



KAMUYU AYDINLATMA PLATFORMU

PEGASUS HAVA TAŐIMACILIĐI A.Ő.
Corporate Governance Compliance Report
2019 - Annual Notification

Summary

Corporate Governance Compliance Report



Related Companies

Related Funds

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
Corporate Governance Compliance Report						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					Material information that may affect the exercise of shareholder rights is published on the Pegasus Investor Relations Website. The Website content is regularly reviewed by Pegasus Investor Relations and Company Secretariat.
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.					X	The Company complies with the Turkish Commercial Code, the Capital Markets Law and the applicable regulations regarding special audit rights of shareholders. No special audit requests were received by Pegasus in 2019.
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					Pegasus ensured that the discussion items for the Annual General Assembly meeting held in 2019 were clearly addressed in the meeting agenda. Accordingly, only one proposal was voted under each agenda item.
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	Duties assumed elsewhere by nominees for Pegasus Board of Directors were disclosed in the Information Document for the Annual General Assembly meeting held in 2019. There are no further transactions that required separate disclosure at the General Assembly meeting.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					Vice-Chairperson, Pegasus CEO, CFO, and responsible partner representing the Independent Auditor attended the Annual General Assembly Meeting held on April 17, 2019.
						Donations and charitable contributions were discussed as a separate item on the agenda for the Annual General Assembly meeting held on April 17, 2019. Shareholders were informed of the total donations made in the relevant year and that these were in line with

1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					the Pegasus Donations and Charitable Contributions Policy. Detailed information on beneficiaries was not provided as none of the donations made in the period breached the policy or otherwise resulted in a related party transaction. Pegasus does not plan for any changes in its current practice in 2020.
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					Pegasus recognizes the principle of having all stakeholders and media attend General Assembly meetings as observers in Article 17/1/e of the Articles of Associations and re-extended the invitation to these parties in the call for the General Assembly meeting held on April 17, 2019.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					Pegasus Articles of Association do not restrict voting rights of our shareholders. The shareholders were not required to deposit their shares to attend the Annual General Assembly meeting held on April 17, 2019 and they were allowed to participate in person/by proxy and on location and electronically.
1.4.2 - The company does not have shares that carry privileged voting rights.	X					Pegasus Articles of Association does not recognize any share groups with any privileges.
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	Pegasus was not subject to any cross-shareholding relationship in 2019.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					There are no restrictions in the Pegasus Articles of Association regarding the exercise of statutory minority rights. There were no instances where such minority rights were exercised in 2019.
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Pegasus Articles of Association do not extend the scope of statutory minority rights. Pegasus believes that the current practice does not have any negative impact on corporate governance , considering the similar position of other companies trading on the BIST and the absence of any shareholder requests on the matter. Therefore, Pegasus does not plan for any changes in its current practice in 2020.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					Pegasus Dividend Policy is published on Pegasus Investor Relations Website for unrestricted access Pegasus is a growth company and continues to aim creating long-term shareholder value by

<p>1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.</p>	X			<p>reinvesting profits into the business since its IPO in 2013. In this context, Pegasus Dividend Policy underlines the principle of utilizing any distributable profit in consideration of the company's growth targets and its financing requirements.</p>
<p>1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.</p>	X			<p>Shareholders were informed by the Information Document for the Annual General Assembly meeting held in 2019 on allocation of the Company's net distributable profit for 2018 as extraordinary reserves with the purpose of strengthening liquidity and creating additional resource for growth in operations, in accordance with the Turkish Tax Procedure Law No. 213.</p>
<p>1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.</p>	X			<p>Pegasus Dividend Policy proposed by the Board of Directors for shareholder approval advises shareholders to consider the company's growth targets and its financing requirements when deciding on the use of any distributable profit.</p>
<p>1.7. TRANSFER OF SHARES</p>				
<p>1.7.1 - There are no restrictions preventing shares from being transferred.</p>		X		<p>The majority of Pegasus shares and voting rights must belong to Turkish citizens for the company to continue its operations under Turkish Civil Aviation Law and the applicable regulations of the Turkish Civil Aviation Authority. Article 7/3 of the Pegasus Articles of Association authorizes the Board of Directors to take certain actions against share transfers that would result in the violation of this rule. Pegasus believes that the provisions of the Articles of Association are necessary and proportionate to ensure continuity of the company business. Besides, currently 34.53% of Pegasus shares are traded on BIST and Pegasus does not foresee any need to resort to these measures under the current shareholding structure. Therefore, Pegasus does not plan for any changes in its current practice in 2020.</p>
<p>2.1. CORPORATE WEBSITE</p>				
<p>2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.</p>	X			<p>Pegasus runs a separate Investor Relations Website dedicated to the content required by the principles. The Website content is regularly reviewed by Pegasus Investor Relations and Company Secretariat.</p>
<p>2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more</p>				<p>Pegasus runs a separate Investor Relations Website dedicated to the</p>

than 5% of the issued share capital) is updated on the website at least every 6 months.	X					content required by the principles. The Website content is regularly reviewed by Pegasus Investor Relations and Company Secretariat.
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					All information published on the Investor Relations Webpage, other than those that only concern domestic investors (e.g., Pegasus-IzAir merger documents), is prepared and simultaneously updated in Turkish and in English. The English Website is accessed through a separate link.
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					Pegasus Annual Reports are prepared in accordance with the rules determined in the Regulation Determining the Minimum Scope of Company Annual Reports .
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					The content described in principle no. 2.2.2 has been covered in in the relevant sections of the Pegasus 2019 Annual Report.
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					Pegasus Management commits to maintain honest, respectful, fair and trustful behavior based on reason, conscience and common sense in all transactions. These fundamental principles and the content of the Pegasus Ethical Behavior Guide are decisive in all commercial decisions taken by Pegasus. This approach is further assured in the Pegasus Safety, Quality, Environment, Workplace Health, Information Security, Security and HR Policies. All of the said content are published in the Pegasus Corporate Website and the Pegasus Investor Relations Website.
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					For detailed information, please refer to our explanations for principles no. 2.1.1 and 3.1.1.
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					Appropriate notification channels are established as part of the Pegasus Ethical Behavior Guide and are used in an efficient manner.
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					Pegasus has written conflict of interest rules applicable for both the members of the Board of Directors and Company employees of all ranks. Conflicts of interest are governed by employment agreements, Pegasus Ethical Behavior Guide and Company policies.
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
						Pegasus Articles of Association does not

<p>3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.</p>	X			<p>provide a formal mechanism for the representation of employees in Company management. However; participation of all employees in Company management is actively supported through written company policies and management initiatives in the areas of Workplace Health and Safety regulations compliance, career planning and development, performance management, improvement of workplace environment (employee effectiveness surveys) and development of creative/ innovative business ideas .</p>
<p>3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.</p>	X			<p>Pegasus commits to maintain honest, respectful, fair and trustful behavior based on reason, conscience and common sense when interacting with employees, guests, customers, suppliers and other relevant persons and entities including public entities. Pegasus believes that "everybody has the right to fly" and works with its staff, suppliers and partners together in cooperation to achieve this goal. In line with this mission, Pegasus receives regular feedback from its staff regarding internal Company processes and its passengers through customer satisfaction surveys and customer complaints and feedback .</p>
<p>3.3. HUMAN RESOURCES POLICY</p>				
<p>3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.</p>	X			<p>Pegasus has introduced and is efficiently implementing Company policies to ensure that hiring is carried out in accordance with the law, the principle of equal opportunity and in an efficient manner that meets the needs of the company management. In a similar manner, Pegasus carries out its succession planning for key roles under the scrutiny of the Corporate Governance Committee and the Board of Directors.</p>
<p>3.3.2 - Recruitment criteria are documented.</p>	X			<p>Pegasus carries out its planning and hiring processes based on written Company policies . In terms of planning, Pegasus aims to achieve efficient organizational management and an accurate norm staff planning, through job valuation and accurately determining workforce needs. All hiring takes place to address the</p>

					objective needs determined as a result of this planning.
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X				Constant development, constant incentivization of high performance and rewarding constitute the main principle for Pegasus HR systems and processes covering the initial determination of the workforce need and the entire employment experience at Pegasus. In this context, Company training, personal development and personal education programs are implemented at Pegasus in accordance with written Company policies and in an efficient manner.
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X				In 2019, frequent meetings were held with the attendance of a wide group of participation from our staff.
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X			Decisions potentially impacting our employees are duly communicated to our employees and/or their representatives. No union opinion is sought as there are no unions authorized to represent Pegasus employees. Pegasus believes that the current practice does not have any negative impact on corporate governance, considering that an efficient communication is carried out with all concerned parties. Therefore, Pegasus does not plan for any changes in its current practice in 2020.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X				Job definitions are available for employee access through the company-wide electronic document management system. Performance management system is also managed according to the rules determined in Company policies, the Company-wide performance targets, individual targets determined by our employees and their direct managers, and in an accessible manner.
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X				The relevant information is covered in the Pegasus Ethical Behavior Guide. Pegasus employees are informed through online trainings. Ethical reporting form and ethic hotline access points are made easily accessible for all employees.
					Pegasus does not have a dedicated policy on the exercise of right of association or unionization. However; Pegasus does not implement any rules preventing employees to exercise their statutory rights on unionization or participating in

3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X			associations as members and directors to the extent such additional undertakings do not create any conflict of interest. Company employees undertake of representative roles in especially aviation organizations is encouraged by the Company management. Pegasus believes that the current practice does not have any negative impact on the employees' right of association or unionization. Therefore Pegasus does not plan for any changes in its current practice in 2020.
3.3.9 - A safe working environment for employees is maintained.	X			Pegasus carries out its business in accordance with the Pegasus Security Policy, national and international aviation security regulations and various Company policies aiming to ensure the security of its premises, employees and passengers, as well as its business partners and suppliers.
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS				
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X			Pegasus regularly measures customer satisfaction and has adopted customer satisfaction among management performance indicators. Pegasus implements a "low-cost" business model through an innovative, rational, principled and responsible approach. In this context Pegasus offers its customers a measurable satisfaction. Pegasus believes this principle does not have any negative impact on customer satisfaction on services. In 2019, Pegasus received national and international awards on customer experience, brand image and services and improved overall customer satisfaction compared to the previous year. Therefore Pegasus does not plan for any changes in its customer experience vision in 2020.
3.4.2 - Customers are notified of any delays in handling their requests.	X			Pegasus carries out an efficient communication with its customers through the notification channels notified by the customers. Pegasus continues to implement several services regarding timely and accurate information of its customers, as part of the "Travel Assistant" project.
				Pegasus carries out its operations in accordance with ISO 9001 Quality Management, ISO 27001 Information Security Management, ISO 45001 Workplace Health and Safety Management and

3.4.3 - The company complied with the quality standards with respect to its products and services.	X				ISO 14001 Environment Management System standards. Pegasus also maintains IOSA certification issued by the International Air Transport Association (IATA).
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X				Confidentiality of customer and supplier data is important for Pegasus and Pegasus implements the necessary controls to maintain confidentiality of such information. In this context, Pegasus Privacy Policy is published on the Pegasus Corporate Website, as the main information text regarding the use and confidentiality of passenger data. Pegasus also completed its public records on the Data Controller Registry (VERBiS) operated by the Turkish Data Protection Board as of the end of 2018.
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY					
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X				Pegasus Ethical Behavior Guide is kept accessible to all employees as a document targeted at Pegasus employees. A detailed overview of this document explaining the scope of the Guide, the main principles on which it is based, management commitment and rules on implementation is published in the Pegasus Investor Relations Website.
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X				Pegasus Ethical Behavior Guide is kept accessible to all employees as a document targeted at Pegasus employees. A detailed overview of this document explaining the scope of the Guide, the main principles on which it is based, management commitment and rules on implementation is published in the Pegasus Investor Relations Website. Pegasus Corporate Social Responsibility Policy is also published in the Pegasus Investor Relations Website.
4.1. ROLE OF THE BOARD OF DIRECTORS					
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X				Pegasus Board of Directors operates in accordance with written Bylaws. In this context, the Board of Directors manages and represents Pegasus by taking strategic decisions, maintaining its risk, growth and income balance at the most appropriate level and by giving priority to the long-term interests of Pegasus with a diligent risk-management approach. Pegasus has established efficient strategic planning and

					risk management and reporting systems that involve the Board of Directors.
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X				Pegasus Bylaws of the Board of Directors sets down the rules applicable to the preparation of meeting agendas, distribution of the discussion material to Board members in advance of the meeting, deliberations and the recording of meeting minutes and resolutions. These rules are being implemented by Pegasus to ensure that the Board of Directors operates in the most efficient manner.
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS					
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X				The Board of Directors reported its activities in 2019 through the Interim and Annual Reports published for the relevant period. The reports include information on the number of meetings held by the Board and each Board Committee and an overview of their work.
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X				Sections 1/F and 1/H of the Annual Report published in 2019 indicate responsibility of the members of the Board of Directors, with information on Chairperson, Vice-Chairperson and Committee duties, and whether the Board member acts as an executive or a non-executive or an independent director.
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X				The establishment of an efficient internal control system in Pegasus is carried out under the responsibility of the Board of Directors and under the scrutiny of the Audit Committee. In this context, the Committee takes into consideration information received from Pegasus management, the Internal Audit Department and the Independent Auditor, and shares its opinion and recommendations on internal controls with the Board of Directors. Pegasus Internal Audit Department performs its task under the scrutiny of the Audit Committee and according to the audit plan approved by the Committee. Besides the internal control function operated by the Internal Audit Department, Pegasus benefits from the work of various operational internal control units acting as part of management in accordance with civil aviation rules and Company policies.

4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X				Section 4/C of the Annual Report published in 2019 provide information on the operation of internal controls at Pegasus.
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X				Duties of the Chairman and the CEO are separately defined in Articles 13 and 14 of the Pegasus Articles of Association.
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X				Pegasus Investor Relations Manager is a member of the Corporate Governance Committee and carries out all investor relations activities under the scrutiny of the Committee. Pegasus investor relations strategy, key targets, activities, performance results are regularly reported to the Committee and the Board of Directors.
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X				Since 2014, Pegasus continuously maintains an insurance coverage subject to the scope and above the minimum limit set out in the relevant principle.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS					
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.	X				Our Board of Directors resolved on the on the approval of the "Policy on Representation in the Board of Directors" and aims to increase female presentation at the Board of Directors to a minimum %25 by 2025. While nominating candidates for the Board of Directors from a pool of prospectus board members who are equal in terms of know-how, experience and competency, femaly candidates are given priority.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X				Mr. Agah UĞUR, serving as a member of the Pegasus Audit Committee qualifies for specific professional experience on audit, accounting or finance and he served as the CFO of Borusan Holding for a period of six years. Moreover, the combined management experience of both members accumulates to 60 years of senior management duties (assistant general manager, CEO, Board member, etc.) in a wide array of industries and in different geographies.
4.4. BOARD MEETING PROCEDURES					
4.4.1-Each board member attended the majority of the board meetings in person.	X				The participation rate for Pegasus Board meetings held in 2019 by our Board members was 96.9%.
					Pegasus Bylaws of the Board of Directors requires that all information and documentation relating to the issues included in the agenda of the meeting are made

4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X				available for the examination of the Board members one week before the meeting, to the extent possible simultaneously with the circulation of the meeting agenda.
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X				Written questions submitted by Board members regarding meeting discussion items and Company operations were responded in writing by Pegasus management and the responses were shared with all members of the Board of Directors.
4.4.4 - Each member of the board has one vote.	X				Each Board member has a single vote at the Board of Directors under the Pegasus Articles of Association and Pegasus Bylaws of the Board of Directors.
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X				Pegasus Bylaws of the Board of Directors sets down rules regarding Board meetings, among all other matters relating to the operation of the Board.
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X				For detailed information, please refer to our explanations for principle no. 4.1.2.
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		X			The ability of our Board members to undertake duties in other Companies is, in principle , not restricted. However; in the event of a potential conflict of interest or a proposed appointment that is likely to have an influence on the Board member's ability to discharge duties and obligations to Pegasus the Board members are required to inform us in advance. Pegasus believes that the current practice does not have any negative impact on corporate governance. Therefore, Pegasus does not plan for any changes in its current practice in 2020.
4.5. BOARD COMMITTEES					
4.5.5 - Board members serve in only one of the Board's committees.		X			Pegasus Board of Directors is composed of eight members and operates with four Committees. Of our Board members, four are independent Board members and six are non-executive Board members, thereby being able to act as a chairperson and/or member of a Board Committee. For this reason, some of our independent/ non-executive Board members have appointments in more than one Board Committee. Nevertheless ; a Board member can act as the chairperson of a single Committee. Pegasus believes that the current distribution of

						duties does not have any negative impact on Committee operations and performance. Therefore, Pegasus does not plan for any changes in its current practice in 2020.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					Each Board Committee may seek information from Pegasus management or other Pegasus employees and may invite relevant persons to attend Committee meetings if necessary. This rule is incorporated in the Committee Charters.
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	X					Pegasus acts prudently to prevent any conflict of interests with the entities providing services such as investment advice and rating services. Section 1/G of the Pegasus Annual Report published in 2019 indicated that there were no transactions in the relevant period to report that gave rise to a conflict of interest in this regard.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					Each Board meeting includes an agenda item where Committee chairs provide information on Committee works for the prior term and a regular flow of information among the Board in terms of Committee works is thus ensured. Furthermore, Committee on the Early Detection of Risks shares written Risk Management Reports with the Board once every two months.
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					Board self-evaluation studies are regularly carried out at Pegasus since 2013 with the support of independent advisors. With the aim of setting targets and following-up the results of agreed actions, the Board of Directors carries out self-evaluation surveys once every two years. The last survey was held in 2019. From 2020 onwards, the actions adopted as a result of the previous survey will be implemented. Board Committees carry-out an annual evaluation of their own work and such review was carried out by the Committees in 2019.
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					Section 2 of the Pegasus 2019 Annual Report published indicates that there are no loans or security extended by Pegasus for the benefit of the members of the Board of Directors or senior management.
						Pegasus discloses payments made to the members of the Board of Directors and senior management in two

4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.

X

groups in its annual financial reports. Payments relating to Board and Committee duties payable to the members of the Board of Directors were determined at the Annual General Assembly meeting held on April 17, 2019 and were disclosed as part of the meeting minutes. Pegasus does not disclose senior management compensation on a personal basis considering the similar position of other companies trading on the BIST and to protect its competitive interests and believes that the current practice does not have any negative impact on corporate governance. Therefore, Pegasus does not plan for any changes in its current practice in 2020.