby creating both corporate and individual awareness within the company during this process. Extension of such insight to all the companies through similar initiatives is the most substantial contribution that the Exchange can offer.* 

Duygu Inceöz
Turkish Airlines Investor Relations Director

Guides

→ Sustainability Guide for Companies

We aim to respond to the questions of the companies concerning the sustainable business practices in the ESG aspects, offer a road map to the companies in this respect and encourage them to report their performances by means of the Sustainability Guide for Companies prepared by Borsa İstanbul. The guide defines the basic concepts on sustainability and further addresses the competitive advantages that sustainability can bring forth for the companies and the concept of responsible investment. Incorporating examples on good practices from around the world and Turkey, we are sharing information on different international sustainability reporting standards with the companies in the guide.

→ Precious Metals and Diamonds Responsible Supply Chain Guides

We put forth efforts to ensure compliance to the **OECD Due Diligence Guidance on Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas** issued by the Organization for Economic Co-operation and Development (OECD) in order to make contributions for the development of the Precious Metals and Diamonds Market, and act as a beacon for the establishment of a responsible, sustainable, and a fair gold supply chain that complies with the international standards.

Our efforts on compliance to the Guidance aim to ensure the members of the Precious Metals Market (KMP) to fight against systematic and prevalent human rights violations, avoid contributing to regional conflicts and monetary sources that support terror, and comply with the high standards established against money laundering. The companies that set and implement their policies in this respect not only gain advantages in international competition prevailing in the sector, but also help Turkey to ascend to the position of a reliable country concerning gold trade.

Within this framework, we hold seminars so as to introduce the guide to Turkey's gold sector and to the leading international actors in the gold sector, and initiate the adaptation and implementation of it thereof. Furthermore, we also closely monitor and

actively participate to the international developments such as Responsible Mineral Supply Chain Forum organized by the OECD. We come together with our stakeholders and organize training courses. In this context, we have translated the Guide into Turkish and introduced it to an audience including the members of the Precious Metals and Diamonds Market as well as related institutions and organizations and encouraged the implementation of the guide. Moreover, we also published "**Borsa İstanbul Responsible Gold Supply Chain Guide**" intended for the members of the Precious Metals Market, and introduced the guide to our members by holding a meeting in this respect. We asked for and obtained petitions from our three members present at the meeting that includes the declaration of intention for the development and implementation of a policy on this subject matter.

In addition to the support and incitement we offer for responsible supply of gold, we launched the **Diamond and Precious Stones Market** in 2011 under the structure of Istanbul Gold Exchange so as to raise Turkish jewelry sector to a reliable status that comply with the international standards, increase credit facilities, and enable organized and sustainable trade with the persons and institutions engaged with diamond and precious stone trade in the world.

As Borsa İstanbul, we act as Turkey's import and export authority in Kimberley Process Certification Scheme. In this respect, we have the authorization to audit the compliance of the import, export and certification transactions for rough Diamond to the process. We further hold the certification authority as the import and export authority of the participating state. Kimberley Process Certification Scheme is the Certification Scheme acceded by 54 states including the European Union states, USA, and Turkey aiming to preclude the illegal trading of the diamonds mined from conflict zones. In order to prevent illegal diamond trade, the scheme only allows trading of diamonds certified by the system, thus precluding any import and export to/from the states not acceded to the Kimberley Process Certification Scheme.





INNOVATION



INNOVATION

Reflecting a major aspect of the vision to make Borsa İstanbul a leading exchange in the world as well as the vision of making İstanbul an international financial center, innovation occupies an important position in the delivery of innovative financial instruments and services with such diversity to meet the demands of the real sector and enlargement of investor base by enabling access to a wide range of financial products. In this context, we endeavor to ensure product diversity through distinct channels within the frame of our strategy of growing exchange operations. The first channel to be considered in this respect is to broaden the product range or restructure the products that already exist in the market in collaboration with, and in accordance with the requirements of, the market participants. The other channel is to monitor and investigate the products currently traded on other exchanges and review the products with potential to be traded on Borsa İstanbul together with market participants and then launch these products into the market.

Innovation also has a vital role in ensuring the sustainable growth and improvement of global competitive power. In this respect, we are developing sustainable and responsible investment instruments in Borsa İstanbul and conducting studies encouraging economic sustainability and adoption of ESG principles. The innovative products and initiatives we develop contribute not only to the sustainability of the market actors we represent, but also to Borsa İstanbul to become a responsible, sustainable platform with considerable competitive power in the international arena as a financial hub. We consider innovation a major tool that stimulates sustainability and, therefore, we maintain our efforts to promote innovation and develop innovative products and projects.

Sustainability Index

We started calculating the BIST Sustainability Index, which incorporates the companies traded on Borsa İstanbul with high sustainability performances in ESG, as of November 4, 2014. As Borsa İstanbul, we are aiming to improve sharing of knowledge and good practices on sustainability among the companies established in Turkey and traded on Borsa İstanbul in particular, through the BIST Sustainability Index.

We signed a cooperation agreement with Ethical Investment Research Services (EIRIS) so as to calculate the BIST Sustainability Index, recognizing its role in providing guidance for the companies to establish policies on sustainability risks in ESG aspects and in communicating the information on the sustainability policies of the companies to the responsible investors. In this context, EIRIS calculates the sustainability performances of the companies, which are listed on Borsa İstanbul, on ESG aspects using only the "publicly available" information according to the international sustainability criteria. The companies are evaluated based on the environmental performance, biodiversity, climate change, human rights, fight against bribery, occupational health and safety criteria, and the companies over certain threshold values as indicated in the "Index Selection Criteria" are included in the BIST Sustainability Index. We expanded the scope of the BIST Sustainability Index to cover BIST 50 companies. As of November 2, 2015, The index comprises of 29 companies. In the forthcoming Index term, the companies in BIST 100 index can also join to the BIST Sustainability Index on a voluntary basis.



BIST Private Market

Endorsing responsible investments with high added value starting from the venture stage has critical importance with respect to developing solutions for global sustainability problems. Angel investors create positive social and economic impacts as they endorse funding of investments with high added value in terms of employment and innovation opportunities. We consider endorsing entrepreneurship ecosystems and increasing the number of angel investors to be directly proportional with economic stability, thus enabling the improvement of the social welfare level. Therefore, we are creating infrastructure mechanisms at Borsa İstanbul as required for achieving an attractive environment for the angel investors and for facilitating availability of the financial instruments for entrepreneurs.

Potentiating the competitive power of the companies and contributing to the value added growth of the Turkish economy are considered to be among the primary goals of Borsa İstanbul. To that end, we established Private Market in November 2014 for the purpose of providing a platform that brings the investors and non-public companies together. Borsa İstanbul Private Market brings together the companies wishing to reach funds without going public, issue company equities or secure liquidity for their partners with the investors aiming to make investment of different sizes and in different sectors. The Private Market provides non-public companies with the opportunity to match with angel investors and qualified investors enjoying tax incentives without being bound by the regulations and obligations that publicly-traded companies are subject to.

The platform that provides the opportunity to establish fast and reliable partnerships includes companies approved by the Assessment Committee. The companies come together with business partners that would transfer capital and share experiences instead of raising any debt for new investments.

As Borsa İstanbul, we are planning to integrate the legal and financial counseling service providers and intermediary institutions, the services of which are required during partnership and equity trading transactions, to the platform in the context of delivering all services from a single platform.

Moreover, we also aim to ensure the commercialization of the intellectual property rights by virtue of the Patent Market to be established by employing the Private Market infrastructure. Commercialization of the patents and other intellectual property rights and appraising their value within the framework of the free market conditions is of vital importance with respect to endorsing innovation.

Finans Teknopark

We founded the Finans Teknopark, the first finance themed technopark in Turkey, in collaboration with Boğaziçi University and Boğaziçi University Foundation pursuant to the objective of making Istanbul one of the prominent international financial centers of the world. We are aiming to gather the companies that are capable of developing technology and software on finance, commercializing, and exporting these technology and products under the structure of Teknopark. Another objective of the Teknopark is to pave the way for collaboration between foreign and domestic firms active in finance and information technologies, thus achieve an internationally competitive structure for the Turkish financial sector. We contemplate that the Finans Teknopark, which we consider to have a major role in enhancing the global competitive power of Turkish finance sector, will also have significant contribution to the sustainable growth of the Turkish economy.

Attaching major importance to innovation and R&D, the Finans Teknopark is characterized as the first thematic technopark in Turkey directed specifically toward the finance sector when compared with the remaining 49 technoparks already in operation in Turkey.

Borsa İstanbul İTÜ Teknoloji Anonim Şirketi

Information technologies have become the major domain of competition for exchanges and companies in accordance with the advancements experienced in the world in the exchange sector. By virtue of Borsa İstanbul İTÜ Teknoloji A.Ş. incorporated under cooperation of Borsa İstanbul and Istanbul Technical University in June 2015, we are aiming to contribute to well functioning of the Turkish capital market and enhance the international competitive power of the Turkish financial sector.





WORKING LIFE



THE WORKING LIFE AT BORSA İSTANBUL

We consider our employees as our stakeholders that create the most significant added value for the long-term achievements of the company. We aim to maintain high employee satisfaction levels and raise awareness on sustainability by providing a healthy, safe and tranquil working environment through Human Resources Policies intended for improving effectiveness and efficiency, corporate commitment and added value, activities that improve communication between employees and career-oriented training.

Every individual employed at Borsa İstanbul are equals without any discrimination due to language, religion, philosophical belief, political opinion, race, sex, or any other aspect. The approach on offering equal opportunities to everyone we adopt predicated on the principles of "right person in the right job", "equal pay for equal work", and "merit-based rewards".

We currently employ 575 individuals at our Stock Exchange and 1 out of every 4 employees is a woman. We endeavor to increase the number of female employees at all title groups throughout the Exchange.

UN 2030 5th Sustainable Development Goal:

Gender Mainstreaming, Goal 5.5

Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life.

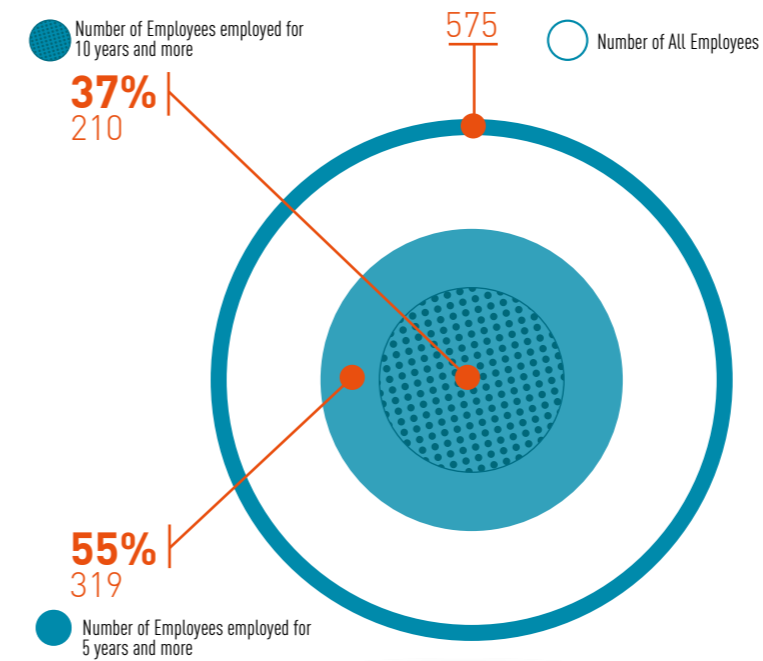
We are promoting gender equality both at our Exchange and at companies whose capital market instruments are traded on our Exchange.

“As of 2015, 55% of our employees have been employed for 5 years and more, and 37% of our employees have been employed for 10 years and more at Borsa İstanbul.”

We have a high opinion of having our skilled employees to be employed at the Exchange for the long term in order to ensure the perpetuity of the corporate know-how that improves with the gained knowledge and experience of the employees at the exchange. As of 2015, 55% of our employees have been employed for 5 years and more, and 37% of our employees have been employed for 10 years and more at Borsa İstanbul. In 2015, the employee turnover rate in our Exchange was at the level of 4%. In the previous year, however, turnover rate was 14% due to the leaves during the corporate reorganization process of Borsa İstanbul from public corporation into a private company and the recruitments notably in the field of information technologies due to the increased activities in this field. We have modified the former title structures in the Exchange within the frame of the organizational changes undertaken in 2014, and we introduced a new concept where the title indicates the task the employee is responsible for, and the position within the organizational hierarchy. In consequence of such efforts, the number of titles in the company is reduced to 30 from 63.

NUMBER OF EMPLOYEES ACCORDING TO YEARS OF SERVICE AND RESPECTIVE RATIOS

2015



We are developing feedback tools that facilitate communication of employee's ideas to the company management in order to inform our employees in due time and include their opinions, ideas and recommendations to the decision making processes. Our Human Resources Policy encourages internal communication and our employees can always submit their recommendations and complaints either in person or via electronic mail. Furthermore, we are conducting surveys intended for measuring the service satisfaction level concerning the quality of the services delivered between departments. In 2015, we conducted a study called "My Dream Exchange" in order to measure the perception of our employees on our Exchange and to receive feedback and recommendations on distinct topics, such as corporate development, improvements at human resources policies, technological advancement, developments at the capital market, etc.



Career Plan and Skill Management

We offer various career opportunities for our employees in order to enable them to improve their strengths, and to fill senior and high-level positions from in-house resources.

As an integral part of our corporate governance insight, we consider our employees as a significant resource of success in our services. We prioritize skill

management in order to retain qualified and skilled personnel within the company and to make success sustainable, promptly adapt to the changes and developments, and thus act as pioneer for innovations. In this respect, we manage the recruitment processes in such manner that enables selection of individuals to the most suitable tasks where they can effectively use their skills in the most adequate way possible. We allow our employees to improve their skills and capabilities during their working life in our company. We initiated an Executive Education Program with the aim of evaluating systematically and objectively the competencies of the executives who serve in Borsa İstanbul with accurate methods, thus ensuring that such executives cope with critical roles under competitive conditions and for prospective objectives. In this respect, we started our efforts of reviewing the skills, which represent the first phase of the program that aims identification of skilled executives, and consequently improving their business performances, individual productivity, and their efficiency in the team and company.

Performance Management

At Borsa İstanbul, the Human Resources Policy we adapt considers the qualifications, achievements, and performances of our employees as the sole indicator for recruitment, relocation, and promotions. The performance management is undertaken according to the Performance Management System that predicates on transparent criteria taking into consideration the value of the task at hand, competencies and performance of the employee, prevailing market conditions, and the principles of integrity and equal pay for equal work. The performance management system is also a determinant in our salary policy. We structure the salary policy of our Stock Exchange in order to bring in qualified human resources to the company and to motivate them. We offer rewards for our employees with distinguished achievements and high performance through bonuses. Furthermore, we offer various fringe benefits to all employees such as medical insurance, food, transportation, fuel; and several other exclusive benefits for some positions such as company vehicle, cell phone, computer etc. In addition to the basic salary,

we provide severance pay, gratification, overtime pay, performance bonus, and social welfare benefits. We provide assurance for our employees and their relatives and offer them comprehensive fringe benefits such as medical assistance, child pay, family assistance, birth, marriage, demise, funeral costs, disaster assistance, and education assistance for their children.

During 2015, more than 100 employees from different departments of the Exchange attended the Business Advisory and Knowledge Transfer Program within the frame of the strategic partnership agreement signed with Nasdaq. The program covers 25 different topics on Business and Market Enhancement, Governance and Corporate Support Services, Post Trade Enhancement.

We held two separate training workshops on sustainability reporting in 2015 for several employees from different departments. During such workshops, we disclosed some strategic aspects of GRI reporting process, the reason of and benefits of reporting, the role of the stakeholders, prioritization, and information gathering to our employees.

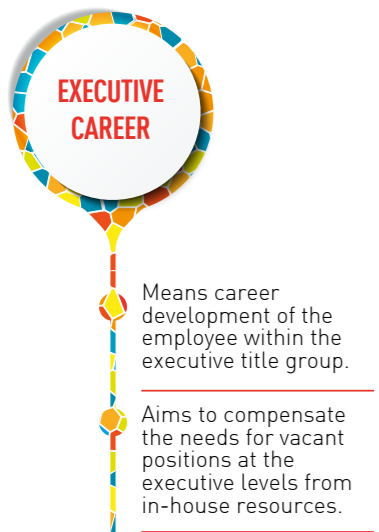
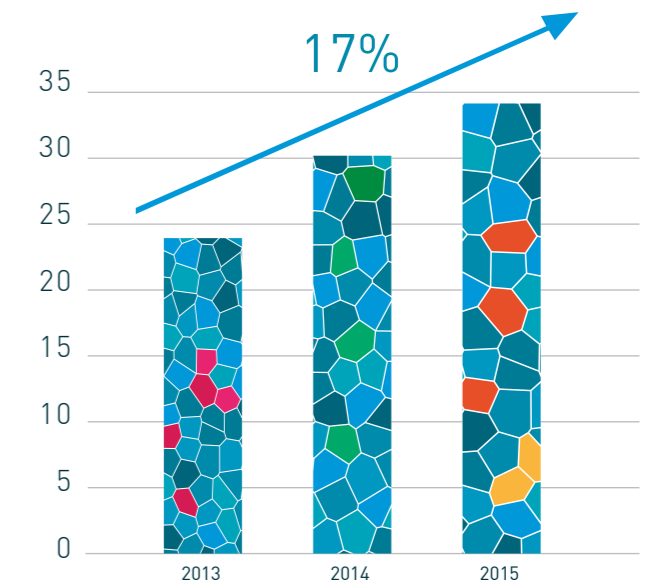
Training Courses for Improving Capacity and Skills of the Employees

In order to enable our employees to improve their knowledge and skill levels, we are developing training programs to be carried out on a regular basis and upon request under the responsibility of the Human Resources Department. We issued the Training Catalogue in 2015 in order to ensure the perpetuity of the technical and personal training activities in line with our conviction that qualified and educated manpower improves the competitive capacity and success of our Exchange. The training catalog enables our employees to follow the innovative practices in their respective fields of expertise.

Moreover, we also offer opportunities for training and self-improvement programs both in domestic and foreign institutions taking into consideration the needs of the Exchange and the career expectations of our employees.

The training activities undertaken as of 2015 was 33 hours per employee on average covering 80 different subjects, such as stock exchange infrastructures, capital markets, technology, sustainability reporting, etc. Since 2013, the training hours per employees annually increased by 17%.

ANNUAL INCREASE OF THE TRAINING HOURS PER EMPLOYEE



Healthy and Safe Working Life

We place an emphasis on providing a working life that facilitates stress management for our employees where they can maintain the balance between business and private life. In order to improve the quality of their working hours, we attach importance on providing a safe environment where our employees can work more efficiently with the advanced technological software and tools, and where all required resources are offered completely. The stress-free work environment we offer for our employees at Istanbul Emirgan is surrounded by green landscape and adequate facilities for leisure and entertainment. We organize different social activities throughout the year in order to bring our employees together outside the work environment, thus enabling them to establish more effective communication with each other.

We aim to prevent occupational diseases, preclude cases that involve risk elements throughout the company and raise awareness on the matters that concern occupational health and safety. The Occupational Health and Safety (OHS) policy implemented in Borsa İstanbul predicated on this approach. In accordance with this objective, we are providing occupational health and safety training for all employees in compliance with the applicable laws, and reorganize training triennially for each employee.

	2013	2014	2015
Number of training hours reserved for occupational health and safety	4,776	296	304
Percentage of the training reserved for occupational health and safety	32%	2%	1%

*The fundamental occupational health and safety training are provided once per every three years as per the applicable legislation. The decrease experienced at the training hours reserved for the occupational health and safety arises from the fact that such training was offered for all employees in 2013, and then only to the new recruits for the subsequent years..

The OHS Board is responsible from the implementation and perpetuity of the OHS Policy developed by the Sustainability Committee of our Exchange and approved by the Board of Directors; while the Head of the Human Resources Department who chair the OHS Board is responsible from execution of the same as Employer's Representative. Furthermore, the OHS Board works in close cooperation with the OHS officers commissioned on the Sustainability Committee on matters such as identification of our basic OHS policy and strategic objectives in the context of applicable statutory legislation, production and updating of respective documentation. The coordinator of the OHS Board provides coordination of matters discussed at the OHS Board or the matters communicated by the occupational safety specialists and occupational physician employed in Borsa İstanbul to respective

units. The OHS officers on the Sustainability Committee provides for coordination between the OHS Board and the Sustainability Committee. Thereby, the matters concerning OHS are addressed at the senior executive level at our Exchange through reviews by the Sustainability Committee.

We adopt a proactive approach, and work on preventing the occurrence of occupational accidents, occupational diseases and cases that involve risk elements that our employees and sub-contractors delivering services on our behalf might experience by assessing the potential risks associated with OHS in advance.

	2013	2014	2015
Number of Employees at Borsa İstanbul	634	559	575
Number of Sub-contractor's Employees	83	70	320
Number of Work-related Fatalities (total)	0	0	0
Injury Rate* (Borsa İstanbul)	0	0	0
Injury Rate* (Sub-contractor)	0	0	2.75
Lost Day Rate** (Sub-contractor)	0	0	5.7

*Injury Rate = Total number of accidents / (Total of employee work hours x 1,000,000)

**Lost Day Rate = (Total number of downtime days x 200,000) / Total work days (in terms of hours)

As Borsa İstanbul, we also respect the right of our employees to unionize and we seek to keep constant communication with the unions. Should they prefer to do so, our employees can become a member of the Union of Turkish Commerce, Cooperative, Education, Office, and Fine Arts Labourers (TEZ-KOOP-İŞ) and practice their right to collective bargaining agreements.

71% of the employees in our Exchange are union members. Moreover, we are formalizing any material changes concerning employee policies by considering the opinions of the union representatives elected by our employees amongst themselves. We hold regular monthly meetings with the union representatives.





ENVIRONMENTAL MANAGEMENT



ENVIRONMENTAL MANAGEMENT

We structured our approach on environment in Borsa İstanbul in the context of making contributions to the long-term environmental sustainability. Minimizing the environmental risks and their effects for our Exchange and stakeholders, and generate long-term solutions represent one of the basic objectives of such approach. We address the matters concerning environment under the headings of energy and climate change, water use and wastewater (water emissions), waste generation and recycling, and other air emissions. The **Environmental Policy** designed on the basis of this approach incorporate the methods for addressing the matters on environment in our Stock Exchange, and our commitments to this end. We are monitoring the performances concerning the environmental aspects addressed under the scope of the policy and execute improvement actions wherever required. Effective as of 2015, the **Environment Management System Directive** sets the procedures and principles concerning compliance to the regulations on the environment, production, execution, follow-up, supervision, and review of an environment policy; and defines the relationship and means of communication between the environmental effects and acts and Borsa İstanbul Sustainability Committee. In addition to the foregoing, we expect the product and service suppliers to act in compliance with

our approach on environment rather than the activities undertaken solely in our Exchange. In Borsa İstanbul, we address the environmental sustainability directly at the Sustainability Committee affiliated to the CEO, and ensure the management of the same at the senior executive level.

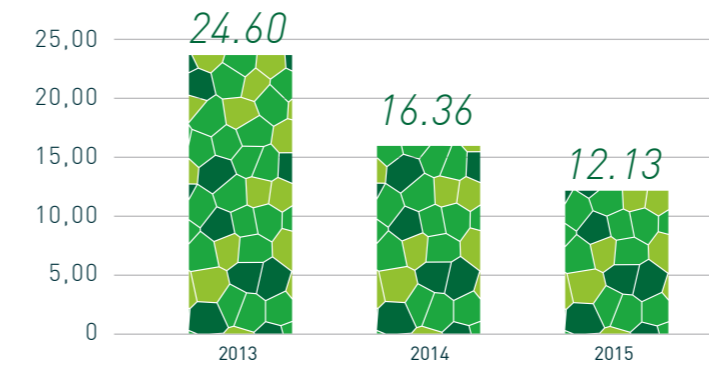
Environmental Performance and Objectives

We assess our environmental performance in the context of environmental aspects set by the Environment Policy. We identify the issues required for diminishing the environmental impact, and execute studies for reduction in accordance with identified measures. In this respect, we invested approximately TRY 15.5 million to the environment and energy projects implemented in the last three years. The most significant reduction was accomplished at natural gas usage and water usage figures, as we managed to reduce natural gas consumption by approximately 14% and water usage by approximately 50% during the last three years.

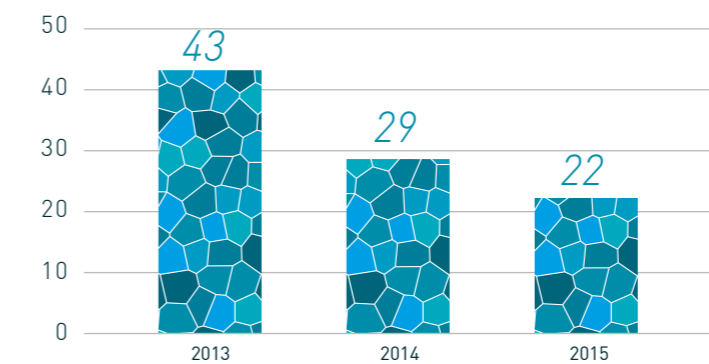
	2013	2014	2015
Greenhouse gas emissions (Scope 1 and 2) (metric tons)	4,538	4,862	5,116
Greenhouse gas emissions (Scope 3) (metric tons)	638	636	484
Electricity usage (MWh)	6,751	7,418	8,077
Natural gas usage (m ³)	194,444	192,662	168,465
Water usage (m ³)	37,362	27,800	18,431
Waste (Paper recycling (metric tons))	10	12	11

An Overview to the Environmental Performance

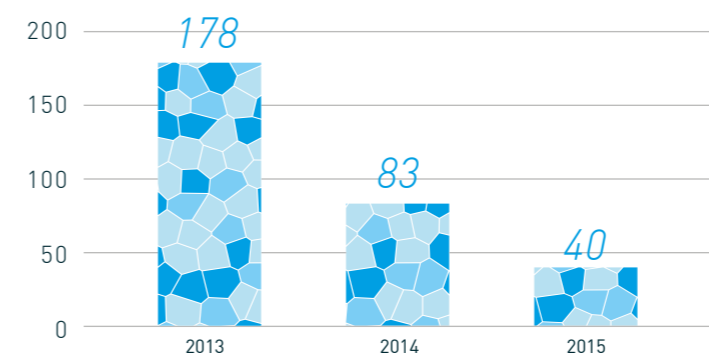
CARBON EMISSION PER MILLION TRY ECONOMIC VALUE GENERATED (metric tons CO₂e)



ENERGY USAGE PER MILLION TRY ECONOMIC VALUE GENERATED (MWh)



WATER USAGE PER MILLION TRY ECONOMIC VALUE GENERATED (m³)



Despite not being considered as a carbon-intensive company due to our respective sector, we are calculating our greenhouse gas emissions lead to climate change and the majority of which are generated due to energy use and carrying out practices for reducing such emissions. In this context, we made investments and enhancements in order to reduce electricity and natural gas usage arising from lighting and conditioning systems and improving the efficiency of the data center. We achieved savings from electricity usage at an annual amount of 132,000 kWh by introducing LED and efficient fluorescent linear fixtures in lighting system. The most significant reasons underlying the increase at the overall electricity usage in the last three years include the ongoing construction activities and engaging a data center, which is larger in terms of capacity and physical aspects compared to the previous system. The new data center enabled us to achieve savings from electricity usage by virtue of its far more efficient operation despite its increased size. The power usage effectiveness (PUE), of the data center is 1.4; which is below the global mean value (1.7). Therefore, when we calculate over theoretical coefficients rather than values based on measurements, we achieve savings on electricity at the rate of 67 kW per hour, and approximately 586,000 kWh annually when compared to the global mean value.

The efficiency studies executed in this respect enabled us to save approximately 655,000 kWh electricity in 2015, which in turn, reduced our respective costs by TRY 223,000. We further achieved a reduction of 12.5% at the natural gas usage compared to the previous year. A decreasing trend emerges when we compare the electricity and electricity usage with the economic value generated in this respect.



We calculate the greenhouse gas emissions that lead to climate change as Scope 1 and Scope 2, further incorporating the business travels (Scope 3) to such calculations. Although we experienced a decrease at the emissions considered as Scope 3, we observed an increase at Scope 1 and 2 emissions in the last years. The reason underlying such increase is the increased electric usage due to construction activities in progress in the campus. Reduction in emissions will continue to be our priority on environmental sustainability in the forthcoming years. We initiated respective studies regarding emissions by the end of 2015. Another effort we plan for reducing the energy-based climate change impact is replacement and renovation of the chiller systems used for cooling. The efficient model selected in this respect will achieve savings from electricity in the order of 190,000 kWh per year, which, in turn, will create an opportunity for saving approximately TRY 50,000. In addition to the greenhouse gas emissions, we also initiated measurements concerning other air emissions (NOx and SOx gas derivatives) starting from 2016 at our Exchange.

Water usage is one of our priorities concerning environment, therefore we are including investments on water usage to our environmental expenditures. We installed sensor taps as a consequence of the studies conducted in this respect. Furthermore, we managed to reduce the overall water usage figures by approximately 34% compared to the previous year. We anticipate further increase in the savings from water consumption as a consequence of the projects implemented for storing the rainwater and for transferring the cooling water used at the data center to the garden irrigation system. We use municipal water during our operations and discharge the generated wastewater (water emissions) to the sewage system.

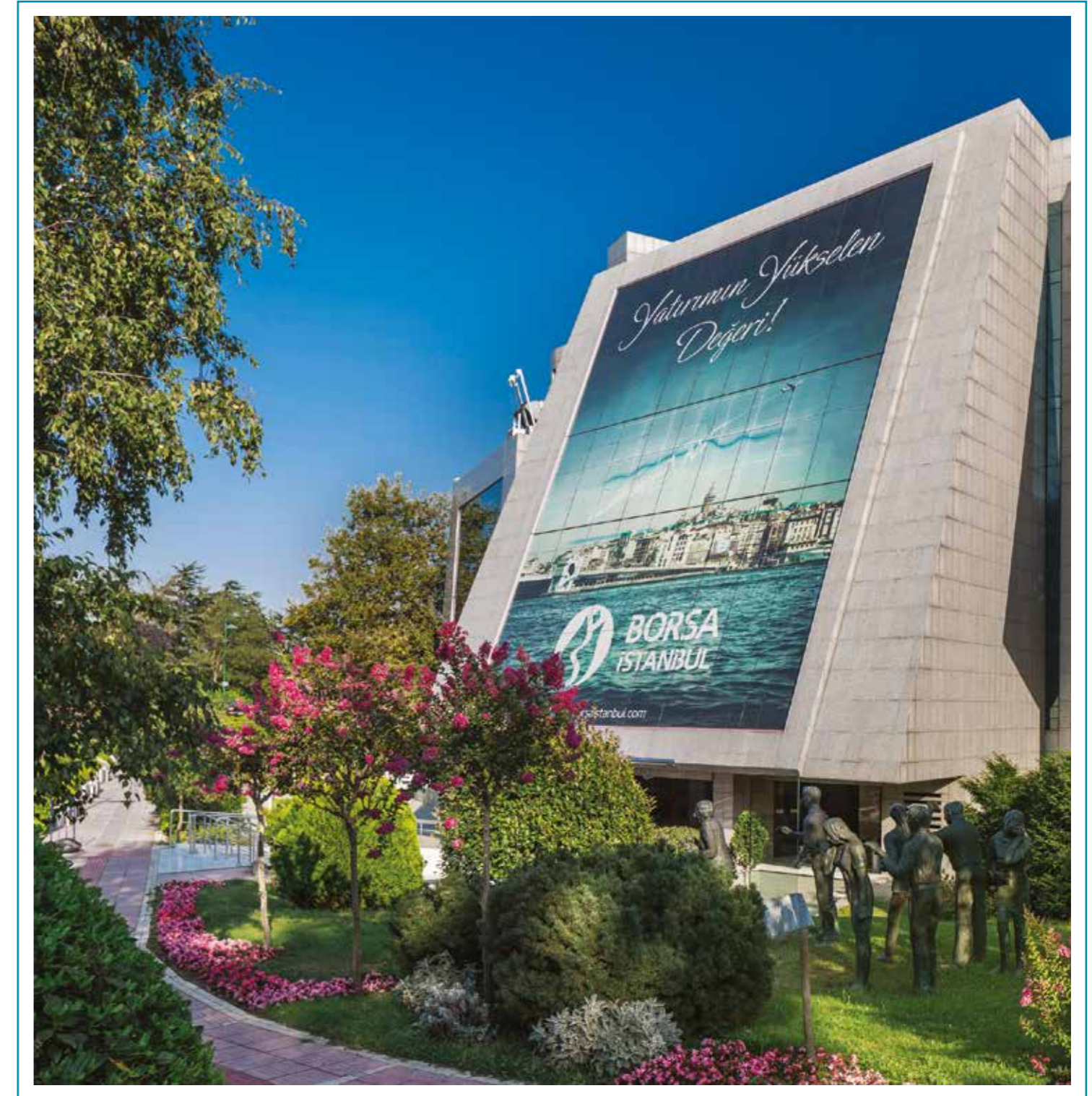
The electronic document registry system (Turkuaz) which has been initiated in 2014 enabled us to save 325,000 paper documents with a reduction around 20%. This reduction in paper waste corresponds to preservation of approximately 38 mature trees annually. In general, the waste recycling practices in Borsa İstanbul concentrate on recycling of paper waste. The total amount of paper waste sent for recycling in 2015 increased by 6% compared to 2013.

One of the major waste items generated due to our operations in Borsa İstanbul are the electronic waste. As of the end of 2014, we started to keep records of the waste toner cartridges and calculate their total weight. In 2015, we used 135 toner cartridges in total, which is an indication of 20% reduction in toner cartridges waste when compared to the previous year. We are recycling toner cartridges adequately through the manufacturer company. Remaining electronic waste, are collected in dedicated containers reserved for electronic waste. We are planning to produce related procedures for all waste, including electronic waste, household waste generated by the refectory, and commence measurement operations in this respect in 2016.

Our efforts on environmental sustainability are not limited solely with our endeavors for diminishing the impact arising from our operations. We take the environmental criteria into account also during our procurement processes. In addition, we also expect our suppliers to follow this criteria, and we incorporate the clause on compliance to the provisions of RoHS (Restriction of Hazardous Substances) Directive to our contracts for procurement of desktop and laptop computers.

Finally, we are donating the obsolete computers under the scope of our efforts on environmental sustainability, where we endeavor for these computers to be put into operation again wherever needed and assist various educational institutions by fulfilling their needs for equipment. In this context, we donated a total of 91 computers to educational institutions as 21 computer sets in 2013, two laptop computers in 2014 and 68 computer sets in 2015.

There is no material violation in 2015 concerning environmental issues.





SOCIAL RESPONSIBILITY



SOCIAL RESPONSIBILITY

We believe that the sustainability of the financial markets and the companies, as well as economic growth, plays a major role in sound development of communities on the global scale. To that end, we promote arts and culture, education and similar needs of the society, and contribute to the social responsibility activities through endeavors intended for community development.

Borsa İstanbul Schools

The “Physical Contribution to the National Education Project” (EFİKAP) we implemented for the construction of 46 schools in the framework of the protocol executed with the Ministry of National Education in 1997, has become a colossal project with significant added value. We developed solutions in accordance with local needs and built 432 educational institutions located in 80 provinces and 277 districts throughout Turkey as part of EFİKAP to contribute to regional development and to create equal opportunity. The project implemented under “İMKB Education Fund” with an initial budget of TRY 32 million is currently financed by Borsa İstanbul’s Contribution to Education Fund, managed by Borsa İstanbul. Today, the amount that funded the project has reached to **TRY 1.5 billion.**

As Borsa İstanbul, we make direct contributions to the development of education in many provinces and districts, and enable more and more students to enjoy such opportunities with a multiplier effect. In this context, we have reached approximately 800,000 students and have provided educational opportunities by means of 53 distinct types of 432 educational infrastructures in total, including elementary schools, high schools, vocational high schools, and regional boarding schools, social premises such as gymnasiums, conference halls etc., university, faculty, university presidency offices and community education centers,. Moreover, as Borsa İstanbul, we are endorsing the state policy “no province without university”. In this respect, we procured the construction of faculty and administrative buildings for a total of 15 universities in 10 provinces, thus pledging our contribution for creation of an integrated development.

Cultural and Art Activities

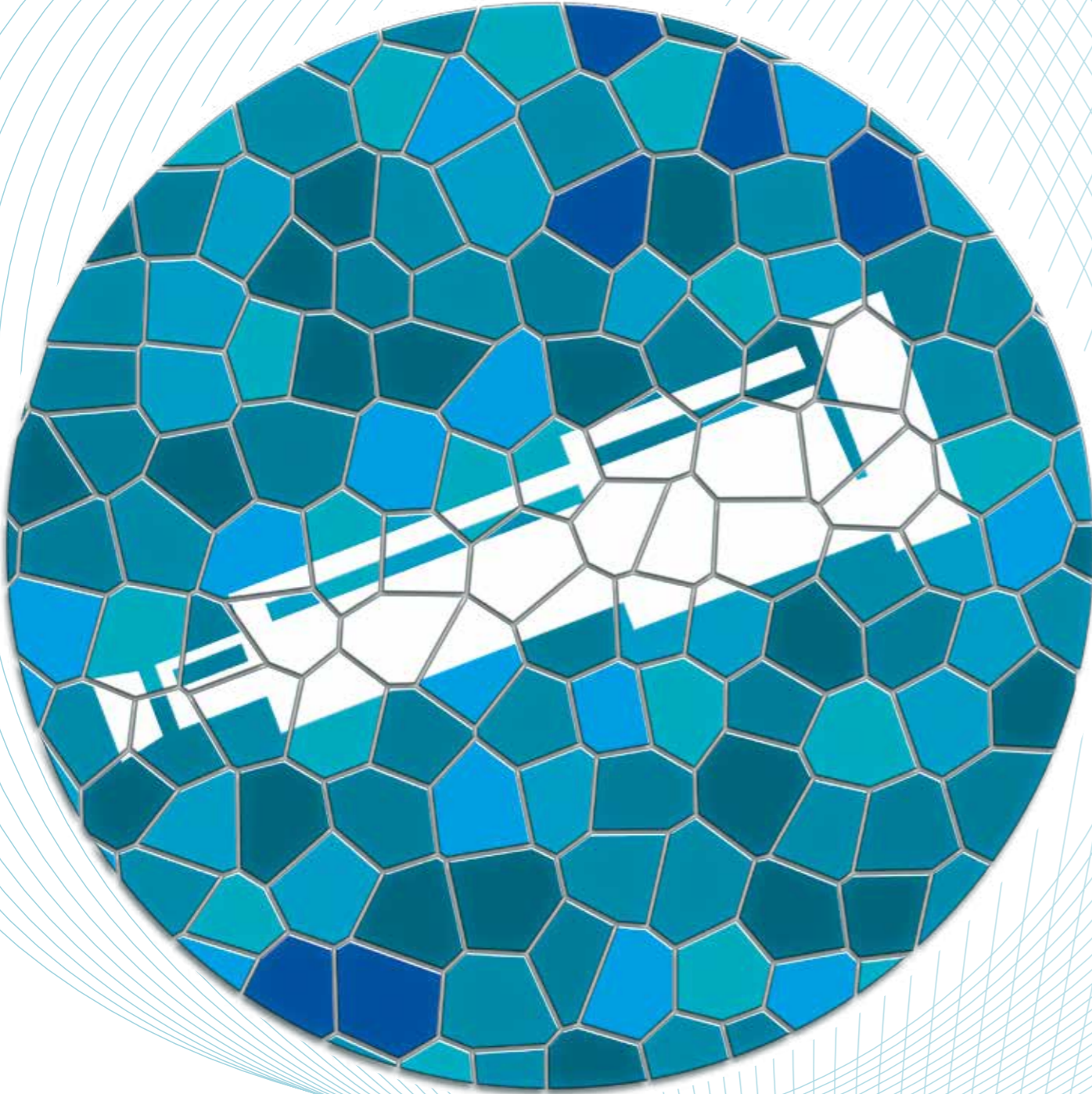
→ Borsa İstanbul Art Collection

As Borsa İstanbul, we are involved in, and pledge our contribution to, the cultural development of Turkey by organizing artistic activities such as private exhibitions, school exhibitions, etc. at the exhibition halls within our building, and by endorsing various artistic activities through sponsorships. Borsa İstanbul Art Collection, the heart of our endeavors in this respect, grows gradually since the day of our incorporation, and currently accommodates more than 400 artworks.

→ Borsa İstanbul Music Workshop Band

“Borsa İstanbul Music Workshop Band”, another social project by Borsa İstanbul aims to hand down the Turkish musical culture which dates back centuries to the future generations. In this context, we are bringing prominent Turkish musical instrument adepts together with İstanbul Soloists in order to organize concerts in countless cities of the country, and hold workshops in conservatories of various universities.





FUTURE OUTLOOK

FUTURE OUTLOOK

We are aiming to increase the number of publicly-traded companies and facilitate access to the sustainable finance in the future under our current mission for endorsing the funding of the economic growth. Furthermore, one of our top priority objectives is to become an efficient and prominent Exchange reflecting the potential of the country where capital market instruments of both domestic and foreign companies are traded, with the highest level of product diversity, wherein both national and international investors invest more.

As Borsa İstanbul, we prioritize our responsibilities under the IFC project drafted in the context of the vision for transforming İstanbul into an international financial center. Our intention is to elaborate the strategic partnerships with the Exchanges of the world and different regional and global markets and institutions in Europe to Asia, thus seizing opportunities for growth in our value chain and continuing to create added value for the Turkish economy. Accordingly, we will maintain our efforts in the forthcoming years, notably the technological infrastructure and innovation-oriented investments that would further improve mutual access to the markets worldwide as well as enhance our competitive power.

We will maintain our effective programs and innovative practices within the scope of our strategy entitled 'spreading the value chain' in order to develop the SMEs that represent 99% of our economy, and facilitate their access to the funds on the path for a more robust Turkish economy. In addition to the foregoing, we will facilitate the penetration of the entrepreneurs into the market by consolidating the entrepreneurship

ecosystem and offering innovative instruments that improve access to the sustainable financing through technological infrastructures.

In line with our endeavors for becoming a regional, and finally a global power, we aim to integrate a comprehensive sustainability strategy into our business processes. Starting from 2016, we will integrate this strategy into our business processes in line with the needs of today and the needs of sustainable stock exchanges. We aim to be listed among the prominent global companies of the world in terms of sustainability by 2020. We are formalizing our strategies in accordance with our shared material issues with our stakeholders, and we aim to accelerate our efforts on sustainability in order to raise the awareness of the investors on environment, social responsibility, and corporate governance aspects.

We will continue to instigate the business world for acting on the basis of ethical conduct and transparency principles in the light of internationally recognized principles, and to ensure the further involvement of the ESG approach into their decision making processes. In line with the foregoing, we will also accelerate our endeavors for enhancing the sustainability practices in the business world, sharing and developing good practices as required by our vision of leadership.





GRI
CONTENT INDEX
AND REPORTING
PRINCIPLES

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Reporting Principles and Tables

Reporting principles cover data collection and calculation principles based on greenhouse gas (GHG) emissions data (GRI G4-EN16, G4-EN17 and G4-EN18) and energy consumption data (GRI G4-EN3).

Reference year for greenhouse gas (GHG) emissions has been chosen as 2014, due to the availability of accurate and reliable data. Applied calculation methodology for GHG is based on "GHG activity data multiplied by emission or removal factors".

GHG emissions calculations have been completed in accordance with World Resources Institute (WRI) / World Business Council on Sustainable Development (WBCSD) GHG Protocol. Organization boundary has been addressed through the control approach and GHG emissions from all of the buildings, diesel generators, and cooling gases in the control of Borsa İstanbul have been included to the inventory. Activity boundaries have been designed as Scope 1 (direct) and Scope 2 (indirect). In the calculations, CO₂ equivalent factors for emissions CO₂, CH₄, N₂O, and HFCs (cooling gas) have been used. Global Warming Potential (GWP) coefficients have been taken from Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report. Grid emission factor has been calculated by taking Turkish Electricity Transmission Company (TEİAŞ) data into consideration.

The breakdown of GHG generating sources is as follows: Scope 1: Cars rented, F-gases used in air conditioners, fuel consumed in buildings and facilities, and emergency diesel generators. Scope 2: Electricity usage. The emission factor for emissions due to electricity usage has been taken as 0.4946 kg CO₂e/kWh. Scope 3: Employee service buses, and work related flights. Emission factors employee service buses, domestic flights, short distance flights (abroad), and long distance flights (abroad) has been taken as 0.5698, 0.1576, 0.0898, and 0.1048 kg CO₂e/passenger km respectively. Electricity energy factor is calculated aligned with the data updated every year by TEİAŞ.

All of the energy consumption raised by buildings, vehicle fleet, and generators at Borsa İstanbul is monitored. All of this energy consumption data is included in this report. Lower calorific values of energy sources and tonne of oil equivalent coefficients were taken from Lower Calorific Values and Tonne of Oil Equivalent Conversion Coefficients table in Annex II of Regulation on Increasing Efficiency of Energy Resources and in Energy Usage as issued in Official Gazette dated 27 October 2011, issue number 28097. Values used in energy unit conversions are as follows: 1 kcal = 4.184 kJ and 1 GJ = 0.2777 MWh (1 MWh = 3.6 GJ)

Environmental Performance Data

Emission Factors	CO ₂	CH ₄	N ₂ O	Total CO ₂ e (kg)
Natural Gas	1.9365	0.0043	0.0010	1.9418
Diesel	2.6248	0.0035	0.0412	2.6694
Gasoline	2.2164	0.0030	0.0543	2.2738
Diesel (stationary)	2.6248	0.0089	0.0063	2.6399
Gasoline (stationary)	2.2164	0.0080	0.0057	2.2301
Coolant gases - R410A	2,087.5			2,087.5
Coolant gases - R407C	2,107.0			2,107.0
Coolant gases - R134A	1,430.0			1,430.0
Fire extinguishers - HFC 227ea	3,220.0			3,220.0
Fire extinguishers - Halon 1301	7,140.0			7,140.0
Electricity (grid)	0.4931	0.0002	0.0014	0.4946
Employee transportation – Service buses	0.5641	0.0002	0.0055	0.5698
Work related domestic flights	0.1560	0.0001	0.0015	0.1576
Work related short distance [Europe] flights	0.0889	0.0000	0.0009	0.0898
Work related long distance flights	0.1037	0.0000	0.0010	0.1048

	2013	2014	2015
Scope 1 Total (ton CO ₂ e)	1,198.6	1,193.1	1,121.3
CO ₂	1,195.5	1,189.9	1,118.6
CH ₄	1.1	1.1	0.9
N ₂ O	2.1	2.1	1.8
Scope 2 Total (ton CO ₂ e)	3,339.0	3,668.9	3,995.1
CO ₂	3,328.7	3,657.5	3,982.7
CH ₄	1.2	1.3	1.4
N ₂ O	9.2	10.1	11.0
Scope 3 Total (ton CO ₂ e)	637.7	636.2	483.8
CO ₂	631.2	629.7	478.8
CH ₄	0.2	0.2	0.1
N ₂ O	6.4	6.3	4.8
Grand Total (ton CO ₂ e)	5,175.4	5,498.2	5,600.2
CO ₂	5,155.4	5,477.2	5,580.1
CH ₄	2.4	2.5	2.5
N ₂ O	17.6	18.6	17.7

Social Performance Data

General Information	2013		2014		2015	
	Women	Men	Women	Men	Women	Men
Number of Employees	168	466	143	416	143	432
Total	634		559		575	

Employees by Contract Type	2013	2014	2015
Full time	634	559	574
Part time	-	-	1
Total	634	559	575

Employees by Age Group	2013	2014	2015
Over 50 Years Old	21	21	27
30-50 Years Old	459	420	431
Under 30 Years Old	154	118	117
Total	634	559	575

Number of Employees by Employment Duration	2013	2014	2015
0-5 Years	309	272	256
5-10 Years	71	72	109
More than 10 Years	254	215	210
Total	634	559	575

Ratio of Employees by Employment Duration	2013	2014	2015
0-5 Years	48,7%	48,7%	44,5%
5-10 Years	11,2%	12,9%	19,0%
More than 10 Years	40,1%	38,5%	36,5%

Diversity and Equal Opportunity	2013		2014		2015	
Number of Employees at Senior Management by Gender and Age Group	Women	Men	Women	Men	Women	Men
Over 50 Years Old	0	1	0	1	0	1
30-50 Years Old	1	40	1	34	1	36
Under 30 Years Old	0	0	0	0	0	0

Employees on Parental Leave & Employees Returned to Work After Parental Leave	2013		2014		2015	
	Women	Men	Women	Men	Women	Men
Employees on Parental Leave	6	25	8	33	11	34
Employees Returned to Work After Parental Leave	5	25	8	33	11	34

Occupational Health and Safety Training	2013	2014	2015
Number of Training Hours Reserved for Occupational Health and Safety	4,776	296	304

Data on Occupational Health and Safety	2013	2014	2015
Number of Employees at Borsa İstanbul	634	559	575
Number of Sub-contractor's Employees	83	70	320
Number of Work-related Fatalities (Total)	0	0	0
Injury Rate* (Borsa İstanbul)	0	0	0
Injury Rate* (Sub-contractor)	0	0	2.75
Lost Day Rate** (Sub-contractor)	0	0	5.7

*Injury Rate = Total number of accidents / (Total of employee work hours x 1,000,000)

**Lost Day Rate = (Total number of downtime days x 200,000) / Total work days (in terms of hours)

Employee Training	2013	2014	2015
Average Training Hour per Employee	23.6	30.4	32.5
Average Training Hour per Female Employee	41.2	32.4	31.2
Average Training Hour per Male Employee	35.9	37.6	32.9

Employee Turnover by Gender and Age Group	2013		2014		2015	
	Women	Men	Women	Men	Women	Men
Number of Employees Who Quit During the Year	13	47	23	56	8	16
Over 50 Years Old	3	12	3	9	0	3
30-50 Years Old	9	28	19	40	7	9
Under 30 Years Old	1	7	4	7	1	4

Performance Evaluation	2013		2014		2015	
	Women	Men	Women	Men	Women	Men
Number of Employees Evaluated	168	466	143	415	143	430
Total	634		558		573	

Economic Indicators

General Information (in thousands)	2013**		2014		2015	
Economic Value Generated	TRY	USD*	TRY	USD*	TRY	USD*
Revenues***	210.419	108.173	336.064	153.671	461.656	169.527
Economic Value Distributed						
Operating costs****	47.446	24.391	57.769	26.416	64.869	23.821
Employee wages and benefits	99.913	51.364	151.086	69.087	129.850	47.683
Payments to providers of capital	0	0	0	0	0	0
Payments to government*****	35.073	18.031	58.643	26.816	81.121	29.789
Economic value retained (Economic value generated - Economic value distributed)	27.987	14.387	68.566	31.353	185.816	68.234

* For the exchange rate calculations, following yearly average USD/TRY exchange rates has been used:
2013: April-December 2013 average exchange rate: 1.9452
2014: January-December 2014 average exchange rate: 2.1869
2015: January-December 2015 average exchange rate: 2.7232

** Since Borsa Istanbul A.Ş. commenced its operations on April 3rd of 2013, data based on 2013 covers the period between April 3rd and December 31st.

*** All revenues (financial and other operating costs are included).

**** Other operating costs and financial costs are included.

***** Consists of CMB Board share and Corporation tax provisions.

United Nations Global Compact Principles		
Principles	GRI Indicator	Page
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Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	G4-DMA (SO)	80-81,90
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	G4 LA4	54, 81
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	G4-DMA (LA)	76
Principle 5: Businesses should uphold the effective abolition of child labour.	G4-DMA (LA)	76
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	G4-DMA (LA)	76, 78
Principle 7: Businesses should support a precautionary approach to environmental challenges.	G4-DMA (EN)	84-86
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	G4-DMA (EN)	84-86
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	G4-DMA (EN)	84-86
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	G4-56, G4-58, G4-S04, G4-S05	45

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) Security & Commodity Exchanges Research Brief			
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	FN0203-04	Description of policy to encourage or require listed companies to publicly disclose governance, social, and/or environmental information	64, 65
Managing Conflicts of Interest	FN0203-05	Description of process to identify and assess conflicts of interest between the exchange's regulatory obligations and the interests of its members, its market operations, its listed issuers, and, in the case of a demutualized self-regulatory organization (SRO), its shareholders	32, 33
	FN0203-06	Amount of legal and regulatory fines and settlements associated with fraud, anti-trust, anti-competitive, market manipulation, malpractice or other business ethics violations	32, 33, 45
Managing Business Continuity & Technology Risks	FN0203-07	Description of efforts to prevent technology errors, security breaches, and market disruptions	32, 47, 48



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