

WORKING PRINCIPLES OF THE CORPORATE GOVERNANCE COMMITTEE

1. FOUNDATION

The Corporate Governance Committee has been established during the Board of Directors meeting of our Company dated 26 April 2012, under the Corporate Governance Principles of the Capital Markets Board, for offering advice and suggestions to the Board of Directors in order to improve the corporate governance practices of our Company.

2. PURPOSE

The purpose is to offer advices to the Board of Directors that may improve the corporate governance practices, after determining whether the corporate governance principles are implemented in our Company or not; and if not, the reasons of the same and the conflicts of interest arising out of not fully conforming to these principles. Moreover, to serve as Nomination Committee and Remuneration Committee of our Company under the relevant Communiqué of the Capital Market Board.

3. DUTIES AND RESPONSIBILITIES

The duties of the Corporate Governance Committee are:

- Offering advice to the Board of Directors that may improve the corporate governance practices, after determining whether the corporate governance principles are implemented in our Company or not; and if not, the reasons of the same and the conflicts of interest arising out of not fully conforming to these principles,
- Supervising the activities of the unit responsible for the relations with the investors,
- Reviewing the “Corporate Governance Principles Compliance Report” to be disclosed to public and checking whether the information contained in such report are correct and accurate or not according to the information available to the Committee,
- Ensuring the development, adoption and implementation of the Corporate Governance Principles within the Company, providing suggestions to improve the extent of conformity to the Board of Directors after working on the matters that are not implemented,
- Following the Corporate Governance Principles worldwide and making suggestions to the Board of Directors for the implementation of necessary matters within the Company.

The duties assigned to the nomination and remuneration committee under the regulations of the Capital Market Board are also fulfilled by the Corporate Governance Committee at our Company; and the functions of the Committee within this scope are as follows:

- Developing a transparent system on the determination, assessment and training of the candidates suitable for the Board of Directors and executive positions with administrative responsibilities and working on the determination of policies and strategies with this regard,
- Evaluating the proposals for candidates for independent membership, including the management and the investors, with due consideration of whether the candidate is qualified for independence or not, and submitting the relevant evaluation to the Board of Directors for approval,
- In case of any vacant position for an independent Member of the Board of Directors, making an assessment regarding the election of independent members for the vacant positions to act until the first general assembly in order to ensure that minimum number of independent members is maintained and reporting the result to the Board of Directors in writing,
- Making regular assessments on the structure and efficiency of the Board of Directors and presenting the advices on the changes that may be made with this regard to the Board of Directors,
- Determining and supervising the approaches, principles and practices of the members of the Board of Directors and the senior managers on the performance assessment and career planning,
- Determining and supervising the suggestions of the members of the Board of Directors and the senior managers on the waging principles, in consideration of the long term objectives of the Company,
- Determining the criteria that may be used for the remuneration setting depending on the performance of both the Company and the member,

- Presenting the suggestions on the remunerations to be given to the members of the Board of Directors and the senior managers to the Board of Directors, in consideration of the degree of achievement of the criteria.

The Committee informs the Board of Directors about its assessments and advices on the abovementioned matters either orally or in written form.

4. COMMITTEE STRUCTURE AND MEMBERSHIP CRITERIA

- The corporate governance committee is constituted by at least two Members of the Board of Directors and the Investor Relations Director, who is appointed within the scope of the Communiqué Regarding Corporate Governance. The Chairman of the Committee is selected from among the Independent Board Members. CEO/General Director shall not take part in the committee.
- If the committee is formed by two members except the Director of the Investor Relations Unit, both of them and if it has more than two members except the Director of the Investor Relations Unit, the majority is selected from among the Board Members who are not appointed to any execution task. If necessary, the experts, who are not members of the Board of Directors, may get involved in the committee.
- When the new Board of Directors is elected during the Ordinary General Assembly Meeting, the members of the Corporate Governance Committee are determined by the Board of Directors in parallel with the terms of office of the relevant Board of Directors. The old members continue to carry out their tasks until a new member is elected to replace him/her.
- Any resources and support that are necessary for the Committee to perform its tasks are provided by the Board of Directors. The Committee may invite and take the opinions of the executive who may be deemed necessary.
- The Committee benefits from the opinions of the independent experts for the matters needed in relation to its activities. The fees of the consultancy services needed by the Committee are covered by the Company.

5. SUB-STUDY GROUPS

The Corporate Governance Committee may form sub study groups which consist of people having the adequate experience and knowledge on Corporate Governance, to be selected from among its own members and/or outside depending on the need in order to ensure the efficiency of the works.

6. THE MEETINGS

- The Committee assembles whenever the task appointed requires.
- The decisions of the Committee are advisory only and the final decision making authority for the relevant issues is the Board of Directors.
- The Committee ensures that the Board of Directors is informed about the matters under its area of authority and responsibility.
- The meeting and decision quorum is the absolute majority of the number of total members of the committee.
- Committee meetings may be held physically or through electronic methods without a physical meeting (through electronic media or conference call). Physical meetings may be held at the Company's head office or at another place that is easily accessible for the committee members. Minutes issued in relation with the meetings held through electronic methods without a physical meeting are signed by the members of the Corporate Governance Committee. Moreover, it is also possible for the committee to make decisions by signing the relevant paper, and the decisions signed by all the members on the same paper or on different papers are also valid.

7. REPORTING PROCEDURES

- The decisions of the committee are kept in the minute book to be kept for the committee.
- The minute of the meeting must contain at least the following information:

- Date of the meeting
 - Information on the matters evaluated during the meeting
 - Decisions made
- The decisions considered necessary by the Committee are submitted to the Board of Directors.
 - The secretariat of the Board of Directors is responsible for the preparation and keeping the reports. The meeting minute issued is archived after submitted to the information of the Committee Members.

8. EXECUTION

The structure of the Corporate Governance Committee has been revised by the decisions of the Board of Directors dated 28 March 2019 after revision within the framework of the regulations of the Capital Market Board regarding Corporate Governance. The Board of Directors is authorized to revise and update such working principles as and when necessary.

WORKING PRINCIPLES OF THE AUDIT COMMITTEE

1. FOUNDATION

The Audit Committee has been established during the Board of Directors meeting dated 18 April 2003, under the provisions of the regulations of the Capital Markets Board (CMB). Later on, the working principles of the Audit Committee have been revised by the Decision of Board of Directors dated 26 April 2012 according to the improvements in the Capital Markets Board regulations and the principles were last updated on 28 March 2019.

2. PURPOSE

Supervising running of the accounting and reporting systems, in our Company under the related laws and regulations, public disclosure of the financial information and the operation and efficiency of the independent audit and internal control system.

3. DUTIES AND RESPONSIBILITIES

The duties of the Audit Committee are:

- Selection of the independent audit organization, determining the scope of the services to be procured from the independent audit organization, initiating the independent audit process by issuing the independent audit contract and supervising the activities of the independent audit organization at all stages,
- Evaluating the state of the independent auditor against the independency criteria, his/her independency declaration and other services that may be obtained from the independent audit organization,
- Evaluating the findings to be obtained under the independent audit to be sent to the Committee by the independent audit organization, the important matters related to the accounting policy and practices of the partnership; alternative implementation and public disclosure options under the accounting standards and accounting principles of the Capital Markets Board, which have been sent to the Company previously by the independent auditor; the possible implications of the same and the implementation advices; the correspondences made between the partnership management and the independent auditor,
- Examination of the accounting, reporting and internal control systems of the Company, as well as the complaints received by the Company in relation to the independent audit processes and concluding the same; determining the methods and criteria to be implemented in relation to the assessment of the statements of the Company's employees on the accounting, reporting, internal control and independent audit matters under confidentiality principle,
- Informing the Board of Directors in written form on the compliance and accuracy of the annual and interim financial statements to be disclosed to public, to the accounting principles followed by the Company and to the reality, after taking the managing directors and independent auditors of the Company and together with its own evaluations,
- Carrying out other tasks that have been/will be assigned to the Committee by the CMB regulations and the Turkish Commercial Code.

The Committee informs the Board of Directors about its assessments and advices on the abovementioned matters in writing.

4. COMMITTEE STRUCTURE AND MEMBERSHIP CRITERIA

- The audit committee is formed by at least two members. The Chairman of the Committee and its members are selected from among the Independent Board Members.
- When the new Board of Directors is elected during the Ordinary General Assembly Meeting, the duty periods of the members of the Audit Committee are determined by the Board of Directors in line with the duty period of the Board of Directors. The old members continue to carry out their tasks until a new member is elected to his/her place.

- Any resources and support that are necessary for the Committee to perform its tasks are provided by the Board of Directors. The Committee may invite and take the opinions of the executive who may be deemed necessary.
- The Committee benefits from the opinions of the independent experts for the matters needed in relation to its activities. The fees of the consultancy services needed by the Committee are covered by the Company.

5. SUB-STUDY GROUPS

The Audit Committee may form sub study groups which consist of people having the adequate experience and knowledge on financial reporting and independent audit, to be selected from among its own members and/or outside depending on the need in order to ensure the efficiency of the works.

6. THE MEETINGS

- The Audit Committee convenes at least four times annually, in a way that at least once in every three months and the results of the meeting are recorded and submitted to the Board of Directors. The Committee immediately informs the Board of Directors in writing on the findings and suggestions reached in relation to its area of duty and responsibility.
- The decisions of the Committee are only advisory in nature and the final decision-making authority for the relevant issues is the Board of Directors.
- The Committee ensures that the Board of Directors is informed about the matters under its area of authority and responsibility.
- The meeting and decision quorum is the absolute majority of the number of total members of the committee.
- Committee meetings may be held physically or through electronic methods without a physical meeting (through electronic media or conference call). Physical meetings may be held at the Company's head office or at another place that is easily accessible for the committee members. Minutes issued in relation with the meetings held through electronic methods without a physical meeting are signed by the members of the Audit Committee. Moreover, it is also possible for the committee to make decisions by signing the relevant paper, and the decisions signed by all the members on the same paper or on different papers are also valid.

7. REPORTING PROCEDURES

- The decisions of the committee are kept in the minute book to be kept for the committee.
- The minute of the meeting must contain at least the following information:
 - Date of the meeting
 - Agenda
 - Information on the matters evaluated during the meeting
 - Decisions made
- The decisions considered necessary by the Committee are submitted to the Board of Directors.
- The secretariat of the Board of Directors is responsible for the preparation and keeping the reports. The meeting minute issued is archived after submitted to the information of the Committee Members.

8. EXECUTION

The working principles of the Audit Committee as stipulated herein, have been approved with the Board of Directors Decision dated 28 March 2019. The Board of Directors is authorized to revise and update such working principles as and when necessary.

WORKING PRINCIPLES OF THE RISK MANAGEMENT COMMITTEE

1. FOUNDATION

During the Board of Directors meeting of our Company dated 25 July 2012, a Risk Management Committee has been established for the purpose of giving advice and suggestions to the Board of Directors for the purpose of early risk identification and developing an efficient risk management system, in consideration of the provisions stipulated by the Turkish Commerce Code with the number 6102 and Corporate Governance Principles of the Capital Markets Board.

2. PURPOSE

Giving advices and suggestions to the Board of Directors on the early identification, assessment, calculating the impact and probability of strategic, operational, financial, legal and any other risks, which may endanger the existence, development and continuation of the Company, management, reporting of such risks according to the corporate risk taking profile of the Company, implementing the necessary actions related to the identified risk, considering the decision making mechanisms and developing and integration efficient internal control systems in connection thereto.

3. DUTIES AND RESPONSIBILITIES

The duties of the Risk Management Committee are:

- Identification, assessment, monitoring of existing and possible risk elements, that may affect the Company to reach its objectives, within the systematic of the Enterprise Risk Management (ERM) and determining the principles on the management of the risks according to the risk taking profile of the company and ensuring the use decision making mechanisms,
- Identification of the risks which may be kept and managed in the Company, shared or totally eliminated according to probability and effect calculations,
- Ensuring the integration of risk management and internal control systems to the corporate structure of the Company,
- Reviewing the risk management systems at least once a year and supervising that the implementation in the respective departments undertaken the risk management responsibility is carried out in conformity with the committee decisions,
- Early diagnosis of the technical bankruptcy and warning the Board of Directors with this regard, developing suggestions on the possible actions,
- Carrying out other tasks that have been/will be assigned to the committee with the CMB regulations and the Turkish Commerce Code.

The Committee informs the Board of Directors about its assessments and advices on the abovementioned matters either orally or in written form.

4. COMMITTEE STRUCTURE AND MEMBERSHIP CRITERIA

- The risk management committee is formed by at least two members. The Chairman of the Committee is selected from among the Independent Board Members. CEO/General Director shall not take part in the committee.
- If the committee is formed by two members, both of them and if it has more than two members, the majority is selected from among the Board Members who are not appointed to any execution task. If necessary, the experts, who are not members of the Board of Directors, may get involved in the committee.
- When the new Board of Directors is elected during the Ordinary General Assembly Meeting, the members of the Risk Management Committee are determined by the Board of Directors in parallel with the terms of office of the relevant Board of Directors. The old members continue to carry out their tasks until a new member is elected to replace him/her.
- Any resources and support that are necessary for the Committee to perform its tasks are provided by the Board of Directors. The Committee may invite and take the opinions of the executive who may be deemed necessary.

- The Committee benefits from the opinions of the independent experts for the matters needed in relation to its activities. The fees of the consultancy services needed by the Committee are covered by the Company.

5. SUB-STUDY GROUPS

The Risk Management Committee may form sub study groups which consist of people having the adequate experience and knowledge on Risk Management, to be selected from among its own members and/or outside depending on the need in order to ensure the efficiency of the works.

6. THE MEETINGS

- The Committee assembles at the frequency as required by the appointed tasks.
- The decisions of the Committee are advisory only and the final decision making authority for the relevant issues is the Board of Directors.
- The Committee ensures that the Board of Directors is informed about the matters under its area of authority and responsibility. It reports its suggestion on the risk and solutions to the Board of Directors and the Auditor.
- The meeting and decision quorum is the absolute majority of the number of total members of the committee.
- Committee meetings may be held physically or through electronic methods without a physical meeting (through electronic media or conference call). Physical meetings may be held at the Company's head office or at another place that is easily accessible for the committee members. Minutes issued in relation with the meetings held through electronic methods without a physical meeting are signed by the members of the Risk Management Committee. Moreover, it is also possible for the committee to make decisions by signing the relevant paper, and the decisions signed by all the members on the same paper or on different papers are also valid.

7. REPORTING PROCEDURES

- The decisions of the committee are kept in the minute book to be kept for the committee.
- The minute of the meeting must contain at least the following information:
 - Date of the meeting
 - Information on the matters evaluated during the meeting
 - Decisions made
- The decisions considered necessary by the Risk Management Committee are submitted to the Board of Directors.
- The secretariat of the Board of Directors is responsible for the preparation and keeping the reports. The meeting minute issued is archived after submitted to the information of the Committee Members.

8. EXECUTION

The working principles of the Risk Management Committee as stipulated herein have been approved by the Board of Directors Decision dated 25 July 2012, and it has gained its current form by the changes made on 28 March 2019. The Board of Directors is authorized to revise and update such working principles as and when necessary.