

# Corporate Governance Principles Compliance Report

## DECLARATION OF COMPLIANCE WITH PRINCIPLES OF CORPORATE GOVERNANCE

Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding" or "the Company") exerts maximum care to comply with the Capital Markets Board's ("CMB") Regulations and Resolutions, and embraces the concepts of fairness, transparency, accountability and responsibility, which form the essence of corporate governance.

The corporate governance rating score of Doğan Şirketler Grubu Holding A.Ş. that has been included into the ISE Corporate Governance Index since November 4th, 2009, was revised to 9.03 (90.31%) from 8.59 (85.89%) by SAHA Corporate Governance Rating Company ("Saha") licensed by the Turkish Capital Markets Board, with a report issued on November 5, 2012. The rating methodology utilized is based on the Corporate Governance Principles of the CMB.

In accordance with CMB's Council Resolution on the issue, the final rating score of 9.03 was made up of the following scores assigned per each main section according to certain weights, as determined after the 2012 rating process:

Shareholders	88.79
Public Disclosure & Transparency	95.36
Stakeholders	91.96
Board of Directors	83.76

This rating upgrade is considered to be an indication of the importance attached by Doğan Holding to corporate governance, its willingness to manage this process dynamically and continuously, and finally the improvements effected since the publication of the initial rating report. The Articles of Association was amended in order to keep abreast of recent changes in corporate governance and to comply with the CMB's regulations and resolutions, and approved as such by the Ordinary General Assembly.

The Corporate Governance Committee continues its efforts to improve the governance activities. The Company complied with the Corporate Governance Principles rendered obligatory by CMB's regulations and resolutions during the fiscal year that ended on December 31, 2012. We believe that under the current circumstances, the items in the Principles that we fail to fully comply with as of yet do not give rise to a major conflict of interest.

The Company's Corporate Governance Rating Report and Corporate Governance Compliance Report issued by Saha Kurumsal are available on the Company's website at [www.doganholding.com.tr](http://www.doganholding.com.tr).

Best regards,



**YAHYA ÜZDÜYEN**  
EXECUTIVE DIRECTOR AND CEO



**YAŞAR BEGÜMHAN DOĞAN FARALYALI**  
CHAIRPERSON

## PART I – SHAREHOLDERS

### 2. Shareholder Relations Unit

**2.1.** Exercise of shareholder rights is conducted in compliance with the relevant legislation, the Articles of Association and other in-house rules. All necessary measures are taken to facilitate exercise of these rights.

**2.2.** The Shareholder Relations Unit was established on March 18, 2009 to monitor relations between shareholders and the Company and to ensure that the requirements pertaining to shareholders' rights concerning access to information are fully met. The Shareholder Relations Unit functions in accordance with Capital Market Legislation and CMB regulations and the Articles of Association. The Unit's primary duties are as follows:

- a) To ensure that shareholder records are kept accurately, safely and up-to-date;
- b) To respond to shareholders' written requests for information about the Company excluding those that constitute a trade secret or privileged information;
- c) To ensure that the General Assembly meetings are held in accordance with relevant legislation, the Company's Articles of Association and other in-house rules;
- d) To prepare documents to be delivered to shareholders at General Assembly meetings;
- e) To keep the records of voting results and to ensure that all reports related to the resolutions are sent to the shareholders;
- f) To supervise and to oversee all issues concerning public disclosure to make certain that they comply with the current legislation in all respects and the Company's Public Disclosure Policy;
- g) To ensure capital markets compliance activities are carried out;
- h) To ensure that investor relations activities are conducted.

**2.3.** Murat Doğu is in charge of coordinating the Shareholder Relations Unit.

**2.4.** In the year 2012, the requests for information from shareholders or investors were answered in line with Capital Market Legislation and CMB regulations and resolutions; and relevant information and documents were delivered to shareholders in line with the principle of equality, with the exception of confidential data or commercial secrets. In this regard, the Unit held or participated in various analysts' meetings.

In order to provide information to institutional investors residing overseas, visits were organized in 2012 to London and New York, cities with the largest concentration of investors interested in emerging markets. In addition, meetings were organized in Istanbul with the intermediation of institutional investors to enable face-to-face interaction with corporate shareholders headquartered overseas.

Reporting to the Shareholder Relations Unit are the investor relations, legal affairs, and financial affairs staff. The Unit's manager is the Deputy President, Finance, Capital Markets, IFRS/CMS Reporting and Affiliates Oversight, Dr. Murat Doğu, whose his contact details are as follows:

Full Name	Title	Tel	E-mail
Murat Doğu	Deputy President, Finance, Capital Markets, IFRS/CMS Reporting and Affiliates Oversight	(216) 556 90 00	mdogu@doganholding.com.tr

At the Company's corporate website at [www.doganholding.com.tr](http://www.doganholding.com.tr), information about the Company is presented to shareholders in a regular and up-to-date fashion to in both English and Turkish.

**2.5.** Utmost care is taken to meet requests and comply with legal requirements and the Articles of Association. No written or verbal complaint reached the Company in 2012 concerning the exercise of shareholders rights, nor is the Company aware of any legal proceedings initiated against it in this regards.

### 3. Shareholders' Right to Obtain and Evaluate Information

**3.1.** The Company does not discriminate among shareholders on the issue of exercise of shareholders' right to obtain and evaluate information, including minority and foreign shareholders.

**3.2.** The information requests received from shareholders in 2012 were tried to be responded in a timely manner, as per Capital Market Legislation and CMB regulations and resolutions.

**3.3.** Presentations and financial information on developments about the Company, and all information which could affect the shareholders' exercise of their rights are made available in an up-to-date fashion on the Company's web site at ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

**3.4.** The Articles of Association currently do not recognize requests for the assignment of a special auditor as an individual right. Shareholders did not demand the appointment of any special auditors during the reporting period. However, depending on the legislative developments in the upcoming period, this right might be incorporated into the Articles of Association.

### 4. General Assembly Meetings

**4.1.** The Company's Ordinary General Assembly meeting on the activity results of 2011 was held on June 27, 2012 at the Company's headquarters, at the address of Burhaniye Mahallesi Kısıklı Caddesi No: 64 Üsküdar-Istanbul. Invitations to the meetings were published, as stipulated in the Company's Articles of Association, in the nationwide Posta newspaper and in the Turkish Trade Registry Gazette and announced on the PDP (Public Disclosure Platform) System.

**4.2.** Before the General Assembly meetings, the Information Memorandum, including meeting agenda and legal grounds of the agenda, the General Assembly Participation Procedure, outlining the procedure for participating in the General Assemblies, as well as information notes featuring the necessary notifications required by Capital Markets Board's Communiqué Series: IV, No: 56 on the Determination and Application of Corporate Governance Principles were presented to the shareholders. No request to include a new agenda item to the General Assembly Meeting was received from the shareholders. All announcements and notifications comply with the Turkish Commercial Code, Capital Markets Legislation, CMB regulations and resolutions as well as the Articles of Association.

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**4.3.** The method of holding General Assembly meetings ensures attendance of the maximum number of shareholders. With a view to complying with the Turkish Commercial Code's provisions, an amendment to the Articles of Association will allow the General Assembly to be organized online. At the General Assembly where the accounts and activities of the year 2012 will be discussed, shareholders will have the chance to participate online. This action is in compliance with CMB's resolution dated February 1, 2013 and numbered 4/89.

**4.4.** General Assembly meetings are carried out with the simplest possible procedures, at the lowest possible cost for the shareholders and in a manner that does not create any inequality among shareholders.

**4.5.** General Assembly meetings are held at Company headquarters in Istanbul to facilitate the participation of shareholders.

**4.6.** The Company does not have any registered shares. All share certificates are dematerialized with the Central Registry System (CRS).

**4.7.** As regards the Ordinary General Assembly meeting, the Balance Sheet and Income Statement for the accounting period from January 1, 2011 until December 31, 2011, Board of Directors Annual Report, Board of Directors' dividend distribution proposition for the year 2011, the announcement text, reports by the Audit Committee and the independent audit firm, amendments to the Articles of Association, General Assembly Participation Procedure, General Assembly Information Memorandum and Proxy Voting Form, as well as the information notes featuring the necessary notifications required by Capital Markets Board's Communiqué Series: IV, No: 56 were made available for the scrutiny of the shareholders as per CMB's regulations and resolutions, as well as the Articles of Association, 21 days prior to the Ordinary

General Assembly meeting and published on the website at [www.doganholding.com.tr](http://www.doganholding.com.tr). Inquiries received from shareholders after the announcement of the General Assembly meeting were answered by the Shareholder Relations Unit. There have been no major changes to the management or operational organization of the Company during the previous reporting period. Any such changes that may arise will be announced to the public in compliance with the relevant legislation.

**4.8.** During the General Assembly meetings, agenda items are presented in an objective, detailed, clear and comprehensible manner, and shareholders are given equal opportunity to voice their opinions and ask questions, thus creating a healthy discussion environment. In 2012, the Company did not receive any written requests from the shareholders for adding items to the agenda.

**4.9.** There were no suggestions about the agenda of the Ordinary General Assembly meeting, or demands to add new agenda items. At the meeting, questions by some shareholders on the agenda were responded to by the meeting council.

**4.10.** At the Ordinary General Assembly, the shareholders were informed about donations of TL 2,087,000 made by the Company to foundations, associations, public agencies and institutions in 2011.

**4.11.** At the General Assembly meeting, votes were cast through open ballot, by raising hands. Voting procedures were announced to the shareholders by the meeting announcements (in the procedures section) and at the beginning of the meeting.

**4.12.** General Assembly meeting decisions require the presence of shareholders or their proxies representing at least half of the Company's capital. Some 62.71% of the capital was present at the Ordinary General Assembly meeting.

**4.13.** Minutes of the General Assembly meeting were available at Company headquarters and were faxed to shareholders upon request. Additionally, General Assembly meeting minutes are available at the corporate web site at [www.doganholding.com.tr](http://www.doganholding.com.tr).

**4.14.** General Assembly meetings were attended by shareholders, some Board Members, Company employees and independent auditors, but not by other stakeholders or the media.

## 5. Voting Rights and Minority Rights

**5.1.** The Company avoids practices that make it difficult to exercise voting rights; all shareholders are given the opportunity to exercise their voting rights in the easiest and most convenient manner.

**5.2.** No upper limits are defined for the voting of any shareholder.

**5.3.** There are no preferred stocks or different classes of shares in the Company.

**5.4.** Each share is entitled to one vote in the Company.

**5.5.** There is no Company regulation that restricts the exercise of shareholder voting rights for a certain period of time following the acquisition date of shares.

**5.6.** The Articles of Association do not contain any provision that prevents non-shareholders from voting as proxy as representative of a shareholder.

**5.7.** The Articles of Association do not provide for cumulative voting.

## 6. Right to Dividends

**6.1.** There is no privilege granted to any individual in the distribution of dividends.

**6.2.** Doğan Group of Companies carries out its dividend distribution in line with the stipulations of the Turkish Commercial Code, regulations and resolutions of the Capital Markets Board, Tax Laws, other applicable legislation, the Articles of Association and the Dividend Policy outlined by the Board of Directors.

According to the Articles of Association,

Net profit is calculated by deducting all paid and accrued Company expenditure, depreciation, paid premiums and bonuses, provisions for income taxes to be paid by the legal entity of the Company, along with other financial obligations, from total income at the end of the accounting period.

Afterwards,

-the losses (if any) from previous years,  
-and the amounts determined by the Capital Markets Board

are deducted from net income,  
-reserves set at 5% by the Turkish Commercial Code and other relevant regulations,  
-and the first dividend at the rate and amount determined by the Capital Markets Board are set aside.

The General Assembly is authorized to determine, in accordance with the dividend distribution policy of the Company, whether the remainder is to be considered money held in reserve or to be distributed.

One-tenth of the amount obtained by reducing 5% of capital from the funds to be distributed among shareholders and other persons with a share in profits will be considered secondary legal reserve as determined by Paragraph 3 of the second section of Article 466 of the Turkish Commercial Code.

According to the Code, unless the required amount of legal reserves are set aside, or unless the primary dividend to be distributed to the shareholders in the form of cash and/or shares is distributed, no decision can be made on setting aside other reserves, transferring profits to the

next year or paying dividends to preferred shareholders or to other shareholders with participation, founder's or regular share certificates, to Board Members, or employees and workers, or to foundations and similar individuals and/or institutions listed in the Article 4 of the Articles of Association.

**6.3.** According to the Articles of Association, the Board of Directors may decide to make advance dividend payments; provided that it is authorized by the General Assembly and that such action complies with Capital Markets Legislation, and the Capital Markets Board's regulations and resolutions. The authority granted by the General Assembly to the Board of Directors to make advance dividend payments is limited to the year it was granted. No decision can be made for additional advance dividend payments or distribution of dividends unless advance dividends for the previous year have been fully offset.

**6.4.** The Company's dividend policy has been defined as "The attributable profit will be distributed in cash and/or as bonus shares in a way that will optimize the Company's financial position within the context of the legislation it is required to comply with, its growth strategy, investment and financing needs in the industry, as well as conditions in the national and international economy," with a Board of Directors decision dated April 30, 2007 and numbered 109. This has been announced to the public in the Annual Report and published on the corporate website [www.doganholding.com.tr](http://www.doganholding.com.tr).

**6.5.** In line with CMB regulations, at the Company's Ordinary General Assembly for the year 2011, no dividend was distributed since the consolidated financial statements as of December 31, 2011 showed no distributable profit for the period; financial statements prepared in accordance with Turkish Commercial Code and Tax Procedures Code showed a profit for the period, which however was transferred to extraordinary reserves after the deduction of the First Legal Reserves.

## 7. Transfer of Shares

**7.1.** The Company's Articles of Association do not contain any provisions to impede transfer of shares.

## PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

### 8. Public Disclosure Policy

**8.1.** The main purpose of the Disclosure Policy of the Company is to provide fair, timely, accurate, complete, understandable, analyzable and easily accessible information to shareholders and stakeholders about the Company's prior performance, and information and developments related to its future outlook. The Public Disclosure Policy of the Company is available at [www.doganholding.com.tr](http://www.doganholding.com.tr).

**8.2.** To this end, the Company holds or participates in meetings with the participation of investors, analysts and the media, in addition to issuing material disclosures, and publishing periodical financial statements and annual reports. In conjunction with this, members of the Board of Directors and the Executive Committee attend these meetings to make presentations.

In addition to these efforts, promotional documents, statements to data distribution companies, announcements and news features on the corporate web site are other instruments within the scope of the Public Disclosure Policy.

**8.3.** The Company's public disclosure activities are carried out under the supervision and control of the Vice Presidency in charge of Capital Markets, IFRS/CMB Reporting and Affiliates Oversight who reports to the Financial Affairs Group, and in coordination with the Corporate Governance Committee.

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Within the scope of the Public Disclosure Policy, the individuals authorized to make public disclosures at the Borsa Istanbul Public Disclosure Platform and their contact details are as follows:

Full Name	Title	Tel	E-mail
Murat Doğu	Deputy President, Finance, Capital Markets, IFRS/CMS Reporting and Affiliates Oversight	(216) 556 90 00	mdogu@doganholding.com.tr
Hande Özer	Director, Capital Markets, IFRS/CMS Reporting and Affiliates Oversight	(216) 556 90 00	handeo@doganholding.com.tr

While implementing the Public Disclosure Policy, utmost care is taken to preserve the principle of equal opportunity among stakeholders.

**8.4.** The Company's Public Disclosure Policy was announced to the public in 2007 through the Company website. The Public Disclosure Policy was revised by the Board of Directors in 2009 and was presented at the Ordinary General Assembly meeting of 2008. The Board of Directors is responsible for the execution of the Public Disclosure Policy.

**8.5.** "Individuals with Administrative Responsibilities" defined in the Capital Market Legislation and individuals in close contact with them disclose to the public their transactions on the Company's capital markets instruments, in compliance with the Capital Market Legislation.

**8.6.** The financial statements and accompanying notes have been prepared on a consolidated basis in accordance with CMB Communiqué Series: XI, No. 29, as well as with International Financial Reporting Standards (IFRS). They have been audited by independent auditors in accordance with the International Auditing Standards (IAS) and disclosed to the public.

## 9. The Company's Website and Its Contents

**9.1.** The Company's website at www.doganholding.com.tr is actively used for public disclosures, as stipulated in the Turkish Commercial Code, Capital Markets Legislation, and CMB Regulations and Resolutions.

**9.2.** Consolidated financial statements prepared in accordance with IFRS as per the applicable CMB legislation, independent audit reports and annual and interim reports are available on the web site.

**9.3.** An English language version of the information is also available for the convenience of foreign investors as set forth in the Turkish Commercial Code, Capital Markets Legislation, and CMB Regulations and Resolutions.

**9.4.** Information provided on the web site is as follows:

- a) Corporate
- Corporate governance
  - Vision and mission
  - Shareholding structure
  - Board of Directors (Board Members, Corporate Governance Committee and Audit Committee Members)
  - Executive Committee
  - Managers (CEO, President, Deputy Presidents, Directors)
  - Corporate profile

- b) Investments
- The Media (newspaper, magazine and book publishing, music, TV and radio broadcasting, digital TV platform and services, news agency, internet services, print, distribution, overseas services and other activities)
  - Energy (Doğan Enerji)
  - Retail (D&R)
  - Industry (Çelik Halat, Ditaş, Doğan Organik Ürünler)
  - Trade (Milpa)
  - Financial Services (DD Konut Finansmanı)
  - Tourism (Milta)

- c) Corporate Governance
- Shareholding Structure
  - Articles of Association
  - Statement of Preferred Shares
  - Board of Directors
  - Corporate Governance Compliance Report
  - Corporate Governance Rating Report
  - Corporate Governance Committee
  - Corporate Governance Committee Working Principles
  - Code of Ethics
  - Disclosure Policy
  - Dividend Policy

- d) Investor Relations
- Corporate info (Trade Registry, listing, share capital, contact information)
  - Stock profile (interactive share charts)
  - Financial statements and independent audit reports
  - Annual reports
  - General Assembly (General Assembly announcement and agenda, General Assembly participation procedure, proxy voting form, information memorandum, annual reports by the Board of Directors, General Assembly meeting minutes )
  - Material disclosures
  - Investor presentations
  - Analyst coverage
  - Frequently asked questions
  - Investor contacts
  - Investor relations site map

- e) Press Room
- News
  - Press releases
  - Image gallery
  - Press contact

- f) Corporate Social Responsibility
- Doğan Group and CSR
  - Aydın Doğan Foundation
  - Dad, Send Me To School
  - No! To Domestic Violence
  - Liberty Is Our Right
  - Rightful Women Platform
  - In the Aftermath of the Van Earthquake

- g) Human Resources
- Human resources practices (recruitment, training and development, performance development, remuneration policy)
  - Human resources policy
  - Job application

## 10. Annual Report

The Company's Annual Report for 2011 and the quarterly interim reports for 2012 are in compliance with Turkish Commercial Code, Capital Markets Legislation, and CMB Regulations and Resolutions.

## SECTION III - STAKEHOLDERS

Since the Company is a holding company, it is not directly engaged in operational activities. Thus, the shareholders and investors are its most important stakeholders. Other important stakeholders of the Company are those customers provided goods and services in various sectors of activity. The Company actively participates in or supports the activities of NGOs that operate in its business lines. Due to the importance of human resources in Company operations, human resources management is represented at the senior management level and human resources policies are formulated at a macro level. Operational policies are performed in coordination with Group companies.

### 11. Informing the Stakeholders

**11.1.** As is explained in detail in the first part of this report, shareholders and investors are kept informed in accordance with capital markets legislation, CMB regulations and resolutions, and the Public Disclosure Policy, through the instruments identified.

**11.2.** The stakeholders of the Company, i.e. shareholders, investors, financial institutions and suppliers, can access Company information via meetings, presentation, news shared with print and visual media, and the website.

**11.3.** The Company also has an intranet site that is consecrated to the communication and notification of employees.

### 12. Stakeholders Participation in Management

**12.1.** The Company is in ongoing communication with its stakeholders. All feedback received by the Company from its stakeholders is evaluated and solution proposals are developed. In case of any Company transactions violating the legislation or code of ethics, the stakeholders can contact the members of the Corporate Governance Committee or Audit Committee, or individuals authorized to provide information by the Company's Disclosure Policy, via e-mail.

**12.2.** The Articles of Association do not include a provision for stakeholder participation in the Company's management.

**12.3.** Employees are kept apprised of the general activities of the Company, and their suggestions are evaluated via the intranet site.

### 13. Human Resources Policy

Doğan Holding does its utmost to provide a peaceful working environment where individual employees are protected against any discrimination on the basis of race, nationality, religion, gender and belief, and where employee rights are respected. Furthermore, a key component of the Group's human resources policy is to give employees the chance to further their personal and professional development, and adapt themselves to innovation and change.

In human resources management, the Company aims to establish and manage systems which will create a convenient work environment for the personal and professional development of employees, to create the right climate for lifelong learning, to measure and evaluate performance according to objective criteria and to assess individual differences in an accurate fashion. To this end, the Company rewards high performance and supports the development of those who perform worse than anticipated.

HR practices are grouped under four categories in line with the shared values and strategies of Doğan Holding and Group companies:

- Recruitment,
- Training and development,
- Performance development,
- Remuneration system.

The Company does not discriminate among its employees and treats all employees equally. Neither the Company management nor the Board Committees have received any complaints in this regard. There are no unionized employees at the Company.

### 14. Code of Ethics and Social Responsibility

**14.1.** The Company's Code of Ethics has been disclosed to the public via the corporate website. The said code is continuously reviewed and updated according to the requirements of the current day.

**14.2.** As a result of its institutional structure and employees with highly developed social awareness, the Company undertakes social responsibility projects utilizing the common synergy of the companies within its corporate structure. During the management of its own business and the business of its subsidiaries, the Company makes sure to fulfill its responsibilities as regards the prevention of environmental pollution and the preservation of natural resources.

Together with the companies under its umbrella, the Company produces and supports projects that highlight social issues and contribute to social development of the community, with a special emphasis on educational projects.

The activities geared toward the educational, social and cultural development of Turkey are conducted under the name of the Company and its subsidiaries, as well as through the Aydın Doğan Foundation. The Foundation focuses its activities on facilitating development and improvement in education, public health, scientific research, sports, arts and the economy. The Foundation also extends efforts to support media-related activities, encourage technological developments and expand the scope of cultural and social progress.

In addition to the projects organized directly within its own structure, the Company also supports projects of social awareness by various organizations and companies through its media channels and takes on the mission of helping hundreds of projects every year to achieve the prominence they deserve.

As an example in social investment, the Company has established in the Kelkit region of the Gümüşhane province, its subsidiary Doğan Organik Ürünler Tesisi, which is a multi-award winner pioneering company in its sector. This investment is not only supportive of the environment, animal rights and natural resources, but also contributes to regional development through the "contract farming" project. This investment is among the most prominent regional development initiatives in the nation.

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Doğan Holding supports the activities of various NGOs and actively participates in their events.

## SECTION IV - BOARD OF DIRECTORS

### 15. The Structure and Formation of the Board of Directors

**15.1.** The Board of Directors is made up of nine members, of which four are non-executive, two are executive and three are independent. The Company complies with Turkish Commercial Code, Capital Markets Legislation, and CMB regulations and resolutions in the formation and election of the Board of Directors. The guidelines on this issue are provided by the Articles of Association. Accordingly, the Company is managed and represented by a Board of Directors with at least six and at most 12 members elected by the General Assembly.

**15.2.** A certain number or ratio of the Board Members is required to be independent members, as defined by the Capital Markets Board. The determination, nomination, number and qualifications, selection, dismissal and/or resignation of the Independent Board Members are carried out in compliance with Capital Markets Legislation, CMB regulations and resolutions, and other applicable legislation.

**15.3.** The full names and résumés of the Board Members are as follows:

### Y. BEGÜMHAN DOĞAN FARALYALI

Born in Istanbul in 1976, Begümhan Doğan Faralyalı received her BSc in Economics and Philosophy at the London School of Economics. She began her professional career as a consultant at the NY Office of Arthur Andersen, and then moved to the London office of Monitor Group, where she worked as a consultant for restructuring projects involving some of the most advanced European media and technology. After earning her MBA degree at Stanford University in 2004, she took office at Doğan Yayın Holding (DYH) as an Executive Committee Member and Vice President for Overseas Investments. There, in charge of the international growth of DYH, she focused on investment opportunities mainly in Europe, including Eastern Europe and Russia. In 2007, Ms. Faralyalı led the startup process of Kanal D Romania, the first foreign television investment of DYH, and forged its partnership with the Swiss Ringier Group. In two years, the channel managed to rank third overall in total day viewership. At the same time, she worked on the purchase of Trader Media East, traded on the London Stock Exchange, by Hürriyet. Begümhan Doğan Faralyalı played an active role in this project constituting the largest international acquisition by DYH. After gaining 15 years of overseas experience, she moved back to Turkey in 2009 and became CEO of Star TV. In 2010, she assumed the Presidency of Doğan TV Holding, which also included TV

channels Kanal D and CNN Türk. In addition to her role as Chairperson of Kanal D Romania, she has also become Chairperson of Doğan Holding as of January 1, 2012. She is married with two children.

### HANZADE V. DOĞAN BOYNER

Hanzade Doğan Boyner is the leading personality in Turkey's online and digital world. As one of the pioneers of e-commerce in Turkey, she founded and led Hepsiburada.com to become the biggest on-line retailer in the region.

As a member of a family that has extensive media interests in Turkey and abroad, she has a wide range of vision from energy to media, on-line businesses to social initiatives. She is currently the Chairwoman of Doğan Online and Doğan Gazetecilik – which includes Posta – the highest selling daily newspaper in Turkey. She also serves as the Vice Chairperson of Hürriyet Newspaper, Doğan Burda and Doğan Holding. Hanzade Doğan Boyner is actively involved in various non-profit, business and trade organizations. She is the founding member and Vice Chairwoman of Global Relations Forum and serves as the Vice President of World Association of Newspapers. She is also an active participant in several think tanks including the Brookings Institute International Advisory Council, European Council on Foreign Relations, Foreign Economic Relations Board, Association of Turkish Businessmen and Industrialists, Young Presidents' Organization and Association of Woman Entrepreneurs.

A philanthropist, Hanzade Doğan Boyner established and still enthusiastically leads the "Dad Send Me to School" campaign that aims to remove economic and cultural barriers in young female education in Turkey. The campaign already granted 10,500 scholarships and built 33 girls' dormitories across Turkey. Ms. Doğan-Boyner is a graduate of London School of Economics, has received her MBA from Columbia University and serves on the Columbia Business School Board of Overseers.

Member	Duty	Notes
Yaşar Begümhan Doğan Faralyalı	Chairperson	Executive
Hanzade Vasfiye Doğan Boyner	Vice Chairperson	Non-executive
Arzuhan Yalçındağ	Member	Non-executive
Vuslat Sabancı	Member	Non-executive
Yahya Üzdiyen	Executive Director/CEO	Executive
Imre Barmanbek	Member	Non-executive
Tayfun Bayazıt	Member	Independent
Ertuğrul Feyzi Tuncer	Member	Independent
Ali Aydın Pandır	Member	Independent

## **ARZUHAN DOĞAN YALÇINDAĞ**

Since the beginning of her professional life Arzuhan Doğan Yalçındağ has been involved in initiating new projects. In 1990 while working with Milpa brought German mail order company Quelle to Turkey and headed the company until 1993. In 1994 she took part in the establishment of Alternatifbank and served as a board member. A year later she became the CFO of Milliyet Magazine Group. She joined Kanal D in 1996 and was in charge of various departments. One of her major accomplishments was launching of CNN Turk in 2000 which was the result of the negotiations she initiated in 1999 Time Warner Group. In 2005, she became CEO of Doğan TV Holding, parent company of Kanal D, CNN Turk, DMC, D Production, DSmart satellite platform and radios. While at this post, in 2007 she was elected as the first female chairperson of the country's leading business organization, TUSIAD - Turkish Industrialists' and Businessmen's Association in the organization's 40 year- history. She kept this position until 2010, and then moved to become a member of the TUSIAD's Council of Presidents. After leaving the chair of TUSIAD, she took over the chair of Dogan Holding from her father, founder of the company, started the era of second generation. She was one of the founding members of Aydın Doğan Foundation in 1996 served on its board until today, and as the chairperson between 2011 and 2012. Then Foreign Minister, now President H.E. Abdullah Gül appointed her as a goodwill ambassador of Turkey to EU and with this capacity Arzuhan Doğan Yalçındağ launched "Women's Initiative for Turkey in the EU". As she was selected a Young Global Leader by the World Economic Forum in 2005, she was among the founding members of Women Entrepreneurs Association of Turkey (KAGIDER). She also served on the board of the Turkish Education Volunteers Foundation (TEGV) between 2002-2006. She also was a founder of the Turkish-American Businessmen Association (TABA) in 1987 and served as a board member. She was one of the founders of the Turkish Third Sector Foundation. She is a founder and a board member of Istanbul Modern Art Museum since January 2004. She is also on the International Advisory Council of Paley Media Center in New York and Expo 2015 Milano. She was awarded the title of Commander of Italy's Star Order (Commendatore dell'Ordine della Stella d'Italia) in 2009. She is also a World Economic Forum's Industry Partner of Media, Entertainment and Information (MEI) Industry

Strategy Group. Currently, Arzuhan Doğan Yalçındağ is the Chairperson of Doğan TV Holding. She is married with two children..

## **VUSLAT DOĞAN SABANCI**

Vuslat Doğan Sabancı was appointed as President of Board of Directors of Hürriyet on 26th of May, 2010. In January 2004, she was appointed as President of Executive Committee of Hürriyet. As a top executive of the Company, she was responsible for trading strategy and management of the Company. During the recent 4 years she worked as President of Executive Committee, Vuslat Doğan Sabancı managed the Company in tandem with a global trading perspective and further reinforced the assets of Hürriyet through acquisitions in the developing media markets. In addition to such initiatives, she upgraded the Company to a competitive level in the new media world through successful online projects. Throughout her term of office, the social existence of Hürriyet is also strengthened through social responsibility campaigns. Included among the aforementioned initiatives are: Acquisition of Trader Media East, the most successful online and printed advertisement means of Russia, Commonwealth of Independent States and other countries in the region. Pioneering the opening of internet website of Hürriyet, thereby initiating and strengthening Hürriyet online version, and making it the number-one internet website with Turkish contents. Opening of online classified ads websites in this new and developing field so as to upgrade and develop Hürriyet also in real estate and automobile advertisements market. Strengthening the existing papers included in Hürriyet portfolio, such as Hürriyet Daily News, and launching Referans paper for business world. Starting a campaign against domestic (family) violence and another campaign for impressing the human rights idea upon the Turkish people with a view to spreading the democracy to a wider base. Creation of certain procedures for institutionalization of internal activities of Hürriyet and for making the management of daily business affairs more objective. In spite of macroeconomic difficulties caused by the national economy, Hürriyet recorded a material growth under management of Vuslat Doğan Sabancı. Hürriyet stock became one of the most preferred and sought after stock of foreign investors at the Istanbul Stock Exchange.

Vuslat Doğan Sabancı acted at Hürriyet newspaper as the Vice President – Advertisements in 1996. When she was promoted to the post of Marketing Operations Group Head of the newspaper three years later, her duties and responsibilities extended to marketing, sales, human resources and Information Technologies (IT). Before joining Hürriyet, Vuslat Doğan Sabancı worked in the editor-in-chief's office in The New York Times for one year, and thereafter, she contributed to establishment of Asian Business World News Channel and Latin America Edition of The Wall Street Journal. Vuslat Doğan Sabancı graduated from the Faculty of Economy in Bilkent University, and continued her education at Columbia University, New York and was awarded a postgraduate diploma in the International Media and Communications field. Ms. Sabancı is also an honorary board member of the Vienna-based International Press Institute of which she served as vice president until 2008. Ms. Sabancı is also Member, Executive Board, Endeavour Turkey. She is married with two children.

## **YAHYA ÜZDİYEN**

Born in 1957, Yahya Üzdiyen graduated from the Department of Business Administration at Middle East Technical University in 1980. Between 1980 and 1996, he worked as a trade and investment specialist and manager in several privately owned companies in Turkey and abroad. Between 1997 and 2011 he assumed the position of Strategy Group President at Doğan Holding and became Deputy Chairperson on January 18, 2011. During this period, he played an important role in the acquisition, partnership and sale of Group companies, such as POAŞ, Ray Sigorta and Star TV. Presently acting as Board Member in many of the Group companies, Mr. Üzdiyen has served as Doğan Holding's CEO since January 24, 2012. Yahya Üzdiyen is married with two children.

## **İMRE BARMANBEK**

Born in 1942, Imre Barmanbek graduated from the Faculty of Political Science at Ankara University with a degree in Economics and Finance. She started her career as Assistant Tax Inspector at the Tax Inspectors Board of the Ministry of Finance where she later became Tax Inspector. From 1969 to 1972, she worked as Planning Specialist in Incentive Implementation at



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the State Planning Organization and later returned to her post at the Ministry of Finance. From 1975 to 1977, she served as a member of the Tax Appeal Commission. Following her successful career with the Ministry of Finance, she began working in the private sector. She joined Doğuş Akü, a joint enterprise between the Koç and Doğan Groups, as Treasurer and was later promoted to General Manager. Continuing her professional career as Financial Coordinator at the Doğan Group, Ms. Barmanbek became Chief Financial Officer in 1998. From 1999 to 2002, she served as the General Coordinator and Chief Executive Officer of the Group. Her dynamic management style and the importance she places on value-added growth in the Doğan Group brought her the "Best Woman Manager of the Year" Award from Dünya newspaper in 2001. She was named among Fortune's "Most Powerful Business Women" two years in a row, in the 33rd place in 2001 and 22nd place in 2002. İmre Barmanbek has also served as the Deputy Chairperson at Doğan Holding from 2003 until 2012. İmre Barmanbek is married and has a child.

## **ERTUĞRUL FEYZİ TUNCER**

Ertuğrul Feyzi Tuncer was born in 1939. He received his BA in Business Administration and Economics from Robert College in 1964. Later, he obtained an "Executive Management" certificate from University of Stanford. He started his professional career in 1967, as Regional Director and Director of Investments at Mobil Oil Türk A.Ş. and eventually became General Manager in 1990. In 1994, he served as Chairman at ATAŞ Anatolian Refinery, and then became General Manager of BP Mobil Turkey Joint Venture. In 2000, he resigned from both of these positions to continue his career as General Manager and Board Member at Petrol Ofisi A.Ş. In 2005, he became Board Member at Doğan Holding. In 2006, at Tuncer Consulting Services and Trade, he became the founder and partnership manager of CASE Consulting Energy.

## **TAYFUN BAYAZIT**

Tayfun Bayazit received his Bachelor's Degree in Mechanical Engineering in 1980 and then graduated from Columbia University with a master's degree in Finance and International Relations in 1983. Mr. Bayazit began his career with Citibank. In 1999, he was appointed Deputy Chairman of Doğan Holding and Managing Director of Dışbank. Leaving his position at Doğan Holding in April 2001, he became Chief Executive Officer (CEO) of Dışbank, a member of the same corporate group. In 2003, Mr. Bayazit was elected Chairman of the Bank. When Fortis acquired a majority stake in Dışbank in July 2005, he was appointed CEO of Fortis Bank and also became a member of Fortis Global Executive Committee. At a general assembly of the Bank in May 2006, he was elected Chairman of its Board of Directors. In 2007, he returned to Yapı Kredi (a joint venture of UniCredit and Koç Group) as Managing Director and General Manager, and later became Chairman in 2009. In August 2011, he resigned from Yapı Kredi to establish the company Bayazit Danışmanlık Hizmetleri, where he currently serves as President. Board Member at Turkish Businessmen and Industrialists Association (TÜSIAD), Mr. Bayazit also plays an active role in such NGOs as Turkish Education Volunteers Association (TEGV) and Turkish Corporate Governance Association (TKYD).

## **ALİ AYDIN PANDIR**

Born in 1956 in Istanbul, Ali Aydın Pandır graduated from St. Georg Austrian High School in 1975. He completed his undergraduate studies at Istanbul Technical University, Department of Mechanical Engineering in 1980. Following graduation, Mr. Pandır started his professional career in 1980 at Tekersan Firması, as Design Engineer, before becoming Workshop Manager at the same firm. In 1990, he joined General Motors as Director of After-Sales Services and played an active role in the establishment of Opel's Turkish service and

spare part distribution network. Serving Adam Opel and General Motors as Director of International After-Sales Services, Pandır managed after-sales support and spare parts services for Opel vehicles across Eastern Europe, Asia, the Middle East, Africa and South America. As GM's Director of New Vehicle Projects, Ali Pandır established spare parts distribution systems in India, Thailand, Taiwan, Japan and People's Republic of China, so as to expand the Company's sales and distribution network in the Asia-Pacific region. After assuming this critical role, he led the way in establishing the outsourced spare parts distribution concept at GM Group, through various practices in developing countries. He created a spare parts distribution network in the People's Republic of China for new GM joint ventures. Mr. Pandır also established GM Storage and Commerce company at the Shanghai Free Trade Zone and took office as CEO of the said firm. As GM's Asia-Pacific Regional Director, he set up a spare parts distribution and supply chain system across the Asia-Pacific region. In addition to these duties, he also assumed the title of GM Supply Chain Council Member and served as Board Member at TLI, a joint venture by Singapore National University and Georgia Tech USA Logistics Institute. He played a key role as the Director in charge of the sales, marketing and distribution of GM cars and spare parts by GM's commerce and distribution company in Singapore across the entire Asia-Pacific region. As GM's President of Indonesia, he managed the restructuring and consolidation of GM's business in Indonesia, and established a joint venture with various local Asian partners to produce and distribute commercial and passenger vehicles. For five years Ali Pandır served as CEO of Tofaş, Turkey's largest auto manufacturer and market leader, a joint venture of Italian Fiat Group and Turkish Koç Group, and managed to increase Tofaş's production capacity from an annual 250 thousand to 400 thousand. Currently Mr. Pandır is Country President at Fiat SpA,

Board Member at faş (Fiat JV), Türk Traktör (CNH JV), Iveco and Magneti Marelli Türkiye, representative at Fiat SpA (Fiat/Chrysler) and Fiat Industrial (Iveco/CNH), New Business Development Officer at Fiat and Fiat Industrial, Independent Board Member at Prysmian Türkiye (cables) and Ghabbour Egypt (automotive). He is fluent in English and German.

**15.4.** The members are limited to a three-year term in office and after the three years members can be reappointed for the next period. Board Members were elected at the Ordinary General Assembly dated June 27, 2012 to serve until the Ordinary General Assembly when the accounts and activities of the year 2012 will be discussed.

**15.5.** There are three independent members on the Board of Directors. In line with CMB's regulations and resolutions, independent members constitute one-third of the Board. The Chairperson and CEO are not the same individual. More than half of the Board Members are non-executive.

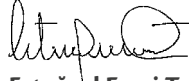
**15.6.** On May 25, 2012, the applications and declarations of independence of three candidate Independent Board Members were evaluated by the Board of Directors and subsequently disclosed to the public on June 5, 2012. The Company asks for written declaration from the independent Board Members to prove that they satisfy the independence criteria set forth in the CMB regulations and resolutions. As of the date of this report, there exists no circumstance that would compromise the independent status of the Company's independent Board Members. The statements of independence of Independent Board Members are presented below:

#### **STATEMENT OF INDEPENDENCE**

**May 25, 2012**

To the Office of the Chairperson of Doğan Yayın Holding A.Ş.;  
I hereby declare that, as a Board Member of Doğan Yönetim Holding A.Ş., I meet the conditions for "independent Board Membership" outlined in the Capital Markets Law, Capital Markets Board's Communiqués, Guidelines and other regulations, as well as the Company's Articles of Association; and that in case the said conditions cease to exist I shall immediately inform the Office of the Chairperson and resign from this position if so required by a resolution of the Board of Directors.

Best regards,



**Ertuğrul Feyzi Tuncer**

#### **STATEMENT OF INDEPENDENCE**

**May 25, 2012**

To the Office of the Chairperson of Doğan Yayın Holding A.Ş.;  
I hereby declare that, as a Board Member of Doğan Yönetim Holding A.Ş., I meet the conditions for "independent Board Membership" outlined in the Capital Markets Law, Capital Markets Board's Communiqués, Guidelines and other regulations, as well as the Company's Articles of Association; and that in case the said conditions cease to exist I shall immediately inform the Office of the Chairperson and resign from this position if so required by a resolution of the Board of Directors.

Best regards,



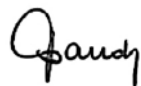
**Tayfun Bayazıt**

#### **STATEMENT OF INDEPENDENCE**

**May 25, 2012**

To the Office of the Chairperson of Doğan Yayın Holding A.Ş.;  
I hereby declare that, as a Board Member of Doğan Yönetim Holding A.Ş., I meet the conditions for "independent Board Membership" outlined in the Capital Markets Law, Capital Markets Board's Communiqués, Guidelines and other regulations, as well as the Company's Articles of Association; and that in case the said conditions cease to exist I shall immediately inform the Office of the Chairperson and resign from this position if so required by a resolution of the Board of Directors.

Best regards,



**Ali Pandır**

# Corporate Governance Principles Compliance Report

**15.7.** The Company does not impose any rules or restrictions on its Board members for assuming additional duties outside of the Company. Since the Company is a holding company and representation in the management of its affiliated companies is in the best interest of the Company and thus its partners, the Company does not prohibit its Board Members from assuming duties in the management of its affiliates and subsidiaries. The practices in this respect are continuously reviewed according to changing conditions.

**16.2.** All Board resolutions are recorded in the meeting minutes and signed by the participants of the meetings. The Board members who cast dissenting votes must sign the meeting minutes with their justifications for their dissenting votes. Board resolutions, meeting minutes, related documents and correspondence are kept and regularly archived by the Board of Directors Secretariat. In cases where the affirmative votes of the Independent Board members are required, if they cast dissenting votes, the measures required by the Capital Markets Board and Capital Markets Legislation are implemented.

certain parts of the Company's businesses, as well as the responsibility for overseeing the implementation of Board resolutions. The Board of Directors also plans to transfer some or all of its powers to senior executives, as allowed by the Turkish Commercial Code and Capital Markets Legislation, after determining the principles and procedures of this transfer via an internal regulation prepared in line with the Turkish Commercial Code.

**16.5.** The résumés of the Board Members are available in the annual report and on the Company's website ([www.doganholding.com.tr](http://www.doganholding.com.tr)).

**16.6.** The Board members are provided with timely access to any information they need to fully meet their obligations. The Board's meeting invitations also include the agenda and are sent out at least seven days before the day of the meeting and all information and documents regarding the agenda items are attached to the meeting invitation.

**16.7.** Board members are elected from among persons who possess basic knowledge of the legal framework regulating activities and transactions related to the Company's field of activity, are educated and experienced in company management, can interpret financial statements and reports and are preferably university graduates.

**16.8.** Board Members do not enjoy privileged voting rights or negative veto rights.

**16.9.** The quorum for Board of Directors meetings is the absolute majority of its members. Decisions are taken by the majority of the participating members. In the event of a tie, the issue voted upon is transferred to the next meeting's agenda. In the event that a majority is not reached in the next meeting, the proposal is deemed rejected. Each Board member is entitled to one vote regardless of his/her position and field of responsibility.

Full Name	Duties Outside of the Company
Yaşar Begümhan Doğan Faralyalı	Chairperson and Board Member at Group companies
Hanzade Vasfiye Doğan Boyner	Chairperson, Vice Chairperson and Board Member at Group companies
Arzuhan Yalçındağ	Chairperson and Board Member at Group companies
Vuslat Sabancı	Chairperson, Vice Chairperson and Executive Committee Member at Group companies
Yahya Üzdiyen	Chairperson, Board Member and Executive Committee Member at Group companies
İmre Barmanbek	Chairperson, Vice Chairperson, Board Member and Executive Committee Member at Group companies
Tayfun Bayazıt	Bayazıt Yönetim Danışmanlık Ltd. (Founder and Owner)
Ertuğrul Feyzi Tuncer	Independent Board Member at Group companies
Ali Aydın Pandır	Fiat SpA (Country President)

## 16. Operating Principles of the Board of Directors

**16.1.** The Board of Directors convenes as required for the Company's business, but no less than once a month. As a rule, the Board of Directors convenes upon the invitation of the Chairperson or the Vice Chairperson. The Board of Directors must also be invited for a meeting upon the request of at least three directors. Moreover, any of the Company's Statutory Auditors can invite the Board of Directors for a meeting and set the agenda for the meeting. In 2012, 35 Board of Directors meetings / decisions were held / reached.

**16.3.** The Board of Directors convenes at the Company headquarters. However, with a Board of Directors resolution, meetings may be held in another location in the city of the headquarters or in another city. In-person participation for Board members at the meetings is the rule. Meetings may also be attended using any technology that provides remote access to the meeting. The opinions of those members who do not attend the meeting but submit their opinions in writing shall be conveyed to the other members.

**16.4.** In order to fulfill its duties and responsibilities, every year, the Board of Directors identifies from among the directors the members responsible for affairs that require expertise. If it deems necessary, the Board also determines the executive members who will assume some of the authority and the responsibility for

**16.10.** A Board of Directors Secretariat, which serves all Board members and reports to the Chairperson of the Board of Directors, was formed to maintain documents related to Board meetings. The duties and responsibilities of the Board of Directors Secretariat are outlined in the Articles of Association.

**16.11.** Travel and meeting expenses of the Board of Directors, as well as the expenses for the special tasks related to the Board's activities and similar expenses are paid out of the Company's general budget without any restrictions.

### **17. The Number, Structure and Independence of Board Committees**

**17.1.** In line with legal regulations, as well as the position and requirements of the Company, four committees were formed to ensure that the Board of Directors successfully exercises its duties and responsibilities. These committees are the Executive Committee, the Audit Committee, the Corporate Governance Committee, and the Risk Assessment Committee.

**17.2.** Charters regarding the functioning of the committees are stated in the Articles of Association.

**17.3.** The Corporate Governance Committee has a written charter approved by the Board of Directors and publicly posted on the Company's website at [www.doganholding.com.tr](http://www.doganholding.com.tr). This charter was created carefully and in due consideration of the Capital Markets Legislation, CMB regulations and resolutions, Articles of Association and international practices abroad. The committees' charters are reviewed according to legislative changes and changing circumstances. The committees convene at least every three months.

**17.4.** Information on the members of the Executive Committee is presented below. Executive Committee members do not sit on another committee. Executive Committee members were elected to serve until the Ordinary General Assembly concerning the accounting period for 2012.

Full Name	Title	Other Duties	Duties in Other Committees
Yahya Üzdiyen	President	Executive Director	None
Soner Gedik	Member	None	None
Ahmet Toksoy	Member	CFO	None

**17.5.** The Board of Directors elected Tayfun Bayazıt as the President and Ali Aydın Pandır as the Member of the Audit Committee, to serve until the Ordinary General Assembly concerning the accounting period for 2012.

Full Name	Title	Association with the Company	Independence Status	Duties in Other Committees
Tayfun Bayazıt	President	Independent Board Member(Non-Executive)	Independent	Corporate Governance Committee
Ali Aydın Pandır	Member	Independent Board Member (Non-Executive)	Independent	None

**17.6.** The members of the Audit Committee are individuals who have the qualifications required by their duties. They were elected among independent Board Members, who are neither executive members nor executive directors.

**17.7.** The Audit Committee carries out its duties regularly in compliance with the Capital Markets Legislation and CMB's regulations and resolutions. Within this framework, in 2012:

**17.7.1.** The Audit Committee reviewed the annual and interim financial statements, footnotes and independent audit reports of the Company, before they were publicly reported and held meetings with the independent auditing firm.

**17.7.2.** The Audit Committee expressed its view on the selection of the independent audit firm to serve the Company and reviewed the independent auditing contract.

**17.8.** The Audit Committee convenes at least four times a year and presents its resolutions to the Board of Directors in written form.

**17.9.** The full names and duties of the Corporate Governance Committee members elected to serve until the Ordinary General Assembly concerning the accounting period for 2012 are as follows:

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Full Name	Title	Association with the Company	Independence Status	Duties in Other Committees
Tayfun Bayazıt	President	Board Member (Independent)	Independent	Audit Committee Member
İmre Barmanbek	Member	Board Member (Executive)	Dependent	None
Dr. Murat Dođu	Member	Dođan Group of Companies, Vice President of Finance (Capital Markets, IFRS/CMB Reporting and Affiliates Oversight)	Dependent	Early Risk Detection Committee Member

The majority of Corporate Governance Committee members are non-executive.

**17.10.** The Corporate Governance Committee carries out its duties regularly in compliance with the Capital Markets Legislation and CMB's regulations and resolutions. Within this framework, in 2012:

**17.10.1.** The Corporate Governance Committee reviewed the annual report and corporate governance compliance reports of the Company before they were publicly reported.

**17.10.2.** The Corporate Governance Committee assured that the Ordinary General Assemblies of the Company and its subsidiaries for the year 2011 were held in accordance with applicable legislation.

**17.10.3.** The website was continuously updated and enhanced.

**17.10.4.** The Company received its revised corporate management rating from the corporate rating agency Saha on November 5, 2012, which was subsequently disclosed to the general public.

**17.11.** According to an amendment to CMB's Communiqué Series: IV No: 56, a Risk Assessment Committee was set up with a resolution of the Board of Directors, dated April 18, 2013 and numbered 2013/6. The information on the Risk Assessment Committee is presented below:

Full Name	Title	Association with the Company	Independence Status	Duties in Other Committees
Ertuđrul Feyzi Tuncer	President	Board Member (Independent)	Independent	None
Erem Turgut Yücel	Member	Dođan Group of Companies, Chief Legal Counsel	Dependent	None
Tolga Babalı	Member	Dođan Group of Companies, Vice President of Risk Management and Financial Affairs	Dependent	None
Yener Őenok	Member	Dođan Group of Companies, Vice President of Financial and Administrative Affairs	Dependent	None
Dr. Murat Dođu	Member	Vice President of Finance (Capital Markets, IFRS/CMB Reporting and Affiliates Oversight)	Dependent	Corporate Governance Committee Member
Ayhan Sirtıkara	Member	Dođan Group of Companies, Director of Analysis and Assessment	Dependent	None
Korhan Kurtođlu	Member	Dođan Group of Companies, Director of Financial Reporting	Dependent	None

The committees convene as frequently as is required by their activities, upon the invitation of the Committee President. All activities are set down in writing and the necessary records are kept. The correspondence and notification duties of the committees are carried out by the Secretariat of the Board of Directors.

**17.12.** Certain Board Members sit on more than one committee since there are only three Independent Board Members.

**17.13.** The Committees of the Company operate within the context of their authorities and responsibilities and submit proposals to the Board of Directors. However, the final decisions are made by the Board of Directors.

### **18. Risk Management and Internal Control Mechanism**

Since the Company is a holding company, it predominantly focuses on asset management, the financial performance of its affiliated companies, and fiscal and financial risks. The management of fiscal and financial risks is monitored by the Chief Financial Officer, relevant Vice Presidents of Financial Affairs and the Vice President of Finance and Portfolio Management. On the other hand, the identification and reporting of financial as well as operational risks of the affiliated companies are also under the responsibility of and undertaken by the CEO. From time to time, the Audit Committee and the Corporate Governance Committee also report problems and suggestions for solutions regarding risk management and internal control mechanisms to the Board of Directors. In 2012, special emphasis was given to risk management and reporting as well as to restructuring efforts. The Risk Assessment Committee set up on April 8, 2013, will present suggestions to the Board of Directors with regard to the identification and management of risks.

### **19. The Strategic Goals of the Company**

**19.1.** Our vision is to undertake productive and sustainable investments that will contribute to transparency in the society and to the general welfare and stability in the economy, through relevant service, commercial and industrial platforms. Our mission is to monitor, innovate and implement state-of-the art commercial and technological products and applications in retail driven industries in Turkey and other prospective markets abroad; and develop and maintain the necessary corporate assets and capabilities to ensure proper execution of these objectives.

**19.2.** The vision and mission of the Company are available in the annual report.

**19.3.** The strategic goals determined by the managers of the Company in accordance with the plans of the Company are presented for the approval of the Board of Directors.

**19.4.** The Board of Directors and senior management of the Company continuously monitor the status of the Company against its strategic goals, through monthly meetings. The results of Company activities and its performance are evaluated in detailed reports.

**19.5.** The Board of Directors and senior management of the Company continuously monitor the status of the Company against its strategic goals. Through regular and frequent management meetings, the Company's position is evaluated and new goals and strategies are formulated.

### **20. Remuneration of Board Members**

**20.1.** The financial benefits to be provided to the Chairperson, Vice Chairperson and Members of the Board of Directors are determined by the General Assembly. The financial benefits of the independent Board Members are determined according to Capital Markets Legislation, CMB's regulations and resolutions and other applicable legislation.

The Board of Directors determines whether or not the Committee presidents and members will be paid a fee. The Board of Directors also determines the amount of this fee, if any and its payment terms. In the event that a Committee president or member is at the same time the Chairperson or a member of the Board of Directors, the General Assembly decides whether such a Committee member is going to receive a fee. The General Assembly also determines the amount of the fee, if any and payment terms.

As per CMB's regulations and resolutions, the Board of Directors has established a "Remuneration Policy" with its decision dated June 4, 2012 and numbered 2012/13, which was subsequently submitted to the General Assembly and disclosed to the public.

**20.2.** At the Ordinary General Assembly meeting where the activities of 2011 were discussed, it was unanimously decided that the Chairperson of the Board shall be paid a net monthly fee of TL 10,000. It was also unanimously decided that no additional fee would be paid to the Board Members who are appointed to the committees established under the Company's Articles of Association.

**20.3.** Doğan Holding defines its key management personnel as Board Members, Executive Committee Members, President and Vice President, Chief Legal Counsel, Directors, etc. The total benefits offered to the key management personnel consists of salary, bonus, health insurance, communications and transportation fees, which in 2012 amounted to TL 19,842 thousand (2011: TL 13,683 thousand).