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31.12.2018

ACTIVITY REPORT

ULUSOY UN SANAYİ VE TİCARET A.Ş. 01.01.2018 - 31.12.2018 BOARD
OF DIRECTORS REPORT ISSUED AS PER COMMUNIQUÉ SERIAL
NUMBERED II-14.

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ABOUT US

Ulusoy Un Sanayi ve Ticaret Anonim Şirketi was established in 1989 to produce, trade, import and export all kinds of food products, such as flour, semolina, pasta and biscuits, produced with grains and legumes. The primary business activity of Ulusoy Un is domestic and foreign trade of various grains, particularly wheat as well as production, trade, domestic and foreign sales of wheat flour, bran and other feed raw materials.

The Company has two factories (208.000 tons/year flour production) with total wheat processing capacity of 900 tons/day; one in Samsun with 500 tons/day capacity and one in Çorlu with 400 tons/day capacity and silo, warehouses, free zone warehouses with total grain stocking capacity over 100.000 tons.

In 1995, Ulusoy Un started exportation operations and it has exported flour to 88 countries so far. In 2017, the company accounted for 4% of the sector's exportation operations in Turkey. According to data announced by the Turkish Exporters Assembly in 2018; our company is the 487th company on the top 1000 Turkish exporters list and 6th on its sector list in 2017. According to data announced by the Istanbul Chamber of Industry in 2018, the company is the 444th company on the 2017 list of top industrial

manufacturers of Turkey and 5th on its sector in terms of sales out of total production.

The Company acquired 17% of SASBAŞ Samsun Serbest Bölgesi Kurucusu ve İşleticisi A.Ş. shares on March 28, 2013. This investment enabled Ulusoy Un to have an effective role in the management of Samsun Free Zone which is one of the most strategic locations by the Black Sea Region offering storage and logistics infrastructure required for improvement of transit foreign trade operations, particularly.

Ulusoy Un went public on 20.11.2014 and its shares are being traded at Istanbul Stock Exchange.

Uludağ Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi, a 100% subsidiary of our company established on 27.02.2015, is an investment in the Licensed Warehousing system which is considered to be the future of agricultural sector.

At the end of the year 2016, first licensed warehouse with 41.950 tons constructed and has started its operations by buying license for 41.950 tons part on 16.06.2017.

Our affiliated company Rolweg SA that 100% belong to Ulusoy Un Sanayi ve Ticaret A.Ş. established on 15.03.2018 in Geneva, Switzerland.

Fahrettin Ulusoy's First Step to Business Life.
By opening his own grain shop, he laid the foundations of Ulusoy Gıda.



1969

Development Period of Flour Trade.
Because of the limited flour factories in Black Sea Region, Ulusoy Gıda started to buy flour from other regions and sell it to regional traders. Thus, he played an important role in the regional flour trade.



1970

Transition into the Largest Food Distribution Company of the Black Sea.
On the Black Sea coast, Ulusoy Gıda became the most effective food distributor and marketing company.



1980

Entry to the Sector by Partnership With Hasanusta Flour
With the distribution strength of Ulusoy Gıda, after 2 years of successful joint activity, partners decided to establish Ulusoy Un with 60% Fahrettin Ulusoy shares.



1989

Establishment of Ulusoy Un
180 tons/day capacity wheat factory became operational in Samsun on 8 Jan 1991.



1990



2008

Increasing Capacity of Samsun Factory to 500 tons/day
As a result of domestic and foreign demand, a second unit with 260 tons/day capacity was built on the current factory area.



2009

Establishment of 34,000 Tons Capacity Warehouse in Samsun
Warehouse was built 1.8 km from the port, and 2.5 km from the Samsun factory to increase raw material storage due to rise in production capacity.



2011

Beginning International Transit Trade
In far east markets, favorable freight rates due to container reverse traffic provided flour export and transit wheat trade development.



2013

Purchasing 17% of SASBAS Shares
Increased transit trade capacity created duty free zone storage capacity. As a result, a 17% stake in Samsun Free Zone Operator which had a 76,750 ton grain storage capacity, was purchased.

Commencement of Export and Import Activity
 Flour exports started to new countries as a result of the disintegration of the Soviet Union.



1995

Raising Samsun Factory Capacity to 240 tons/day.
 By expanding the export markets an extra capacity need was felt.



1996

Transfer of All Shares to Ulusoy Family.



2000

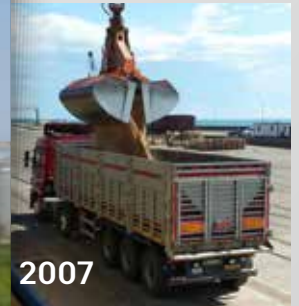
Establishment of 400 tons/day Capacity Çorlu Factory.

The Çorlu/ Tekirdag facility of Ulusoy Un started production in October with the aim of increasing competition in the western markets of Turkey.



2003

Entrance to Overseas Exports
 After commencing operations at the Çorlu factory, exports started to reach markets in containers through Istanbul Ambarlı Port.



2007

2014 **ULUSOYun**



600 ton/day capacity flour factory investment in Samsun Food OIZ.

2015



Establishment of Istanbul Office

2029



The Goal of Being Turkey's Biggest Company in Agricultural Industry

2069



The Goal of Being One of the Biggest Agricultural Industry Companies in the World at its 100th Year

VISION, MISSION, STRATEGY AND GOALS



VISION

"To become a global company without compromising our principles, values and goals thanks to our team of experienced colleagues that gives strength to the company."

OUR STRATEGIES

Being closest to the market with diverse production locations and delivering our products to the customers with the lowest logistics costs

Directing purchases from raw material production locations with the right costs to the logistically most suitable production facility

Achieving a product range that can cover all demands of the customers with product diversification

Creating new products through R&D and becoming a brand.

MISION

"Our mission is to become a preferred business partner in the sector by producing healthy products meeting needs of different customer segments as well as being a competitive company that keeps up with sector development, keeps an open line of communication"

OUR GOALS

Lowering costs by reducing distribution costs

Increasing total capacity by increasing our production locations

Addressing the whole market

Increasing market share in more efficient segments of the industrial and consumer market

IN CONCLUSION

Becoming the company with the largest market share

SHAREHOLDING STRUCTURE

Current Shareholding Structure as of 31.12.2018

Shareholder	Number of Shares	Group	Ratio (%)	Ratio Amount
Fahrettin Ulusoy	4.550.000	A	5,38	4.550.000
	1.950.000	B	2,31	1.950.000
	-	C	-	-
	6.500.000		7,69	6.500.000
Nevin Ulusoy	650.000	A	0,77	650.000
	1.300.000	B	1,54	1.300.000
	12.207.627	C	14,45	12.207.627
	14.157.627		16,76	14.157.627
Onur Erhan Ulusoy	650.000	A	0,77	650.000
	1.950.000	B	2,31	1.950.000
	15.638.791	C	18,5	15.638.791
	18.238.791		21,58	18.238.791
Eren Günhan Ulusoy	3.900.000	A	4,62	3.900.000
	1.300.000	B	1,54	1.300.000
	16.781.279	C	19,86	16.781.279
	21.981.279		26,02	21.981.279
Kamil Adem	26.941	C	0,03	26.941
	26.941		0,03	26.941
Mithat Denizcigil	95.362	C	0,11	95.362
	95.362		0,11	95.362
Publicly Shared	23.500.000	C	27,81	23.500.000
	84.500.000		100	84.500.000

MESSAGE FROM THE CHAIRMAN OF THE BOARD

Dear Shareholders,

Completing its 30th year in business, Ulusoy Un is managed by the experience, know-how and confidence brought in by the business life of our family that started with Ulusoy Gıda in 1969 and grew with all our colleagues joining this family in the following years. These long years have added significant values to our family. Initially, we learned how important our business, food industry is and to attach the highest importance to the responsibilities inherent with this importance. As employees and managers of Ulusoy Gıda group we made the golden rule of not producing or selling products we would not see fit for our own consumption and have adopted this philosophy as the essential priority of being a reliable food supplier.

With employees always open to novel ideas, working with team spirit and creating added value and management approach not compromising from its principles of quality, stability and confidence, Ulusoy Un started growing rapidly. With this approach it reached 900 tons per day capacity from its initial 180 tons per day capacity. As a reward of its hard work and acknowledgement of its clients, UIusoy Un started to take a place in 1000 Largest Industry Enterprises of İstanbul Chamber of Commerce starting in 1996. In November 2014, it became the first company to be quoted in the İstanbul stock exchange ever to achieve it in Samsun province and in its own industry. Finally, Ulusoy Un became 444th among largest 500 industrial enterprises in Turkey, with 5th place in its industry in the list which is announced in 2017. After long years of labor, I extend my gratitude to all that have played a part in this pride.

In 2018 our company has increased its revenues by 65% compared to the same period of the previous year with 2.984 million TL sales revenue. Company realized 209,5 million TL operating profit. We aim sustainable growth with our active risk management especially under hard conditions. As part of this policy, by using derivatives our company hedged itself against fluctuations in FX market.

Uludaş Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi which established in 2015, started its warehouse investment with 41.950 ton capacity in Alaca, Çorum in 2016. It has started its operations in licensed warehouse sector which is agricultural sector's future, by buying its license on 16.06.2017 with 41.950 ton capacity. By completing our ongoing licence warehouse investments in Yozgat Sorgun and Samsun, we aim to increase our total capacity in licence warehouse sector in 2018.

Our aim is to take the activities of our company to global level without compromising our principles, values and objectives together with our experienced colleagues with the strength of teamwork we achieved in our company. In line with these goals, we, Ulusoy Un family will work with all our strength. I thank all our past and future shareholders, employees, clients and suppliers who have played a role in this success.

Eren Günhan ULUSOY
Chairman of the Board

In 2018 our company has increased its revenues by 65% compared to the same period of the previous year with 2.984 million TL sales revenue. Company realized 209,5 million TL operating profit. We aim sustainable growth with our active risk management especially under hard conditions. As part of this policy, by using derivatives our company hedged itself against fluctuations in FX market.



MESSAGE OF THE VICE CHAIRMAN OF THE BOARD

In line with the demands of both our domestic and global clients, we made sales with unconditional customer satisfaction principle without compromising quality and food safety. As a result, our company turnover rose from 170 million TRY in 2008 to 2.984 million TRY in 2018. Multiplying our turnover by 17 times in the past 10 years we realized an annual average 32% turnover growth.

Dear shareholders,

Ulusoy Un, was founded on this land from where, wheat, the rawmaterial of the holy bread was spread to the world. Born of this strong history of our country, from its people and potential, Ulusoy Un managed to achieve a significant place in both our country and the global industry within the past 30 years. Now we are proud to share this value with over 2700 shareholders who have become partners with our initial public offering.

With its 900 tons per day capacity in its two factories, Ulusoy Un completed the 4% of Turkey's flour export in 2018 where Turkey is the leading exporter. Our company became 487th company on the top of 1000 Turkish exporters list. With its direct sales, it became 444th among largest 500 producers according to İstanbul Chamber of Commerce data and 5th place in its own industry.

In line with the demands of both our domestic and global clients, we made sales with unconditional customer satisfaction principle without compromising quality and food safety. As a result, our company turnover rose from 170 million TRY in 2008 to 2.984 million TRY in 2018. Multiplying our turnover by 17 times in the past 10 years we realized an annual average 32% turnover growth.

In 2018, our company has achieved an important growth by increasing its revenue by 65% compared to the same period of last year . Our company has achieved 209,5 million TL operating profit from manufacturing and commercial activities. Company's risk management operates studiously against the fluctuations in FX markets. With our dynamic management, we are continuously producing staple food which has unended demand. By completing the first stage of our new Samsun factory investment, we will have an important capacity opportunity for growth.

I would like to thank our clients and employees who carried us to the top and did not hold back their support and to esteemed investors who placed their confidence in us by becoming partners after public offering. I wish 2019 to bring gains and happiness for our company. With its experience exceeding 50 years, Ulusoy Un will continue to create value for our partners, employees and clients...

Kamil ADEM
Chief Executive Officer



BOARD OF DIRECTORS



EREN GÜNHAN ULUSOY

Chairman of the Board

Born in 1981 in Samsun. Günhan Ulusoy graduated from Samsun Anatolian High School in 1999 and then graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 2003 and completed his Master's Degree in 2014 at 19 Mayıs University, Department of Agricultural Economics. In July 2003, he started working for exportation department of Ulusoy Un Sanayi. In July 2004, he was appointed as the General Manager and he officiated as the General Manager until October 2010. He became the company's Chief Executive Officer in October 2010 and the company went public at the end of 2014. The General Meeting of Shareholders held in March 2015 appointed him as the Chairman of the Board of Ulusoy and authorized him to officiate for three years. He has been a Board of Directors Member of Samsun Serbest Bölgesi İşletici A.Ş. (SASBAŞ) since

2008. Günhan Ulusoy is a member of several social and professional societies and he is the Board Chairman of Turkish Flour Industrialists' Federation, Board Chairman of Black Sea Region's Flour Industrialists Association, Vice Chairman of Black Sea Cereal, Pulse and Oil Seeds Exporters Union and Vice Chairman of Samsun Commodity Exchange.

KAMİL ADEM

Vice Chairman of the Board of Directors

Born in 1965 in Amasya. He graduated from 19 Mayıs University, Amasya Vocational High School, Economics and Accounting Associate Degree Program in 1984. In 1987, he started his career as the Accounting Manager of Hasanusta Gıda San. ve Tic. A.Ş. In 1993, he was appointed as the Head of Accounting – Finance and Sales Departments of Ulusoy Un A.Ş. In 1998, he became the company's General Manager and he held his position until July 2004. He worked for Birsan Birlik A.Ş., a company in flour sector, as Domestic and Foreign Marketing Manager for a period between the end of 2004 and beginning of 2006. In 2006, he started working for another company of flour sector, namely Bafra Eriş Un Yem Gıda A.Ş., as the Factory Manager. In 2010, he was appointed as the General Manager of Ulusoy Un A.Ş. He has been officiating as the Chief Executive Officer and Vice Chairman of the Board of Directors since March 2015.



SALİH ZEKİ MURZIOĞLU

Board of Directors Member

Born in 1959 in Samsun. He graduated from Samsun Trade High School after primary and secondary schools. After holding positions such as Committee Member and Board Member at Samsun Chamber of Industry and Commerce, he was selected as the Board Chairman of Samsun Chamber of Industry and Commerce in 2009 and he is still the Board Chairman of this institution. Finally representing business life in Samsun in any platform and matching the tasks of leading commerce, Murzioğlu was awarded Board of Directors Membership of TOBB in TOBB General Assembly on 2013 and selected as Vice Chairman of TOBB in 2018 elections.

Salih Zeki Murzioğlu also acts as Samsun Central OIZ Board of Directors Chairman, Samsun Kavak OIZ Vice President of the Executive Board, Samsun Gıda OIZ Board of Directors Chairman, Samsun TEKMER Advisory Board Member, SABEK A.Ş. Board of Directors Member and Büyük Anadolu Lojistik Organizasyonlar A.Ş. Board of Directors Member and Ulusoy Un A.Ş. Board of Directors member.



ÖZDEMİR EROL

Non-Executive Director

He was born in 1934 in Istanbul. Özdemir Erol completed his primary, secondary and high school education in Samsun and graduated from Istanbul Technical University Department of Civil Engineering in 1959 and completed his internship in Austria. Özdemir Erol started his professional life in 1960 as a Control Engineer of Samsun Port Construction. Özdemir Erol worked for a number of projects and did official contracting works until the year of 1966 and then started his business life in 1968 since Samsun had shortages in several kinds of materials. In 1980, he was the founding partner of Proftaş A.Ş. and he also officiated as a Board of Directors Member as well as being the founding partner and board of directors member of Odöksan Döküm Sanayi A.Ş. Özdemir Erol worked for Enka Holding during the incorporation process and then he became one of the partners of Enka Holding.

Özdemir Erol was the Deputy Mayor of Samsun Municipality, Councilor, President of Public Works Committee, President of Samsun Exhibition Association, Member of Chamber of Commerce Management Committee, Founding Member of Samsun DYP (True Path Political Party) Provincial Organization, Deputy Chairman of Samsun DYP Management Committee, Member of Decision and Enforcement Committee of DYP Ankara Headquarters as well as taking management and membership positions at Rotary Club.

Also, he officiated as the Founding Member of Samsun Religious Affairs Site Foundation, Deputy Chairman of Samsev Foundation, Management Board Member of Naval Forces Support Foundation, Management Board Member of Samsun Social Services, Member of Samsun Turkish Police Office Support Foundation, Member of Police Houses and Stations Construction and Restoration Foundation, Deputy Chairman of Samsun Sailing Club Management Board, Deputy Provincial President of DYP, Management Board Chairman of Samsiad as well as Deputy Board Chairman and General Manager of 19 Mayıs Hazır Beton Tesisi A.Ş.

Since December 1, 2007, Özdemir Erol was working for Aydın İnş. A.Ş. as General Manager in charge of aggregate production and, since 2013, as the General Coordinator of Aybet Beton Prefabrik Yapı Elemanları San. A.Ş. Also, he was appointed as the Non-Executive Director of Ulusoy Un San ve Tic. AŞ in September 2017.

KEMAL KİTAPLI

Non-Executive Director

Born in 1963 in Alaçam, Samsun. He completed his primary, secondary and high school education in Alaçam, Samsun. Graduating from İstanbul University Faculty of Law in 1985, Kitaplı started to work as a self-employed lawyer in Samsun. Apart from his practice he has made investments in textile sector through many partnerships.

He is currently officiating as the self-employed lawyer and has been officiating as the Non-Executive Director in Ulusoy Un A.Ş. since 2013.



BOARD OF COMMITTEES

Supervisory Board

Name-Surname	Position in Partnership	Position
Kemal Kitaplı	Non-Executive Director	Supervisory Board Chairman
Özdemir Erol	Non-Executive Director	Supervisory Board Chairman

Committee has convened 5 times during the period. Reports prepared after the meeting can be reached at www.ulusoyunyatirimciliskileri.com under the heading of Corporate Governance-Committee.

Early Detection of Risk Committee

Name-Surname	Position in Partnership	Position
Kemal Kitaplı	Non-Executive Director	Early Detection of Risk Committee Chairman
Salih Zeki Murzioğlu	Board of Directors Member	Early Detection of Risk Committee Member

Committee has convened 6 times during the period. Reports prepared after the meeting can be reached at www.ulusoyunyatirimciliskileri.com under the heading of Corporate Governance-Committee.

Corporate Governance Committee

Name-Surname	Position in Partnership	Position
Özdemir Erol	Non-Executive Director	Corporate Governance Committee Chairman
Kemal Kitaplı	Non-Executive Director	Corporate Governance Committee Member
İlker Küçük	Risk Management, Capital Markets and Investor Relations Group Manager	Corporate Governance Committee Member

Committee has convened 2 times during the period. Reports prepared after the meeting can be reached at www.ulusoyunyatirimciliskileri.com under the heading of Corporate Governance-Committee.

ONGOING INVESTMENTS

**Factory with
1800 tons / day
wheat processing
capacity**



In Samsun Food Organized Industrial Zone, the construction of the 3rd plant with 1800 tons / day wheat processing capacity has been completed by 90% and approximately 6,000,000.00 USD has been spent up to now. The project is planned to be completed in the first half of 2019 and the planned total investment amount is USD 10,000,000,00.

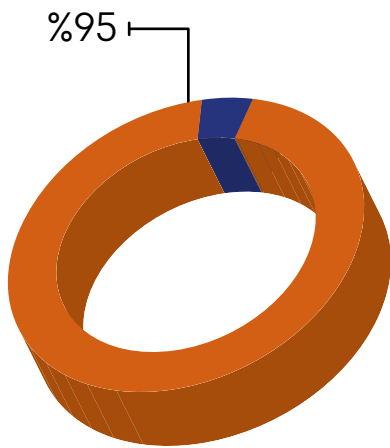
It is aimed to increase the capacity of processing 900 tons / day of wheat in Samsun and Çorlu to 1,500 tons / day in the first stage and 2100 tons / day capacity by the end of 2019 with the start of the third factory.

Photography Date 07.03.2019



ONGOING INVESTMENTS

**Samsun
Silo Facility
Construction with
30 thousand tons
capacity;**



Photography Date 07.03.2019

Completion percentage: Reinforced concrete construction %95

Estimated completion date: 30 June 2019

Investment amount planned: 11.000.000 TL



Photography Date 07.03.2019

OUR SUBSIDIARY: ROLWEG SA



Our susidiary titled ROLWEG SA was founded on 15.03.2018, in Geneva, Switzerland with 100% of its capital held by Ulusoy Un Sanayi ve Ticaret A.Ş.

ROLWEG S.A. was founded in March 2018, with 100% of its capital amounting to 1,000,000.00 Swiss Francs, in Geneva, Switzerland, at the address RueduNant 6, 1207 Geneva, for our company to be more competitive in the international markets, to become an effective player in these markets, to obtain advantages of accessing to the raw materials and to make use of the cost advantages to arise while reaching the raw materials, by taking into consideration that Switzerland is a location where the international raw material trade is managed, financing of more than 60% of the oil, agricultural products and any kind of raw materials trade is made in Switzerland, there is an economic environment and stability to support the trade in Switzerland, Swiss baking system provides some advantages including financing alternatives, ease of access to the capital markets, etc.



OUR SUBSIDIARY:

ULIDAŞ Tarım Ürünleri Lisanslı Depoculuk San. ve Tic. A.Ş.



Our Company, a 100 % subsidiary of Ulusoy Un Sanayi ve Ticaret A.Ş., is a joint stock company established on February 27, 2015 with a cash capital of 2 million Turkish Liras and the company located in Samsun Province, Tekkeköy Merkez District operates in the field of Licensed Warehousing for cereal products pursuant to the Licensed Warehousing of Agricultural Products Act numbered 5300.

The incorporation of our company was announced on the Turkish Trade Registry Gazette dated March 4, 2015 and numbered 8771.

Investments

- The long-term licensed warehouse capacity target of our company is 332.500 tons.
- In 2016, At the end of the year 2016, first licensed warehouse with 41.950 tons capacity constructed and has started its operations by buying licence for 41.950 tons part on 16.06.2017.
- The licensed warehouse capacity of our Ulidas Samsun Branch facilities is 68.000 tons, and the construction of first stage with capacity of 30.000 tons started in October/2017. It is planned to get the license for this stage in the first months of 2019.
- Land purchasing activities are being carried out for our Ulidas Corlu Branch facilities. It is planned to start the construction of these facilities with a capacity of 60 thousand tons within 2018
- We have increased our company capital up to 5 million Turkish Liras because of our total 332.500 tons of licensed warehouse capacity goal, as described above.
- Our planned licensed warehousing facilities are constructed with the following specifications and state of the art technology for protecting product

quality and quantity at optimum levels.

Specifications of our Licensed Warehousing Facilities

- Electronic scale operations
- Sampling with automatic devices
- Product analysis by Authorized Classifiers licensed by the Ministry
- State of the art physical analysis laboratory
- Fully automated silo operations
- Automatic temperature measurement system
- Automatic disinfection system
- Ventilation system
- Dust collecting system
- Fire extinguisher system
- Tele-technical and IT infrastructure equipped with hardware and technology sufficient for electronic product certificate movements.

OUR SUBSIDIARY:

ULİDAŞ Tarım Ürünleri Lisanslı Depoculuk San. ve Tic. A.Ş.

What is it?

Licensed Warehousing of Agricultural Products Act numbered 5300 entered into force when it was published on the Official Gazette dated 17.02.2005 and numbered 25730.

Licensed Warehousing of Cereals is subject to;

- Licensed Warehousing of Agricultural Products Act numbered 5300,
- "Regulation on Licensed Warehouse for Agricultural Products" that entered into force when it was published on the Official Gazette dated 12 April 2013 and numbered 28616,
- Other related regulations and communiqués.
- The system is solely supervised by the Ministry of Customs and Trade. Licensed Warehousing of Cereals is subject to;
- Licensed Warehousing of Agricultural Products Act numbered 5300,
- "Regulation on Licensed Warehouse for Agricultural Products" that entered into force when it was published on the Official Gazette dated 12 April 2013 and numbered 28616,
- Other related regulations and communiqués.
- The system is solely supervised by the Ministry of Customs and Trade.

For agricultural products:

- Facilitating and improving trade,
- Establishing a widespread storage system,
- Making sure that qualities are confirmed by authorized classifier,
- Issuing a product certificate representing ownership and enabling finance, sales and delivery,
- Assuring safety and protecting quality,
- Extending the use of loans by making sure that the banks are incorporated in the system

Guarantees in Licensed Warehousing System

- **Licensed Warehousing Compensation Fund:** Licensed Warehousing Compensation Fund, which has a legal entity status, is established for the purpose of compensating damages arising from licensed warehouse operator's failure to comply with the liabilities stipulated under this Law and contracts to be executed with the depositors.
- **Authorized Classifiers:** Authorized Classifiers licensed by the Ministry of Customs and Trade are in charge of analysis and classification operations of the products.
- **Commodity Exchanges or Product Specialization Exchanges:** Commodity Exchanges or Product Specialization Exchanges authorized by the Ministry are in charge of product certificate buying and selling operations.

- **Central Registry Agency (CRA):** All records are kept by the Central Registry Agency.

What is Licensed Warehousing System?

Licensed Warehousing of Agricultural Products Act numbered 5300 entered into force when it was published on the Official Gazette dated 17.02.2005 and numbered 25730.

Licensed warehousing of following products is possible based on the Communiqués published under this Law:

- Cereals, legumes and oily seeds,
- Nuts,
- Cotion,
- Olive and olive oil,
- Dried apricot

Licensed warehousing can be briefly described as storing essential and processed agricultural products such as cereals, legumes, oily seeds, cotion, nuts, olive and olive oil and dried apricots, which are suitable for warehousing and can be standardized, in safe and healthy warehouses owned by licensed warehouse operators by established related standards and trading these products with electronic product certificates issued by these establishments.

Licensed Warehousing System is a common practice in countries included in the system all around the world such as Bulgaria and Romania and particularly in the USA, India and Australia.

Goals of Licensed Warehousing operations:

- Preventing drop of prices caused during the harvest times due to increased supply of agricultural products and balancing the market,
- Allowing particularly small farmers and produce owners having financial troubles to obtain loans and financing from banks within the product certificates issued in return for the products delivered to the licensed warehouses,
- Using products having generally acceptance standards for trade of agricultural products, encouraging high quality production, creating a safe market environment,
- Documenting trade of agricultural products,
- Carrying on agricultural reform that is currently being implemented in our country and increasing participation of private sector in trade of agricultural products,
- Minimizing government interventions in production and pricing, assuring huge savings in terms of costly expenses paid in this segment and avoiding interventions impairing free market and prices,
- Enabling producers to achieve a stable and higher income level through a system that can be easily marketed as well as being well protected and having minimized transportation costs
- Providing a new investment tool to investors as an alternative to foreign currency, gold, share certificate,

OUR SUBSIDIARY:

ULİDAŞ Tarım Ürünleri Lisanslı Depoculuk San. ve Tic. A.Ş.

interest and similar instruments,

- Allowing merchants and industrials in produce trade to easily supply products having quality confirmed based on scientific criteria and price stability,
- Trading agricultural products with product certificates or electronic product certificates without necessity of actually showing goods and samples,
- Transition of agricultural products to forward transaction and option markets with standardized product and licensed warehouse system,
- Creating new business areas for product storage, banking and insurance sectors,
- Enabling our country to have a crucial role in trade of agricultural produce in the nearby geographical areas such as the Middle East, Balkans, Turkic Republics and Asia.

Stakeholders of system:

- Ministry of Customs and Trade,
- Ministry of Food, Agriculture and Livestock,
- Licensed warehousing,
- Authorized classifiers,
- Producers,
- Merchants,
- Industrialists,
- Banking and insurance sector,
- Agriculture exchange and product specialization exchanges

First Licensed Warehouse:

Although the law governing the system entered into force in 2005, the first licensed warehousing company was established in 2011 by TMO (Turkish Grain Board) and TOBB (Turkish Union of Chambers and Commodity Exchanges).

Licensed Warehousing Companies in our country:

As of today, 153 companies have completed their establishment by declaring 13.076.620 tons of storage capacity and 67 of them have started to operate by obtaining a license for 3.343.327 tons capacity.

Summary of Licensed Warehousing:

Licensed warehousing systems works in parallel to the product exchanges, a requirement of free market economy, and it is a modern, institutional infrastructure functioning as an important tool of facilitating agricultural product based trade, creating a general storage system all around the country for agricultural products, extending the market segment by offering a reliable protection to the depositors for safety and quality of commodities, contributing to the price stability in markets and preventing unrecorded economy.

Support and Incentives in Licensed Warehousing

- Tax Exemptions (up to 31.12.2023), Agricultural Stoppage Tax (%2), Income and Corporate Tax (%20),

VAT (%1), stamp duty,

- Social Security Institution (Pension Fund for the Self-Employed) premium stoppage exemption (%2) until (01.01.2019)
- Storage Supports (up to 16.10.2019), For producers / producers associations and cooperatives (limited to the amount of production registered in the ÇKS up to 6 months); for Wheat, Barley, Rye, Oats, Corn, Rice, Rice, Lentils, Chickpeas, Beans, Peas, Sunflower; 6 TL / Ton / Month For all sectors; for Wheat, Barley, Rye, Oats, Corn, Rice, Rice, Lentils, Chickpeas, Beans, Peas, Sunflower; 3 TL / Ton / Month.
- Shipping Support (until 16.10.2019), Only Producer / Producer Associations and Cooperatives, For products delivered to licensed warehouse limited to registered amount of product in ÇKS, up to 25 TL per ton,
- Analysis Fee Support (up to 16.10.2019), Only Producer / Producer Associations and Cooperatives; Up to 25 TL per party for analysis by authorized classifiers,
- Loan Interest Support (up to 31.12.2020), 100% of the loan rate used for ELÜS from Agricultural Credit or Ziraat Bank (up to 75% of the ELÜS amount [maximum 9 month installations]) is paid for producers and agricultural production cooperatives, investments up to 10 Million TL for Capacity up to 10 thousand tons licensed warehousing investments, Interest reduction of %75 for investment credits and %50 interest reduction for working capital loan, up to 20 million for the investments with 10 thousand tons and more; %75 interest reduction for investment credits and %50 interest deduction for working capital loan,
- Investment Promotion; at regional incentives, the licensed warehouse investments make use of 5th region supports

ULİDAŞ Board of Directors

A legal entity, namely Ulusoy Un Sanayi ve Ticaret A.Ş. is the company's Board of Directors Member.

ULİDAŞ Capital Structure

- The company capital of 5.000.000,00 (five million) Turkish Liras is fully paid up in cash.
- This capital is divided into 5.000.000 (five million) shares, each worth 1.00 Turkish Lira.
- The company capital of 5.000.000,00 TRY is equal to 5.000.000 shares and it is solely owned by the company's Board of Directors member Ulusoy Un Sanayi ve Ticaret A.Ş.
- This capital is divided into total 2.500.000 (two and half million) shares as follows and each share is worth 1 (one) TRY; 1.000.000 (one million) Group (A) shares, 1.500.000 (one and half million) Group (B) shares and 1.500.000 (one million five hundred thousand) Group (C) shares.
- Share certificates are registered shares.
- Share certificates are issued in share denominations.

CORPORATE MANAGEMENT PRINCIPLES COMPLIANCE REPORT

Ulusoy Un agrees to comply with and implement "Capital Market Board Corporate Governance Principles" published by the Capital Market Board and embraces this commitment as a management principle. Main principles of Corporate Governance Principles published by the Capital Market Board, namely "Equality, Transparency, Accountability and Responsibility", are also principles of our Company and our company has taken necessary actions for implementing these principles. Our company continues to work hard for improving the status quo.

Equality

Our company is committed to act fairly and equally towards the stakeholders for protecting rights of the company shareholders. Besides, it is unconditionally agreed that our stakeholders shall not be prejudged and discriminated based on gender, behavior, beliefs and ethnicity.

Transparency

Company information that is not disclosed to the public should be available fully, accurately and easily provided that they are about the public and shareholders and / or they might have impact on investment decisions provided that such information is not considered confidential and trade secret.

Accountability

Our Company is committed to the principles of proving accuracy of decisions made and assuming responsibility towards shareholders.

Responsibility

The sole goal of our operations is not to add value to our shareholders. We also want to enrich social values, comply with the laws and operate our current facilities accordingly

SECTION 1. SHAREHOLDERS

I.1 SHAREHOLDERS RELATION UNIT

In order to manage and reinforce the relations with shareholders Investment Relations Group has been founded in 2012. Group is responsible to present the company performance to current and potential investors in a transparent and accurate manner.

The main duties of the department are:

- To inform shareholders and reply their demands,
- To ensure General Meeting is held in accordance with the legislation in force, articles of association and other company regulations,
- To establish the communication between the Board of Directors and the shareholders, to answers questions from the shareholders and to report their views regularly to the Board of Directors,
- To work on improving Corporate Governance and Social Responsibility practices of the Company
- To observe and monitor all issues regarding Public Disclosure,
- To ensure that the records regarding shareholders are kept safely and up-to-date.
- To take measures in order to ensure that shareholders participate in the General Assembly.
- To notify shareholders of the documents related to all financial tables and reports including activity reports, profit distribution policy and proposal, general assembly agenda articles of the company in a timely manner.

Investment Relations Department be contacted via phone on (0362)260 50 10, via fax on 0(362)266 90 94 or

via e-mails at ilker.kucuk@ulusoyun.com.tr / yatirimci@ulusoyun.com.tr

Head of the department to contact shareholders: İlker Küçük

I.2. USE OF SHAREHOLDERS' RIGHTS TO OBTAIN INFORMATION

Information requested from and questions asked to the Investor Relations Department shall be immediately provided and answered over the phone and, if necessary, in writing by consulting the top authorized person in that field provided that such information is not confidential and trade secret.

I.3. General Assembly

The Ordinary General Meeting of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi belonging to activity year of 2017 was held on April 24th, Tuesday at 14:30 in address of Park Inn by Radisson Samsun Oteli Cumhuriyet Mah. Değirmenci Sok. No:4 Tekkeköy 55310 Samsun - Turkey under supervision of Mr. Cemil Kocaoğlu who is Ministry Representative assigned with letter of Provincial Directorate of Commerce of Governorate of Samsun of the Ministry of Customs and Trade dated 19.04.2018 and numbered 39028009-431.03-E-00033712180.

Call for meeting was made in due of time by being announced in 943rd-944th page copies of the Turkish Trade Registry Gazette dated March 29th, 2018 and numbered 9547, web site of the Company (www.ulusoyun.com.tr), Public Disclosure Platform (PDP), e-Company application of Central Registry Agency and Electronic General Meeting System (EGMS) at least 21 days before the General meeting as stipulated in the law and articles of incorporation and in a way to include agenda.

Ordinary General Meeting Minutes and List of Attendees issued for the General Meeting are available on our company's webpage www.ulusoyunyatirimciliskileri.com.

I.4 Voting Rights

Our company abstains from practices that render exercising voting rights more difficult. Group (A) shareholders attending to ordinary and extraordinary general meetings or their proxies shall have 15 (fifteen) votes per share; Group (B) shareholders or their proxies shall have 10 (ten) votes per share and Group (C) shareholders or their proxies shall have 1 (one) vote per share.

I.5 Dividend Policy

Amounts to be retained and paid by the company, such as general company expenses and amortization, as well as taxes to be paid by the legal entity shall be deducted from the revenues calculated at the end of company's accounting period; the remaining amount described as period profit on the annual balance sheet shall be respectively distributed as explained below after deducting previous year losses, if any:

General Legal Reserves:

a) 5 % shall be set aside as legal reserves.

First Dividend:

b) First dividend shall be retained from the remaining amount – over the amount to be calculated by adding donations to be made throughout the year, if any - as per the Turkish Commercial Code and Capital Market Legislation.

c) After retaining the amounts mentioned above, the General Assembly is entitled to decide on dividend to be paid to the board of directors' members and officers,

CORPORATE MANAGEMENT PRINCIPLES COMPLIANCE REPORT

servants and workers as well as various associations and natural, legal entities with similar qualities.

Second Dividend:

d) Amounts written on paragraphs (a), (b) and (c) shall be retained from the net period profit and the General Assembly shall be entitled to partially or entirely pay the amount as second dividend or to retain the amount as optional legal reserves, as described under Article 521 of the Turkish Commercial Code.

General Legal Reserves:

e) 5 % shall be retained from the amount to be paid to the shareholders and parties entitled to receive a dividend and one tenth of the amount calculated shall be added to the general legal reserves as per Turkish Commercial Code, Article 519, paragraph 2.

Other reserves shall not be retained, profit shall not be transferred to the next year and dividend shall not be paid to the board of directors members, officers, servants, workers and associations, natural & legal entities having similar qualities unless the reserves to be retained are retained duly and dividend granted to the shareholders under the articles of association is paid in cash and/or as shares. Dividend shall be distributed equally to all shares existing on the date of distribution, regardless of the dates of issuing and acquiring these shares.

The General Assembly shall decide on the manner and time of distributing dividends upon a proposal made by the board of directors for this purpose.

A decision made by the general assembly for distributing dividends as per the articles of association cannot be withdrawn.

The Dividend distribution policy of our company is based on Capital Market Legislation and provisions on the Articles of Association by taking into consideration the company's financial performance and market developments. Accordingly, 20 % of "consolidated net profit of the period" that is calculated based on periodical financial statements issued as per the Capital Market Legislation and International Financial Reporting Standards (IFRS) shall be distributed following a decision to be made by the Company's General Assembly either in cash or by adding the amount to company capital as bonus shares.

This policy shall be revised by the Board of Directors each year by taking into consideration adverse national and global economic conditions, investment projects and company's financial resources, and sustainability of the plan is one of the primary goals.

I.6 SHARE TRANSFER

Group A, B and C Shares can be freely transferred under the provisions of related legislation. The share transfer process should comply with Turkish Commercial Code, Capital Market Law,

Capital Market Board Regulations, and other legal arrangements about Capital Market regulation, Central Registry System rules and other legal arrangements about dematerialization of shares.

SECTION II. PUBLIC DISCLOSURE AND TRANSPARENCY

II.1. INFORMATION POLICY

II.1.1. Purpose and Scope

As a company having shares traded at Istanbul Stock Exchange (BIST), Ulusoy Un Sanayi ve Ticaret A.Ş. follows an effective and transparent "Information Policy" that complies with the laws and legislations.

The Information Policy covers all kinds of information, documents, electronic records and data that can be legally disclosed without any hesitation, excluding information classified as "Internal Info" and "Trade Secret" that are known by the Board of Directors Members and senior management as well as employees

The purpose of our information policy is to fully, fairly, accurately, timely and clearly inform shareholders, current and potential investors, public, related competent authorities and establishments as well as capital market experts about past performance of the company and expectations from the future, as required under the Capital Markets

II.1.2. Authority and Responsibility

The Board of Directors is in charge of issuing and enforcing the Information Policy. The Board of Directors is entitled to amend this policy from time to time based on related legal arrangements

The parties to be informed as per the Company's information policy are:

- Existing investors
- Potential investors
- Stakeholders
- Regulatory Bodies
- Public

The persons and departments in charge of announcements to be made:

- Board of Directors
- Supervisory Board
- Corporate Governance Committee
- General Manager
- Financial Affairs Manager
- Investor Relations Manager

II.1.3. Information Methods and Tools

The methods and tools used by our Company within the framework of our information policy are:

- Financial tables and independent auditor reports periodically announced
- Annual and interim period activity reports
- Company website (www.ulusoyun.com.tr, www.ulusoyunyatirimciliskileri.com)
- Material disclosures
- Teleconference, telephone, e-mail, fax and such other communication channels

Issues covered by Information Policy

The information policy covered the following particulars:

- Annual activity report, financial statements and footnotes, independent audit report and dividend policy shall be duly and accurately announced to investors, public, stakeholders, regulatory bodies through the website and other communication channels.
- Informational meetings and analyst meetings shall be organized for investors, analysts and shareholders. The Board of Directors members, General Manager, Financial Affairs Manager, Investor Relations Unit and auditors can attend to these meetings. Such meetings shall convene minimum once or twice a year after announcement of financial statements.
- All kinds of information about the general assembly meeting shall be available to the public at the company

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headquarters and announced on the website minimum 3 weeks before the general assembly meeting.

- Financial statements shall be announced to the public on internet every 3-month period and the independent audit reports shall be available on internet every 6 and 12-month periods.
- Dividend Policy issued by the company's Board of Directors shall be announced to the public. This policy shall be submitted to the shareholders at the General Assembly Meeting and included in the activity report.

II.1.4. Determining Parties with administrative responsibility and creating a list of people having access to internal information

List of people having access to internal information covers managerial and auditing body members of the company and people who are not members of such bodies but who directly or indirectly have regular access to internal Company information as well as having authority to influence future company development and managerial decisions impacting the business goals (people with administrative responsibility) as well as people closely associated with such parties and people who act in the name of and on behalf of the partnership as well as having direct or indirect, regular or on demand access to internal information. This list is issued at the Central Registry Agency and regularly updated using Central Registry System.

II.1.5. – Postponing Public Disclosure of Internal Information

As per Article 6 of the Material Disclosures Communiqué issued by the Capital Markets Board, Ulusoy Un San ve Tic. A.Ş. might postpone public disclosure of internal information in order to protect its legal interests provided that the company shall have sole responsibility and it shall not mislead the investors and the company should be able to assure confidentiality of such information

There will be effective arrangements that will prevent access to such information by people who are not on the list of people having access to such internal information and the goal is to protect confidentiality of such information and to control access to such information during that postponement. The company shall make sure that the people having access to internal information accept the law and regulations governing the internal information and that they are informed about the sanctions related to use or disclosure of such information.

II.1.6. Communicating with Shareholders and Parties Authorized to Make Public Disclosures

All kinds of information requests received by Ulusoy Un San. Tic. A.Ş. shall be answered in writing or verbally by the

- Board of Directors Chairman and members
- Supervisory Committee Chairman and members
- General Manager
- Investor Relations Management

provided that such requests are assessed to confirm whether or not they are classified as trade secrets and covered by "Material Disclosures Communiqué" and whether or not they have impact on value of investment decisions and capital market tools.

Employees who are not listed above are not entitled to answer such questions. Employees of Ulusoy Un San ve Tic. A.Ş. shall direct any questions received to the Investor Relations Management Department.

II.1.7. Principles Governing Announcement of Evaluations Regarding Future

The company's future plans and estimations, which are considered as internal information, and related assessments can be disclosed to be public by the personnel authorized to make disclosures provided that the principles of capital market regulations are respected. These assessments shall be based on reasonable assumptions and estimations. Evaluations regarding the future might be amended based on unforeseeable risks and developments. There might be differences between evaluations about future and actual outcomes based on risks, uncertainties and other factors. In that case, the deviations shall be disclosed to the investors within due time.

Evaluations regarding the future can be disclosed via press-media, press meetings and / or press releases, national and international conferences or meetings or other means of communication as well as announcements to be made as per the principles of capital market regulations.

II.1.8. Company Website and Contents

Our company website is www.ulusoyun.com.tr. We also have an investor relationships websites; www.ulusoyunyatirimciiliskileri.com. All necessary financial reports, independent audit reports, activity reports, general assembly information, real estate appraisal reports are available on this section.

Our website, available in Turkish and English languages, is designed based on Corporate Governance Principles, Public Disclosure Principles of the Capital Markets Board and other related legal arrangements. Our website is updated shortly after any changes on the regulations or company info. Our website also has an Investor Relations Section which can be effectively and easily reviewed by our shareholders and potential investors and all other stakeholders.

II.1.9. Activity Report

Our Company shall issue an activity report in a manner to fully and accurately inform the public about the company. Our Activity Report shall be approved by the Board of Directors and then announced to the public. It shall be announced on our website www.ulusoyunyatirimciiliskileri.com. The Report is also available on our website www.ulusoyun.com.tr.

SECTION III. STAKEHOLDERS

III.1 INFORMING STAKEHOLDERS

Ulusoy Un informs all its stakeholders about the developments regarding our company through accurate, easily accessible, transparent, clear announcements that comply with the legislations.

III.2 PARTICIPATION OF STAKEHOLDERS IN MANAGEMENT

Requests and suggestions made by the buyers and employees are monitored, examined and taken into consideration. Any feedback received from buyers, employees and other stakeholders are taken into consideration to create more effective and productive company management.

III.3 HUMAN RESOURCES

As Ulusoy Un Sanayi ve Tic A.Ş., we are aware that we should keep up with changing trends as well as integrating advanced technology, global competition and new opportunities into our business. Without a doubt, one of the key elements of achieving this goal would be implementing a human resources policy that is open to continuous change and development. Our

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motto is "Human resource is the key to improvement" and accordingly, we prepare our human resources for the future as well as making huge investments in technology.

HUMAN RESOURCES POLICY

As Human Resources Department of Ulusoy Un Sanayi ve Tic. A.Ş., our primary goal is to hire professional and talented employees who are capable of empathizing and communicating with others based on "different solutions for different needs" approach and to offer resources that will contribute to personnel development based on their talents and skills. Accordingly, our primary principles of our Human Resources policy can be summarized as follows:

- Personnel planning in terms of qualifications and head count; hiring the best candidate for a job
- Maximizing personnel productivity and efficiency
- Preparing an effective training plan, program and offering personal development opportunities to the entire personnel
- Protecting and improving pecuniary and non-pecuniary rights of personnel
- Creating a work environment where the staff is encouraged to cooperate with their superiors; creating an environment of open communication.
- Offering equal opportunities to everyone in terms of career planning; supporting professional, personal and social developments of employees.

III.4. RELATIONS WITH CLIENTS AND SUPPLIERS

Ulusoy Un San. ve Tic. A.Ş. takes all kinds of precautions to assure customer satisfaction in terms of marketing goods & services and sales activities. Goods and services comply with quality standards and these standards are followed strictly.

Information related to clients and suppliers are kept confidential as trade secrets.

Goods and service demands received from clients are met immediately and the clients are informed about possible delays without waiting for the expiry of due time.

III.5 ETHICAL RULES

Ethical rules mean all the rules that guide our approaches and behaviors while conducting our activities and operations by complying with laws, regulations and procedures. Business Ethics of Ulusoy Un apply to all personnel.

Honesty and Integrity

Honesty and integrity are our primary values in all business processes and relationships. We comply with rules of honesty and integrity while dealing with all internal and external clients, partners such as in-house colleagues, superiors and inferiors as well as performing our duties and responsibilities.

Equality and Fairness

Equality and fairness are primary and irreplaceable values in all our transactions and relationships. We are fair and respectable to each other and we do not discriminate people based on religion, language and race.

Compliance with Laws, Regulations and Rules

Compliance with laws, regulations and rules means that we conduct all business operations and activities in a manner complying with the laws and regulations.

Protecting Ulusoy Un's Reputation

Ulusoy Un has earned respect and reputation as a

company that complies with business ethics as well as respecting the society and environment, embracing an honest, fair and professional approach on all its relationships and practices.

As a matter of course, our personnel should represent us accordingly. The personnel should fulfill this obligation in a manner keeping up with reputation and image of Ulusoy Un.

Environmental Protection Safety and Occupational Health

Protecting the environment and human health is our primary principle in all our activities. As personnel working on a work and operation environment that assures maximum work safety, protection of environmental and natural resources, we embrace and comply with these values

III.5.1. CODES OF PRACTICE FOR BUSINESS ETHICS

Company interests should be taken into consideration while using resources on behalf of the Company. The company assets, facilities and personnel should not be used outside the company and for any reason other than the company goals, regardless of the purpose, interest of related party, if the company does not have any interest in the process

The management cannot assign employees for their personal businesses (excluding the Board of Directors).

All personnel shall use the company resources in the most efficient way possible.

All personnel shall use the company resources in the most efficient way possible.

"Time" is one of the vital resources and we duly manage time and complete interviews with necessary visitors in a reasonable period of time that does not interrupt the work flow.

Confidential Information

Any act and action violating the confidentiality principle is prohibited.

All information, financial information, personnel information, business strategy information, contracts, information about the business partners, suppliers and clients are confidential information and such information shall not be copied or altered.

The company shall take necessary precautions for protecting such information.

Wages, social benefits and such other personnel information which reflects the company policy are confidential. These shall be only disclosed to the authorized parties.

Personnel are prohibited from disclosing such information to others and forcing other personnel to disclose such information.

Our principle on security of information technologies is to minimize security risk as much as possible.

Our personnel (end users) have significant role in supporting assurance of information security on electronic environment and they should be careful about keeping passwords confidential.

Conflict of Interest and Unfair Advantages

We cannot gain advantages for ourselves, our kinsmen, families or third parties and establishments / institutions doing business with use by exploiting our duties.

Personnel shall not directly or indirectly gain any personal advantages through all transactions and

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contracts executed by the company.

Other Employments

Ulusoy Un personnel cannot work for any other person and / or institution during or outside the office hours in return for a wage and similar benefits. Personnel might work for other parties (family members, friends) or establishments outside the office hours for a wage or similar benefits provided that the latter work neither interrupts, conflicts company business nor violates business ethics but it should be approved in writing by the senior management. Personnel can be involved in social responsibility projects and charities launched by non-profit organizations and universities provided that this involvement does not interrupt company business and it is approved by the management in writing. Personnel should file related requests to the human resources department by informing the head of related department.

Gifts

Personnel shall not accept any gifts or benefits that might impair their objectivity in decision making and behaviors or that might violate the work flow as well as being presented for gaining privileges or interests; the personnel should not try to give such influential gifts and grant benefits to third parties, establishments and institutions.

Company personnel cannot accept outright money or loans from subcontractors, suppliers, consultants or clients or ask them to pay for travels and similar payments.

Bribes

Taking, giving or offering bribes and commissions shall not be tolerated under any circumstances. Employees shall not offer, guarantee and give money or any other item of value to any person for the purpose of directly or indirectly gaining unfair advantages. Bribery, corruption, misconduct and such unethical practices should be avoided at all costs.

Media Relations

Any events organized for media organizations, interviews, participation to seminars, conference and such other events should be approved by the senior management. Official press releases can only be published by parties specifically authorized to do so by the management

III.5.2 KEY QUESTIONS REGARDING ETHICAL CONCERNS

- Do I know how should I act in order to comply with business ethics of Ulusoy Un?
- Does my behavior comply with the company policies and procedures as well as rules and competent authorities?
- Is my behavior balanced and fair? Would I be offended if someone else does the same thing?
- Am I asked to do something that complies with laws and business ethics of Ulusoy Un?
- Am I witnessing a behavior that complies with laws and business ethics of Ulusoy Un?
- If my company and stakeholders and the public learns of details of my behavior, would I be offended?
- Would I be in a difficult position or offended if others knew about my behavior?
- Would this behavior result in adverse outcomes for me and the company?
- Who will be under the impact of this behavior? (Employees, shareholders)

- What would others think about my behavior?
- What would be the reaction on newspapers?
- What would a reasonable person think under the same circumstances?

III.5.3 SETTLEMENT OF ETHICAL RULE VIOLATIONS

Persons who violate business ethics or company policies and procedures shall be subject to a number of disciplinary actions including termination.

Persons, who approve, guide actions that lead to improper conducts and violation of rules or persons who have knowledge of such actions but have not duly informed the situation shall also be subject to disciplinary actions.

SECTION IV. BOARD OF DIRECTORS

IV.1. STRUCTURE OF BOARD OF DIRECTORS AND INDEPENDENT MEMBERS

The Company shall be managed and represented by a Board of Directors having minimum five (5) and maximum eleven (11) members to be elected by the General Assembly as per the provisions of Turkish Commercial Code and Capital Markets Board legislation.

If the Board of Directors have five members, then two members shall be elected among candidates to be nominated by majority of Group (A) shareholders and this principle applies to three members out of six or seven members; four members out of eight or nine members; five members out of ten or eleven members.

Minimum 2 independent members should be elected to the Board of Directors. Number of independent members shall not be less than 1/3 of the total members on the Board of Directors. Fractional numbers shall be rounded up to the next whole number. Number and qualifications of the independent members to be appointed to the Board of Directors shall be determined based on the corporate governance principles of the Capital Markets Board.

Without prejudice to the corporate governance principles of the Capital Markets Board governing independent members; the Board of Directors, election of members, terms of office shall be determined by the General Assembly Meeting according to the Turkish Commercial Code and related regulations.

The Board of Directors shall appoint a chairman and minimum one vice chairman or chairmen among its members every year. If there are any vacancies due to resignation, death or any other reason, the Board of Directors shall appoint a temporary Board of Directors Member who should be approved by the first General Assembly Meeting. The member appointed to the Board of Directors in this manner shall officiate until the first General Assembly Meeting and, if approved by the General Assembly, the member shall continue to officiate to complete the term of office of the replaced member. If the independent members cease to be independent, if they resign or they are incapable of fulfilling their duties; the corporate governance principles of the Capital Markets Board shall be applied.

The Board of Directors members shall be elected for maximum three (3) periods and until they are replaced by their successors. A Board Member can be reelected after the expiry of one's term of office.

Without prejudice to the corporate governance principles of the Capital Markets Board that apply to the independent members, the General Assembly is entitled to replace Board of Directors members at any time deemed necessary.

IV.2. BOARD OF DIRECTORS MEMBERS

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Board of Directors Chairman: Eren Günhan ULUSOY

Board of Directors Vice Chairman: Kamil ADEM

Board of Directors Member: Salih Zeki MURZİOĞLU

Non-Executive Director: Özdemir EROL

Non-Executive Director: Kemal Kitaplı

IV.3. ACTIVITY PRINCIPLES OF THE BOARD OF DIRECTORS

The Board of Directors Members shall be elected by the General Assembly and the qualifications of members are determined based on Capital Markets Board principles and related communiqués. Our Board of Directors conducts activities in a transparent, accountable, fair and responsible manner.

The Board of Directors has a leading role in the process of establishing effective communication between the company and shareholders, resolving and settling any disputes; it cooperates with the Corporate Governance Committee and Investor Relations Unit in order to achieve this goal.

The Board of Directors shall convene at times required for effectively fulfilling its duties; the activities should be performed in a transparent, accountable, fair and responsible manner which always takes into consideration strategic goals of Ulusoy Un San. ve Tic. A.Ş.

IV.4- NUMBER, STRUCTURE AND INDEPENDENCY OF COMMITTEES SUBJECT TO THE BOARD OF DIRECTORS

Our Company has established committees for the purpose of enabling the Board of Directors to fulfill its duties and responsibilities. The committees in question function according to predetermined rules. The decisions made by the committees as a result of independent activities are submitted to the Board of Directors as proposals and the Board of Directors makes the final decision.

Audit Committee

The Company's Audit Committee was established as per related communiqués of the Capital Markets Board and Corporate Governance Principles as well as Article 11 of the company's articles of association.

Name-Surname	Title in Partnership	Position
Kemal KİTAPLI	Non-Executive Director	Supervisory Board Chairman
Özdemir EROL	Non-Executive Director	Supervisory Board Member

The committee shall have minimum two members and the committee shall be structured in a manner to make sure that it will never have less than two members. All members of the committee are independent board of directors' members. Besides, CEO / General Manager shall not be on the committee. Minimum one of the supervisory board members should have minimum 5 years of experience in auditing / accounting and finance.

Corporate Management Committee

The Company's Corporate Governance Committee was established as per related Corporate Governance Principles communiqués of the Capital Markets Board as well as Article 11 of the company's articles of association.

According to the Capital Markets Board Communiqué serial numbered II-17.1, the personnel in charge of communication between the Company and investors should be on this committee.

Name-Surname	Title in Partnership	Position
Özdemir EROL	Non-Executive Director	Corporate Management Committee Chairman
Kemal KİTAPLI	Non-Executive Director	Corporate Management Committee Member
İlker KÜÇÜK	Risk Management, Capital Markets and Investor Relations Group Manager	Corporate Management Committee Member

The committee shall have minimum two members and the committee shall be structured in a manner to make sure that it will never have less than two members. If the committee has 2 members and both members have more than two people, the majority of members should be board of directors members who do not have executive committee duties and the committee chairman should be elected among independent board of directors' members. Besides, CEO / General Manager shall not be on the committee

Early Detection of Risk Committee

The Company's "Early Detection of Risk Committee" was established as per related Corporate Governance Principles communiqués of the Capital Markets Board as well as Article 11 of the company's articles of association.

Name-Surname	Title in Partnership	Position
Kemal KİTAPLI	Non-Executive Director	Early Detection of Risk Committee Chairman
Salih Zeki MURZİOĞLU	Board of Directors Member	Early Detection of Risk Committee Member

IV.5. FINANCIAL RIGHTS

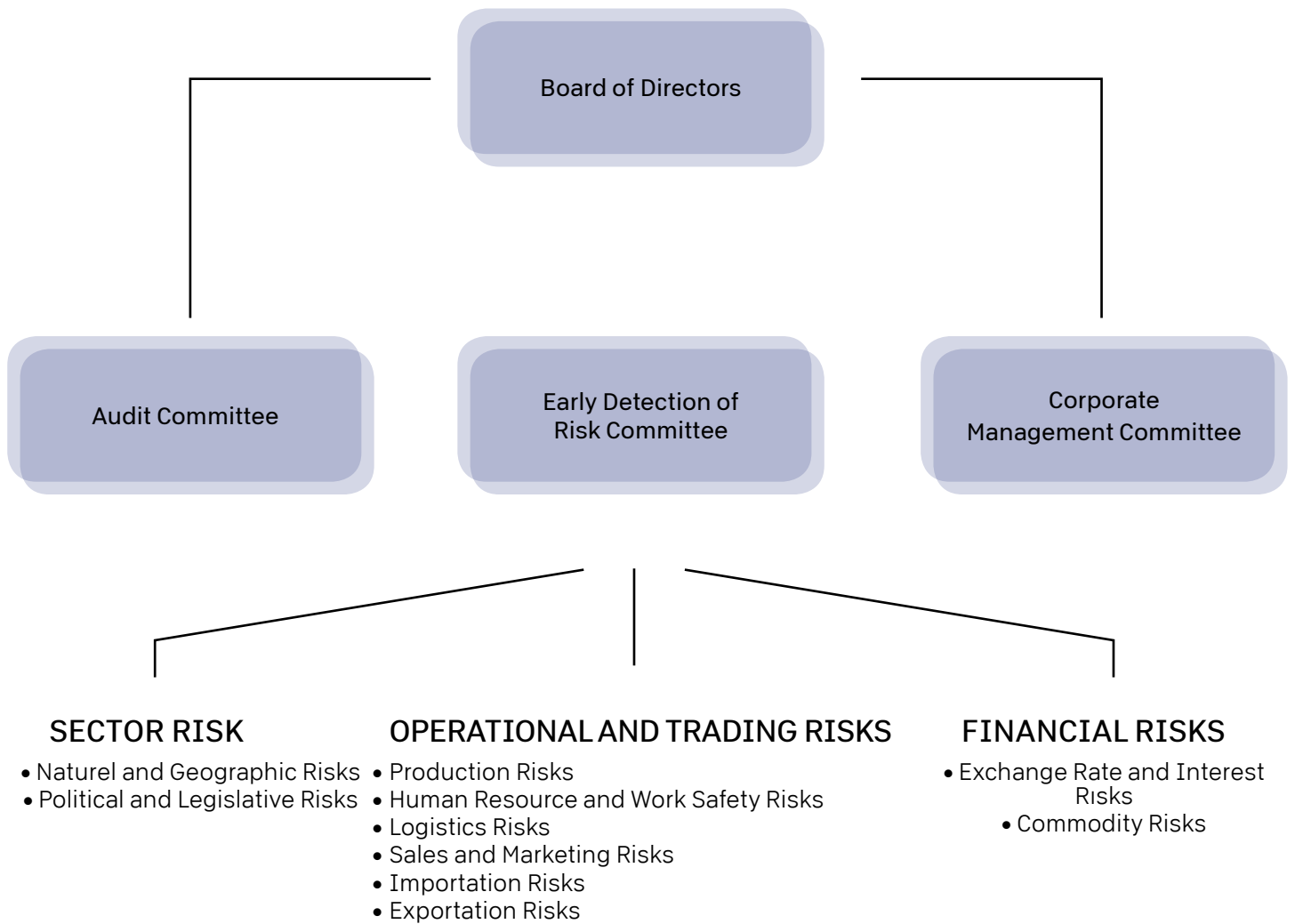
Salary principles of Board of Directors Members and managers having administrative responsibilities are documented and the principles are disclosed to the shareholders at the General Meeting.

Salaries offered to the Board of Directors Members and managers having administrative responsibilities as well as all other benefits are announced to the public on the annual activity report. This disclosure covers the board of directors and senior management rather than being on individual basis.

The General Assembly decided that each Non-Executive Director shall receive TRY 2200; Board of Directors Chairman shall receive TRY 6600; Board of Directors Vice Chairman shall receive TRY 5500 and Board of Directors Members shall receive TRY 3300 as gross monthly salaries throughout their terms of office.

The Company has not granted a loan or credit to a Board of Directors Member or executives having administrative responsibilities.

RISK MANAGEMENT



RISK MANAGEMENT

SECTOR RISKS

Natural and Geographical Risks

Hail, frost, fire, drought, storm and flood are the leading natural risks related to agricultural production.

Although Turkey has a great potential in plant production and animal production, it has not achieved desired levels of agricultural production. Accordingly, fluctuations in demand – supply balance might have impact on the prices and thus disturb profit margins of the Company.

Production mainly depends on natural conditions and this dependency might cause product yield and producer income, profitability fluctuations.

Our country is exposed to product loss risk due to bacterial, fungal and viral plant diseases and harms. Natural and geographical risks are defined as risks that cannot be fully foreseen and measured. However, the Company closely monitors the expected product harvests on regional and international level by bearing in mind the possibility of foregoing risks and increases the critical stock levels in order to prepare for potential raw material price increases to be caused by decreased product yields. Besides, the company manages the risk through derivatives on commodity exchanges.

Political and Legislative Risks

Any changes on the government's agricultural policies and any changes that might narrow the profit margin might have negative impact on the Company's profitability since the main input of the Company, namely wheat, is directly controlled by the government's agricultural policies.

The global economic problems and potential product price fluctuations caused by such problems might have negative impact on the agriculture sector.

Production mainly depends on natural conditions and this dependency might cause product yield and producer income, profitability fluctuations.

Since the profit margins in the sector are low and a price oriented competition approach dominates the market, any potential increases on general expenses and production costs might have negative impact on the sector and reduce the profitability level.

The company manages the political and legislative risks related to the sector with methods similar to the ones used for natural and geographical risks.

OPERATIONAL AND TRADING RISKS

Production Risks

This category covers process risks that might prevent producing products according to the expected quality level, contents and standards.

Foreign substances might be mixed with the product in production line on each stage and between stages while transforming wheat into flour by processing wheat as a raw material.

Another risk would be flocculation, molding and infestation on nooks and obsolete sections of production facilities, production team and equipment, packing – shipment and warehouses.

If the main production machines are broken, broken down etc., such problems might cause the risk of suspending production.

Magnets and waste purifiers are used at raw material

input processes in order to keep foreign substances away from related processes. Products are sampled and tested at specific stages in order to check quality. Employees are continuously and regularly trained on such matters; cleaning and control processes are supervised using "random sampling and period" methods. Besides, the critical points are determined (Final Check Sieve and Metal Detector) and risks related to these points are eliminated.

Machines are regularly maintained and repaired; the company does not wait for machine malfunctions to do maintenance and repair works and to replace spare parts; qualified teams quickly eliminate any malfunctions and problems.

There are comprehensive insurance policies against all kinds of machine breakdowns.

Human Resource and Work Safety Risks

There might be occupational health & safety risks related to any potential work accident and other risks related to failing to employ manpower that is fit for the job and that will not interrupt business continuity.

Personnel trainings on potential work accidents are offered regularly. Besides, an Occupational Safety Specialist is hired pursuant to the legislation in force.

The Company has a Human Resources Department that is in charge of risks related to inefficient use of manpower available and confusion about employee roles and responsibilities; the department continues to take effective measures, plan employee backups for key roles and positions as well as duly reporting to and informing the management.

Logistic Risks

This category covers operational risks in purchasing (supply), storage and shipment processes.

There is a risk of being exposed to operational risks related to the processes of transporting purchased raw materials to the Company warehouses, keeping them in stock and transporting from warehouses to the production or sales locations. Loss, spillage, accident and such other risks related to all transportation / shipment processes of the Company are covered under comprehensive insurance policies. Besides, there are insurance policies against losses and damages suffered at the warehouse due to flood, fire, burglary etc. Efficient internal control mechanisms are in place particularly for shipment and storage processes.

Sales and Marketing Risks

The risks are current account balances due to credit sales made to margin trading customers as well as bounced, uncollected checks-bills and such other bonds.

Another risk would be misconduct attempts of the personnel assigned as collectors on local fields.

The rivals might prefer to practice aggressive competition in the domestic market and new players might be introduced to the market.

RISK MANAGEMENT

The Company performs necessary market searches before offering credit (forward) sales, as required under the Company's risk policy, and a risk score as well as a limit are specified for customers offered with such sales. These specified risk and limit restrictions are applied to subsequent operations.

Inspectors, assigned to the locations where the Company is present in the domestic market, do inspections at random periods and with random samplings and comprehensive insurance policies are issued against the misconduct attempts.

The risks related to introduction of new players into the market and existing players practicing more aggressive sales policies are always in agenda and the Company's Sales and Marketing Department keeps up with the developments in the domestic market in order to be prepared for such risks.

Importation Risks

This category covers all kinds of risk related to importation markets.

Any crisis, amendment related to production and tax policies in the country of importation is considered as a risk.

The company determines and keeps critical inventory levels in order to prepare for such negative incidents.

The company keeps a close eye on the global crop expectations and monitors alternative importation markets as well as keeping alternatives as backup.

There are comprehensive insurance policies covering logistic risks in importation processes.

Exportation Risks

This category covers all kinds of risks related to exportation markets.

Anti-dumping practices in countries of exportation as well as political, economic and conjectural instabilities and negativities in these

countries are the related risks.

Both in-house specialists and professional institutions of our sector take measures against the anti-dumping practices.

The Company's Exportation Department always monitors the exportation markets and does active searches as well as keeping alternative

markets as backup in order to be prepared for the risk of conjectural, political and economic depressions in these markets.

FINANCIAL RISKS

Exchange Rate and Interest Risk

This category covers risk of exchange rate changes on assets and debts in foreign currency as well as cost and cash flow risks related to increased interest rate applied to the financial debts.

The exchange rate risk is a result of foreign exchange gap between the Company's liabilities and assets in foreign currency. There will be a foreign exchange gap if the liabilities in foreign currency are more than the assets.

Foreign exchange gap of our company is being effectively managed against fluctuation risk through Futures Exchange transactions and forward transactions at banks and we are able to transform them into foreseeable financial outcomes.

The position acquired changes based on market developments and hedging model applied.

Since there is a risk of sudden increase in variable interest rate of short and long term liabilities, the company's Finance Department closely monitors the market and keeps an open mind for alternative methods.

Raw Material Price Change Risk

This category covers the risk of wheat price changes in the internationally organized markets which might be disadvantageous to the Company.

The exchange rate risk is a result of foreign exchange gap between the Company's liabilities and assets in foreign currency. There will be a foreign exchange gap if the liabilities in foreign currency are more than the assets.

TMO (Soil Products Office) regulates the wheat prices in our country. There are different methods used to control the market in order to protect the producers when the prices go down and to protect the consumer when the prices go up.

According to the actual wheat position available in our inventory; the risks are limited through partial hedging transactions on Cbot (Chicago Board of Trade) and Matif exchanges at levels where the domestic wheat price and overseas exchange price spreads are widened.

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MAJOR DEVELOPMENTS AFTER PERIOD

As announced on our material disclosure dated 22.01.2018

Subject of Tender	Procurement of Wheat Flour
Contracting Authority	United Nations World Food Programme (WFP)
Board Decision Regarding Bidding	None
Other Parties in Case of Bidding as a Group	None
Partnership Share in Case of Bidding as a Group	None
Date of Bidding	19.01.2018
Date on which Tender has been Won	19.01.2018
Tender Price	1.413.500,00 USD (5.399.570,00 Turkish Liras)
Proportion of the Tender Price Allocated to the Partnership Share	%100
Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%)	%0,43

The amount allocated to our company within the scope of our bidding to Wheat Flour tender issued by the United Nations World Food Programme (WFP) on the date of 19.01.2018 will be delivered to Yemen on 15.02.2018. Respectfully released to the public.

As announced on our material disclosure dated February 13, 2018:

According to the Decision dated 13.02.2018 and numbered 2018/002 of our company's board of directors; Our board of directors has evaluated in detail the facts that Switzerland is a location mainly managing international raw material trade and also Switzerland is accountable for over 60 % of the financing provided to petrol, cereal products and all kinds of raw material trades; Switzerland has an economic environment and stability supporting trade as well as financing alternatives in the Switzerland banking system, ease of access to capital markets and such other advantages.

Accordingly, our company has decided to establish ROLWEG S.A. Company in Geneva, Switzerland at the address of Rue du Nant 6, 1207 Geneva and the company shall 100 % belong to Ulusoy Un Sanayi ve Ticaret A.Ş. with a capital of 1.000.000,00 Swiss Francs for making our company more competitive on the international markets, becoming a more influential player on those markets and also having advantages in access to raw materials and benefiting from cost advantages when accessing raw materials and thus the necessary formalities and procedures have been started.

I hereby inform the public accordingly.

As announced on our material disclosure dated March 15, 2018:

According to the Decision dated 13.02.2018 and numbered 2018/002 of our company's board of directors; Establishment of ROLWEG S.A. , the company that 100 % belong to Ulusoy Un Sanayi ve Ticaret A.Ş. with a capital of 1.000.000,00 Swiss Francs, at the address of Rue du Nant 6, 1207 Geneva has finalized which we have announced our establishment decision by the announcement made on 14.02.2018.

Respectfully released to the public.

As announced on our material disclosure dated March 20, 2018:

As a result of planning and evaluation made by our Board of Directors and and Executive Board, in 2018 our company's total revenue is expected to have an increase by 17% compared to 2017.

Respectfully released to the public

As announced on our material disclosure dated May 10, 2018:

According to the decision dated 02.05.2018 and numbered 2018/016

Ulusoy Un Sanayi ve Ticaret A.Ş. Çorum Branch was established with address Ulukavak Mahallesi Çiftlik Caddesi No:51A Merkez Çorum and registered in Çorum Chamber of Commerce on 09.05.2018

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Minutes of Ordinary General Meeting of Activity Year of 2017 which was held on 24.04.2018, Tuesday at 14:30 of ULUSOY UN SANAYİ ve TİCARET ANONİM ŞİRKETİ

The Ordinary General Meeting of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi belonging to activity year of 2017 was held on April 24th, Tuesday at 14:30 in address of Park Inn by Radisson Samsun Oteli Cumhuriyet Mah. Değirmenci Sok. No:4 Tekkeköy 55310 Samsun - Turkey under supervision of Mr. Cemil Kocaoğlu who is Ministry Representative assigned with letter of Provincial Directorate of Commerce of Governorate of Samsun of the Ministry of Customs and Trade dated 19.04.2018 and numbered 39028009-431.03-E-00033712180.

Call for meeting was made in due of time by being announced in 943rd-944th page copies of the Turkish Trade Registry Gazette dated March 29th, 2018 and numbered 9547, web site of the Company (www.ulusoyun.com.tr), Public Disclosure Platform (PDP), e-Company application of Central Registry Agency and Electronic General Meeting System (EGMS) at least 21 days before the General meeting as stipulated in the law and articles of incorporation and in a way to include agenda.

It was understood from examination of list of attendants that 45.831.556 shares whose total nominal value is 45.831.556,00 TL of the total nominal values of 84.500.000,00 TL of the Company shares are represented personally and 18.238.791 shares whose total nominal value is 18.238.791,00 TL are represented by proxy. It was determined in the meeting that 64.070.347 shares whose total nominal value is 64.070.347,00 TL were represented, thus minimum quorum stipulated in the law and articles of incorporation was available. It was also determined that Mr. Cem DAĞLI was present in the meeting on behalf of Independent Auditing Team.

It was determined that the Company fulfilled its electronic general meeting preparations in accordance with legal regulations within the frame of Turkish Commercial Code, Capital Market Legislation and Central Registry Agency regulations. Upon understanding that Independent Auditor was present in the meeting, it was explained that general meeting shall be held synchronously by Mr. Kamil ADEM who is Vice-chairman of the Board of Directors and Chief Executive Officer both in physical and electronic environment and Mr. İlker KUCUK and Mr. Bihan ÖZTÜRK having Specialty Certificate on Electronic General Assembly System of the Central Registry Agency were assigned to use the electronic general assembly system. The General Assembly was informed about the fact that shareholders attending the meeting physically shall vote with open procedures and with raising hand procedure in the meeting and those who will cast dissentive vote should declare verbally save for

the voting regulations in electronic environment, and the meeting was opened by Mr. Kamil ADEM who is Vice-chairman of the Board of Directors and Chief Executive Officer both in physical and electronic environment. All agenda articles were ready for the General Assembly and they started to negotiate agenda.

1. Offer given for selection of Meeting chairman was read for selection of opening and meeting chairman within the scope of first article of the agenda, it was asked whether there was other offer or not, and since there was no offer it was put to the vote. It was decided unanimously that Mr. Bihan ÖZTÜRK was selected as meeting chairman with 259.070.347 affirmative votes by the General Assembly

Mr. Bihan Öztürk was selected as Meeting chairman, Kader SALKIM was selected as minutes clerk and Mr. İlker KÜÇÜK was selected to fulfill requirements of electronic general assembly system.

Meeting Chairman determined that articles of incorporation of the Company, stock ledger, Independent Audit Report, Activity Report of the Board of Directors and Financial Statements were available in the meeting.

2. Second article of agenda was opened for negotiation. It was decided unanimously that meeting Chairman is authorized to sign documents of the General Assembly and meeting minutes.

3. Third article of agenda was opened for negotiation. It was accepted that consolidated activity report of 2017 was submitted for examination of our partners, thus there is no need to read whole report and offer given about it was read and counted, and it was submitted for voting of the General Assembly and it was accepted by the General Assembly with 259.070.347 affirmative votes as a result of voting. It was started to negotiate consolidated activity report. No one took the floor to state opinion.

4. Fourth article of agenda was opened for negotiation. Our independent audit report regarding our consolidated financial statements of 2017 was submitted for examination of our partners, thus there is no need to read whole report and offer given about it was read and counted, and it was submitted for voting of the General Assembly. It was accepted by the General Assembly with 259.070.347 affirmative votes as a result of voting. Mr. Cem DAĞLI who is representative of the Company titled Dmr Bağıımız Denetim ve Danışmanlık Anonim Şirketi read summary of the Independent Auditing Report. It was started to negotiate report. No one took the floor to state opinion.

5. Fifth article of agenda was opened for negotiation. Since it was stated that Consolidated Balance sheet and Consolidated Income Statement that was regulated within the scope of Communique numbered II 14.1

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of the Capital Market Board regarding 2017 and that was controlled by independent audit and Balance sheet and Income statement complying with General Communique on Accounting System Application were submitted for examination of our partners and that Consolidated Balance sheet and Consolidated Income Statement were examined and evaluated sufficiently by the attending partners, and due to agreement that there is no need to read it again, it was submitted for voting of the General Assembly It was accepted by the General Assembly with 259.070.347 affirmative votes as a result of voting.

6.Sixth article of agenda was opened for negotiation. Release of Members of the Board was submitted for voting regarding release of the Members of the Board due to their activities of 2017. The Members of the Board did not exercise their rights on voting that arise from their shares in their release. It was accepted by the General Assembly with 169.636.009 affirmative votes as a result of voting. It was started to discuss release of the members of the Board as a result of voting and all members of the Board were released separately with unanimity of shareholders attending the meeting.

7.Seventh article of agenda was opened for negotiation. The subject was opened for negotiation in accordance with decision and proposal of the Board of Directors on distribution of profit share dated 26.03.2018 and numbered 2018/010. Said decision of the Board of Directors was read and was submitted for evaluation of the General Assembly, no one took the floor to state opinion and it was accepted with 259.070.347 affirmative votes.

Accordingly;

Net period profit of our Company remaining after allocating tax provision of 2.738.929,00 TL from Period profit of 19.334.014,00 TL, included in consolidated financial statements belonging to accounting period of 01.01.2017 - 31.12.2017 that was prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards prepared in accordance with "Communique on Principles regarding Financial Reporting in the Capital Market numbered (II-14.1) of the Capital Market Board and that was subject to audit by Independent Auditing Company titled DMR Bağımsız Denetim ve Danışmanlık A.Ş.", is 16.595.085,00 TL in accordance with provisions of the Capital Market Legislation, Articles of Incorporation of the Company and other legislation provisions.

Net period profit of our Company remaining after allocating tax provision of 6.819.067,05 TL in accordance with our articles of incorporation, tax and other laws from the period profit of 40.701.480,34 TL included in financial statements, which were prepared in accordance with

provisions of the Corporate Tax Law, Income Tax Law, Tax Procedure Law and other legal legislation provisions belonging to accounting period of 01.01.2017 - 31.12.2017, is 33.882.413,29 TL.

According to Tax Distribution Table of our Company of 2017 in the annex that was prepared in accordance with Communique of the Capital Market Board numbered (II-19.1);

It was decided unanimously that 1.694.120,66 TL is allocated from the Net Period Profit as legal primary reserve of 5% within the frame of provisions of the Turkish Commercial Code numbered 6102 and other relevant legal legislation provisions, Net Distributable Period Profit remaining after legal primary reserve is determined as 14.900.964,34 TL, and that 14.900.964,34 TL is not distributed, and is left within the Company as an excess reserve.

8. Eighth article of agenda was opened for negotiation. It was started to negotiate on acceptance of decision and proposals on selection of independent auditing firm, amendment and change or refusal which was made by the Board of Directors in accordance with regulations of the Turkish Commercial Code and Capital Market Board. Offer of the Board of Directors, regarding re-selection and approval of DMR Bağımsız Denetim ve Danışmanlık A.Ş. that is an independent auditing firm for the period of 01.01.2018 – 31.12.2018 that was selected by the Board of Directors for independent auditing of our Consolidated Financial Statement and Activity Reports of 2018 in accordance with the Capital Market Board Law numbered 6362 and selection of DMR Bağımsız Denetim ve Danışmanlık A.Ş. as an independent auditor within the scope of the Turkish Commercial Code numbered 6102, was submitted for approval of the General Assembly by the meeting Chairman, and it was accepted by the General Assembly with 259.070.347 affirmative votes as a result of voting.

10. Ninth article of agenda was opened for negotiation. Members selected by the Board of Directors for memberships becoming vacant within 2017 were submitted for approval of the General Assembly in accordance with 363rd article of the Turkish Commercial Code.

Özdemir EROL was selected by the Board of Directors in accordance with 363rd article of the Turkish Commercial Code on the same date upon resignation dated 12.09.2017 of Vedat CEYHAN who is independent member of the Board of Directors, and 259.070.347 affirmative votes were accepted unanimously as a result of submitting selected member for approval of the General Assembly.

10. Tenth article of agenda was opened for negotiation. Selection of members of the Board and independent members of the Board whose term of office expired

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and determination of their term of office, Motion that was made by Mr. Fahrettin ULUSOY who is shareholder regarding selection of member of the Board was read. It was asked whether there is another motion or not. It was observed that there is no other motion and motion made was put to the vote.

In accordance with motion made;

Selection of Eren Günhan ULUSOY (T.R. Identity No – 64723169390), Kamil ADEM (T.R. Identity No – 13462519584), Salih Zeki MURZİOĞLU (T.R. Identity No – 66049095582) who were present in the meeting as members of the Board to perform duty for 3 years (THREE YEARS) was unanimously accepted with 259.070.347 affirmative votes.

Selection of Kemal KİTAPLI (T.R. Identity No – 51406593306) and Özdemir EROL (T.R. Identity No – 68821028870) as Independent members of the Board, who are 2 independent members of the Board by being determined by the Board of Directors and declared to the public in accordance with Corporate Management Principles to perform duty for 3 years (THREE YEARS), was unanimously accepted with 259.070.347 affirmative votes.

11. Eleventh article of agenda was opened for negotiation. Motion that was taken by the shareholder Eren Günhan ULUSOY regarding wage to be given to members of the Board was read. It was accepted unanimously with 259.070.347 affirmative votes that monthly gross wage of 6.600,00.- TL is paid to Chairman of the Board, 5.500,00.- TL to Vice-chairman of the Board, 3.300,00.- TL to Members of the Board and 2.200,00.- TL to each of independent members of the Board to be valid as of April 2018 and during the period when they remain in office

12. Twelfth article of agenda was opened for negotiation. Subject on providing information to shareholders about donations of the Company within 2017 and determining upper limit for donations to be made in 2018 was opened for negotiation. General Assembly was informed regarding donations made within 2017. Offer given for determining 400.000,00.- TL as upper limit for the donations to be made in 2018 was read to the General Assembly. Given offer was submitted for approval of the General Assembly by the Chairman. Proposal on acceptance of 400.000,00 TL as an upper limit for 2018 was accepted by the General Assembly with 259.070.347 affirmative votes.

13. Thirteenth article of agenda was opened for negotiation. Chairman of the Board Eren Günhan Ulusoy informed shareholders about the fact that Company and affiliated companies did not give any guarantee, pledge and security on behalf of 3rd parties in 2017 in accordance with regulations of the Capital Market Board

and there is no obtained income or interest. No one took the floor about this subject.

14. The fourth item of the agenda was negotiated. Eren Günhan ULUSOY, Chairman of the Board of Directors, provided information on the transactions carried out within the framework of the 395th and 396th articles of the Turkish Commercial Code and the Capital Markets Board Corporate Governance Communiqué in 2017. To the shareholders, the members of the Board of Directors, senior managers and their spouses and second degree relatives of blood and their relatives who are in possession of the management control; To be allowed to perform transactions under the articles 395 and 396 of the Turkish Commercial Code and in accordance with the Capital Markets Board Corporate Governance Principles Communiqué. It was also asked whether a member of the board of directors would be able to enter into a limited partnership with a company that engages in the same type of business and that it can do business of the type of business entered into the business by itself or another. This issue was accepted by the General Assembly with 259,070,347 admission votes.

15. The fifteenth item of the day was opened for negotiation.

In view of the permission received from the Capital Markets Board and the Ministry of Customs and Trade, the amendments to Article 6 entitled "Distribution of Capital, Share Certificates and Shares" of our Articles of Association regarding the amendment of the registered capital system period and ceiling were submitted to the examination of shareholders, and that the proposal was accepted by the general assembly, it was accepted by the General Assembly with 259.070.347 admission votes as a result of the voting. As a result of the voting on the amendments made in Article 6 of the Articles of Incorporation, unanimously, with the following new form 259.070.347 acceptance votes of Article 6.

New Form

ARTICLE 6- DISTRIBUTION OF CAPITAL, SHARE TYPES AND SHARES

The Company has accepted the registered capital system in accordance with the provisions of Law no. 6362 and passed this system with the permission of Capital Markets Board dated 01.10.2013 and numbered 33/1100. The registered capital of the Company is TL 250,000,000.00 (two hundred fifty million Turkish Liras) divided into 250,000,000 (two hundred and fifty million) shares each bearing a nominal value of TL 1.00 (one Turkish Lira).

The registered capital ceiling permit granted by the Capital Markets Board is valid for the years 2018-2022 (5 years). Even if the registered capital ceiling is not reached at the end of 2022, a new one for the ceiling or

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a new ceiling which is allowed before the end of 2022 by taking the permission of the Capital Markets Board it is necessary to obtain authorization for the period. In case the competent authority is not taken, the company shall be deemed to have come out of the registered capital system.

The issued capital of the company is worth TL 84,500,000.00 (eighty four million five hundred thousand Turkish Liras). Each of these capital is divided into 84,500,000 bearer shares with a nominal value of TL 1.00, 9,750,000 A Groups, 6,500,000 Group B and 68,250,000 Group C shares, all of which have been fully paid out in arrears.

Unless otherwise decided by the Board of Directors in the capital increases, each group shall exercise the right of priority from its own group. In the case of A and B Group shareholders remaining outstanding shares of the right to use, these remaining shares shall be converted into C Group and bearer shares without further transaction. However, if the shareholders of the Board of Directors restrict the right to receive new shares, all new shares to be issued will be issued in Group C and bearer. In addition, the board of directors is also authorized to issue bearer shares for Group C in respect of shares A and B in the capital increases.

The Board of Directors is authorized to increase the capital issued by issuing shares and to make a share exceeding the nominal value, to restrict the rights of privileged shareholders and to restrict the shareholders' right to receive new shares, in accordance with the provisions of the Capital Markets Legislation between the years 2018 and 2022, to make decisions on

Shares A, B and C can be freely transferred in accordance with the provisions of the relevant legislation. In the transfer of shares, the Turkish Commercial Code, Capital Markets Law, Capital Markets Board Regulations, other relevant regulations of Capital Markets legislation, Central Registry System rules and other regulations related to dematerialization of shares are applied.

The capital of the Company may be increased or decreased within the framework of the Turkish Commercial Code, Capital Markets Law and related legislation.

It shall be monitored within the framework of dematerialization principles shares representing the capital.

16. In the wishes and opinions of the sixteenth article of the day, Mr. Fahrettin ULUSOY took the floor.

Fahrettin Ulusoy took the floor and said, "I was pleased to follow the point that our company, which was founded in 1989, came today as a founding stakeholder. I would like to thank all the members of the board of directors, including Eren Günhan Ulusoy and Kamil Adem, and all

of my employees who have passed the test. We are able to perceive the point where our company is coming from the next studies. Our company Ulusoy, which is a small tea first, is now like a waterfall. As founders, I thank all the stakeholders and employees who provided us with this great happiness. Hopefully, we will be able to realize our bigger ideals at other general assembly meetings. Thanks to my life partner and our shareholder Nevin Ulusoy.

Nevin Ulusoy took the floor and said, "I am grateful to all of you, our stakeholders and valued junior, all of you with respect and affection, and I thank you all for your cooperation with our employees and stakeholders today. However, at a previous general meeting, one of our stakeholders suggested that at least one female member should be in the governing board. I would like to emphasize that I need to be more sensitive to this issue by repeating my vision in this direction insistently. Thank you," he concluded his words.

Chairman Bihan ÖZTÜRK thanked the stakeholders. The meeting ended with the members of the Board of Directors wishing the success in their duties.

This report was issued on 5/4/2018 at 15:15 at the meeting place in 5 copies and read and signed.

Ulusoy Un Sanayi ve Ticaret A.Ş. 2017 Dividend Distribution Table

Ulusoy Un Sanayi ve Ticaret A.Ş. 2017 Yılı Kar Dağıtım Tablosu (TL)			
1.	Paid up / issued capital		84.500.000,00
2.	Total Legal Reserves (based on legal records)		3.999.098,87
	Information about privileges related to dividend distribution as per the articles of association		There are no privileges related to dividend distribution
		According to Capital Markets Board	According to Legal Records
3.	Period Profit	19.334.014,00	40.701.480,34
4.	Taxes Payable (-)	2.738.929,00	6.819.067,05
5.	Net Period Profit (=)	16.595.085,00	33.882.413,29
6.	Previous Year Losses (-)	0,00	0,00
7.	First Legal Reserves (-)	1.694.120,66	1.694.120,66
8.	NET DISTRIBUTABLE PERIOD PROFIT (=)	14.900.964,34	32.188.292,63
9.	Donations made throughout the year (+)	274.121,80	274.121,80
10.	Net distributable period profit including donations for calculating first dividend	15.175.086,14	32.462.414,43
11.	First Dividend to shareholders		
	-Cash	0,00	0,00
	-Bonus Shares	0,00	0,00
	-Total	0,00	0,00
12.	Dividend paid to Preferred stockholders	0,00	0,00
13.	Dividend to Board of Directors Members, Employees	0,00	0,00
14.	Dividend payable to Dividend Shareholders	0,00	0,00
15.	Second Dividend to Shareholders	0,00	0,00
16.	Second Legal Reserves	0,00	0,00
17.	Statutory Reserves	0,00	0,00
18.	Special Reserves	0,00	0,00
19.	EXTRAORDINARY RESERVES	14.900.964,34	32.188.292,63
20.	Other Resources to be Distributed		
	-Previous Year Profit	0,00	0,00
	-Extraordinary Reserves	0,00	0,00
	- Other Reserves to be Distributed Under Law and Articles of Association	0,00	0,00

	Group	Total Amount of Dividend Paid		Total Dividend Distributed / Net Distributable Period Profit	Dividend paid for TRY1 Nominal Value Share	
		Cash (TRY)	Bonus Share (TRY)	Ratio (%)	Amount (TRY)	Ratio (%)
NET	A	0,00	-	0,00%	0,000000	0,00%
	B	0,00	-	0,00%	0,000000	0,00%
	C	0,00	-	0,00%	0,000000	0,00%
	TOPLAM	0,00	-	0,00%		

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As announced on our material disclosure dated 03.10.2018;

Investment loan agreement amounted 18 million USD (American Dollars) signed between our company and FMO (Entrepreneurial Development Bank) with 8 years maturity.

Respectfully released to the public..

As announced on our material disclosure dated 26.11.2018;

Subject of Tender	Buğday İthalatı İhalesi
Contracting Authority	Toprak Mahsulleri Ofisi (TMO)
Board Decision Regarding Bidding	Yoktur
Other Parties in Case of Bidding as a Group	Yoktur
Partnership Share in Case of Bidding as a Group	Yoktur
Date of Bidding	23.11.2018
Date on which Tender has been Won	23.11.2018
Tender Result	3.384.000,00 Amerikan Doları (20.281.860,00 Türk Lirası)
Proportion of the Tender Price Allocated to the Partnership Share	%100
Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%)	%0,90

The amount allocated to our company within the scope of our bidding to wheat tender issued by Toprak Mahsulleri Ofisi(TMO) on the date of 23.11.2018 will be delivered latest 09.01.2019.

Respectfully released to the public.

As announced on our material disclosure dated 07.12.2018;

Subject of Tender	Buğday İthalatı İhalesi
Contracting Authority	Birleşmiş Milletler World Food Programme(WFP)
Board Decision Regarding Bidding	Yoktur
Other Parties in Case of Bidding as a Group	Yoktur
Partnership Share in Case of Bidding as a Group	Yoktur
Date of Bidding	07.12.2018
Date on which Tender has been Won	07.12.2018
Tender Result	3.367.800,00 USD (17.849.340,00 Türk Lirası)
Proportion of the Tender Price Allocated to the Partnership Share	%100
Proportion of the Part allocated to the partnership Share to the Gross Sales Revenue in Final Income Statement Disclosed to the Public (%)	%0,79

The amount allocated to our company within the scope of our bidding to Wheat Flour tender issued by the United Nations World Food Programme (WFP) on the date of 07.12.2018 will be delivered until 05.02.2019.

Respectfully released to the public.

MAJOR DEVELOPMENTS AFTER PERIOD

As announced on our material disclosure dated 23.01.2019 ;

Branch office is opened at Çetinkaya Mahallesi Hastane Bulvarı No:67 A Bafra Samsun to operate under the title of

Ulusoy Un Sanayi ve Ticaret Anonim Sirketi Bafra Branch as per the resolution of the Board of Directors date 22.01.2019 and numbered 2019/002, and it is registered in Bafra Registry of Commerce on 23.01.2019.

As announced on our material disclosure dated 28.02.2019;

Date of Board Resolution regarding Sales	4.02.2019
Does the Board of Resolution regarding Sales contain the Majority of Independent Members' Approval?	Evet
Name of the Sold Financial Fixed Assets	SAMSUN TEKNOLOJİ GELİŞTİRME BÖLGESİ YÖNETİCİ ANONİM ŞİRKETİ
Activity Subject of the Sold Financial Fixed Assets	The works under the company articles of association under the scope of the technology development regions law numbered 4691 and operating the Samsun Technopark
Capital of Sold Financial Fixed Assets	4.500.000,00 TL
Date on which the Transaction is Completed / to be Completed	28.02.2019
Sales Terms	In Cash
Nominal Amount of Sold Shares	22.500,00 TL
Price of Each Share	4.500,00 TL
Total Amount	67.500,00 TL
Percentage of the Sold Shares against the Capital of Financial Fixes Assets (%)	0,05
Participation Rate of Financial Fixed Assets After Sale (%)	0
Percentage of the Voting Rights Owned After Sales against the Total Voting Rights of the Total Financial Fixed Assets (%)	0
Percentage of the Sold Financial Fixed Assets Partnership against the Total Assets in the Last Financial Statement Disclosed to Public (%)	0,000184
Percentage of the Transaction Value against the Revenue Amount generated According to the Last Annual Financial Tables (%)	0,000099
Effects of Partnership on Activities	Yoktur
Profit/Loss Amount as a result of Sales	45.000,00 TL
How the Sales Profit, if any, to be Evaluated	To be included to the Company assets
Name/Title of Buyer	Fahrettin Ulusoy
Is the Counter Part a Related Party according to the CMB Regulations?	Yes
Relation of the Buyer with the Partnership	Shareholder
Date of Contract, if any, regarding the Transaction	
Determination Method of the Value of the Financial Fixed Assets	Approximate market price
Is an Evaluation Report Prepared?	Not prepared
If an Evaluation Report is nor prepared, why?	The cost of report is approximate to the financial fixed assets cost
Date and Number, if an Evaluation Report is prepared	-
Title of the Evaluation Institution prepared the Evaluation Report	-
Amount generated as a Result of Evaluation Report	-

Our Company board has made a resolution regarding the sales of the said financial fixed assets on 04.02.2019 and has applied to the board of Samsun Teknoloji Geliştirme Bölge Yönetici A.Ş. in the annex of the share transfer contract. Samsun Teknoloji Geliştirme Bölge Yönetici A.Ş. has informed us today of the board resolution dated 28.02.2019 regarding Samsun Teknoloji Geliştirme Bölge Yönetici A.Ş. accepted the relevant share transfer and this circumstance has been recorded in the shareholders' share ledger.

Respectfully announced to public.

CORPORATE SOCIAL RESPONSIBILITY REPORT

Ulusoy Un is aware of the qualified manpower need in Turkey and the company fulfills its social responsibility through sponsoring mainly educational projects as well as sports, economy and cultural projects.

Ulusoy Un Board of Director's Chairman Eren Günhan Ulusoy, who intends to establish social responsibility as a corporate culture, is a member of several social and professional societies. He is the Chairman of Turkish Flour Industrialists' Federation and Black Sea Region's

Flour Industrialists Association, Vice Chairman of Grain, Legume and Oilseed Exporters' Association of Black Sea and Vice Chairman of Samsun Commodity Exchange.



Ulusoy Un helps student who are eager and committed to have an education and thus offers non-refundable grants and internship to tens of students every year in order to create even a slight difference on knowledge and culture level of the young generations which are the engines of our society. Besides, our founding partner and board of directors' chairman attend to university meetings and seminars as well as allowing food engineering students to visit our factory and observe production processes so that university cooperation can be sustained.

Enterprises that are aware of their corporate social responsibility have always been a step ahead in terms of success and continuity. This awareness requires seeking assistance of non-governmental organizations in order to take proper action. Hence, we benefit from experienced of non-governmental organizations in our projects and achieve a more effective stance in our social responsibility approach. We leverage our social responsibility approach by assuring contribution of our employees, customers and stakeholders on each step of our projects. This allows us to take firm steps towards the goal of launching more effective, more comprehensive and more useful projects in the future.

CORPORATE SOCIAL RESPONSIBILITY



We came together with the madnetech club of Bahçeşehir Science and Technology and Bahçeşehir Anatolian High School. As a matter of fact, everything started with the sincere letter sent by Miray, who is the FRC team leader to us in the name of Ulusoy Un. They received prizes at several national and international tournaments. It was very pleasant to meet these young people who are ambitious, hard working and dedicated to science and technique. In addition to their own studies, they share their information with their peers studying at state schools, in the scope of social responsibility. We recommend you to check the instagram account @magnetech_official to see the exciting achievements of the scientists and business people of the future. We were proud and became hopeful to hear these young people most of whom study on scholarship thanks to their achievements.



We are one of the constant donor of The Educational Volunteers Foundation of Turkey that is "here for making our children gain the power of education and courage to change the future". If you also intend to make a contribution to our children's education as a volunteer or donor, check TEGV's website now:

www.tegv.org



magnetech_official Bu yoldaki ilk sponsorumuz, ilk büyük destekçimiz olan Ulusoy Un A.Ş.'ye bize olan güvenleri ve destekleri için çok teşekkür ederiz. Desteklerinizle beraber elimizden gelenin en iyisini yapmaya hazırız. İyi ki varsınız!
@ulusoyunas @nalangulsahrbs

INVESTOR RELATIONS



INVESTOR RELATIONS DEPARTMENT

Investor Relations Department was established in 2012 for the purpose of managing and improving relationships with shareholders.

The Department is tasked to present transparent and accurate information to the existing and potential investors about company performance.

Investor Relations Tel:
0(362) 260 50 10

Investor Relations E-mail:
yatirimci@ulusoyun.com.tr

Investor Relations Website:
www.ulusoyunyatirimciiliskileri.com
www.ulusoyuninvestorrelations.com

Head of Investor Relations:
İlker Küçük

Primary Responsibilities of the Department are:

- Informing and responding to shareholders
- Holding General Assembly meeting according to the legislation in force, articles of association and other internal policies
- Functioning as a bridge between the Board of Directors and shareholders, responding to shareholders and regularly reporting feedback to the Board of Directors
- Improving corporate governance and social responsibility policies of the company
- Monitoring and implementing all kinds of particulars related to informing the public
- Keeping safe and updated records regarding shareholders pursuant to the recordkeeping principles of the Central

Registry Agency

- Keeping safe and updated records regarding shareholders pursuant to the recordkeeping principles of the Central Registry Agency
 - Taking measures to assurance attendance of shareholders at the General Assembly
 - Duly informing shareholders about all financial statements and reports, including activity reports, dividend distribution policy and offers, agenda items on the general assembly and related documents
- ### COMMUNICATION CHANNELS AND ACTIVITIES OF INVESTOR RELATIONS DEPARTMENT

- The Investor Relations Department keeps shareholder records based on the recordkeeping principles of the Central Registry Agency.
 - A phone line (0 362 260 50 10) is available so that the shareholders can easily contact with the Investor Relations Department.
- The conversations on this line are recorded.

- The shareholders can send an e-mail to yatirimci@ulusoyun.com.tr to contact with the Investor Relations Department. The requests made by the investors are responded within maximum two business days.
- The company's website and investor relations website are separate and an English version is also available.
- All kinds of company information are available on www.ulusoyunyatirimciiliskileri.com and www.ulusoyuninvestorrelations.com and the information is immediately updated in case of any development or change.
- The process required for preparing the activity report pursuant to the regulation continues and all reports are published on the investor relations website in Turkish and English.

INVESTOR RELATIONS

INTERNAL INFORMATION AND PUBLIC DISCLOSURE

- The in-house departments are coordinated so that all kinds of information disclosed to the public comply with the information policy and regulations. The company personnel are informed about internal information and public disclosure process.
- In 2018, the company published 8 Material Disclosures on KAP (Public Disclosure Platform). The Turkish and English Material Disclosures are also published on the company's investor relations websites under Material Disclosures menu.

PERIODICAL LIABILITIES

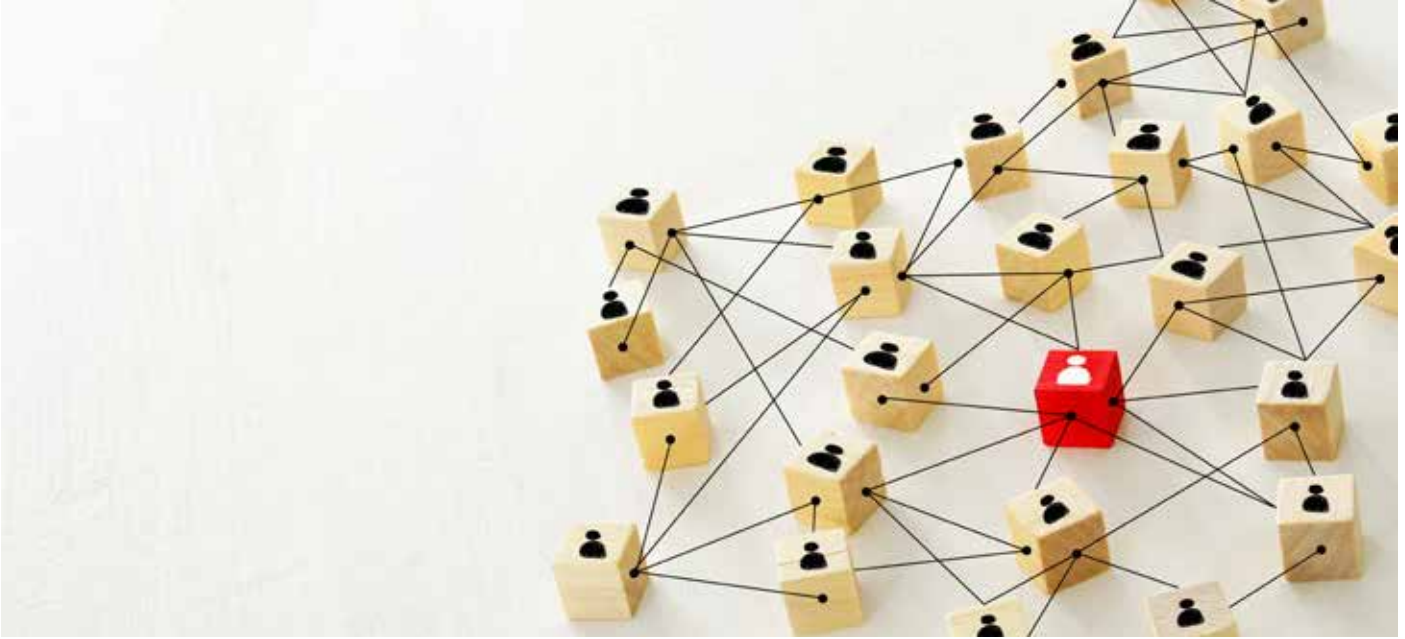
- We have not had any problems regarding preparation and announcement of the financial statements.
- We have not had any problems regarding the independent audit liability. The independent audit firm is selected; the reports and financial statements are submitted to and accepted by the Board of Directors.
- The Material Disclosures are duly made to the public and the Turkish and English versions are published on the investor relations website on the same day.
- The Ordinary General Meeting of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi belonging to activity year of 2017 was held on April 24th, Tuesday at 14:30 in address of Park Inn by Radisson Samsun Oteli Cumhuriyet Mah. Değirmenci Sok. No:4 Tekkeköy 55310 Samsun - Turkey under supervision of Mr. Cemil Kocaoğlu who is Ministry Representative assigned with letter of Provincial Directorate of Commerce of Governorate of Samsun of the Ministry of Customs and Trade dated 19.04.2018 and numbered 39028009-431.03-E-00033712180. Call for meeting was made in due of time by being announced in 943rd-944th page copies of the Turkish Trade Registry Gazette dated March 29th, 2018 and numbered 9547, web site of the Company (www.ulusoyun.com.tr), Public Disclosure Platform (PDP), eCompany application of Central Registry Agency and Electronic General Meeting System (EGMS) at least 21 days before the General meeting as stipulated in the law and articles of incorporation and in a way to include agenda.

Ordinary General Meeting Minutes and List of Attendees issued for the General Meeting are available on www.ulusoyunyatirimciiliskileri.com and www.ulusoyuninvestorrelations.com.

CORPORATE GOVERNANCE COMPLIANCE PRACTICES

- Committee guidelines are issued and published on the website in order to make sure that structure and working principles of the committees attached to the Board of Directors are clearer.
- The committees are active and committee reports issued at meetings are published on our website.
- The company's Information Policy, Wage Policy, Compensation Policy, Anti-Corruption and Anti-Bribery Policy, Corporate Social Responsibility Policy, Human Resources Policy and Code of Ethics are published on company's website in both English and Turkish.
- The Corporate Governance Compliance Report is available on the website.

HUMAN RESOURCES



Essential Human Resources Policy of Ulusoy Un Sanayi ve Ticaret A.Ş. can be defined as follows; creating an employee profile that will contribute to sustainable increase of intellectual capital for protecting our competitive edge on developing and improving market environment as well as being experts of the sector, having advanced social skills, highly motivated for team work and enriching the company; creating a selection process based on modern criteria and equal opportunities and implementing an effective performance measurement system to plan professional life; sustaining long term cooperation; properly managing, guiding and developing human resources.

Primary principles of our human resources policy can be summarized as follows:

- Personnel planning in terms of qualifications and head count; hiring the best candidate for a job
- Maximizing personnel productivity and efficiency
- Preparing an effective training plan, program and offering personal development opportunities to the entire personnel
- Protecting and improving pecuniary and non-

pecuniary rights of personnel

- Creating a work environment where the staff is encouraged to cooperate with their superiors; creating an environment of open communication.
- Offering equal opportunities to everyone in terms of career planning; supporting professional, personal and social developments of employees.

Human Resources management is one of the primary functions that offer crucial support to the organization. The primary goal of human resources management is to make sure that human resources are used in the most accurate, efficient and effective way and that right people are hired at the right time and for the right positions in parallel to company goals.

The purpose of Human Resources Department is not to impose methods of working a lot but methods of working effectively and also to create a company employees want to work and are proud to be working at.

We had 252 personnel on 31.12.2017 and this number become 246 as of 31.12.2018; the details of personnel numbers are given

PERSONNEL					
Period	Samsun Factory		Çorlu Factory		Total
	Blue Collars	White Collars	Blue Collars	White Collars	
2014	55	93	36	15	199
2015	64	105	41	20	230
2016	66	107	43	22	238
2017	69	111	47	25	252
2018	70	110	41	25	246

HUMAN RESOURCES

Ulusoy Un always keeps up with innovations and developments and thus evaluates qualifications and needs of employees and supports employee development through internal and external trainings in order to create a team that cares about recruitment and promotion processes as well as inspiring its employees and creating opportunities to enable its employees to discover their potentials and skills.

We organize a number of sports events and social activities to motivate our employees, reduce work stress, and improve communication between employees and to create sense of belonging. These activities allow our employees to spend time outside work environment, meet with colleagues working at different departments and thus improve relationships between company employees.



Ulusoy Un intends to improve its employees, goals and all assets owned and to create a positive change in parallel to the strategies embraced based on ever-changing global conditions. The company offers activities that try to make improvements in terms of areas such as corporate culture, common goals, general strategic approach and corporate talent development since these are elements of assuring corporate development on employee level as corporate culture, common goals, general strategic approach and corporate talent development since these are elements of assuring corporate development on employee level.

Ulusoy Un's biggest capital is human resources. Accordingly, we adopt a "People Oriented Approach" principle at each stage of production and management; our goal is to expand with our employees, buyers and stakeholders. Since 1989, our company has been committed to assure same sustainability in the future by prioritizing quality and to structure human resources management based on this principle

Each year, we meet with our sales teams, our senior and mid level managers at the "Mill" meetings. We assume our services, products and experiences as harvest, we grind them at the mill. We talk about our fulfilled and renewed goals. We evaluate the year, share experiences and start the new year with more strength.

Top management of The Group consists of board members, general manager and department managers.

Total wage payments and other utilities to top management as of December 31,2018 is 984.175- Turkish Liras (December 31, 2017 : 616.845- Turkish Liras)



QUALITY AND R&D

Our Quality Policy

- To prioritize customer satisfaction, to meet needs when and as required
- To embrace team spirit and improve corporate consciousness
- To become a popular brand of our sector and on abroad thanks to participation and support of all our personnel
- To create manpower that will increase knowledge and skills of our personnel
- To carry on fast and efficient production operations
- To become a reliable company
- To adopt the primary philosophy of constant improvement rather than settling for what we have
- To act for preventing a problem before it becomes a problem in order to assure total quality

Ulusoy Un acknowledges that public health comes with great responsibility and thus it prioritizes marketing healthy, premium quality and popular products and carries on activities focusing on this goal.

Accordingly, Ulusoy Un is not only supported by qualified staff but also by national and international experts to keep up with technological developments and to improve its technology in all aspects. Ulusoy Un works very hard to produce and market enriched, innovative products which make sure that consumers buy safe Foods in parallel to changing needs.

Ulusoy Un believes that modern life will be enriched with our traditions and thus it will continue to market these innovative products used on Turkish and world cuisine.

Ulusoy Un, a company present in the domestic market and international markets, follows the following principles in its Quality Activities:

- To continue and improve production and quality activities based on Total Quality Principle that is reliable and faultless since the company's priority is Food Safety principle
- To protect and sustain Food Safety and Quality during all production and product process from wheat to finished product and delivery to the consumers
- To consider consumer demands and expectations as priorities and to protect consumer rights
- To practice requirements of Quality Management System with all personnel in order to market quality products complying with Food Safety Principles and to continuously improve its effectiveness
- To do product diversity studies, to do analysis and tests about such studies to serve consumers
- To maximize quality and product safety processes through risk analysis, corrective and preventive precautions

Ulusoy Un carried on production activities without compromising on total quality principle that offers standardized, reliable and defect free products. In order to sustain quality standards also in 2017, the company performed and documented input analysis at each stage of production starting from raw material procurement. This allows standardization of products.



Critical control point analysis, hygiene and quality controls are performed for assuring sustainable quality and corrective and preventive measures are used effectively. Test results are compared to accredited laboratories to verify accuracy of our quality laboratories.

Ulusoy Un offers hygiene, quality management system training, occupational health & safety training, and environmental training and food safety management system trainings to the entire personnel throughout the year for the purpose of assuring standardized and healthy production activities at all production stages. Ulusoy Un carefully evaluates feedbacks from Customer satisfaction surveys in order to assure continued customer satisfaction.

Ulusoy Un carefully continues production and processes products according to food safety principles throughout all stages starting from wheat to finished product and to delivery to the consumers.

Ulusoy Un has the following certificates that verify total quality approach related to these processes:

- ISO 9001:2015 Quality Management System
- ISO 22000: 2005 Food Safety Management System
- E&H EURASIA HALAL SERVICE CENTER Halal Food System
- GIMOES Halal Food System
- TSE 4500 Certificate.

The company continues to produce "Healthy and Reliable" products pursuant to these management systems. The Company tries to revise systems and assure continuity for the purpose of implementing and improving systems. Currently, the company restlessly works to improve its quality management system policy and to be awarded with globally recognized certificates.

DOMESTIC AND GLOBAL MARKETING AND SALES OPERATIONS

Ulusoy Un is always in the pursuit of quality, product development and market studies thanks to its expert and experienced staff.

Accordingly, the company plans and implements organizational improvements related to the marketing and sales personnel in order to encourage product diversity and branding.

The company plans and positions marketing and sales staff for easing access to certain locations based on corporate structure, to improve market penetration, to increase turnover and tonnage, to assure increased profitability, to maximize risk and collection management quality, to maximize levels of brand recognition and to offer customer satisfaction and total quality management.

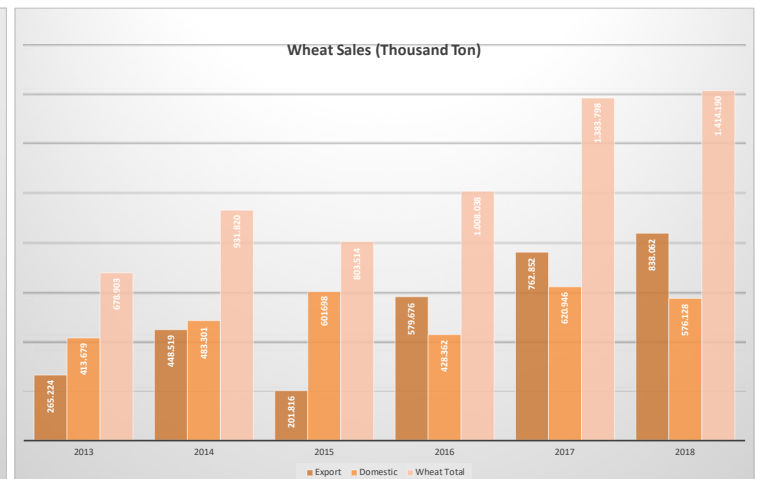
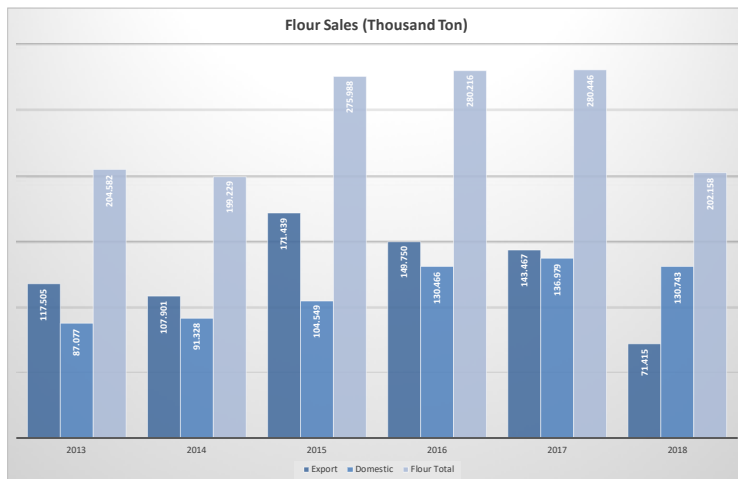
According to these plans, the staff in charge of marketing and sales activities was reinforced with

additional employees in 2016 and the company took sound steps in the path of achieving tonnage and sales targets.

The company plans and tries to improve all current domestic market activities, existing customer risk management, collection processes and all domestic buyer trade processes within the corporate structure.

Besides the existing product range, the company continues product and market researches and collects data for R&D and Quality studies related to product groups and markets of different segments in order to plan course of action targeting these markets.

In 2018, the company continued to market and sale products manufactured in Samsun and Tekirdağ/Çorlu facilities of the company and market development activities continued in coordination with business development plans.



In 1995, Ulusoy Un started exportation operations by exporting flour to the new countries emerged following disintegration of the Soviet Union and it has exported products to 88 countries located all around the world, so far. In 2018, it accounted for 4% of the sector's exportation operations in Turkey

According to data announced by the Turkish Exporters

Assembly in 2018; our company is the 487th company on the top 1000 Turkish exporters list in 2017 and 444th of industrial manufacturers according to the data announced by the Istanbul Chamber of Industry in 2017.

Ulusoy Un ranked on 131th in Fortune 500 Turkey 2017 and 144th in Capital 500 survey

2018 EXHIBITIONS

Samsun Food Expo 2018 Samsun 3rd Food and Beverage Products, Food Processing Technologies, Packaging and Logistics Expo
 22 - 25 NOVEMBER 2018



DUBAI GULFOOD
 18 - 22 FEBRUARY 2018

MYANMAR FOOD AND HOTEL
 06 JUNE 2018

SIAL PARIS
 21 - 25 OCTOBER 2018



SINGAPUR FOOD AND HOTEL ASIA
 24 - 27 APRIL 2018

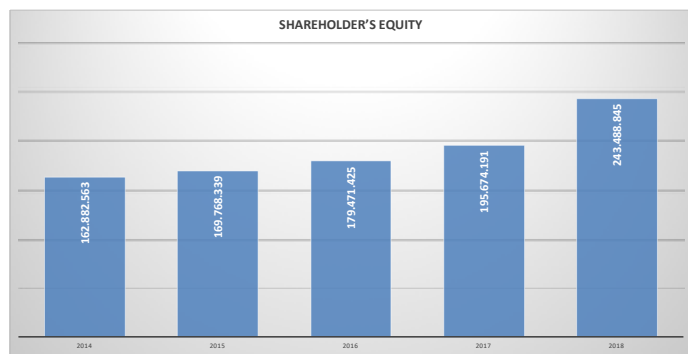
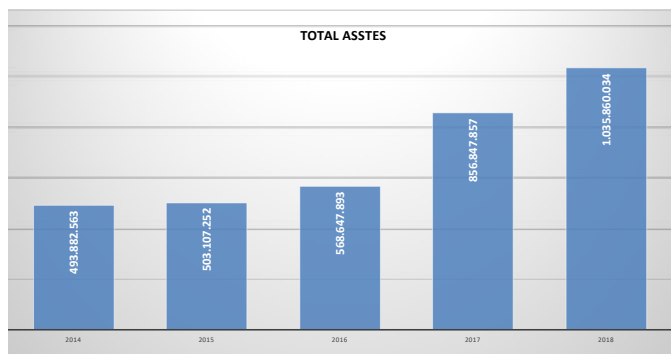
INGREDIENTS DUBAI

06 - 08 NOVEMBER 2018



CONDENSED(*) FINANCIAL STATEMENTS

ASSETS	2014	2015	2016	2017	2018
Current Assets	440.546.330	430.476.542	478.299.924	758.865.094	857.513.399
Fixed Assets	53.336.233	72.630.710	90.347.969	97.982.763	178.346.635
TOTAL ASSETS	493.882.563	503.107.252	568.647.893	856.847.857	1.035.860.034
LIABILITIES					
Short Term Liabilities	319.988.236	326.793.283	370.936.821	576.882.501	595.776.972
Long Term Liabilities	11.005.694	6.545.630	18.239.647	84.291.165	196.594.217
Shareholder's Equity	162.888.633	169.768.339	179.471.425	195.674.191	243.488.845
TOTAL LIABILITIES	493.882.563	503.107.252	568.647.893	856.847.857	1.035.860.034
MAJOR RATIOS					
Current Ratio (Current Assets/S. T. Liabilities)	1,38	1,32	1,29	1,32	1,44
Liquidity Ratio (Cur. As.-Invent./S.T. Liabilities)	0,83	0,89	0,91	0,93	1,19
Capital Structure (Total Liabilities/Equity)	2,03	1,96	2,17	3,38	3,25
Asset Structure (Current Assets/Total Assets)	0,89	0,86	0,84	0,89	0,83



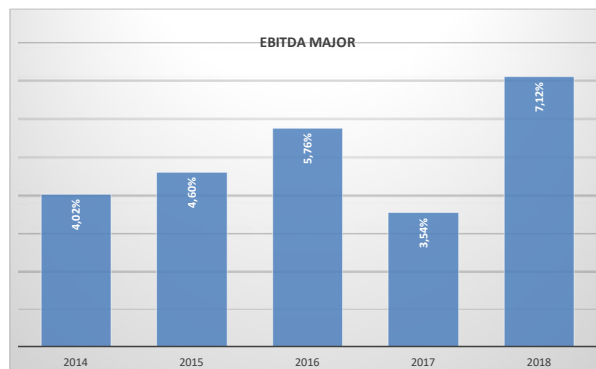
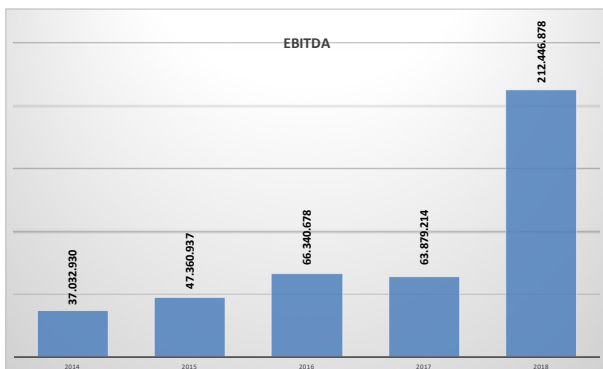
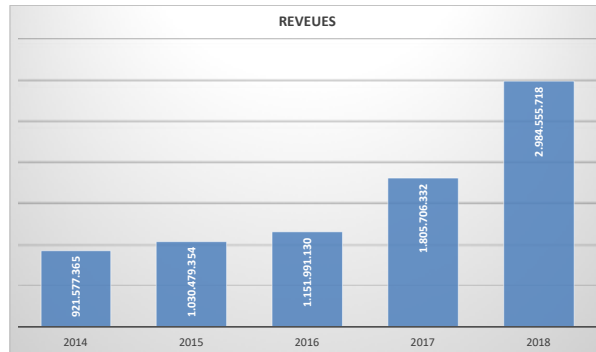
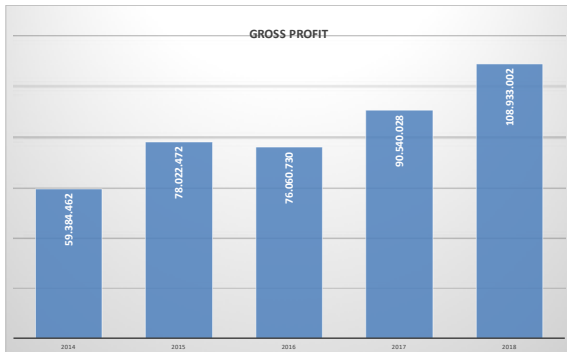
(*) Our financial statements of 31.12.2018, 31.12.2016, 31.12.2015 and 31.12.2014 were audited by DMR Bağımsız Denetim ve Danışmanlık A.Ş. and positive opinion was expressed. Independent Audit Report for 2013 was issued by Avrasya Bağımsız Denetim ve YMM A.Ş. and positive opinion was issued.

CONDENSED(*) FINANCIAL STATEMENTS

CONTINUING OPERATIONS	2014	2015	2016	2017	2018
Revenues	921.577.365	1.030.479.354	1.151.991.130	1.805.706.332	2.984.555.718
Gross Profit/Loss	59.384.462	78.022.472	76.060.730	90.540.028	108.933.002
Real Operating Profit/Loss	35.409.419	44.986.689	63.557.663	60.658.310	209.541.206
Pre-Tax Profit/Loss from Continuing Operations	17.547.029	10.274.276	17.520.588	19.334.014	22.835.706
Profit/Loss for the Period from Continuing Ops.	14.189.389	8.303.209	14.796.725	16.595.085	19.906.171
Period Profit/Loss	14.189.389	8.303.209	14.796.725	16.595.085	19.906.171

MAJOR RATIOS	2014	2015	2016	2017	2018
Gross Profit Margin	6,44%	7,57%	6,60%	5,01%	3,65%
Net Profit Margin	1,54%	0,81%	1,28%	0,92%	0,67%
EBITDA(**)	37.032.930	47.360.937	66.340.678	63.879.214	212.446.878
EBITDA Margin	4,02%	4,60%	5,76%	3,54%	7,12%

(**)EBITDA: Real operating profit+Depreciation



(*) Our financial statements of 31.12.2018, 31.12.2016, 31.12.2015 and 31.12.2014 were audited by DMR Bağımsız Denetim ve Danışmanlık A.Ş. and positive opinion was expressed. Independent Audit Report for 2013 was issued by Avrasya Bağımsız Denetim ve YMM A.Ş. and positive opinion was issued.

FİRMA İLETİŞİM BİLGİLERİ

**HEAD OFFICE & FACTORY**

ŞABANOĞLU MAHALLESİ
ATATÜRK BULVARI NO: 180/1
TEKKEKÖY, SAMSUN / TÜRKİYE
PHONE : 0 (362) 266 90 90 (PBX)
FAX : 0 (362) 266 90 94

**RISK MANAGEMENT CAPITAL MARKETS
AND INVESTOR RELATIONS GROUP MAN-
AGER**

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TANER ÇAĞLAYAN
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ÇORLU FACTORY GROUP MANAGER

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CORLU FACTORY

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FAX : 0 (282) 654 38 97

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**FOREIGN TRADE IMPORT
GROUP MANAGER**

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**FINANCIAL AND ADMINISTRATIVE
AFFAIRS GROUP MANAGER**

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GROUP LOGISTICS MANAGER

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İSTANBUL OFFICE

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