

FONET INFORMATION TECHNOLOGIES INC.



“Strong Accumulation, Innovative Technology”

# 2019 Annual Report

[www.fonetyazilim.com](http://www.fonetyazilim.com)



Mercek Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.  
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PCAOB  
Public Company Accounting Oversight Board



## REGARDING ANNUAL REPORT OF THE BOARD OF DIRECTORS INDEPENDENT AUDITOR'S REPORT

**Fonet Bilgi Teknolojileri A.Ş.**  
**To the General Assembly**

### 1. Opinion

We have audited the annual activity report of Fonet Bilgi Teknolojileri Anonim Şirketi (“the Company”) and its subsidiary (“the Group”) for the period of January 1, December 31, 2019.

In our opinion, the consolidated financial information included in the annual report of the Board of Directors and the reviews of the Board of Directors about the Group's status are consistent with all the important aspects, the full set of financial statements audited and the information we have obtained during the independent audit.

### 2. Basis of The Opinion

We conducted our audit in accordance with standards on auditing as issued by the Capital Markets Board of Turkey and Independent Auditing Standards (IAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Our Auditor’s Opinion on Consolidated Financial Statements

We have expressed an unqualified opinion in our auditor’s report dated February 17, 2020 on the full set consolidated financial statements of the Group for the period of January 1, December 31, 2019.

### 4. The Board of Directors’ Responsibility for the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 (“TCC”) and the provisions of the Communiqué 11-14.1 on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) of the Capital Market Board (“CMB”), the management of the Group is responsible for the following items:

- a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.



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c) The annual report also includes the matters below:

- Subsequent events occurred after the end of the fiscal year which have significance,
- The research and development activities of the Group,
- Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Customs and Trade and related institutions.

#### 5. Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué, on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and the standards on auditing as issued by the Capital Markets Board of Turkey. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is is **Mehmet Ferruh ÖZGÜÇ**.

**Mercek Bağımsız Denetim ve YMM A.Ş.**  
**17 Şubat 2020, İstanbul**

**Mehmet Ferruh ÖZGÜÇ**  
**Sorumlu Ortak Başdenetçi**





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## ABOUT US

Fonet Bilgi Teknolojileri A.Ş. (the company) is subject to the laws of the Republic of Turkey, the Capital Markets Law, Turkish Commercial Code and relating to the establishment of joint stock companies. Therefore, it operates in accordance with the provisions contained in the Turkish Commercial Code and especially the provisions contained in the articles of Association of the company and on condition that it stays within the scope of business.

Accordingly, the main business issue of the company is "IT sector" and its activity is defined in detail in Article 3 titled purpose and subject of the articles of association.

<b>Trade Name</b>	Fonet Bilgi Teknolojileri Anonim Şirketi
<b>Establishment Date</b>	10.01.2001
<b>Area of Activity</b>	Yazılım/Bilişim
<b>Capital Receipts</b>	40.000.000 TL
<b>Address</b>	Kızılırmak Mahallesi 1445. Sokak No: 2B/1 The Paragon Tower Çankaya / ANKARA
<b>Phone Number</b>	+90 312 438 59 19
<b>Fax</b>	+90 312 440 36 52
<b>Trade Registration Number</b>	350735
<b>E-mail Address</b>	fonet@fonetyazilim.com
<b>Web Address</b>	www.fonetyazilim.com

FONET; has been founded in 1997 to serve in the field of Health Informatics. It is an IT company that became a limited liability Corporation in 2001 and a joint-stock company in 2011. In the field of Health Informatics, it offers turnkey project services with Information Management Systems, System Integration, Consultancy.. Despite of healthcare information technology, It can also take part in different IT projects related to field expertise

FONET; which carries out intensive efforts to use information technologies in the health sector and to have health organizations serving in international standards, is leading the digitalization processes of health organizations through its developing technology and R&D activities.

FONET; by providing that all medical, administrative and financial business processes of hospitals are managed within a digital structure with innovative technologies and dynamic staff developed, aims to enable health professionals and managers with an effective working and managing environment and to improve health service quality.

FONET; is the leader of the sector with hundreds of projects that it has performed.

## OUR MISSION

Developing advanced technology and also develop In this way, we aim to strengthen our country's position in the global market by contributing to the Turkish economy.



## OUR VISION

To be a leader company in its sector that providing development and change with advanced technology in information sector, continuously increase value created for its customers, providing quality service with its technology knowledge, professional team, entrepreneur and customer oriented approach.

## SUBSIDIARIES & OUR BRANCHES

### SUBSIDIARY

PIDATA BİLİŞİM TEKNOLOJİLERİ ANONİM ŞİRKETİ, which is owned by 100% FONET, was established in 2018 in order to realize our goal of investing in project development and other information technologies other than HIS.



#### Activity Areas of Pidata:

- ▶ To make R&D researches
- ▶ To research and develop value added products are needed in the market
- ▶ To develop products other than HIS (expert system, hardware components, etc.) which can create added value in Healthcare IT sector
- ▶ Developing IT solutions for private sector
- ▶ Developing e-state projects

### BRANCHES

We have two branches, İstanbul and Şanlıurfa and our liaison office in Stockholm, the capital of Sweden.

#### İstanbul

Büyükdere Cad. Emlak Kredi Blokları No:33/4 Levent/İSTANBUL

Tel: +90.212 284 18 61 Faks: +90.212 284 18 63

#### Şanlıurfa

İpekyol Cad. No:12/1 ŞANLIURFA

Tel: +90.414 312 72 52 Faks: +90.414 315 76 04



#### Stockholm

Klarabergsviadukten 70 D4, 111 64 Stockholm Sweden

Tel: +46-8-506 36 194



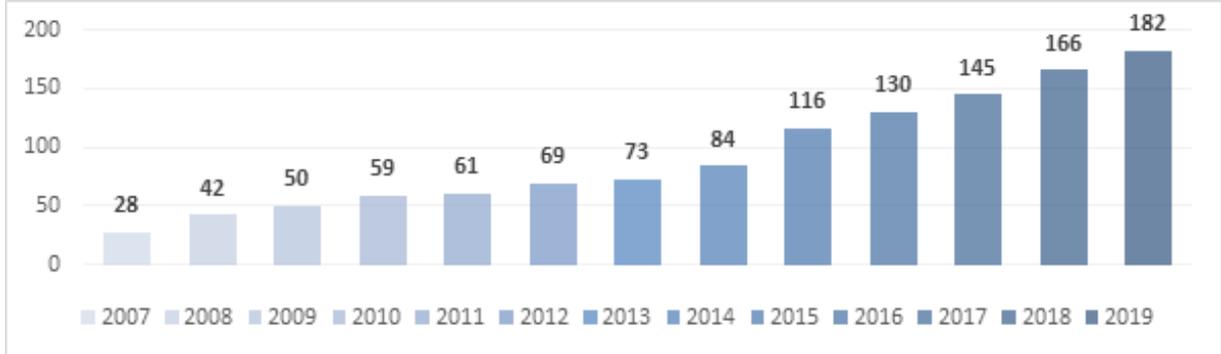


## MILESTONES

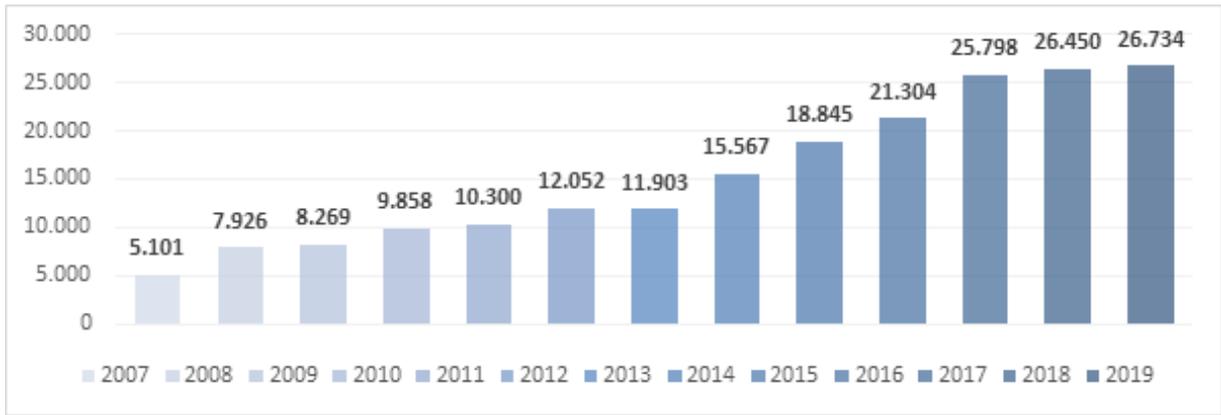
- 1997** Establishment, software development in DOS environment
- 1998** Regional expansion in Dos Payroll Accounting Programs
- 1999** Şanlıurfa State Hospital first HIS implementation
- 2000** Software development in Windows environment
- 2003** First HIS which is developed with Net and Oracle DB in Turkey
- 2004** Usage of Kiosk, Card and Biometric systems in Health Informatics
- 2005** Vaccine monitoring and SMS Notification Projecti
- 2006** First e-Hospital Portal
- 2007** First n-Layer Smart Client HIS Project
- 2007** Fonet Agent Project
- 2008** H2H (Hospital to Hospital) Project
- 2009** Fonet PACS software
- 2009** Mobility in Health Informatics
- 2010** HIS with multi-language support
- 2011** First overseas His Project
- 2011** IT 500 Industry Leader
- 2012** Mobile Home Health Project
- 2013** Provincial-based HIMS projects
- 2014** TUBITAK patient-centered e-Health R & D Project
- 2015** TSE-SPICE organizational maturity certificate
- 2015** Platform independent Web-based Java HIS Project
- 2016** Pardus Operating system compatible first HIS
- 2017** Borsa İstanbul quoted, IPO- Initial Public Offering
- 2017** Central Web HIS
- 2018** PPP City Hospitals HIS Projects
- 2019** Stage6 in 32 hospitals within HIS
- 2019** Overseas Office : Stockholm



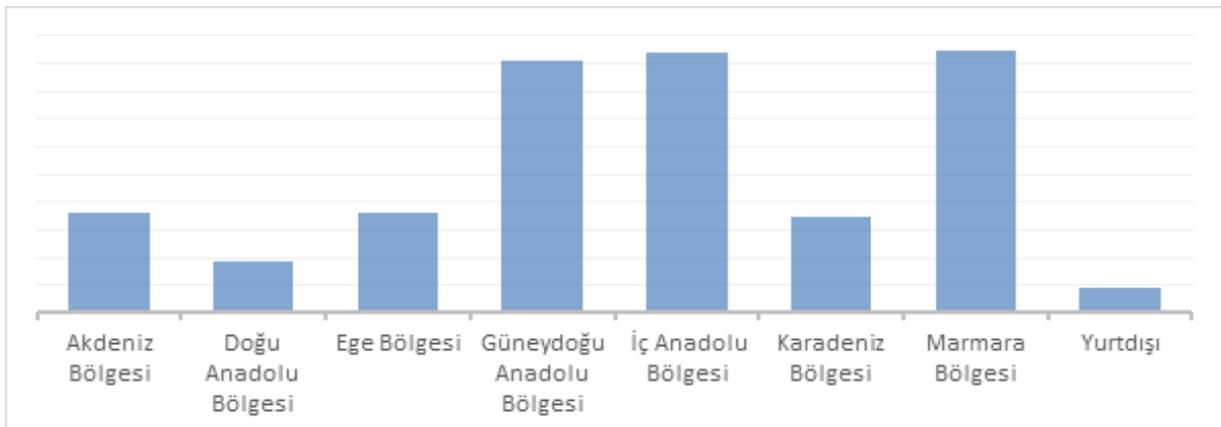
NUMBER OF HEALTH ORGANIZATIONS THAT HAVE OFFERED HIS SERVICE BY YEAR



TOTAL NUMBER OF HOSPITAL BEDS THAT HAVE OFFERED HIS SERVICE BY YEAR



DISTRIBUTION OF OUR SERVICES BY REGION





## OUR PRODUCTS

### FONET **HIS** HOSPITAL INFORMATION SYSTEM

Along with the developments in health service delivery and technologies that have been revealed developed software needs that are suitable for these developments. In the rapidly developing health sector, the need to access information in different dimensions and quickly has increased at the point of evaluating data of health professionals and making the most appropriate decision.

At this point, FONET HIS provides all the medical, financial and administrative needs of the patient, starting with his demographic record in the life cycle of the hospital and until he is discharged, to the service of healthcare professionals and managers in real time with a high technology, reliable and fast infrastructure. FONET HIS carries out all the administrative and financial processes of the hospital such as human resources, accounting, purchasing, stock-fixture tracking, and all processes and work flow processes of the departments that provide health services such as clinics, laboratories, radiology and operating rooms.

FONET HIS aims to increase the quality of health service and to provide an effective application to health professionals and managers by ensuring that Medical, Administrative and Financial processes of health institutions are carried out and managed within the full automation system.

Fonet HIS, which provides great convenience to its users with its flexible, plain and understandable interfaces; It is built to meet all the information system needs of health institutions with its advanced technology, reliable, manageable and fast structure.

FONET HIS, which consists of 56 separate software integrated with each other, performs all the work and procedures of the health institutions electronically without paper and ensures that the health institutions work within the **“Digital Hospital Concept”**.

FONET HIS can provide all health information system needs and integration services of high technology health campuses that are rapidly developing in our country and in the world from a single point.

- Platform Independence
- Database Independence
- Cloud Architecture
- Full Integration with 3rd Party Systems and Devices
- ThinClient Support
- Service Oriented Architecture
- Moduler Structure
- Extensibility
- Mobility
- Multi Language Support
- User Friendly Interfaces





FONET HIS, which has been developed in RESTful architecture with Java EE and has web and cloud technologies, has an independent architecture of Platform (Windows, Linux, macOS, Android, iOS etc.) and Database (Oracle, PostgreSQL, MySQL, etc.). With its mobile version, it provides users with in-house and out-of-house mobility. It can be integrated with all devices (medical and other ..) and systems that offer integration with strong connectivity infrastructure.

It is fully compatible with national and international standards and has multi-language support.

FONET HIS is currently actively used in over 180 hospitals and health campuses especially in Turkey and Azerbaijan, Somalia, Niger.

### Digital Hospital Concept

Today, the wide spread use of information based applications, with the effective use of electronic health records in the patient's treatment and care process, it has ensured the creation of "Digital Hospital" working principles, which minimizes the chances of health professionals making mistakes and keeps patient safety at the highest level.



With The Digital Hospital, it is aimed to increase health service delivery based on patient safety, reduce all work processes and costs within the health facility and increase the satisfaction rates of healthcare professionals and patients by providing process optimization. Also, as a result of integration with medical devices and sensors, it is ensured that our doctors are assisted in decision-making processes by collecting data from different channels.



FONET HIS, which was developed entirely by our company software engineers, provides efficiency to the institutions by increasing the speed and efficiency in the processes, eliminating the use of paper and documents, eliminating human errors, and sharing the data instantly with the relevant units. With its advanced decision support and business intelligence systems, it enables both financial, administrative and medical processes to work with each other in the most efficient and coordinated manner.

The Digital Hospital Concept not only contributes to the HIMSS EMRAM processes, which is one of the priority items among the policies of the Ministry of Health, which is the Digital Hospital Leveling stage, but also provides prestige in international platforms.





## PRODUCTS WITHIN THE SCOPE OF HIS (HOSPITAL INFORMATION SYSTEM)

- ▶ Information Desk Management System
- ▶ Appointment Procedures Management Sys.
- ▶ Patient Reg./Admission Man.Sys.
- ▶ Emergency Management System
- ▶ Polyclinic Management System
- ▶ Clinic Management System
- ▶ Laboratory Information System
- ▶ Radiology Information System
- ▶ Picture Archiving and Communication Sys.
- ▶ Nursing Management System
- ▶ Operating Room Information System
- ▶ Pharmacy Management System
- ▶ Ketem (Cancer) Management System
- ▶ Oral and Dental Health Information Sys.
- ▶ Physical Treat. and Rehab. Management Sys.
- ▶ Intensive Care Management System
- ▶ Hemodialysis Management System
- ▶ Pathology Management System
- ▶ Psychologist Management System
- ▶ Oncology Management System
- ▶ Diet Management System
- ▶ Blood Center Information System
- ▶ Sterilization Information System
- ▶ Health Board Management System
- ▶ Organ and Tissue Donation Man.Sys.
- ▶ Clinical Engineering Information System
- ▶ Information Man., Statistics and Report.Sys.
- ▶ Medical Research Management System
- ▶ Pregnant Education Management System
- ▶ Diabetes Education Management System
- ▶ Social Services Management System
- ▶ Home Health Services Management System
- ▶ Interoperability System
- ▶ Decision Support Management System
- ▶ Material Resource and Inventory Man.Sys.
- ▶ Inventory Stock and Asset Management Sys.
- ▶ Financial Information Management Sys.
- ▶ Purchasing Information System
- ▶ Human Resources/Payroll Information Sys.
- ▶ Personnel Attendance Control Man.Sys.
- ▶ Document Management System
- ▶ Medical Record Archive Management Sys.
- ▶ Device Tracking Module
- ▶ Medical Device Calib. and Quality Con.Mod.
- ▶ Quality Management Module
- ▶ Quality Indicator Management Sys.
- ▶ Laundry Management System
- ▶ Occup. Health and Safety Man.Sis.
- ▶ LCD/Display Info. and Qmatic Man.Sys.
- ▶ Kiosk Management System
- ▶ SMS Management System
- ▶ Technical Service Management System
- ▶ Central Computer Management Sys.
- ▶ Process Management System
- ▶ Medical Waste Management System
- ▶ Dynamic Medical/Admin. Mod.Des.Sys.



## FONET LIS<sup>®</sup> LABORATORY INFORMATION SYSTEM

Laboratory Information System; It is an information system that enables the work and operations of all medical devices in Laboratories and Laboratories in health institutions to be carried out in an integrated manner with the Hospital Information Management System.

From the laboratory examination request of the patient, the whole process including blood collection and the desired tests are performed on the devices, transferring the results, reporting, storing, and statistical studies are provided without any errors, safely and quickly.



All procedures are automated and paperless, and by providing the correct sample is taken from the right patient with the barcode systems, and error-free operations are carried out, allowing both the patient and the physician to access the results easily and safely in a retroactive comparative manner.

### Internal Quality and Inventory Control

Fonet LIS, provides convenience to its users by automatically creating the Levey-Jennings graph, which is accepted the best way to prevent systematic errors that may occur in laboratories. In case of any error, by checking the chart according to the Westgard rules, the error can be detected before it reaches the clinician.

## FONET PACS<sup>®</sup> PICTURE ARCHIVING AND COMMUNICATION SYSTEM

Fonet PACS; It is a system which is designed to create, archive and transmit panoramic and local radiological images based on the needs of radiology departments and clinics in health institutions.

By way of digitalization which has gained momentum in health institutions in recent years, the recording and archiving of medical images, which are an important part of the business process, can be performed without the need for film printing via Fonet PACS, due to its high processing capacity and fast data communication power, it is able to display performance that can keep up with the busy work tempo during the day.



Thanks to the Fonet PACS software, which we created with 100% Turkish capital, by protecting the resources of our country, we represent our country on the international platform, closely follow the technological leaps and offer more economic solutions to our organizations without sacrificing quality due to the local service we offer.





The Fonet PACS system can record to storage types such as DAS, NAS, SAN and HSM that work with the “nearline” logic. The system also supports DICOM 3.0 Query/Retrieve SCP/SCU, DICOM Store SCP/SCU, DICOM Print SCU, DICOM Storage Commitment and DICOM Worklist.

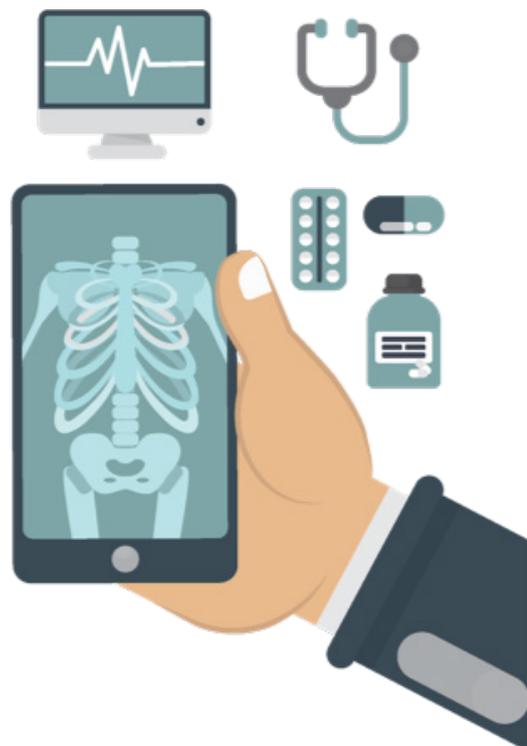
Fonet PACS can support cluster architecture as well as it can be installed as Clustured and can use the HL7 protocol between the relevant points.

Image distribution; security gaps in accessing digital images are eliminated as it is supported by mechanisms such as access, access restriction, authorization, SSL.

In imaging, there are adaptive hanging protocols to meet the needs of different users. In this way, using image processing methods, matching between the old and new image sequences can be made so that the user can be sure that they see the same image in both windows.

## APPLICATION SUPPORTED BY FONET PACS

- ▶ SDD (Single Step to Digital)
- ▶ MINIP (Minimum Intensity Projection)
- ▶ MPR (Mannose-6 Phosphate Receptor)
- ▶ FlyTrough (Endoskopik incelemeler)
- ▶ VTR (Volume RenderingTechnique)
- ▶ Bone Removal
- ▶ Bone Extract
- ▶ AutoBone
- ▶ MIP (Maximum Intensity Projection)
- ▶ 3D MPVR/MPR/SSD/VRT
- ▶ Navigation
- ▶ DICOM Store SCP, SCU
- ▶ DICOM Query/retreive SCP, SCU
- ▶ DICOM Print SCU
- ▶ DICOM Storage Commintment
- ▶ DICOM 3.0Worklist
- ▶ HL7 Protokolü
- ▶ Adaptive Hanging Protocols
- ▶ ICD-10 Codes





## CAPITAL STRUCTURE

Our company started trading on the stock exchange in Istanbul on May 04, 2017 and BIST ALL SHARES -100 / BIST ALL SHARES / BIST INFORMATION / BIST TECHNOLOGY /BIST INITIAL PUBLIC OFFERING /BIST Ankara / BIST MAIN Market.

Our company has increased its registered capital ceiling from 30,000,000 TL to 100,000,000 TL, valid between 2019 and 2023, with the permission from the Capital Markets Board. Our Company's issued (paid) capital is 40.000.000,00 Turkish Liras that has been fully paid in within the registered capital ceiling.

Our Company's Articles of Association, article 6 titled 'The Capital of the Company and the Type of Shares' that increasing the ceiling of the Registered Capital from 30,000,000 TL to 100,000,000 TL and the validity period between the years 2019-2023. It has been approved at the Ordinary General Meeting and registered by the Trade Registry Office on 15/04/2019.

Our company has increased its issued capital from 18,000,000.00 TL to 40,000,000.00 TL within the registered capital ceiling of 100,000,000.00 TL. Registration of shares with a nominal value of 22,000,000.00 in total, of which 11,496,200.00 TL of the increased capital is issued from share premiums and 10,503,800.00 TL from previous year profits. It has been made on 22/07/2019 and published in the Turkey Trade Registry Gazette No. 9875 on 24/07/2019.

Details of the shares that constitute the capital of our company are as shown in the table below;

SHAREHOLDER'S NAME AND SURNAME / TRADE NAME	SHARE IN CAPITAL (TL)	RATIO IN CAPITAL (%)	VOTING RIGHT RATIO(%)
ABDÜLKERİM GAZEN	23.333.333,10	58,33	76,56
OTHER	16.666.666,90	41,67	23,44
<b>TOTAL</b>	<b>40.000.000,00</b>	<b>100</b>	<b>100</b>

## INFORMATION ON PRIVILEGED SHARES

Privileged Share Amount (Number) : 2.222.222 A Group share  
Privileged Share Amount (TL) : 2.222.222 TL

### Explanations on Voting Rights of Privileged Shares

Each share in the General Assembly has 15 Voting Rights. If the company's Board of Directors consists of five members, two board members; if it consists of six or seven members, three board members; if it consists of eight or nine members, four board members of the Board of Directors (A) are elected by the General Assembly among the candidates to be determined by the shareholders. If the shareholders of group (A) does not nominate candidates to the Board of directors, the election shall be held by the General Assembly in accordance with the provisions of the Capital Markets Legislation and the Turkish Commercial Code.





### Articles of Association Article 6:

Group (A) shares have privileged about determination Members of the Board of Directors and use of voting rights.

Group (B) shares have no privileges.

### Articles of Association Article 10:

At the Company's Ordinary and Extraordinary General Assembly Meetings (A) group shareholders have 15 voting rights for each share, (B) group shareholders have 1 voting rights for each one share.

## BOARD OF DIRECTORS & EXECUTIVE BOARD

### BOARD OF DIRECTORS

The management and representation of the Company belongs to the Board of Directors. The company's activity and management are carried out by 8 board members elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code. Members of the Board of Directors can be elected for a maximum of 3 years. Members of the Board of Directors, whose election period has expired, can be re-elected. The chairman of the Board of Directors is elected by the members of the Board of Directors that the (A) group of shareholders offer. The Members of The Board of Directors can also be The Members of The Board of Directors of the other companies.

The Board of Directors convenes whenever necessary for the Company's business, with the call of the Chairman of the Board of Directors, and in the absence of the Chairman of the Board of Directors, with the call of the Vice Chairman of the Board of Directors. Any member of the Board of Directors may also call the Board of Directors for a meeting by making a written request to the Chairman of the Board. The board of directors meets at the Company headquarters and makes decisions. The number of board meetings held in 2019 is 18.

The Members of The Board of Directors do not have activities within the scope of Prohibition of competing with the company through transactions on behalf of the company, itself or others.

Name Surname	Roles	Dates of Role
Abdülkerim Gazen	Chairman of the Board	05.04.2019 – 03.04.2022
Yasemin Şah	Vice Chairman	05.04.2019 – 03.04.2022
Dr. Emre Sezgin	Board Member	05.04.2019 – 03.04.2022
Daniel Anders Henrik Werner	Board Member	05.04.2019 – 03.04.2022
Mahmut İbiş	Board Member	05.04.2019 – 03.04.2022
Nisabeyim Gazen	Board Member	05.04.2019 – 03.04.2022
İlker Saltoğlu	Independent Board Member	06.09.2017 – 06.09.2020
Yusuf Serdar Gürbüz	Independent Board Member	06.09.2017 – 06.09.2020





### **Abdülkerim GAZEN (Chairman of the Board)**

Abdulkerim Gazen was born in 1978. He has graduated with the Bachelor Degree of Map-Cadastre Engineer and Business Administration. For a while he worked in the private sector as an accounting and finance expert and manager. He took a part in many IT projects as software development specialist and manager. He is married and has one child.

### **Yasemin ŞAH (Vice Chairman)**

Yasemin Şah was born in 1982. She has graduated from Business Administration. She started his professional career at Fonet Bilgi Teknolojileri A.Ş. and is still working. She undertook financial and administrative responsibility of many projects. She has been a Member of the Board of Directors since 2015. She is married and has two children.

### **Dr. Emre SEZGİN (Board Member)**

Dr. Emre Sezgin was born in 1960. He has graduated from Istanbul University Faculty of Medicine. He worked as a Physician between 1992-1995, Provincial Health Manager between 1995-1998 and consultant in the Ministry of Health Project General Coordinator, between 1998-1999. Since 2000, he has worked as a consultant and field specialist in several health informatics projects in the private sector in Bilişim Information Technologies and Tepe Technology A.Ş. He has experience in Health Information Systems Standards (ICD-10AM, LOINC, CPT, SNOMED, HL7, DICOM), Electronic Patient Systems Design Development and Applications (penEHR, CEN / ISO 13606, ISO / TR 20514: 2005, POMR), Electronic Provision and Reimbursement systems design, development and applications, and Casemix (DRGs) clinical coding and costing methods. He is a specialist in Hospital Operation and Medical Processes (Medical Informatics). He also speaks English and French.

### **Daniel Anders Henrik WERNER (Board Member)**

Daniel Anders Henrik WERNER is a Swedish national and was born in 1972. He has more than 24 years of experience in transformation and growth environments in the business development, technology and management, IT and media industries. He worked in various positions in NetMaker Consulting Group, TBWA, Business Communication Group, Bure Equity and Sandberg Trygg. He is currently the Chief Executive Officer of 24 Solutions, an international IT company, and has also held board positions at various companies.

### **Mahmut İBIŞ (Board Member)**

Mahmut İbiş was born in 1956. He graduated from Hacettepe University Faculty of Business Administration. He has undertaken many tasks in the public sector and his duties include in Turkey Agricultural Inspectorate Agency Branch Manager, Strategy Directorate of the Ministry of Labor and Social Security and the Minister Consulting. Mahmut İbiş who has retired from the Minister Consultancy is married and has 2 children.

### **Nisabeyim GAZEN (Board Member)**

Nisabeyim Gazen was born in 1977. She graduated from Istanbul University Faculty of Literature, Department of Archeology and Art history. She worked in various firms in specialist and executive positions. She speaks English. She is married and has three children.





### Yusuf Serdar GÜRBÜZ (Independent Board Member)

Yusuf Serdar Gürbüz was born in 1966. He studied at Gazi University Faculty of Economics and Belgium Kul University Faculty of Political Science. He worked at Unit International S.A Energy Office in Belgium between 1993-1996. Then he founded YSGBEL, a company operating in the fields of logistics, cargo, advertising and organization in Central European countries, between 1996-2012 and he was the General Manager of this company. Currently, he also serves as a Business and Project Development Consultant on the Board of Directors at Halk Energy A.Ş. He speaks English and Dutch and he has 3 children.

### İlker SALTOĞLU (Independent Board Member)

İlker Saltoğlu was born in 1973. He graduated from Boğaziçi University Faculty of Chemistry. During his student years, he entered the IT sector by making web design. In 2000, he started the corporate life as a web master at Borusan Logistic. İlker Saltoğlu, who started working at Index Computer in 2002, worked in various positions at Index Bilgisayar until 2016. IBM, Lenovo, Fujitsu products are the leading brands in the industry, especially in server, backup products, enterprise software and he had specialized in spreading to the Turkey market, distribution, channel and Project management. As of 2016, he started to work as Sales Director at Tmaxsoft, the largest independent software company in South Korea. He continued to work as General Manager of Tmaxsoft Turkey as of November 2016. Saltoğlu's area of responsibility includes countries such as Greece, Bulgaria, Romania, as well as countries in the Middle East and Africa. He has married and has two children. He speaks English.



## Bağımsızlık Beyanı

Sayın Yetkili,

Sermaye Piyasası Kurulu II-17.1 sayılı Kurumsal Yönetim Tebliğ Eki madde 4.3.6 kapsamında aşağıda belirtilen bağımsızlık kriterlerine uyum sağladığımı ve bu kapsamda yapılacak olan 2016 yılı Olağan Genel Kurul'da, Yönetim Kurulu Bağımsız Üye Adayı olduğumu ve aşağıda yer alan şartlarının tamamını taşıdığımı beyan ederim.

Saygılarımla,

Yusuf Serdar Gürbüz

### ŞARTLAR:

1. Şirket, şirketin yönetim hâkimiyetine sahip olduğu ortaklıklar ile şirket sermayesinde doğrudan veya dolaylı olarak %10 veya daha fazla veya imtiyazlı paya sahip hissedarların yönetim hâkimiyetine sahip olduğu tüzel kişiler ile kendisi, eşi ve ikinci dereceye kadar kan ve sıhrı hısımları arasında, son beş yıl içinde, doğrudan veya dolaylı önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda istihdam, sermaye veya oy haklarının %10'undan fazlasına sahip olunması veya önemli nitelikte ticari ilişkinin (önemli nitelikte ticari ilişkinin bağımsız üye adayı veya şirketten herhangi birisi için önemli olması yeterlidir) kurulmamış olması,
2. Son beş yıl içerisinde, başta şirketin denetimini (vergi denetimi, kanuni denetim, iç denetim de dahil), derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde şirketin faaliyet ve organizasyonunun tamamını veya belli bir bölümünü yürüten şirketlerde çalışmamış ve yönetim kurulu üyesi olarak görev almamış olması,
3. Son beş yıl içerisinde, şirkete önemli ölçüde hizmet ve ürün sağlayan herhangi birisinde ortak (%10 ve üzeri), doğrudan veya dolaylı önemli görev ve sorumluluklar üstlenecek yönetici pozisyonunda çalışan veya yönetim kurulu üyesi olmaması,
4. Bağımsız yönetim kurulu üyesi olması sebebiyle üstleneceği görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olması,
5. Bağlı oldukları mevzuata uygun olması şartıyla üniversite öğretim üyeleri hariç, kamu kurum ve kuruluşlarında üye olarak seçildikten sonra tam zamanlı çalışmıyor olması,
6. Gelir Vergisi Kanunu'na göre Türkiye'de yerleşmiş sayılması,
7. Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket pay sahipleri arasındaki çıkar çatışmalarında tarafsızlığını koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olması,
8. Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiği görevlerin gereklerini tam olarak yerine getirebilecek ölçüde şirket işlerine zaman ayırabiliyor olması,
9. Son 10 yıl içinde yönetim kurulu üyesi sıfatıyla aldığı karara ilişkin olarak Kurulca yapılan inceleme sonucunda Kurul Karar Organınca ilgili kişi hakkında adli ve idari yaptırım uygulanmamış olması,
10. Şirketin yönetim kurulunda son on yıl içerisinde altı yıldan fazla icracı olarak yönetim kurulu üyeliği yapmamış olması. Aynı kişinin, holding şirketi çatısı altındaki şirketlerde bağımsız yönetim kurulu üyesi olması, şirket sayısı sınırı olmaksızın mümkündür. Ancak bağımsız yönetim kurulu üyesinin son 10 yıl içerisinde grup bünyesinde en fazla 6 yıl bağımsız üyelik yapmış olması gerekmektedir.





## Bağımsızlık Beyanı

Sayın Yetkili,

Sermaye Piyasası Kurulu II-17.1 sayılı Kurumsal Yönetim Tebliğ Eki madde 4.3.6 kapsamında aşağıda belirtilen bağımsızlık kriterlerine uyum sağladığımı ve bu kapsamda yapılacak olan 2016 yılı Olağan Genel Kurul'da, Yönetim Kurulu Bağımsız Üye Adayı olduğumu ve aşağıda yer alan şartlarının tamamını taşıdığımı beyan ederim.

Saygılarımla,

İlker Saltoğlu

**ŞARTLAR:**

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## MEMBERS OF EXECUTIVE BOARD

Name Surname	Title	Role
Abdülkerim Gazen	President of Executive Board	President of Executive Board
Mehmet Gazen	Vice President of Executive Board	General Manager
Muhammed Fatih Aktaç	Member of Executive Board	Deputy General Manager
Ömer Gazen	Member of Executive Board	Deputy General Manager
Mevlüt Fındık	Member of Executive Board	Deputy General Manager
İbrahim Öztürk	Member of Executive Board	Director of Software Development
Mehmet Arslan	Member of Executive Board	Director of Operation
Yusuf Arslantürk	Member of Executive Board	Director of Information Tech.
Mehmet Yaşar Keşküş	Member of Executive Board	Director of Business Development
Simla Büyükkara	Member of Executive Board	Director of Human Resources

### Committees Established Within the Board of Directors

In order for the Board of Directors to perform its duties and responsibilities in a sound manner, Pursuant to Article 4.5 of the corporate governance communiqué no: II-17.1 of the Capital Markets Board, the Board of Directors has decided to create that "Audit Committee", "Early Detection of Risk Committee" and "Corporate Governance Committee" and determine job definitions; The board of Directors has decided not to establish a different "Nomination Committee" and "Compensation Committee", in place of this regarding committee's duties has been undertaken by the "Corporate Governance Committee".

### Audit Committee

The audit committee; it supervises the company's accounting system, public disclosure of financial information, independent audit and the functioning and effectiveness of the company's internal control and internal audit system.

In 2019, the audit committee held 7 meetings and submitted the minutes of the meeting to the board of directors.

Name Surname	Title	Nature of The Board Membership
Yusuf Serdar Gürbüz	Chairman of the Audit Committee	Independent Member
İlker Saltoğlu	Member of the Audit Committee	Independent Member





## Early Detection of Risk Committee

Early Detection of Risk Committee; it is responsible for early identification of risks that may endanger the existence, development and continuation of the company, taking necessary measures regarding the identified risks, and carrying out activities to manage the risk and it reviews risk management systems at least once a year. In 2019, the early detection of risk committee held 4 meetings and submitted the minutes of the meeting to the board of directors.

Name Surname	Roles	Nature of The Board Membership
Yusuf Serdar Gürbüz	Early Detection of Risk Committee Chairman	Independent Member
Abdülkerim Gazen	Early Detection of Risk Committee Member	Chairman of the Board
Dr. Emre Sezgin	Early Detection of Risk Committee Member	Board Member

## Corporate Governance Committee

Corporate governance committee determines whether corporate governance principles are applied in the company, if not, its rationale and conflicts of interest that arise from not fully complying with these principles and advises the board of directors to improve corporate governance practices and it supervises the work of the investor relations department. In 2019, the corporate governance committee held 1 meeting and submitted the minutes of the meeting to the board of directors.

Name Surname	Roles	Nature of The Board Membership
İlker Saltoğlu	Corporate Governance Committee Chairman	Independent Member
Abdülkerim Gazen	Corporate Governance Committee Chairman	Chairman of the Board
Dr. Emre Sezgin	Corporate Governance Committee Member	Board Member
Deniz Özlük	Corporate Governance Committee Member	Investor Relations Manager

The committees carry out their activities as in the procedures stated in their duties and working principles. When necessary, care is taken to ensure that experts take part in these committees.

These committees consist of at least two members elected from among the members of the Board of Directors of the company. If the Committee consists of two members, both of them, if there are more than two members, the majority of the members consist of Board Directors who do not undertake direct executive functions, such as the General Manager or the Chief Executive Officer. The chairman of the committee is selected from among the Independent Board Members. The experience of the Board Member requires that he should be on duty more than one committee.

Due to the structure of the Board of Directors, it was decided not to form a separate Nomination Committee, Remuneration Committee and the Corporate Governance Committee to fulfill the duties of these committees. And it was unanimously decided to establish the working principles of the Committee and make it public.





All resources and support required by the committees to perform their duties are provided by the Board of Directors. The committees may invite any manager when they seem necessary to their meetings and get their opinions.

The committees take advantage of independent expert opinions on the subjects they need regarding their activities. The cost of the consultancy services required by the committees is covered by the Company.

## HUMAN RESOURCES

Human Resources in general; it is defined as the department that regulates the processes between the employer and the employee and enables the employees in the enterprises to establish their working environments, business and social communication with their colleagues correctly.

Providing the necessary human resources for the companies correctly, planning the trainings in order to increase the development and performance of the existing human resources, conveying the needs, suggestions and complaints of the employees to the top management through appropriate policies and conveying all the policies, procedures and instructions put into effect by the top management that it is among the primary duties and responsibilities of human resources.



Human resources are responsible for conducting job analysis in the business and creating job descriptions appropriate for the job. In this context, human resources that determine the place and hierarchical order of company employees in the organization and It stands out as a structure that adopts and implements the right human policy towards the right job.

The main thing for businesses is human-structure-purpose. The correct human resource, which can fulfill the objectives of the business, is provided by the human resources department and it provides a great added value to businesses.

“Human Resources” is the most important and indispensable unit for companies that highlights “Human” among all company structures. Unlike other company departments, the name starts with “Human” can be presented as proof of this view.

Fonet Bilgi Teknolojileri A.Ş. is a leading company working in the field of health, which is the most important subject of human life. It has a strong team that is aware that it touches human life with the software it creates. It is on the way to become a big family with a social consciousness, doing its job lovingly, keeping the team spirit in front of individual achievements, and signing new achievements with each passing day.





FONET, which takes the principle of working with a dynamic team, which can set an example with its character, determination and diligence, has a knowledgeable, professionally developed and experienced Human Resources with the above mentioned features. Fonet, which has the principle of respect for people as a company; with the “Human Resources Policy” created as a result of this value, it has aimed to act among the employees regardless of religion, language, race and sect difference.

With the principle of equality, by creating a fair and correct structure among employees in the fields of wages, legal rights, job security and education; by applying equal wages to equal work; taking the necessary measures to protect the basic constitutional rights of employees; providing a safe working environment and conditions; It contains a structure that gives importance to personnel training and programs.

Our human resource works with the awareness and responsibility of being part of a structure that offers 24/7 uninterrupted service where human health is at stake and it is always working with the understanding of producing better quality and faster work, taking into account the industry-specific Dynamics. Fonet staff, who managed to capture the team spirit with a principled, fair, management approach that rewards development and success, aims to continue to be the address of the “Right Software for Health”.

### Ethical Rules and Social Responsibility

The Company; Code of Ethics, which regulates the relations with its suppliers, customers, internal and other stakeholders and defines the rules to be followed in these relations, was created and shared on the corporate website.

### Our Social Responsibilities

Social responsibility; are the obligations of the public, private sector and civil society to gather around a purpose and protect and improve their environment without any profit. There is only one purpose in social responsibility, which is social benefit. It helps to achieve this goal, social benefit, by being sensitive and ethical towards cultural, social, economic and environmental problems and needs.

As of 31 December 2019, the number of personnel is 460 and the distribution is as follows:

Staff Distribution	31.12.2019
Administrative Staff	21
Technical Staff	108
<b>Company Center Total</b>	<b>129</b>
Field Staff*	331
<b>TOTAL</b>	<b>460</b>



\* They are the personnel working in hospitals related to fixed-term employment contracts within the scope of contracts concluded.



## FONET ACADEMY

Fonet Academy; it ensures the communication and technical skills of our in-house employees to be developed, and the training demands from the institutions we are solution partners, the training plans are made and implemented.

Fonet academy aims to ensure that its employees can use their current skills at the maximum level, develop their technical knowledge and communication skills with theoretical lessons, and improve their quality and service quality by organizing internal and external resources and trainings on current legislation and Technologies. It carried out its activities in 2019 by increasing it. In 2019, 1160 hours of theoretical and practical trainings were given to 95 in-house personnel.



Training requests from doctors, nurses and medical secretaries and also other administrative and technical personnel working in hospitals where we are solution partners are also provided by Fonet Academy. In this context, plans are made according to the content and user roles at the trainings. The number of participants is divided into small classes according to their expertise, and theoretical and practical trainings are provided on the basis of user groups. Practice Laboratories are prepared at the time requested by the staff and theoretical trainings are reinforced by planning practical trainings where they are supported one to one. In 2019, 62,500 hours of theoretical and practical training was provided to 6,250 hospital staff.

### Our Targets

- ▶ To raise the leaders of the future,
- ▶ To ensure that our employees can represent both themselves and our company well,
- ▶ Creating team spirit by supporting team work
- ▶ To instill the sense of responsibility and belonging to our employees

## OUR POLICIES

### Donation and Aid Policy

Fonet Bilgi Teknolojileri A.Ş., in line with the principles stipulated by the Capital Markets Law that both to create awareness of responsibility and to provide social and social needs; It aims to support the realization of projects that will contribute to social development by helping and donating to non-governmental organizations, associations or foundations, universities, public institutions and organizations operating in issues related to culture, art, education, sports and environment.





Pricing principles approved by the Board of Management; shareholders are provided with the opportunity to express their opinions on this matter by presenting to the information of the shareholders as a separate clause in the General Meeting

## QUALITY MANAGEMENT SYSTEMS

Quality is compliance with customer requests. Customer requests are not just product quality; It also includes the service we offer while presenting the product.

It is the necessary management system to manage and control an organization in a systematic and transparent manner in terms of quality. With this system to be established and carried out continuously, it is aimed to meet expectations and ensure continuous improvement. It is not only the quality of the product, but the service that is put forward when delivering the product is also important. It is not sufficient to fulfill the technical specifications of the products. It is also required to meet requests by the customer.

With this system that meets customer expectations, it is ensured that teamwork is supported, activities are reviewed and improved. This system can be applied to all kinds of organizations, from small to large, from industry to service, from the public to the qualified sector.

### Quality Management System Certificate

The implementation of the Quality Management System, which covers all the stages from the design phase to the after-sales service and aims at continuous improvement, is a must for Fonet.



ISO 9001 certificate; it guarantees that the products and services of the Company are manufactured in accordance with internationally accepted standards and therefore, ensures that the quality of its services are maintained.

With ISO 9001 certificate, sustainability and efficiency are achieved in addition to customer satisfaction. The infrastructure that will ensure the standardization of the company activities is created and the records of the past are maintained regularly. Errors and defects are reduced and eliminated and errors and defects that may occur later are minimized.

With the establishment of an effective quality management system, it is aimed to produce products and services that will meet the needs of the customer and studies are carried out successfully in line with this goal.

### Organizational Maturity Certificate

By obtaining the ISO IEC 15504 certificate, a common main principle is created for different software process evaluation models and methods and the results of the evaluations are reported in a common context.



Organizational Maturity Certificate; it provides great convenience for Fonet as it helps the evaluation of the software processes and helps the employees to understand and use the processes more easily.





## Production Quality Assurance Certificate

CE Mark (certificate) is a sign that the products will not harm the environment with the safety of human life and property, the presence of plants and animals, in other words, that the product is a safe product if used in accordance with its purpose. Therefore, Fonet PACS, which has the CE Production Quality Assurance Certificate, has proved that the product it produces is a safe product. The product is produced with this document, and its free circulation and marketing is ensured in the EU countries, and the product's compliance with the EU technical legislation is proved.



## TSE Service Competence Certificate (SCC)

It guarantees that the products and services of the Company are manufactured in accordance with internationally accepted standards and that the quality of its services is maintained. The scope of the services provided;



- ▶ TSE 12498 - Authorized Services - Rules for Computers and Peripherals,
- ▶ TSE 13149 - Work Places - Software Provider - General Rules.

## RESEARCH & DEVELOPMENT

In the most explicit terms, it means research and development. So it is an effort to discover new techniques to do a certain job.

It was defined by the OECD as “systematic ongoing creative work to increase knowledge and use of this information to create new applications”.

With R & D studies, a completely new approach to solving a problem is put forward either or progress is made in the accumulation of knowledge by making progress in the current solution.

R&D studies cover three main activities.

- ▶ Basic Research: These are theoretical or experimental studies to provide both current knowledge and specific information about the problem before presenting a specific solution.
- ▶ Applied Research: They are a practical application and specific purpose research.
- ▶ Experimental Development: These are the studies aimed at presenting or improving the products, systems, materials or services with a new approach. As a result; A product with improved functionality, total cost, environmental effects, area of use, manufacturability or design capabilities is obtained.

The result is a product with improved functionality, total cost, environmental impact, area of use, manufacturability, or design capabilities.





R&D activities continue within the scope of the new HIS project running in Java Based Cloud Architecture. As of 31 December 2019, 62.485.188 TL was spent for research and development activities. At the end of 2018, this figure is 48.758.733 TL.

## FINANCIAL STATUS OF THE COMPANY

### Operational and Financial Strategic Goals of The Company

The company's objectives, which are submitted for the approval of the board of directors, are determined by senior management taking into account market and competitive conditions, economic indicators and risks. In order to reach the strategic goals approved by the Board of Directors, studies are initiated within the company and efforts are achieved in this direction.

All necessary precautions are taken by the Board of Directors at the stage of reaching the targets, resources are provided. In this context, the Company is referred and managed by considering the interests of the Company.

The works of these targets and strategies, which have been approved by the Board of Directors, are discussed at the Board of Directors meetings in accordance with the legislation. The annual budget and the level of realization approved at the Board of Directors meetings are evaluated by taking into consideration the sector in which the Company is located, the status of the Company within the sector, the performance it displays during the period, the financial status of the Company and past performance.

Budget targets were reached within the relevant period.

There have been no legislative changes that could significantly affect the company's operations.

The net profit of our company for the period of 1st January, 2019 – 31st December, 2019 is 14.651.030 Turkish Liras, the size of assets is 79.321.530 Turkish Liras and the total equity is 66.912.584 Turkish Liras.

The financial statements of our company showing the activities for the period of 01 January 2019 - 31 December 2019 are given below.

## FINANCIAL RESOURCES

The company's financing source is the company's equity and bank loan.

### STATEMENT OF INCOME

ASSETS	December 31, 2018	December 31, 2019
Current Assets	15.649.467	12.073.777
Nun-Current Assets	57.245.160	67.247.753
<b>TOTAL ASSETS</b>	<b>72.894.627</b>	<b>79.321.530</b>





LIABILITIES	December 31, 2018	December 31, 2019
Current Liabilities	15,778,011	9,131,688
Non-Current Liabilities	4,519,571	3,277,258
Equity	52,597,045	66,912,584
<b>TOTAL LIABILITIES</b>	<b>72,894,627</b>	<b>79,321,530</b>

## STATEMENT OF INCOME

CONTINUING OPERATIONS	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2019
Revenue	35,714,280	49,104,006
Cost of Sales (-)	-20,129,581	-29,924,672
<b>Gross Profit (Loss) From Commercial Operations</b>	<b>15,584,699</b>	<b>19,179,334</b>
General Administrative Expenses (-)	-4,721,448	-5,196,207
Marketing Expenses (-)	-882,094	-1,346,260
Research and Development Expense (-)	-15,971	-4,447
Other Income from Operating Activities	2,658,337	4,104,516
Other Expenses from Operating Activities (-)	-826,229	-586,632
<b>PROFIT (LOSS) FROM OPERATING ACTIVITIES (-)</b>	<b>11,797,294</b>	<b>16,150,304</b>
Investment Activity Income	196,580	584,126
Investment Activity Costs	-	-
<b>PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)</b>	<b>11,993,874</b>	<b>16,734,430</b>
Finance Incomes	-	-
Finance Costs (-)	-649,478	-535,702
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX</b>	<b>11,344,396</b>	<b>16,198,728</b>
<b>Tax (Expense) Income, Continuing Operations (-)</b>	<b>892,033</b>	<b>-1,547,698</b>
Deferred Tax (Expense) Income (-)	892,033	-1,547,698
<b>PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<b>12,236,429</b>	<b>14,651,030</b>
<b>PROFIT (LOSS)</b>	<b>12,236,429</b>	<b>14,651,030</b>





## RATIOS

<b>LIQUIDITY RATIOS</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2019</b>
Current Ratio	1,49	0,99	1,32
Liquid Ratio	1,45	0,95	1,26
Cash Ratio	0,55	0,39	0,32
<b>FINANCIAL STRUCTURE RATIOS</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2019</b>
Leverage Ratio	0,19	0,06	0,16
Financing Ratio	4,3	2,59	5,39
Debt Equity Ratio	0,23	0,39	0,19
<b>PROFITABILITY RATIOS</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2019</b>
Asset Profitability	0,10	0,23	0,22
Return on Equity	0,10	0,16	0,21

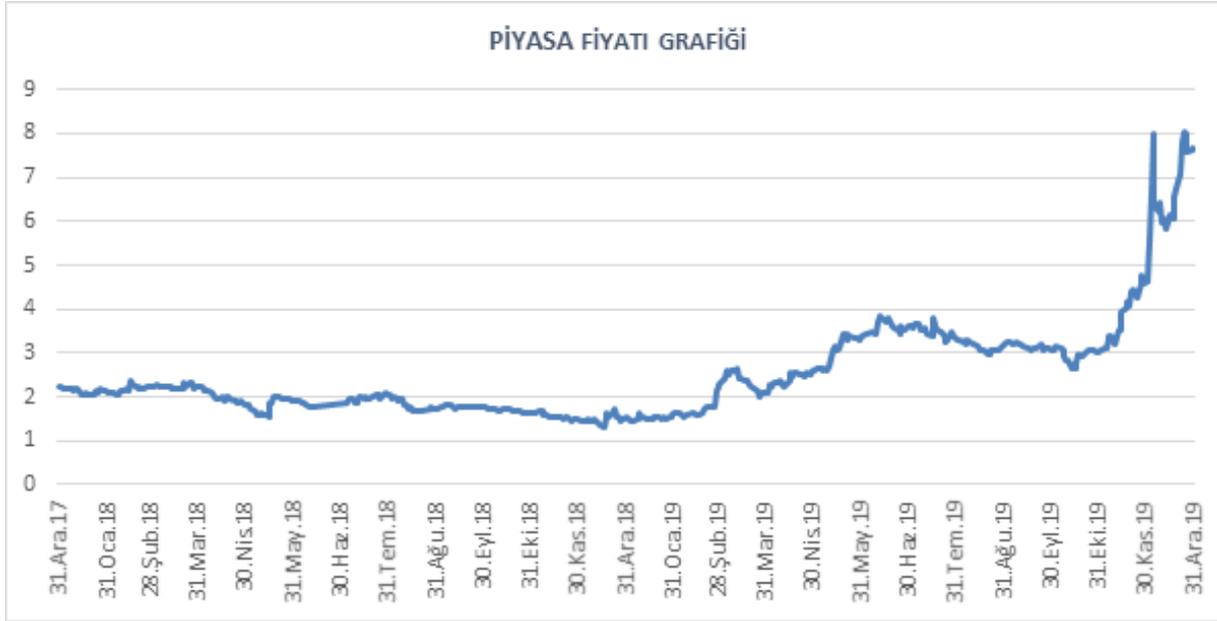
## SHARE INFORMATION

<b>IPO (Initial Public Offering) Date</b>	27-28 April 2017
<b>Number of Shares</b>	40.000.000,00 TL The nominal value of each share is 1 TL.
<b>Free Float Rate</b>	%41,67
<b>Stock Exchange Code</b>	FONET
<b>ISIN Code</b>	TREFONT00028
<b>Group Included In The Stock Exchange</b>	Main Market- Group1
<b>Included Indices of The Company</b>	ALL SHARES-100/BIST INFORMATION/BIST TECHNOLOGY /BIST ANKARA/BIST MAIN





## Şirket Pay Fiyatının Tarihsel Görünümü



The public offering date of our company shares is 27-28 April 2017. It started trading on Borsa Istanbul on May 04, 2017. The market price of our company's shares is 7,69 TL as of 31 December 2019. It is observed that an increase of 399.35% in the market price of our company shares occurred between 01.01.2019 and 31.12.2019. In this period, the Borsa Istanbul BIST 100 Index increased by 25.37%.

## BENEFITS FROM INCENTIVES

### Being an R&D Center

As a result of the evaluation made by the Evaluation and Auditing Commission of the Ministry of Science, Industry and Technology; it has been deemed appropriate to give an R&D Center Certificate. So that, our company has been entitled to benefit from the incentives and exemptions provided to R&D Centers within the scope of Law No. 5746.

Achieving R&D Center status will not only create a cost advantage in the production activities of our Company, but also increase cooperation with Universities and other R&D Institutions, which will lead to the intensification of our company's innovative and advanced technology use and turnover by creating a significant competitive advantage in the markets. We think it will make a positive contribution to profitability.





## CHANGES TO THE MAIN CONTRACT IN THE PERIOD

Increasing the issued capital of our company, which is 18,000,000.00 TL, to 40,000,000.00 TL within the registered capital ceiling of 100,000,000.00 TL. Registration of shares with a nominal value of 22,000,000.00 in total, of which 11,496,200.00 TL of the increased capital is issued from share premiums and 10,503,800.00 TL from previous year profits, , was made on 22.07.2019 published in Turkey Trade Registry Gazette No. 9875 dated 07.24.2019.

Previous Form	Final Form
<p><b>Capital of Company and Type of Shares</b></p> <p><b>Article 6</b></p> <p>Capital of the company is in value Turkish Liras 18.000.000. This capital is divided into 18.000.000 shares each costs TL 1.00 and ived into A and B group shares.</p> <p>1.000.000 Turkish Liras for 1.000.000 shares, 17.000.000 Turkish Liras for 17.000.000 shares</p> <p>Total: 18.000.000 Turkish Liras for 18.000.000 shares,</p> <p>Company has accepted the registered capital system in accordance with the provisions of the Capital Market Law and has entered the registered capital system by the permission of the Capital Markets Board dated 27/02/2015 and numbered 5/253.</p> <p>The registered capital ceiling of the Company is in value 100.000.000 Turkish Liras.- (Onehundredmillion) and is divided into 100.000.000.- (Onehundredmillion) shares each costs a nominal value of 1 (One) Turkish Lira.</p> <p>The registered capital ceiling permit issued by Capital Market Board is valid for 2019-2023 (5 years). Even if the registered capital ceiling permitted couldn't be reached at the end of 2023, In order for the board of directors to make a capital increase decision after 2023;</p>	<p><b>Capital of Company and Type of Shares</b></p> <p><b>Article 6</b></p> <p>Capital of the company is in value Turkish Liras 40.000.000 This capital is divided into 40.000.000 shares each costs TL 1.00 and divided into A and B group shares.</p> <p>Group A: 2.222.000 Turkish Liras for 2.222.000 shares, Group B: 37.778.000 Turkish Liras for 37.778.000 shares,</p> <p>Total: 40.000.000 Turkish Liras for 40.000.000 shares,</p> <p>Company has accepted the registered capital system in accordance with the provisions of the Capital Market Law and has entered the registered capital system by the permission of the Capital Markets Board dated 27/02/2015 and numbered 5/253.</p> <p>The registered capital ceiling of the Company is in value 100.000.000. Turkish Liras -(Onehundredmillion) and is divided into 100.000.000.- (Onehundredmillion) shares each costs a nominal value of 1 (One) Turkish Lira.</p> <p>The registered capital ceiling permit issued by Capital Market Board is valid for 2019-2023 (5 years). Even if the registered capital ceiling permitted couldn't be</p>





It is obligatory to obtain authorization from the general assembly for a new period for a period not exceeding 5 years by obtaining permission from the Capital Markets Board for the previously allowed ceiling or a new ceiling amount. In case that related authorization isn't obtained, capital increase couldn't be made by the decision of the board of directors.

The issued capital of the company is 18.000.000 TL (Eighteenmillion) and the issued capital has been paid free from collusion. This capital is divided into 18.000.000 (Eighteenmillion) shares with a nominal value of 1 TL (one) each payable to holder. 1.000.000 (Onemillion) of these shares are composed of Group A registered shares, 17.000.000 (seventeenmillion) shares are composed of Group B bearer shares.

New shares couldn't be issued unless the shares are fully sold and their prices are not paid or unsaleable shares are not canceled.

Shares representing the capital are monitored within the framework of dematerialization principles.

The capital of the company could be increased or decreased in accordance with the provisions of the Turkish Commercial Code and the Capital Market Legislation, if necessary.

Group A shares have the privilege in determining the members of the board of directors and in exercising the voting rights in the general assembly. (B) Group shares do not have any privileges.

To represent increased capital in capital increases, at the rate of shares in group (A), (A) group shares in will be issued, at the rate of shares in group (B), (B) group shares in will be issued.

reached at the end of 2023, In order for the board of directors to make a capital increase decision after 2023; It is obligatory to obtain authorization from the general assembly for a new period for a period not exceeding 5 years by obtaining permission from the Capital Markets Board for the previously allowed ceiling or a new ceiling amount. In case that related authorization isn't obtained, capital increase couldn't be made by the decision of the board of directors.

The issued capital of the company is 40.000.000 TL (Fortymillion) and the issued capital has been paid free from collusion. This capital is divided into 40.000.000 (Fortymillion) shares with a nominal value of 1 TL (one) each payable to holder 2.222.000 (twomilliontwohundredtwentytwothousand)) of these shares are composed of Group A registered share, 37.778.000 (thirtysevenmillionsevenhundredswetyeightthousand) shares are composed of Group B bearer shares.

New shares couldn't be issued unless the shares are fully sold and their prices are not paid or unsaleable shares are not canceled.

Shares representing the capital are monitored within the framework of dematerialization principles.

The capital of the company could be increased or decreased in accordance with the provisions of the Turkish Commercial Code and the Capital Market Legislation, if necessary.

Group A shares have the privilege in determining the members of the board of directors and in exercising the voting rights in the general assembly. (B) Group shares do not have any privileges.

To represent increased capital in capital increases, at the rate of shares in group (A), (A) group shares in will be issued, at the rate of shares in group (B),



Capital increase without the restriction of the right to have new shares, in case that only group (B) shares will be issued, (A) group shareholders will be entitled to have (B) group shares in proportion to their share in capital. In case of the restriction of the right to have new shares, the shares to be issued will be (B) group shares.

In capital increases, bonus shares are distributed to existing shares in the date of increase.

In accordance with the provisions of the Capital Market Law, when deemed necessary, the Board of Directors is authorized to increase the capital by issuing bearer shares on behalf of (A) group and /or (B) group bearers shares until the registered capital ceiling.

The Board of Directors could make a decision about issuing shares above or below the nominal value and to restrict the rights of the shareholders to receive new shares or to restrict the rights of the privileged shareholders. Authorization to restrict the right to have new shares couldn't be used in a way that causes inequality among shareholders. The resolutions taken by the Board of Directors in accordance with this paragraph will be announced to the public in accordance with the principles determined by the Capital Markets Board.

(B) group shares in will be issued. Capital increase without the restriction of the right to have new shares, in case that only group (B) shares will be issued, (A) group shareholders will be entitled to have (B) group shares in proportion to their share in capital. In case of the restriction of the right to have new shares, the shares to be issued will be (B) group shares.

In capital increases, bonus shares are distributed to existing shares in the date of increase.

In accordance with the provisions of the Capital Market Law, when deemed necessary, the Board of Directors is authorized to increase the capital by issuing bearer shares on behalf of (A) group and /or (B) group bearers shares until the registered capital ceiling.

The Board of Directors could make a decision about issuing shares above or below the nominal value and to restrict the rights of the shareholders to receive new shares or to restrict the rights of the privileged shareholders. Authorization to restrict the right to have new shares couldn't be used in a way that causes inequality among shareholders. The resolutions taken by the Board of Directors in accordance with this paragraph will be announced to the public in accordance with the principles determined by the Capital Markets Board.

## OTHER ISSUES

The events that took place in the activity period of 2019 and which may affect the rights of the partners, creditors and other relevant persons and organizations are presented below for your information;

Our Company's Ordinary General Assembly Meeting of 2018 was held on April 04, 2019, at Kızılırmak Mahallesi 1445. Sokak No: 2B / 18 The Paragon Tower Çankaya / ANKARA.

The Articles of Association of our Company, titled 'The Capital of the Company and Shares', increases the registered capital ceiling from 30.000.000 TL to 100.000.000 TL and the validity period between 2019 and 2023. It was approved at the 2018 Ordinary General Assembly Meeting held on 04.04.2019 and was registered by the Trade Registry Office on 15.04.2019.





The issued capital of our company, which was 18,000,000.00 TL, was increased to 40,000,000.00 TL within the registered capital ceiling of 100,000,000.00 TL. Registration of shares with a nominal value of 22,000,000.00 TL in total, including 11,496,200.00 TL of the increased capital is issued from share issuance premiums and 10,503,800.00 TL from previous year profits, was made on 22.07.2019 and it was published in the Turkish Trade Registry Gazette No. 9875 dated 24.07.2019.

As of 02.09.2019, our Company's Board of Directors decided to open a Liaison Office in Stocholm, the capital of Sweden, for promotional and economic purposes such as representing our company abroad, conducting market research, closely monitoring business opportunities and informing our company headquarters on this matter.

### **Developments After the Balance Sheet Date**

During the period from the end of the period covered by the activity report of our company until the time of the preparation of the report, no special events that could affect the rights of the creditors and other relevant persons and organizations have taken place.

## **CORPORATE GOVERNANCE COMPLIANCE REPORT**

### **PART I- DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES**

In order for the companies to be permanent and their activities to be continuous, they should have a strong corporate identity as well as a sound financial structure. Fonet Information Technologies AŞ. is aware that it has passed from having a good corporate identity in order to ensure permanence and create value, and places great importance on this structure within and outside the company. For the continuation of the corporate culture created in this direction, the Capital Markets Board ("CMB") is published in the Official Gazette No. 28871 dated January 3, 2014 ("Communiqué") and its annex "Corporate Governance Principles" shows maximum care to comply with its regulations. All activities of our Company are carried out in compliance with the said Principles as well as all relevant legal regulations.

Our company during the 01.01.2019-31.12.2019 operating period; it complies with the "Corporate Governance Principles" published by the Capital Markets Board, excluding some of the principles outlined below and which we are obliged to abide by.





## CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
<b>Corporate Governance Compliance Report</b>						
<b>1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS</b>						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
<b>1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION</b>						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
<b>1.3. GENERAL ASSEMBLY</b>						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
<b>1.4. VOTING RIGHTS</b>						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.			X			A) group shares have privileges to determine the members of the Board of Directors and to exercise voting rights at the General Assembly meeting. (B) Group shares have no privileges. In the ordinary and Extraordinary General Assembly meetings of the company, (a) group shareholders have 15 voting rights for each share and (B) Group shareholders have 1





1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.	X					
<b>1.5. MINORITY RIGHTS</b>						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Although minority rights are subject to the provisions of the Turkish commercial code and CMB legislation, maximum care is given to minority rights in accordance with the Corporate Governance Principles.
<b>1.6. DIVIDEND RIGHT</b>						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
<b>1.7. TRANSFER OF SHARES</b>						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
<b>2.1. CORPORATE WEBSITE</b>						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.		X				It Is Only Turkish.
<b>2.2. ANNUAL REPORT</b>						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
<b>3.1. CORPORATION'S POLICY ON STAKEHOLDERS</b>						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					





<b>3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT</b>									
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.			X						Not regulated.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X								
<b>3.3. HUMAN RESOURCES POLICY</b>									
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X								
3.3.2 - Recruitment criteria are documented.	X								
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X								
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X								
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X								
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X								
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X								
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X								
3.3.9 - A safe working environment for employees is maintained.	X								
<b>3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS</b>									
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X								
3.4.2 - Customers are notified of any delays in handling their requests.	X								
3.4.3 - The company complied with the quality standards with respect to its products and services.	X								
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X								
<b>3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY</b>									
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X								
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X								
<b>4.1. ROLE OF THE BOARD OF DIRECTORS</b>									
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X								
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X								





<b>4.2. ACTIVITIES OF THE BOARD OF DIRECTORS</b>						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.			X			
<b>4.3. STRUCTURE OF THE BOARD OF DIRECTORS</b>						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X					
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
<b>4.4. BOARD MEETING PROCEDURES</b>						
4.4.1-Each board member attended the majority of the board meetings in person.	X					Except for our member who lives abroad, all attended the meetings.
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					





4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.			X			Due to the experience of our Board Members, there is no need for such a restriction. The duties taken by the members of the Board of Directors outside the company were presented to the shareholders at the General Assembly meeting.
<b>4.5. BOARD COMMITTEES</b>						
4.5.5 - Board members serve in only one of the Board's committees.		X				Due to the experience of our Board Members, our members also serve in other committees.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.			X			No such situation has occurred in 2019.
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					X	Consultancy Service was not received.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
<b>4.6. FINANCIAL RIGHTS</b>						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			No performance evaluation has been made.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				It is generally stated in the Independent Audit Report published in the Activity Report.





<b>1. SHAREHOLDERS</b>	
<b>1.1. Facilitating the Exercise of Shareholders Rights</b>	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	It has not happened.
<b>1.2. Right to Obtain and Examine Information</b>	
The number of special audit request(s)	It has not happened.
The number of special audit requests that were accepted at the General Shareholders' Meeting	It has not happened.
<b>1.3. General Assembly</b>	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	<a href="https://www.kap.org.tr/tr/Bildirim/747932">https://www.kap.org.tr/tr/Bildirim/747932</a>
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Only Turkish.
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	No such situation has occurred.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	No such situation has occurred.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	No such situation has occurred.
The name of the section on the corporate website that demonstrates the donation policy of the company	Investor relations/policies/donation and aid policy
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	<a href="https://www.kap.org.tr/tr/Bildirim/752759">https://www.kap.org.tr/tr/Bildirim/752759</a>
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	No
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	No
<b>1.4. Voting Rights</b>	
Whether the shares of the company have differential voting rights	Evet (Yes)
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	In the ordinary and extraordinary general meetings of the company, group (A) shareholders have 15 voting rights for each share, and group (B) shareholders have 1 vote for each share.
The percentage of ownership of the largest shareholder	% 58,33
<b>1.5. Minority Rights</b>	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	Hayır (No)
If yes, specify the relevant provision of the articles of association.	-
<b>1.6. Dividend Right</b>	
The name of the section on the corporate website that describes the dividend distribution policy	Investor Relations/Policies/Profit Distribution Policy
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend.	Article 10 of the agenda regarding the negotiation and decision of the Board of Directors' proposal not to distribute 2018 profits was passed. Decision No. 05 dated 14.03.2019 by the Company's Board pursuant to the TCC and CMB? S Turkey under the provisions of Accounting / Financial Reporting Standards and the lens prepared in accordance Independent Auditor and Certified Financial Consulting Inc. According to our financial statements for the period 01.01.2018 31.12.2018 audited by the Company, the Company's? Period Profit? Giving the information that it was obtained, the proposal to leave the remaining profit after leaving the general legal reserve from the profit obtained as a result of 2018 activities was submitted to the Company within the General Assembly meeting, and it was decided unanimously / unanimously to approve the decision taken by the Board of Directors.
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	<a href="https://www.kap.org.tr/tr/Bildirim/752759">https://www.kap.org.tr/tr/Bildirim/752759</a>





## General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
04/04/2019	0	% 58,33	% 58,33	% 3,4	Investor Relations / General Assembly / Meeting Minutes of 2018	Investor Relations / General Assembly / 2018 Meeting	Agenda no: 13	23	<a href="https://www.kap.org.tr/tr/Bildirim/752759">https://www.kap.org.tr/tr/Bildirim/752759</a>

## 2. DISCLOSURE AND TRANSPARENCY

### 2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.

Investor Relations

If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.

Investor Relations

List of languages for which the website is available

Turkish-English

### 2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members

-

b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure

Commitees

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings

-

ç) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation

Such a situation has not occurred.

d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof

There was no significant lawsuit.





e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	There is no such a case.
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	-
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	-

<b>3. STAKEHOLDERS</b>	
<b>3.1. Corporation's Policy on Stakeholders</b>	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	There is no compensation policy.
The number of definitive convictions the company was subject to in relation to breach of employee rights	The company did not face to face such a situation.
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Human Resources Manager
The contact detail of the company alert mechanism	You can access to the human resources department with the number 0312 4384919
<b>3.2. Supporting the Participation of the Stakeholders in the Corporation's Management</b>	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies	No
Corporate bodies where employees are actually represented	No
<b>3.3. Human Resources Policy</b>	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The board of directors makes suggestions and recommendations in developing a succession plan for key management positions.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Human Resources
Whether the company provides an employee stock ownership programme	Pay edindirme planı bulunmuyor (There isn't an employee stock ownership programme)
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Human Resources
The number of definitive convictions the company is subject to in relation to health and safety measures	No
<b>3.5. Ethical Rules and Social Responsibility</b>	
The name of the section on the corporate website that demonstrates the code of ethics	Human Resources
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Human Resources
Any measures combating any kind of corruption including embezzlement and bribery	Human Resources





4. BOARD OF DIRECTORS-I	
4.2. Activity of the Board of Directors	
Date of the last board evaluation conducted	No
Whether the board evaluation was externally facilitated	Hayır (No)
Whether all board members released from their duties at the GSM	Evet (Yes)
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Chairman Abdülkerim Gazen
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	Our company has not established an Internal Control Unit in its organizational structure, as the Committee deems it sufficient for the Internal Control System.
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	No
Name of the Chairman	Abdülkerim Gazen
Name of the CEO	Mehmet Gazen
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	There is no such a situation.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	No
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	There is no written policy.
The number and ratio of female directors within the Board of Directors	Number:2 Rate:%25

#### Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link To PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Abdülkerim Gazen	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	10/01/2001	None.	İlgisiz (Not applicable)	Hayır (No)	Hayır (No)
Yasemin Şah	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	24/07/2015	None.	İlgisiz (Not applicable)	Hayır (No)	Evet (Yes)
Dr.Emre Sezgin	İcrada görevli (Executive)	Bağımsız üye değil (Not independent director)	24/07/2015	None.	İlgisiz (Not applicable)	Hayır (No)	Hayır (No)
Daniel Anders Henrik Werner	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	29/04/2016	None.	İlgisiz (Not applicable)	Hayır (No)	Hayır (No)
İlker Saltoğlu	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	20/09/2017	<a href="https://www.kap.org.tr/tr/Bildirim/747720">https://www.kap.org.tr/tr/Bildirim/747720</a>	Değerlendirildi (Considered)	Hayır (No)	Hayır (No)
Yusuf Serdar Gürbüz	İcrada Görevli Değil (Non-executive)	Bağımsız üye (Independent director)	20/09/2017	<a href="https://www.kap.org.tr/tr/Bildirim/747720">https://www.kap.org.tr/tr/Bildirim/747720</a>	Değerlendirildi (Considered)	Hayır (No)	Evet (Yes)
Mahmut	İcrada Görevli	Bağımsız üye değil (Not independent director)	06/12/2016	None.	İlgisiz (Not applicable)	Hayır (No)	Evet (Yes)





İbiş	Değil (Non-executive)	independent director)			applicable)		
Nisabeyim Gazen	İcrada Görevli Değil (Non-executive)	Bağımsız üye değil (Not independent director)	15/04/2019	None.	İlgisiz (Not applicable)	Hayır (No)	Hayır (No)

<b>4. BOARD OF DIRECTORS-II</b>	
<b>4.4. Meeting Procedures of the Board of Directors</b>	
Number of physical board meetings in the reporting period (meetings in person)	18
Director average attendance rate at board meetings	% 90
Whether the board uses an electronic portal to support its work or not	Hayır (No)
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	2 days ago
The name of the section on the corporate website that demonstrates information about the board charter	There are in-house regulations that determine how the board meetings are held and are not available on the corporate website.
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	No.
<b>4.5. Board Committees</b>	
Page numbers or section names of the annual report where information about the board committees are presented	Committees
Link(s) to the PDP announcement(s) with the board committee charters	<a href="https://www.kap.org.tr/tr/Bildirim/629850">https://www.kap.org.tr/tr/Bildirim/629850</a>

#### Composition of Board Committees-I

Names Of The Board Committees	Name Of Committees Defined As "Other" In The First Column	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Denetim Komitesi (Audit Committee)		Yusuf Serdar Gürbüz	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Denetim Komitesi (Audit Committee)		İlker Saltoğlu	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		İlker Saltoğlu	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		Abdülkerim Gazen	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		Dr. Emre Sezgin	Hayır (No)	Yönetim kurulu üyesi (Board member)
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		Deniz Özlük	Hayır (No)	Yönetim kurulu üyesi değil (Not board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)		Yusuf Serdar Gürbüz	Evet (Yes)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)		Abdülkerim Gazen	Hayır (No)	Yönetim kurulu üyesi (Board member)
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)		Dr. Emre Sezgin	Hayır (No)	Yönetim kurulu üyesi (Board member)





<b>4. BOARD OF DIRECTORS-III</b>	
<b>4.5. Board Committees-II</b>	
Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	Committees
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	Committees
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The duties of the Nomination Committee are fulfilled by the Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Committees
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	The duties of the remuneration committee is fulfilled by the Corporate Governance Committee.
<b>4.6. Financial Rights</b>	
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Financial Status of The Company
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations-Policies
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Our Policies

#### Composition of Board Committees-II

Names Of The Board Committees	Name of committees defined as "Other" in the first column	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number Of Reports On Its Activities Submitted To The Board
Denetim Komitesi (Audit Committee)		% 100	% 100	7	every meeting is presented to the Board of Directors
Kurumsal Yönetim Komitesi (Corporate Governance Committee)		% 100	% 25	1	every meeting is presented to the Board of Directors
Riskin Erken Saptanması Komitesi (Committee of Early Detection of Risk)		% 100	% 33,33	4	every meeting is presented to the Board of Directors



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