

WORKING PRINCIPLES OF THE CORPORATE GOVERNANCE COMMITTEE

1. FOUNDATION

A Corporate Governance Committee has been founded within the scope of our company's Board Resolution dated 27th March 2012, numbered 683 and the provisions included in Stock Exchange Commission's Corporate Governance Principles to provide our company with advices and suggestions for developing its corporate governance applications

2. PURPOSE

Providing the Board of Directors with amendatory advices to improve corporate governance applications by detecting whether corporate governance applications are performed in our company and the reasons for not performing them if they are not performed as well as detecting the conflicts of interest resulting from not complying with these principles completely; carrying out the duties of the Nomination Committee, Wage Committee and Early Risk Detection Committee within the scope of the relevant notification.

3. DUTIES AND RESPONSIBILITIES

Duties of the Corporate Governance Committee;

- Providing the Board of Directors with amendatory advices to improve corporate governance applications by detecting whether corporate governance applications are performed in our company and the reasons for not performing them if they are not performed as well as detecting the conflicts of interest resulting from not complying with these principles completely;
- Supervising the operations of shareholder relations unit
- Reviewing the "Corporate Governance Compliance Reports to be Disclosed" and checking whether the information specified in these reports is accurate and consistent according to the Committee's information
- Ensuring the Corporate Governance Principles to be developed, adopted and applied in the Company; making suggestions to the Board of Directors for improving the compliance level by conducting studies for the situations where these principles are not applied,
- Establishing a transparent system for the detection, evaluation and training of appropriate Board candidates; conducting studies for determining policies and strategies in this direction,
- Making regular evaluations about the structure and efficiency of the Board of Directors; submitting to the Board of Directors its recommendations about possible changes to be made in these issues,
- Determining the approaches, principles and applications of board members and senior managers about performance evaluation and career planning as well as supervising them,
- Determining the suggestions of Board Members and senior managers about the pricing principles by considering company's long-term objectives,
- Determining the criteria to be applied for pricing with regard to the performance of the company and the members.
- Submitting to the Board of Directors its suggestions about the wages to be given to Board Members and senior managers by taking into account the level of criteria realization.

- Determining, evaluating and monitoring the principles for the identification of existing and possible risk factors which may affect the process of reaching company's objectives; determining the principles related to the management of relevant risks in accordance with company's risk-taking profile and ensuring these principles to be used in decision mechanisms.
- Ensuring the early detection of risks possible to endanger company's existence, development and maintenance; conducting studies to apply necessary precautions against detected risks and to manage these risks.
- Ensuring the integration of risk management and internal control systems into Company's corporate structure,
- Reviewing the risk management systems; supervising whether the applications made in relevant departments assuming the responsibility of risk management are in accordance with committee resolutions,
- Ensuring the early detection of technical bankruptcy, warning the Board of Directors about this issue and developing suggestions with regard to relevant precautions,
- Fulfilling other duties assigned/to be assigned to the Committee through Stock Exchange Commission's Regulations and Turkish Trade Law.

The committee notifies to the Board of Directors its evaluations and recommendations about the abovementioned issues in writing.

4. COMMITTEE STRUCTURE AND MEMBERSHIP CRITERIA

- Corporate governance committee consists of at least two members. The chairman is selected among the independent Board Members. The CEO/General Manager cannot take part in the Committee.
- Both Committee members are selected among the Board Members who don't have executive duties in the case that the committee consists of two members while the majority of Committee members are selected among them in the case that the Committee consists of more than two members. Those who are not Board Members but expert in their subjects can be selected as Committee members when necessary.
- Related Board of Directors determines Audit Committee's members in parallel with its duty term when a new Board of Directors is selected at annual Ordinary General Meetings. Previous committee members continue to perform their duties until new ones are selected in place of them.
- All sorts of sources and support necessary for the Committee to perform its duties are provided by the Board of Directors. The Committee may invite to its meetings any administrator it deems necessary and take their opinions.
- The Committee resorts to independent experts' opinions for the issues it needs in relation to its activities. The Company covers the cost of all consultancy services needed by this Committee.

5. SUB-COMMITTEES

In order to ensure the efficiency of its activities, the Audit Committee may organize sub-committees consisting of persons experienced enough in financial reporting and independent audit issues who it will select among its own members and/or from external sources according to the current needs.

6. MEETINGS

- The Audit Committee convenes at the intervals required by the duty assigned to it.
- Committee's resolutions are advisory for the Board of Directors and the Board of Directors acts as the final resolution maker for all issues.

- The Committee ensures the Board of Directors to be informed about all issues within its responsibility and authority area.
- Meeting and resolution quorum is the absolute majority of Committee's total member number.
- Meetings can be held at the head office or anywhere else easy to be reached by Committee members.

7. REPORTING PROCEDURES

- Committee resolutions are preserved in the decision book.
- The following minimum issues must be specified in the meeting minutes:
 - Place and date of the meeting
 - Agenda
 - Information about the issues to be discussed at the meetings
 - Resolutions taken
- The resolutions deemed necessary by the Committee are submitted to the Board of Directors.

The Board Secretariat will be responsible for preparing and keeping the meeting minutes. The meeting minutes are archived after being submitted for the information of Committee Members.

8. EFFECT

These working principles of the Audit Committee have been approved with the Board Decision dated 22.06.2012. The Board of Directors is authorized to revise and update these working principles whenever needed. Corporate Governance Committee's structure has been approved with the Board Decision dated 22.06.2012 after being revised and amended pursuant to the provisions included in Stock Exchange Commission's Communiqué dated 30th December 2011, Serial: IV, No: 56 on Principles Regarding Determination and Application of Corporate Governance Principles.