

ISTANBUL AYDIN UNIVERSITY CORPORATE GOVERNANCE COMPLIANCE REPORT

Chapter I - Declaration of Compliance with Corporate Governance Principles

Corporate Governance Principles Compliance Report has been prepared within the framework of the Corporate Governance Notification numbered II-17.1, which was published in the Official Gazette dated 03.01.2014 and numbered 28871, in force as of the year covered by this Activity Report. Istanbul Aydın University, which was established in the activity period of Corporate Governance Communiqué numbered II-17.1 in accordance with the Law No. 2547 on Higher Education Institutions as well as the Regulation on Higher Education Institutions of the Foundation published in the Official Gazette No. 26040 dated 31.12.2005 considers working in line with the basic principles of corporate governance as an important starting point and a strategic goal.

While it is intended to fully comply with the mandatory and non-compulsory Corporate Governance Principles contained in this Communiqué and subsequent regulations, in some of the principles, full compliance has not yet been achieved due to some difficulties in the implementation of compliance with some principles, the ongoing evaluations of some principles in our country and in the international fields, and some principles which do not overlap with the structure of the universities as well as the laws and regulations they are subject to, predictions and evaluations are made to contribute to the effective management of our institution. Work on these Corporate Governance Principles continues; The administrative, operational, technical and legal infrastructure that will contribute to the strategic management of our university are planned to be implemented after the completion of their work.

The work to be carried out within the context of the Corporate Governance Principles and the principles that have not been harmonized yet and the conflicts of interest resulting from it, if any, are explained below:

The studies conducted in the field of Corporate Governance during the period of 2017-2018 have been reviewed within the scope of the regulations related to the CMB's Corporate Governance Principles. In addition, the corporate website and the Annual Report of the University will be reviewed and the necessary revisions in terms of compliance with the principles will be made and followed in 2018-2019 period.

The Corporate Governance Compliance Report, which was prepared in the previous period, was revised in line with the required studies, taking into account the developments and practices in the legislation in terms of compliance with the Principles. In line with the view that corporate governance is an important application and holistic importance for all corporations and institutions on the basis of both companies and universities and non-governmental organizations, the sustainability of institutionalization and compliance with the Corporate Governance Principles, which we consider as a dynamic process in the context of the development of universities, also has an increasing importance for our university.

Our university has planned and implemented it as a strategic goal to adopt corporate governance as an institution and a university culture and to continue its corporate governance practices with a sustainability understanding by making necessary arrangements by making improvements in the issues to be harmonized in the Corporate Governance Principles. In accordance with the legal regulations related to universities and academic legislation, full compliance with the Principles, whether mandatory to apply or not from Corporate Governance Principles has been achieved to a great extent. During the reporting period and as of 2018, two of the most fundamental committees, such as the Corporate Governance Committee and the Audit Committee, have been established and continue to operate periodically within the scope of the Working Principles. In addition, in 2018, the Corporate Governance and Sustainability Application and Research Center was established and started its activities with the aim of effective management.

More importantly, a rating agreement was signed on 16.11.2017 with the rating company Saha Corporate Governance and Credit Rating Services Inc. for the corporate governance rating of our University and With the intention to carry out rating work within the framework of the methodology prepared by the rating company within the scope of the CMB Corporate Governance Principles. As a university for the first time as of 10.04.2018, Istanbul Aydın University made a Corporate Governance Rating and declared it to the public. After the improvement and adaptation studies, the rating report was revised on 19.10.2018 by Saha Rating and the rating of our University was increased. On this occasion, our first corporate governance rating, 83.96 (8.40), was revised and increased to 86.48 (8.65). Our University's Corporate Governance Rating Report and our revised rating grade within the period can be reviewed by accessing our university's website at www.aydin.edu.tr.

Detailed information on the relevant issues can be found in the following sections. There is no conflict of interest to the University due to the inability to fully comply with the principles. In line with the adoption of the Corporate Governance Principles on a voluntary basis, our university has adopted a sustainable management approach by spreading its corporate governance approach as a corporate culture. In addition, if there is a significant change in the subsequent period in the explanations made in this direction, the said amendment will be included in the Annual Report for 2018-2019.

In the light of the **principles of fairness, transparency, accountability and responsibility**, which are the basis of **corporate governance**, we declare our willingness to carry out these activities as a continuous and dynamic process in order to achieve our corporate goals that guide the future of our institution, we submit our new Corporate Governance Compliance Report, prepared as the first university to publish an Compliance Report in the academic world.

Chapter II - Relations with the Founding Foundation

There is an information mechanism within the scope of the procedures and regulations established for the internal operation of the university and the legal regulations to which our university is subject. It is essential to include all kinds of information and explanations that may affect the use of the Foundation's rights and relations with the Founding Foundation on the corporate website. In this respect, the information is maintained with maximum effort in line with the legislation and related practices, and there has not been any situation preventing the use of the rights of the Founding Foundation.

Regarding the supervision of other issues foreseen in the legislation for our university, Regulation on Higher Education Institutions of the Foundation which was published in the Official Gazette no. 26040 dated 31.12.2005, and the provisions subject to the Law on Higher Education Institutions numbered 2547 are applied in our university. In addition, there are internal audit and internal control practices in our university. Furthermore, within the scope of the CMB Corporate Governance Communiqué, there was no significant transaction which could lead to a conflict of interest against the shareholder holding the control.

In the works related to the Founding Foundation, in accordance with the principles of equal treatment and treatment and in accordance with the legislation, the necessary arrangements are made by our University and the matter is given utmost importance. The protection of the current rights of the Founding Foundation in the status of a controlling shareholder is realized and legally protected in accordance with the relevant legislation and foundation universities regulations. In this respect, the regulations regarding the right to information and examination, determination and selection of the Board of Trustees of the University shall be complied with and the regulations concerning foundation universities shall be complied with.

The necessary sensitivity is shown in complying with the legislation and other internal regulations in the field of the use of the Founding Foundation's rights. The University carries out its relations with the Founding Foundation through the Secretariat General under the supervision of the Chairman of the Board of Trustees. The founding Foundation's right to information and review is provided in accordance with the legislation. There is no privilege on voting within the Board of Trustees. In addition, an Information Disclosure Policy was prepared and disclosed to the public at the same time and at the same time, a Donation and Aid Policy was prepared and published within the same period.

Chapter III - Public Disclosure and Transparency

3.1. Information Policy

In line with the Corporate Governance Principles, Istanbul Aydın University follows an effective corporate Information Policy to ensure that all stakeholders, including students and parents, as well as all public opinion, are properly informed.

All kinds of activities carried out by our university are announced via the web page of our university and corporate social media addresses. In this context, activities related to both education and research and management processes are regularly published and presented to the public.

As mentioned in the relevant sub-headings of the Compliance Report, within the framework of this Disclosure Policy published during the period, the practices to be followed in the face of news in the press and broadcasting organs, including the public disclosure criteria, are included.

In addition, relevant policies, from Information Security Policy to Environmental Policy, Social Policy, Occupational Health and Safety Policy, can be considered as supportive policies within the scope of the Information Policy..

3.2. Corporate Website and Content

Our University has an active and up-to-date corporate website. Our company's internet address is www.aydin.edu.tr. There are also English pages of the information on the corporate website as well as the relevant parts of the website. The university has a Turkish and English website, although not within the same scope. Each year, the university goes under the inspection of YÖK (HEC) and the institution publishes its Internal Evaluation Report on its website. In this internet address, various information that can be requested about our University is given with a comprehensive coverage. The website, which is updated according to the developments, covers every issue within the scope of the legislation. In addition, taking into account the minimum requirements stipulated in the CMB's Corporate Governance Communiqué, the University has carried out its update studies in 2018 with maximum sensitivity to the flow of information. The information provided to the public by the university was also available on the internet.

3.3. Activity Report

Our university shows the maximum sensitivity required for the preparation and publication of periodic activity reports in detail that will enable stakeholders and the public to have complete and accurate information on the activities of the University. As of 2016-2017 period, in the activity reports prepared in accordance with YÖK standards, attention has been given to include the information in the Corporate Governance Principles set forth in the "Corporate Governance Communiqué No: II-17.1", and accordingly, to prepare the 2017-2018 Activity Report in accordance with the applicable legislation and relevant regulations. The necessary sensitivity will be revised by reviewing in the Activity Report to be prepared later.

The present Activity Report includes: Period of the report, registration information of the university, contact information, names and surnames of the chairman and members of the Board of Directors and the Senate during the period, qualifications of the units of the University, ranking in national and international platforms. Academic activities; lectures, articles, projects and events on the basis of faculty; Research and Application Centers and activities, international activities, physical resources, campuses, total capacity of classrooms, number of laboratories and workshops, sports facilities, conference halls, scholarship rates, success rates and number of staff and additional details.

Chapter IV - Relations with Stakeholders

4.1. Informing the Stakeholders

Policies and practices related to different stakeholders and/or interest groups defined as "Stakeholders", expressing third parties and public opinion, which are primarily stakeholders, primarily academic staff, working administrative staff and students, and who are directly related to the university, and is supported by a University Policy based on the strategic plan. In addition, by the senior management, there is a Information Policy published during the period as stated above. All rights and benefits owners, considered as "stakeholders", are subject to effective communication with equal transactions and practices. Therefore, we can express our management and communication processes with the concept of governance.

Within the scope of the stakeholder definition of our university, maximum efforts are made to ensure that the rights of stakeholders are regulated or not yet regulated by legislation. Systematic communication channels have been established for all stakeholders related to the University to be informed about the issues that concern them. In addition, the mechanisms necessary for the transmission of transactions that are contrary to the legislation and which are unethical to the relevant departments of Internal Audit were established by the University.

Regulations on the operation of the University Ethical Rules and the Ethics Committee have been implemented. In this respect, the confidentiality of applications to the Ethics Committee is essential. As stated, there is a Code of Ethics and Ethical Principles which is publicly disclosed by and in our university, and other details are given in the relevant section below. Our university has a Stakeholder Satisfaction Policy covering students, employees and suppliers.

4.2. Participation of Stakeholders in Management

The participation of stakeholders in the management of the University, the participation in improvement works on managerial issues in principle, and the practices in which they can express their opinions and make evaluations are carried out in accordance with the procedures prepared within our university. Stakeholders use the systems and

mechanisms that will enable them to participate in the University Administration in matters that concern them as "the internal and external stakeholders of our university". These processes are supported and implemented by our University. Furthermore, comprehensive studies aiming to increase productivity in education and training, from quality-oriented training, quality planning and quality control systems to quality improvement methods, aiming at increasing efficiency in education and training, are being carried out strategically and detailed in the Activity Report. Stakeholders are carried out and coordinated within the related units by giving due consideration to the expectations. In this context, meetings for external stakeholders are in practice.

In addition to the web site, the university uses intranet applications as a portal for communication within the University and the printed media (*İAÜ Aydın Uygulama Gazetesi* and *İAÜ Aydın Uygulama Dergisi*). For this purpose, models supporting the participation of the stakeholders, especially academic staff, student unions and employees, to the University Management in a way that does not disrupt the activities of the University were developed. For the academic staff, there are processes to be elected to the management under the academic title. The students can communicate their opinions, requests and suggestions to the university administration through the student representatives and the employees through the web-based "We listen to you" application. In addition, periodic Evaluation Meetings where academicians and administrative staff come together with the Chairman of the Board of Trustees are organized, and all questions and requests made are directly answered and discussed by the President of the University Board of Trustees.

As in the University, communication channels of all faculties and affiliated schools are used periodically by their application and research centers. In addition to all academic and administrative staff, students use systematic channels to develop proactive solutions to their complaints. Accordingly, internal stakeholder boards, including student representatives, are available in practice.

Together with the improvement works, quality assurance systems, quality certification and quality standards and accreditation studies for ensuring the quality of higher education are monitored within the scope of the Strategy and Quality Improvement Department of our University. There are extensive application procedures available in this context. The opinions and suggestions of the academic and administrative staff are examined in accordance with the criteria by publishing the evaluation questionnaires via UBİS.

Therefore, the opinions and suggestions of the stakeholders are considered to be an important input in the decisions that are of interest to all stakeholders and which directly concern the stakeholders.

4.3. Human Resources Policy

The "Human Resources Policy" of our university has been established in accordance with the strategies and policies of the university and has been announced to the public. The Policy is developed and implemented with the utmost care in the context of new practices and needs. Within this framework, both the Personnel Department and the Human Resources Department carry out activities in a coordinated manner. Both academic staff and administrative staff are guaranteed to be free from discrimination or ill-treatment. No complaints were received during this period. At all levels, care is taken to ensure the participation of university employees in the management and to receive feedback and systematic meetings are held. Our university attaches importance to the protection of human rights and to support the performance in this field in business processes.

In this framework, employees' social rights and vocational training are given the utmost importance, and developments related to HR practices are closely monitored and put into operation. There is an effective and efficient concrete criteria based on the recruitment, working process and termination procedures in detail. In this context, while creating recruitment policies and career planning, the principle of providing equal opportunities to people with equal conditions is adopted.

4.4. Ethical Rules and Social Responsibility

Within the framework of social studies aimed at public, both in national and international area and in the whole of Istanbul as well as Küçükçekmece where our university is located, the activities are organized, implemented and followed according to the impact criteria on corporate social responsibility and society. Bu bağlamda dönem içinde yapılan çalışmalara ilişkin hususlarda ayrıntılı bilgiler mevcuttur. In addition, periodical publications published by the IAU in the intranet environment and in Aydın Magazine and Aydın Newspaper, information is given on corporate activities, individual activities and social activities in the form of news, interviews or information. In addition, social activities, associations, foundations and organizations in the scope of social responsibility is provided. Within this scope, projects ranging from education, sports, cultural activities to artistic activities are contributed to at all levels including student clubs within our university. A general social responsibility policy has been adopted to highlight the dynamics that will provide corporate and social development and participation of

students within the University. In these social responsibility activities, importance is given to the activities that will increase awareness and recognition, and to the perspective of sustainability.

Our university, which places great importance on social responsibility activities, which is a part of its rich history and rich culture, conducts various social responsibility activities as student clubs, administrative and academic units, with the aim of educating individuals who have social responsibility awareness, who give importance to their traditions and customs, protect our national values and contribute to their development, and create more sensitive and solutions against social, cultural and social problems in the world and in our country. These activities are carried out within the framework of a goal based on volunteerism and service to society. At the same time, our students, academic and administrative staff are encouraged to participate in social responsibility projects individually and as a group and various efforts are made to increase awareness of social responsibility.

Social Responsibility Activities Organized in 2017 - 2018

Order	Date	Activity	Description	Number of Participating Students
1	16.01.2017	Establishment of Keleş Harmandemirci Abdullah Akça İÖO Library	Social responsibility	598
2	16.01.2017	Güneştepe Primary School Diyarbakır Charity Sale	Social responsibility	735
3	16.01.2017	Hacılar Primary School Bingöl Library Charity	Social responsibility	840
5	16.01.2017	Dargeçit Secondary School Mardin Charity Sale	Social responsibility	523
6	16.01.2017	Yunus Emre Anatolian High School Welfare Activity	Social responsibility	401
7	16.01.2017	Selahattin Eyyubi Elementary School Şanlıurfa Welfare Activity	Social responsibility	678
8	16.01.2017	Bintak Elementary School Welfare Activity	Social responsibility	283
9	16.01.2017	Selahattin Eyyubi Anatolian High School Charity Sale	Social responsibility	327
10	16.01.2017	Cengiz Topel Ortaokulu Welfare Activity	Social responsibility	487
11	16.01.2017	Cide Multi-Program Anatolian High School Kastamonu	Social responsibility	360
12	16.01.2017	Zeynep Nurgül Ersoy/Van Welfare Activity	Social responsibility	419
13	19.01.2017	İbni Sina Vocational and Technical Anatolian High School/Tunceli	Social responsibility	588
14	19.01.2017	Halıcılar Primary School/Bingöl Welfare Activity	Social responsibility	257
15	19.01.2017	Güneştepe Primary School/Diyarbakır Welfare Activity	Social responsibility	1.053
16	19.01.2017	Gedikli Primary School/Adıyaman Library Charity	Social responsibility	960
17	20.01.2017	Establishment of Keleş Harmandemirci Abdullah Akça Primary School Library	Social responsibility	550
18	5.02.2017	Hospice Visit	Social responsibility	15
19	28.02.2017	Blue Ribbon Distribution to Raise Attention to Rare Diseases	Social responsibility	500
20	28.02.2017	Charity Sale for Village Schools	Social responsibility	890
21	06-07.03.2017	Charity Sale	Social responsibility	245
22	8.03.2017	8 March International Women's Day Event	Social responsibility	750
23	10-14.04.2017	“Yetim Eliyle Yardım Et Kendine”	Social responsibility	520
24	18-20.04.2017	Kızılay Blood Donation	Social responsibility	1.300
25	24-25.04.2017	“Bir Kitap Kap Gel”	Social responsibility	1.730
26	27-28.04.2017	Alpaslan Girls Imam Hatip Secondary School Charity Sale	Social responsibility	180
27	15.05.2017	Ministry of Justice Bakirkoy Women's Criminal Court Children Feast	Social responsibility	50

28	15.10.2017	Feeding the Animals in Maçka Democracy Park	Social responsibility	50
29	18.10.2017	Visit to Yedikule Animal Shelter	Social responsibility	30
30	7.11.2017	Van Kilimi Primary School Charity Sale	Social responsibility	100
31	01-03.11.2017	Siverek Destek Middle School Charity Sale	Social responsibility	1.200
32	27.11.2017	Esenyurt Special Education Center Students' Products Sale	Social responsibility	50
33	11-12.12.2017	Mardin Kızıltepe Primary School Charity Sale	Social responsibility	100
34	12-13.12.2017	Charity Sale for Gaza	Social responsibility	100
35	15.12.2017	Soap Sale for Yırca Hanımeli Atelier	Social responsibility	65
36	12.02.2018	Charity for Village Schools	Social responsibility	100
37	26.03.2018	Charity Sale for Yücelen Rehabilitation Center	Social responsibility	100
38	31.03.2018	Charity Sale for Yedikule Animal Shelter	Social responsibility	75
39	18.04.2018	WWF Charity Sale	Social responsibility	75
40	19.04.2018	Mehmetçik Foundation Charity Sale	Social responsibility	150
41	27.04.2018	Blood Donation Tent	Social responsibility	100
42	10.05.2018	“Desteyiniz Güç Verir”	Social responsibility	50

In addition, there are no adverse reports that may harm the environment or cause environmental pollution during the period, and the existing technical and administrative equipment to ensure the quality standards, and the implementation of effective practices within the scope of environmental sensitivity are ensured. In addition, in the relevant application and research centers, the utmost importance is given to environmental protection, energy management and sensitivity to climate change. Our university acts in accordance with the Environmental Law and the relevant legal regulations, and also the subjects are followed by seminars, symposiums and activities within the University and academic contribution is provided to the formation of national and international consciousness.

In addition, generally accepted ethical rules are complied within the legislation and regulations and practices. As stated in the relevant section above, regulations on ethical rules have been implemented. As stated by the university, there is a Code of Ethics and Ethical Principles which is publicly disclosed. In addition, the Ethics Committee, together with the application of the code of ethics accepted by our university, has put into practice the written rules of ethics and sharing it with the public within the scope of the Corporate Governance Principles as stated above. In this respect, the confidentiality of applications to the Ethics Committee is essential. Our University's Code of Ethics covers all the academic and administrative staff, especially the Board of Trustees, the Senate and the Board of Directors, in short all who are described as "Aydınlılar (Aydıns)" regarding the İstanbul Aydın University. All Aydıns are expected to abide by the University Code of Ethics. Aydıns are obliged to comply with the Ethical Rules of the University.

In our university, there is no discrimination based on language, race, gender, political thought, philosophical belief, religion and sect. Unless there are reasons for the nature of the work, such as the risk of the job, the safety of the employee and the legal obligations, there are no direct or indirect transactions for making or terminating the employment contract, for setting the conditions, for the gender or pregnancy. For a job with the same or equal value, a lower wage due to gender is not decided. Decisions in recruitment, appointment and promotion subjects are made through objective criteria without discrimination regarding language, religion, sex, race, etc.

Our University has a Code of Ethics and Practice Policy and Anti-Bribery and Anti-Corruption Policy are available. In addition, in accordance with the Code of Ethics of the University, all employees in the academic and administrative staff working within our university demonstrate the necessary sensitivity under the Code of Ethics to ensure that they are not party to conflicts of interest that may adversely affect their decisions, impartiality or adherence to the University. In this regard, it is ensured that all the Aydıns are aware of the issue by means of both informing and declaring procedure.

Our university tries to make applications that are respectful and sensitive to human rights before all other stakeholders in the value chain we create, especially all of our employees. As a result of our understanding of the subject matter, there is no forced / compulsory labor practice in our university. The importance we attach to universal human rights and practices is the basis of our ethical understanding. In addition, our University has a

Sustainability Policy and a Social Responsibility Policy.

Chapter V - Board of Trustees, Senate, Board of Directors

5.1. Management Structure and Managing Bodies and Formation and Structure of the Bodies

In accordance with the legislation and related law, the foundation of our university has a structural organization within the scope of the regulations to which other foundation universities are subject. The Board of Trustees, the highest decision-making body of the foundation higher education institution, represents the legal personality of the foundation higher education institution. Academic bodies in higher education institutions to be established by foundations shall be organized as academic bodies in state higher education institutions and shall perform their duties. This organizational structure is different from the publicly traded joint-stock companies covered by the CMB (SPK) Corporate Governance Communiqué and is not composed of a single Board of Directors in joint stock companies. Due to the unique nature of the universities and the fact that we are a foundation university as IAU, it has been evaluated that there is a triple structure. The University Board of Trustees, University Senate and University Board of Directors are all part and complement of this tripartite structure. The principles of activity of the Boards are fulfilled in accordance with legislation and regulations.

In this context, the Board of Trustees, which is a separate board of our university, the Senate responsible for the academic processes, and the Board of Directors, which are responsible for the administrative processes of our university, constitute a tripartite board (triple board). The Chairman of the Board of Trustees and the Rector of the University represent the two different management bodies of the University subject to the regulations and legislation of higher education institutions. In addition, the Rector of the University takes part in all three Boards, as well as the Chairman of the Board of Trustees and the Board of Trustees, as well as a member of the Board of Trustees of the University and, in parallel, the Chairman of the University Senate and the University Board of Directors.

The Board of Trustees of the University consists of at least seven members elected by the foundation governing body for a period of 4 years from candidates who have the qualifications of being a civil servant and at least two thirds of the which had higher education. Expired members can be re-elected. The Board of Trustees elects a chairman among themselves. The Rector is the natural member of the Board of Trustees at foundation universities and cannot be elected as the Chairman of the Board of Trustees. As this situation represents the legal personality of the Board of Trustees, it is determined that the Chairman of the Board of Directors and the General Manager / CEO positions in the Board of Directors as specified in the CMB Corporate Governance Principles are in accordance with the principle that they should be in separate persons. In addition, both the members of the Board of Trustees and the University Senate and the members of the Board of Directors perform their duties as members in the framework of the regulations and regulations of the higher education institutions.

In addition, the membership of the Board of Trustees is voluntary. IAU Board of Trustees consists of 7 members. The majority of the committee is composed of non-executive members. Among the 7 members of the Board of Trustees, 1 member has executive (rector) duty. As such, the "independent member" status of the Board of Trustees is foreseen. In this form, a structuring that will ensure diversity in terms of knowledge, experience and viewpoints in accordance with the three board structures is in compliance with the legal regulations of the universities and it has been evaluated that the Corporate Governance Principles are in compliance with the functioning of the issues related to the boards of directors. The chairman and members of the three boards of our university are included in their structure, with number of members and duties in the relevant section of the Activity Report. In addition, the distribution of duties between the Board of Directors and the members of the Senate is explained in the Activity Report.

5.2. The Number, Structure and Formation of the Committees Established within the Body of Management Organs

2 (two) committees have been formed within the operating period and in 2018, depending on the committees of the university in relation to the committees mentioned in the SPK's Corporate Governance Notification. An Audit Committee has been established within the Board of Trustees. In addition, a Corporate Governance Committee composed of mostly members of the Board of Directors and affiliated to the Rectorate was established. The duties and working principles of the committees have been determined and publicly announced via the website.

As the first, **Corporate Management Committee** was established in our university's Board of Directors meeting on 27.03.2018 within the scope of the provisions of SPK Corporate Management Principles, with the aim of developing the Corporate Management Applications of Istanbul Aydın University, within the scope of Rectorate

in order to give recommendations and suggestions to the Rectorate. It was established to analyze whether Corporate Management Principles are applied, to learn the grounds if the principles are not applied, to determine the conflict of interest and make recommendations to the Rectorate with the aim of improving Corporate Management Applications, to fulfill the duties specified in the Notification when deemed necessary under the relevant Corporate Governance Notification.

Corporate Management Committee implements and follows our university's Corporate Management Applications, identifies and evaluates the risks that may endanger the existence, development and continuity of the University and calculates the effects and probabilities of the threats, ensures that these risks are managed and reported in accordance with the University's corporate risk-taking profile, takes necessary precautions against these risks, ensures that they are taken into consideration in decision mechanisms and it provides advice and recommendations to the Rectorate on the existence and integration of effective internal control systems in this respect. It covers the duties of Early Detection of Risk and Risk Management Committee within the framework of Corporate Governance Principles in terms of working principles.

“Providing information to the Rectorate on operational and administrative issues related to risk detection and risk management, and ensuring the transfer of the subject matter to the relevant units of the University” is among the duties of the Risk Committee in this respect. Similarly, the duties of the Nomination Committee are defined in the working principles of the Corporate Governance Committee in accordance with the Notification.

The committee includes 2 members of the board of directors of the university, 1 Corporate Management and Sustainability Application and Research Center representatives. The Corporate Management Committee members are Prof. Dr. Fevzi Rifat ORTÇ (President), Prof. Dr. Celal Nazım İREM (Member) and Asst. Prof. M. Adil SALEPÇİOĞLU (Member).

As the second committee, the Audit Committee was established and the working principles were determined in the Board of Trustees meeting on 30.03.2018, and announced to the public within the scope of the provisions in SPK arrangements and Corporate Governance Notification. Operation of accounting and reporting systems within the framework of related laws and regulations, audit of financial information, supervision of the operation and effectiveness of internal control system in our university are among the basic targets. The members of the Committee responsible for this audit shall consist of 2 members appointed from within the Board of Trustees. The Audit Committee members are Dr. Mustafa AYDIN (President) and Dr. H. Fatih AYDIN (Member).

Both committees held 4 meetings during the reporting period and as of 2018. The minutes of the meetings of the committees are monitored and kept within the Corporate Governance and Sustainability Application and Research Center. In addition, the original copy is kept in the Secretariat of the Board of Trustees for the Audit Committee and in the Department of Personnel within Rectorate on behalf of the Board of Directors for Corporate Management Committee.

5.2. Risk Management and Internal Control Mechanism

An internal audit and internal control organization has been organized depending on the financial, administrative and academic activities of the university. The necessary proactive precautions were taken against internal control system and internal audit activities and potential risks predictable with financial and operational risks. Assessments and evaluations were made that the university fulfills the responsibilities required by the legislation. Assessments and evaluations were carried out regarding effective, reliable and uninterrupted execution of educational activities and services of the University, efficiency, adequacy and appropriateness of internal controls to ensure the integrity, consistency, timeliness and security of the information provided from the accounting and financial reporting system, responsibilities related to internal control, internal audit and risk management related to the preparation of consolidated financial statements. It has been stated that there is no significant problem related to these studies and processes until today and that there are positive records on the subject that the studies and processes of corporate risk and internal control systems are functioning well and no significant event has been encountered. This issue is directly related to the Board of Trustees.

In addition, it has been included in the meeting minutes that the established infrastructure is supported by the information security and the necessary ISO standards and that the necessary evaluations are made by the Corporate Governance Committee and the Audit Committee established at the administrative bodies of the University.

5.3. The Strategic Targets of the University

Strategic goals are established, approved and implemented by the University, especially the Board of Trustees. The mission, vision and values of the university have been established and published in line with the strategic priorities and objectives of the University. Modern education criteria are applied in line with the priorities and developments. The strategic objectives of the University are defined and necessary resources are provided and the strategic decisions of the University are implemented within the scope of the strategic plan. The Board of Trustees make decisions in accordance with the strategic objectives to review annual activities.

These strategic studies, the University Senate and the Board of Directors, as well as the University Board of Trustees, demonstrate the necessary sensitivity, priorities and responsibilities within their fields in order to increase the efficiency and effectiveness of these strategic studies. Necessary work is carried out under the coordination of the senior management of the university and the related units and centers and submitted to the Board of Trustees.

The Board of Trustees keeps the risk and growth balance of the University at the most appropriate level with the strategic decisions it has taken, considers the university's long-term interests with a rational and cautious approach, and manages and represents the University with these principles. In addition, the Board of Trustees defined the university's strategic objectives, established its mission and vision and identified the human and financial resources that the University would need. All policies of the University are developed and published within the scope of these strategies and shared with the public with internal and external stakeholders.

5.4. Financial Rights

The Board of Trustees of the University is responsible for the objectives of the University including its operational and financial performance. Pricing principles of the members of the University Boards and the managers with administrative responsibility, criteria used in determining the rights, benefits and fees of all Board Members and the Senior Management of the University and accounting are subject to higher education institution regulation. In addition, the members of the Board of Trustees might be given right of attendance, right of way and daily allowance with the decision of the Board of Directors of the Founding Foundation. The amount to be given shall not exceed the fee stipulated for the members of the General Assembly of Higher Education in Article 6 of Law numbered 2547 for each meeting in which they will participate. The amount to be given cannot exceed twelve in one year. The president and the members of the Board of Trustees shall not be paid for other than this reason. The provisions of Law numbered 2547 shall apply to all other Board Members.