

## **CORPORATE GOVERNANCE COMMITTEE**

### **1. FOUNDATION**

Corporate Governance Committee is established within the scope of the provisions in the arrangements of Capital Markets Board (CMB) in order to develop corporate governance applications of our company to give advice and suggestions to Board of Directors in the Meeting of Board of Members in 25.05.2012.

### **2. PURPOSE**

To give remedial advice to the Board of Directors for the corporate governance applications by identifying if corporate governance principles is applied or not, if not, the reasons of that issue and identifying conflict of interest because of incompatibility with such principles, the committee performs the duties of Nomination Committee and Compensation Committee.

### **3. DUTIES AND RESPONSIBILITIES**

The duties of the corporate governance committee;

- To give remedial advice to the Board of Directors for the corporate governance applications by identifying if corporate governance principles is applied or not, if not, the reasons of that issue and identifying conflict of interest because of incompatibility with such principles.
- To observe the works of relations with the shareholders.
- To check the information in the "Corporate Governance Report" that is going to be declared to the public is true and stable or not according to the information that the Committee has.
- To provide improvement, adoption and application of the Corporate Governance Principles inside the Company, to give remedial advices to the Board of Directors for the topics that such principle cannot be applied.
- To follow the Corporate Governance Principles worldwide and to give advice to Board of Directors in order to apply required elements within the Company.
- To constitute a transparent system to determine, evaluate and training of the suitable candidate to Board of Directors and to make studies in order to determine policy and strategies.
- To prepare ordinary evaluations about the structure and efficiency of the Board of Directors and to present the advices on the changes that can be done for such issues to Board of Directors.

- To identify approach, principle and applications about performance evaluation and career planning of members of Board of Directors and top level directors and make observations about that issue.
- To determine the suggestions of the members of the directors and top level directors on compensation principles by taking into consideration the long term targets of the Company.
- To identify the measurements that can be used relevant to the performance of the Company and the member.
- To present advices relating to salaries that will be given to the members of the Board of Directors and top level executives to Board of directors by taking into consideration the level of reaching the criteria.

The Committee notifies the evaluations and suggestions both written and orally about the aforementioned issues to Board of Directors.

#### **4. STRUCTURE OF COMMITTEE AND MEMBERSHIP CRITERIA**

- The corporate governance committee consist at least two persons. Committee chairman and members are elected among the independent Members of Board of Directors. CEO/General Manager cannot participate in such committee.
- In case the committee is consisted of two members, two of them, in case the committee has more than two members, the majority of them are to be elected among the Members of Board of Directors who are not appointed for the execution.
- When the new Board of Directors is elected in the ordinary annual general meeting, relating board of directors identifies the Corporate Governance Committee parallel to their term of office. Duties of the former committee members continue until the new committee elected.
- Any kind of required resources and supported is provided by the Board of Directors in order to perform the duties of the committee. The committee can invite any director the meeting if require and can take their opinions.
- The committee is benefited from independent specialist opinions if required. The cost of the consultancy services needed is provided by the company.

#### **5. SUB-COMMITTEES**

Sub-committees can be formed in order to provide efficiency of works Corporate Governance Committee by the persons who are sufficiently experienced and well knowledge on Corporate Governance issues among their members or externally.

## **6. MEETINGS**

- The committee holds meetings when it is required.
- The decree of the Committee is advisory to Board of Directors; ultimate decision maker is Board of Directors.
- The Committee provides information within the scope of duty and responsibility area to the Board of Directors.
- The quorum of meeting and decision is absolute majority of total member number.
- Meetings can be held at headquarter or a place easy to access.

## **7. REPORTING PROCEDURES**

- The decisions of the committee are kept in a decision book for the committee.
- At least followings have to be placed in the minutes of meeting:
  - o Time and place of the meeting
  - o Agenda
  - o Information about the discussed issues in the meeting.
  - o Resolutions
- Required resolutions are presented to Board of Directors.
- The secretary of the board of directors is responsible for preparation and keeping the reports. Prepared minute of meeting is archived after presented to the information of the Committee Members.

## **8. ENFORCEMENT**

Present working principles of Corporate Governance Committee are approved with 11.07.2012 dated Resolution of Board of Directors. The update of such working principles by a revision is under the authorization of the Board of Directors.