

**Global Compact Initiative:
Letter of Reaffirmation**

March 7, 2012

To our stakeholders:

I am pleased to confirm that for the 2011-2012 year USERDIS Ticaret reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Dr. Erol User

President and CEO USERDIS Ticaret

STATEMENT AFFIRMING HUMAN RIGHTS

USERDIS Ticaret is committed to furthering the UN Global Compact in the area of Human Rights. Our company policy is in line with the Universal Declaration of Human Rights; we wholeheartedly support all thirty articles of the declaration and avow to fulfill these promises to the best of our ability. With respect to our specific company policy the following bylaws from the company manual indicate the level of support we have for such an august declaration.

“In its activities and area of influence USERDIS Ticaret will ensure that human rights as set out in national and international law are respected, protected and promoted.” By making such a strong statement part of our company bylaws, we hope to demonstrate to ourselves, our clients and our community that USERDIS Ticaret is a strong supporter of human rights. Our goals for the 2012-2013 year on the issue of human rights are clearly in line with UN Global Compact Principle 1, “to support and respect the protection of internationally proclaimed human rights.” One strategy that we have devised is to continue our staff education program with seminars such as: “What are Human Rights?” and “How can USERDIS Ticaret further human rights on a domestic and international scale” It is possible that some new employees are unaware of the rights they are entitled to so we plan to highlight some important cases in Turkey, such as article 301 of the Turkish constitution as well as past high profile case of Orhan Pamuk, Hirant Dink and past issues with the Kurdish population.

We would also like to ensure that our staff is aware and able to recognize potential human rights abuses in Turkey. Our objective is not to polarize nor politicize our work environment but merely to have a discussion about human rights issues globally as well as nationally to empower our employees with knowledge.

IMPLEMENTATION

Also in order to ensure that USERDIS Ticaret is abiding by the UN Global Compact’s second principle, to make sure we are “not complicit in human rights abuses”, we have a three fold process.

Firstly, the company has an annual internal audit, which is performed by the human rights committee. The evaluation is in the form of an anonymous survey given to all employees in which they can express their thoughts about the company’s overall treatment of individuals. It is also more specific and includes worker-management relationships as well as working conditions. Employees are allowed the opportunity to comment on the human rights situation at USERDIS Ticaret without threat of repercussions on their employment. This input is tallied and should something negative be discovered, the human rights committee is immediately convened to discuss and rectify the situation.

Secondly, our human rights committee meets quarterly to discuss human rights abuses in the previous quarter. We have also implemented a new bylaw that states this committee does not have to wait until the scheduled meeting and can convene at any time to discuss alleged cases of abuse.

Thirdly, the company has a confidential ombudsman that employees can speak with at anytime to share abuses. Since the nature of the conversation is confidential, the ombudsman works on behalf of the individual, without revealing his/her identity to resolve the issue.

MONITORING OUTCOMES USERDIS

Ticaret has had no incidents of Human Rights violation in the time since initial application for the United Nations Global Compact; this includes the 2011-year for which an internal audit was performed in February 2012. The president and CEO, Dr. Erol User, continues to have biannual meetings with the company ombudsman, which is indicative of our internal scrutiny and review. Additionally, this past year the company has enacted a new bylaw that states the human rights committee has the authority to convene at anytime it feels necessary to address alleged abuse. By not restricting the meetings only to scheduled dates the company is dedicated to address potential problems in this area. We feel that our proactive stance as well as our commitment to the UNGC is indicative of our zero tolerance policy for human rights violations. The steps we have taken in the areas of education as well as preemptive dispute resolution can be seen as positive outcomes.

STATEMENT AFFIRMING LABOR RIGHTS

USERDIS Ticaret is committed to furthering the UN global Compact in the area of Labor Rights. We support the ILO's 1998 "Declaration" as well as its "Four fundamental principles and rights at work." In addition to the ILO's proclamations we also are in strong support of Article 23 of the Universal Declaration of Human Rights in which there is unequivocal support of labor rights with the following statement, "everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment. Everyone, without any discrimination, has the right to equal pay for equal work. Everyone has the right to form and to join trade unions for the protection of his interests."

Coming from a country that has had a poor reputation when it comes to the ILO on topics such as workers rights and undocumented workers, USERDIS Ticaret understands that it is vital that we are seen as a company, which supports international instruments on this topic. We also fully support Article 24 that proclaims, "everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay." Our company policy follows the rules set out by the Turkish Employment code, (Turk İş Kanunu) which among other rights states that Turkish workers have the right to unionize or join existing labor unions, there is a nominal 45-hour workweek, and the amount of overtime that employers may request is limited. We even supersede these laws because USERDIS Ticaret also provides non-wage benefits such as transportation and meals or the employee's choice of monetary compensation for these. The following USERDIS Ticaret policy, taken from our bylaws is evidence of how strongly we are in favor of labor rights. "In accordance with Turkish Employment Law employees of USERDIS Ticaret are free at any time to engage in labor unions as well as collective bargaining. Yet as the Employment Law specifies, "collective bargaining must be engaged in prior to a company strike." Also, "USERDIS Ticaret also acknowledges that when an individual chooses to accept employment at this company it is with his or her own volition and in no way is coerced."

On the subject of voluntary employment, USERDIS Ticaret bylaws also state, "Employees are within their rights to terminate employment any time they wish without reason. Should USERDIS Ticaret decide to terminate employment with the employee it must be in line with the Turkish Employment Law standards and employees are entitled to compensation that is in accordance with this law." Additionally, USERDIS Ticaret frequently negotiates merger and acquisition deals with foreign companies. Since USERDIS is firmly against the idea of child labor, we require all companies we deal with, to present a statement affirming that they do not employ child labor. Therefore USERDIS Ticaret is not complicit in the promulgation of child labor. Furthermore on the issue of discrimination, USERDIS Ticaret, strongly supports Article 7 of the Universal Declaration of

Human Rights which states, "All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in violation of this Declaration and against any incitement to such discrimination." USERDIS Ticaret has a non-negotiable official company policy on antidiscrimination from our bylaws which states, "USERDIS Ticaret, is an "equal opportunity employer." USERDIS Ticaret will not discriminate and will take "affirmative action" measures to ensure against discrimination in employment, recruitment, advertisements for employment, employment, compensation, termination, upgrading, promotions, and other conditions of employment against any employee or job applicant on the bases of bases of race, creed, color, national origin, or sex.

All of these statements are in our employee handbook so that we can ensure that our employees are cognizant and have free access to information concerning their employment rights at all times. The USERDIS Ticaret goals for the 2012-2013 year are to continue with our annual training of employees and in-house education program that informs individuals of their rights according to the USERDIS Ticaret bylaws.

IMPLEMENTATION

The manner in which USERDIS Ticaret ensures that these policies are being applied in the desired form is by company-provided sensitivity and diversity education, workshops outlining labor rights, new employee orientation programs that inform the employee at the time of their hire of labor rights, as well as an employee appointed ombudsman who reports at company board meetings on a biannual basis on the state of labor issues. Should an issue arise, the USERDIS Ticaret board works with the ombudsman, who is subject to confidentiality rules, to find a resolution.

OUTCOMES

At USERDIS monitoring performance on the issue of labor rights is very important to the company because of the relationship between a content workforce and high productivity. The management at the company tries to mitigate all issues with a proactive stance. At of the time of application there were no incidents of violations of the Global Compact Labor principals. The management feels that the lack of an issue is demonstrative of the company's high regard for labor rights and its continuing attempts to educate company employees about their rights. The demographics of the company also demonstrate the diversity factors. With a workforce in 2011 of 67 individuals, the age diversity ranges from 22-66, with the following age break down, 15 individuals from 22-30; 23 individuals from 31-40; 17 individuals from 41-50 and 12 individuals age 51 and over. The spread over variety of ages helps our company because we need individuals with different level of experience to realize our goals. Additionally, of the 67 individuals, 29 are female, leading to a male-female ratio in the work place of: 57%-43%. We are trying to raise this to an even

50%-50% ratio for the future to demonstrate our commitment to workplace gender equality and non-discrimination.

STATEMENT AFFIRMING ENVIRONMENTAL PROTECTION

USERDIS Ticaret is committed to furthering the UN Global Compact in the area of Environmental Protection. As a company which could very easily see its livelihood destroyed by the effects of climate change, USERDIS Ticaret is on the very forefront of supporting programs that encourage environmental protection. Our company primarily negotiates the operation of other companies within Turkey; therefore one of our priorities is to protect the natural environment of Turkey. When we begin a negotiation we request the foreign company to provide a statement in line with UN Global Compact on Environmental Protection. USERDIS Ticaret is very innovative in its application of environmentally friendly policies. USERDIS Ticaret has drafted a company policy on “being green” and in 2011 confirmed this policy as part of our bylaws.

There are a variety of ways in which we are trying to “green” USERDIS Ticaret. One of the ways is with respect to transportation. USERDIS provides financial incentive to individuals that use public transportation to come to work in the form of monthly bus passes. While minimal in its cost to the company, we have found that it helps to ensure employee punctuality because public transportation is generally quicker than individual travel and it relieves congestion on the roads. There are also incentives for employees that carpool.

USERDIS Ticaret also works with the Istanbul-based recycling foundation, CEVKO, (Çevre Koruma ve Ambalaj Atıkları Değerlendirme Vakfı) in order to help educate employees about environmentally friendly polices and how to be an environmental example in the work place. In our yearly company conference we include a session in which a CEVKO representative educates employees about what materials in the workplace can be recycled and how to recycle them. For the 2011 year the session was “Turkey and EU Environmental Policy”. Employees were educated about the differences in EU Environment policy and the gaps in Turkish policy and implementation. By understanding how far Turkey has to go, the employees at USERDIS Ticaret can begin to understand how their small efforts in the workplace help to impact the entire ecosystem.

Additionally, USERDIS Ticaret is strongly supportive of Istanbul municipal recycling efforts, which is why there are recycling boxes in our offices. These containers are picked up on a bi-weekly basis by CEVKO. The USERDIS USERDIS Ticaret 2012-2013 goals with environmental protection are first to reduce, then reuse and finally recycle our paper use by 15% of our 2011-2012 2011-2012 rate. By reducing our consumption, such as in the case of paper, we paper, we can lessen our impact. Secondly we are reducing our use of paper paper overall by trying to have all documents in softcopy form. Unless absolutely absolutely necessary we try not to work with hard copies. Thirdly, we have donated our old computers and other technology to recycling firms so as not to

not to have them end up in landfills. Furthermore we have purchased office appliances with an Energy Star rating of “A” so as to minimize our offices’ environmental impact. This includes computers, printers, a refrigerator and even light bulbs. Although the upfront cost was more than expected, we have already earned back our investment in terms of economics as well as social credit.

IMPLEMENTATION

USERDIS Ticaret is implementing the aforementioned policies by working with employee in the area of education, acquiring assistance from the local organization CEVKO, as well as investing in new energy-saving technology and recycling programs.

MONITORING PERFORMANCE

USERDIS Ticaret has taken serious strides to align itself with the UN Global Compact goals. Although our goal was to reduce paper consumption by 15% in 2011, we are happy to report that our consumption has been reduced by 18% over the 2010 usage. By continually encouraging employees to use both sides as well institute a “print only if you need to” policy, we made a company wide effort that has paid off environmentally as well as economically.

Furthermore we calculate that the higher price paid last year for energy star appliance has not quite been paid off but is in the process of gaining us a profitable return in terms of our electricity payments. We are hoping to recoup the additional monies in 2012 due to rising energy prices. Our management staff as well has issued a statement of approval at all the energy saving techniques that employees have come up with and we have institute a “technique of the week” policy in which employees share with one another the ways in which they have come up with to do their part to reduce the company’s impact on the planet. Examples include, turning computers off during meeting times, making a full pot of coffee or tea rather than individual cups, ensuring all unnecessary lights are turned off when not in use and many other small changes that have helped make our company more environmentally friendly and also more socially conscious.

STATEMENT AFFIRMING ANTI-CORRUPTION

USERDIS Ticaret is committed to furthering the UN global Compact in the area of Anti-Corruption. The country of Turkey is a party to the UN convention against corruption and both USERDIS Ticaret and its employees are wholeheartedly in support of the document. Furthermore in accordance with Turkish Criminal Code No. 5237 of 2005 as well as Law No. 3628 Concerning the Declaration of Assets and Combating Bribery from 1990 USERDIS Ticaret has made a private and public commitment to anti-corruption. It must be said that USERDIS Ticaret has a zero-tolerance policy for corruption, bribery and extortion. The following company policy according to bylaws can be evidence of this: "It is the policy of USERDIS Ticaret to pursue all of its business transactions in an honest and ethical manner. In doing business anywhere in the world, neither USERDIS Ticaret nor any person associated with the company may offer, pay, promise, authorize or receive any bribe, kickback or other illicit payment."

In employee orientation, employees are given training about what to do should they encounter an issue within the company that deals with corruption, the employee handbook instructs them to speak immediately with the employee-appointed ombudsman as well as contact the anonymous tip line at the Anti-corruption Taskforce. Our 2012-2013 goals for the company are to continue to provide education for all level of employees up to management about corruption as well as what to do if one should encounter it.

IMPLEMENTATION

As aforementioned, USERDIS Ticaret blends company education about what to do in case one observes corruption as well as the confidence of an employee-appointed ombudsman to assist with matter of corruption. Employees are referred to in-house as well as external agencies that may offer them assistance on these matters.

MONITORING OF PERFORMANCE

USERDIS is pleased to report that there have been no incidents of corruption alleged at the company from either internal or external agencies during 2011. Because of the company's zero-tolerance policy, it is obvious that there is a great deal of social and legal pressure not to participate in such acts. The employee-appointed ombudsman also met with the President and CEO, Dr. Erol User at the yearly company meeting to confirm no incidents of corruption. This individual also would also meet in confidence with any employee should s/he need advice or assistance in such matters.