

ANADOLU
SAĞLIK
MERKEZİ



AFFILIATED WITH
JOHNS HOPKINS
MEDICINE

Turkish American Business Conference

May
2006

Agenda

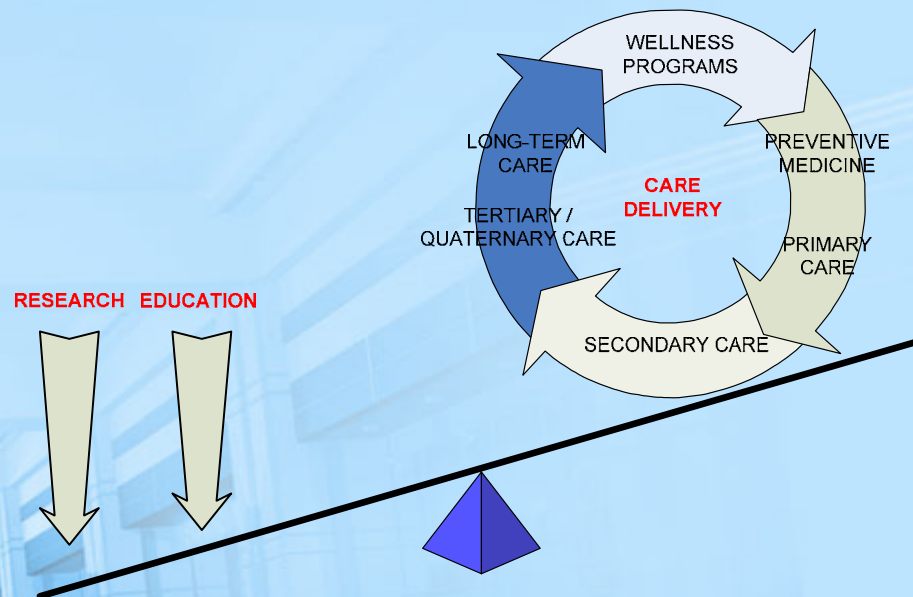
- **Who We Are** 5 min.
- **About Governance** 5 min.
- **Governance @ Anadolu** 10 min.

Who We Are

- **Anadolu Foundation Health Care System is a private, not-for-profit institution located close to Istanbul in Turkey.**
- Anadolu Group is the sole sponsor
- The largest and technologically most advanced health care investment around the region
- Adherence to all US agencies' standards such as JCAHO, AIA, NFPA, ADA, etc..
- Exclusive affiliation with Johns Hopkins Medicine of Baltimore

Who We Are

- **Our mission is to improve the health status of the population we serve.**
- We thrive to become a full continuum, specialty focused health care provider recognized as the best in Europe.



Who We Are

- **We are developing the structural components that serve our mission and vision.**

Oncology Institute

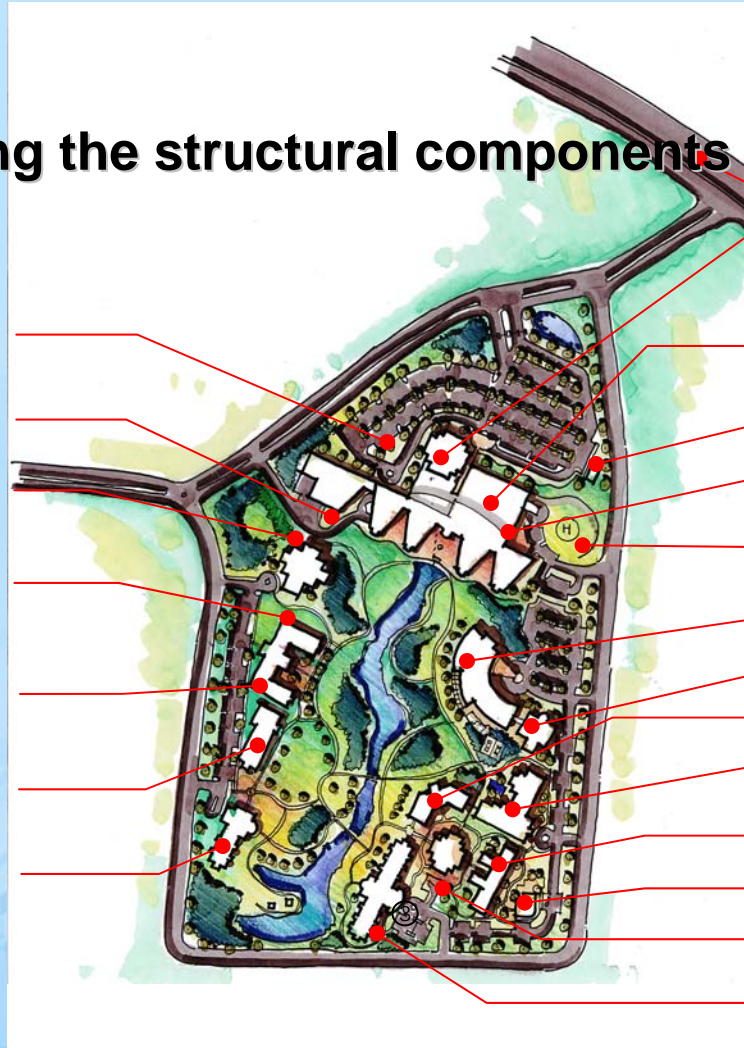
Central Services /
Central Plant
Research

Allied Health School

Nursing School

Future Expansion

Hospice



E-5 Highway

Medical Office
Building

Hospital

Shopping Arcade

Emergency Entrance

Helipad

Hotel

Executive Dormitory

Student Dormitory

Wellnes / Rehab.
Center

Nurse Dormitory

Day Care

Community Dining Hall

Nursing Home

Who We Are

- **We signed an exclusive relationship agreement with Johns Hopkins Medicine in August 2002 to help realize our vision.**
- **Licensing agreement**
 - *10-year term*
 - *Grant of license to use the name*
 - *Exclusivity*
 - *Board representation*
 - *Medical directorship*
- **Educational, consulting and patient services agreement**

➤ <i>Training opportunities for administrators</i>	➤ <i>Health information technology</i>
➤ <i>Administrative coordination</i>	➤ <i>Performance improvement, audits</i>
➤ <i>Clinical program evaluation</i>	➤ <i>Joint conferences</i>
➤ <i>Architectural and engineering design input</i>	➤ <i>Medical second opinion</i>
➤ <i>Human resources consulting</i>	➤ <i>Telemedicine</i>
➤ <i>Medical equipment/technology evaluation</i>	➤ <i>Patient referrals</i>

About Governance

- **Britannica* defines governance as the rules of order that are intended to maintain decorum, to ascertain the will of the majority, to preserve the rights of the minority, and to facilitate the orderly transaction of the business.**

(*) <http://www.britannica.com/>

About Governance

- **The World Bank views good governance and anti-corruption as central to its poverty alleviation mission.**



About Governance

- **Corporate governance definition has evolved during the past two decades.**
 - “Corporate governance deals with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment”, *The Journal of Finance*, *Shleifer and Vishny [1994]*.
 - “...corporate governance is an objective to be followed for the good of shareholders, employees, customers, bankers and indeed for the reputation and standing of our nation and its economy”, *Maw on Corporate Governance*, *Maw et al. [1997]*.
 - "A narrower definition of corporate governance comprises all rules, regulations, codes and practices enabling long term economic value creation for shareholders, while respecting social values and attracting human and financial capital", *World Bank Corporate Governance Manual*, [1999].

About Governance

- **TUSIAD publication* on corporate governance has been widely accepted and applied in the business environment in Turkey.**
- The universal principles of corporate governance are fairness, accountability, transparency and responsibility.
- Corporate governance aims at high performance, profitability, productivity and competitiveness.
- It should be perceived as a holistic approach which intersects with several domains such as ethical rules, law abidance and environmental protection.

()Corporate Governance Code of Best Practice: Composition and Functioning of the Board of Directors, Turkish Industrialists' & Businessmen's Association (TUSIAD), December 2002*

About Governance

- **The OECD Principles of Corporate Governance, an international benchmark, dictates that corporate governance framework should;**
 - promote transparent and efficient markets
 - protect and facilitate the exercise of shareholders' rights
 - ensure the equitable treatment of all shareholders
 - recognize the rights of stakeholders and encourage cooperation in creating the sustainability of financially sound enterprises
 - ensure that timely and accurate disclosure is made on all matters regarding corporation, including financial situation and performance
 - ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board's accountability to the company and the shareholders

Governance @ Anadolu

- **We recognize stakeholder rights established by law or through mutual agreements and proactively facilitate effective cooperation.**
 - Stakeholder representation at the board facilitates communication
 - Performance improvement systems and certification standards require utmost attention to stakeholder rights
 - ISO 9001 certification
 - ISO 14001 certification
 - ISO 18001 certification
 - Joint Commission accreditation(*in progress*)
 - Committee structure in the organization enables stakeholders to reach the board when required (e.g., illegal or unethical practices, etc.)

Governance @ Anadolu

- **For transparency and accurate disclosure, we utilize every optimal channel to ensure efficient flow of information on all matters.**
 - Strategic business plan reporting
 - Financial and operating results reporting
 - Performance improvement reporting
 - JHM audit program reports
 - AEH audit program report
 - An annual independent audit report
 - Annual reports to general assembly
 - Participation at NGO activities
 - Follow-up on the socioetal interests, social responsibilities of the Foundation on media
 - Institutional publications and regular meetings with internal stakeholders
 - Website utilization

Governance @ Anadolu

- **We have successfully structured our BoD to create strategic guidance over the company and effective monitoring of management.**
 - Setting short and long term goals
 - Reviewing the strategies that support goals, and ensuring their implementation
 - Monitoring the financial and operational performance
 - Recruiting CEO, monitoring his/her performance, determining remuneration
 - Reviewing and approving the proposals of the CEO for other key executives
 - Reviewing and approving by-laws
 - Developing and monitoring the implementation of the code of ethics
 - Ensuring legal compliance of practices, activities

Thank You!

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