

1. Declaration of Compliance With Principles of Corporate Governance

Doğan Şirketler Grubu Holding A.Ş. (Doğan Holding or the Company) has embraced the concepts of fairness, transparency, accountability and responsibility and aims to fully adhere to these Principles 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 8.59 (85.89%) from 8.42 (%84.20) by SAHA Corporate Governance Rating Company ("Saha") licensed by the Turkish Capital Markets Board (CMB) on November 3, 2011. The rating methodology is based on the Corporate Governance Principles of the CMB.

The rating scores assigned per each main section and weighting determined by CMB Principles are as follows:

Shareholders	87.13
Public Disclosure & Transparency	94.05
Stakeholders	89.00
Board of Directors	71.27

As per the rating revision note, in consideration of Doğan Holding's determination to apply corporate governance principles, its willingness to manage this process dynamically and continuously, and finally the improvements effected since the publication of the initial rating report, the corporate governance rating of the Company was revised as above. The main factors underlying the rating upgrade are the establishment and activation of a Corporate Governance Committee under the Board of Directors, and the declaration and confirmation of the independence of one Board Member.

The Corporate Governance Committee continues its efforts to improve the governance activities. The activities carried out in our Company for increasing the compliance level are being continued and the principles that we failed to fully comply with do not give rise to major conflict of interest among the stakeholders.

The Corporate Governance Rating Report issued by Saha for our Company is published on the corporate website located at the address of www.doganholding.com.tr.

Yours sincerely,

DEPUTY CHAIRPERSON AND CEO
YAHYA ÜZDÜVEN

CHAIRPERSON
Y. BEGÜMHAN DOĞAN FARALYALI

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 inter-company rules. All necessary steps are taken to facilitate exercise of these rights.

2.2. The Shareholder Relations Unit was established on 03.18.2009 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 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 intra-company 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 of the General Assembly meeting 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 financial 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 2011, the requests for information and inquiries received directly or indirectly from shareholders or institutional investors were answered, 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.

Furthermore, adopting a proactive approach in its communication with shareholders, the Investor Relations and Corporate Affairs Department continued to issue messages from the management and information about the Company's corporate strategies to shareholders at regular meetings organized with institutional investors, in line with public announcements and material disclosures. In this regard, meetings were held with institutional investors at Doğan Holding headquarters.

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/CMB Reporting and Affiliates Oversight	(216) 556 90 00	handeo@doganholding.com.tr

Özge Bulut Maraşlı of the Shareholder Relations Unit resigned from Doğan Holding on December 31, 2011.

Shareholders can access systematic and up-to-date information on the Company from the corporate web site at www.doganholding.com.tr, published 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 2011 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.

3.2. The information requests received from shareholders in 2011 primarily concerning financial and strategic developments announced by the Company were responded to without delay under the supervision of the Shareholder Relations Unit.

3.3. Financial information, news and presentations about the Company are available on the Company's web site.

In order to provide information to foreign institutional investors, visits were organized in 2011 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.

The contact details of the Shareholders Relations Unit are as follows:

Shareholders submitting requests for information are directed to the Company web site where information and documentation are equally presented for the use of shareholders.

3.4. The Articles of Association currently do not recognize requests for the assignment of a special auditor.

4. Information on General Assembly Meeting

4.1. The Company's Ordinary General Assembly meeting for 2010 was held on July 19, 2011 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 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 and Participation Procedure are declared for shareholders' information. No request to include a new agenda item to the General Assembly Meeting was received from the shareholders.

4.3. The method of holding General Assembly meetings ensures attendance of the maximum number of shareholders.

4.4. General Assembly meetings were conducted in line with the principle of fairness so as to cause the least uncertainty and cost for participants.

4.5. The General Assembly meeting was held in Istanbul to facilitate the attendance of shareholders.

4.6. Since the Company's capital is solely constituted by bearer shares, shareholders are not required to register their names on shareholders' lists within any specific time frame prior to attendance at Meetings.

4.7. Documents prepared for the Ordinary General Assembly meeting, financial statements and reports including the Annual Report, internal audits and the Board of Directors' actions for the period 01.01.2010 – 31.12.2010, were available to shareholders three weeks prior to the meeting, as defined in CMB regulations and CMB Corporate Governance Principles and were presented on the Company web site www.doganholding.com.tr. The Shareholder Relations Unit responded to questions from shareholders commencing from the date of announcement of invitation for the General Assembly meeting.

4.8. The agenda is presented in a clear and concise manner so as to be easily understood by shareholders, with the opportunity to voice their opinions and ask questions.

4.9. The Board responded to shareholders' questions on agenda issues at the General Assembly meeting.

4.10. It was reported that a note of dissent concerning the donations made by the Company in 2010 was presented at the General Assembly meeting to the shareholders.

4.11. Voting at the General Assembly meeting was conducted through open ballot. The voting procedure was announced to shareholders in the General Assembly meeting kit declared three weeks prior to the meetings and also at the beginning of the meetings.

4.12. General Assembly meeting decisions require the presence of shareholders or their proxies representing at least half of the Company's capital. Some 61.38% 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 Shareholders' Meeting minutes are available at the corporate web site www.doganholding.com.tr

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

4.15. There is no provision in the Company's Articles of Association that requires decisions on matters such as spin-offs or the sale, purchase or leasing of material assets to be taken by the General Assembly.

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 shareholders made no proposals for the representation of minority shares from the Company.

5.8. The Articles of Association do not provide for cumulative voting.

5.9. Since the share capital of the Company does not involve any cross-shareholdings, no voting in this regard took place at the General Assembly.

5.10. Although the Articles of Association permits dividend shares trading, there is no instance of the issuance of any dividend shares.

6. Dividend Policy and Timing of Distribution

6.1. There is no privilege 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 of the Capital Markets Board, the Articles of Association and the Dividend Policy outlined by the Board of Directors.

Accordingly:

Net profit can be calculated by deducting all Company expenditures, depreciation, premiums and bonuses, provisions for income taxes along with other financial obligations from total income.

After 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 allocated.

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 distributed.

One-tenth of the amount obtained by reducing the 5% of capital from the funds to be distributed among shareholders and other persons with a share in profits will be considered money in 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 funds is reserved, or unless the primary profit share to be distributed to the shareholders in the form of cash and/or shares is distributed, no decision on transferring profits to the next year or paying dividends to preferred shareholders or to other shareholders, members of the Board or employees can be made.

6.3. The Company's dividend policy has been defined as follows: "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." This has been announced to the public in accordance with CMB Decision No. 4/67 dated January 27, 2006, disclosed in the Annual Report and communicated to shareholders at the General Assembly meeting on May 29, 2007.

6.4. In line with CMB regulations, at the Company's Ordinary General Assembly for the year 2010, no dividend was distributed since the consolidated financial statements as of December 31, 2010 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, and of the participation bond sales profit which is exempt from dividend distribution.

7. Transfer of Shares

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

7.2. All shareholders including minority and foreigner shareholders are treated equally.

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.

8.2. The Company holds meetings with the participation of investors, analysts and the media in addition to issuing Material Disclosures. In conjunction with this, members of the Board of Directors and the Executive Committee attend these meetings to make presentations; Company presentations, annual reports, financial statements, press releases and public announcements are available on the Company's web site.

8.3. The Company's public disclosure activities were 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.

The contact details of officers authorized to provide information in accordance with the Company's Public Disclosure Policy are as follows:

Name	Title	Tel.	E-mail
Murat Doğu	Deputy President, Finance, Capital Markets, IFRS/CMB Reporting and Affiliates Oversight	(216) 556 90 00	mdogu@doganholding.com.tr
Yener Şenok	Deputy President, Finance, Financial and Administrative Affairs	(216) 556 93 44	yeners@doganholding.com.tr
Hande Özer	Director, Capital Markets, IFRS/CMB Reporting and Affiliates Oversight	(216) 556 90 00	handeo@doganholding.com.tr
Alper Altıok	Director, Administrative Affairs and Procurement	(216) 556 92 46	alpera@doganholding.com.tr

Özge Bulut Maraşlı, the officer in charge of public disclosure as per the Company's Public Disclosure Policy, resigned from Doğan Holding on December 31, 2011.

While responding to inquiries, 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. Members of the Board of Directors, Executive Committee and shareholders who directly or indirectly own at least 5% of the Company's shares, are required to publicly announce their transactions in capital market instruments issued by the Company in accordance with the Capital Market Law.

8.6. The IFRS financial statements and accompanying notes have been prepared and disclosed on consolidated bases and in accordance with the Capital Markets Board's Communiqué on principles regarding IFRS reporting (Serial: XI, No: 29).

8.7. The 2011 Annual Report and quarterly annual reports were prepared in compliance with capital markets legislation and Capital Markets Board (CMB) regulations and Corporate Governance principles announced by CMB.

9. Material Disclosure

9.1. The Company follows and applies capital markets legislation, CMB and ISE regulations, and CMB principles with regard to Corporate Governance.

9.2. The Company issued 28 material disclosures in 2011. No request for additional material disclosures was received from the CMB. All material disclosures were made within the relevant timeframe.

9.3. The Company has determined and announced the individuals authorized to issue special announcements and these are made under their signature.

9.4. The Company is under no other obligation to inform the public since the Company has no shares listed on foreign stock exchanges.

10. Company's Web Site and Its Contents

10.1. The Company's web site, www.doganholding.com.tr, is actively used for public disclosures.

10.2. Periodic financial statements, independent auditor's reports and annual and quarterly reports are available on the web site as required by the applicable CMB legislation.

10.3. An English-language version of the documents and information is also available for the convenience of foreign investors.

10.4. Information provided on the web site is as follows:

- a) Corporate
 - Shareholding Structure
 - Board of Directors (Board of Directors, Audit Committee, Corporate Governance Committee and Audit Committee Members)
 - Managers (CEO, President, Deputy Presidents, Directors)
 - Corporate Profile
- b) Investments
 - Media (Newspaper, Magazine and Book Publishing, Music, TV and Radio Broadcasting, Digital TV Platform and Services, News Agency, Internet Services, Distribution and other activities)
 - Energy (Power investments)
 - Industry (Çelik Halat, Ditaş, Doğan Organik Ürünler)
 - Trade (Milpa)
 - Financial Services (DD Konut Finansmanı)
 - Tourism (Milta)
- c) Corporate Governance
 - Shareholder 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, Analyst Reports)
 - Financial Statements and Independent Audit Report
 - Annual Reports
 - General Assembly (General Assembly and Proceedings, General Assembly Participation Procedure, Proxy Voting Form, Annual Reports, Shareholders' Meeting Minutes)
 - Latest IR News
 - 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

g) Human Resources

- Human Resources Policy (Recruitment, Training and Development, Performance Development, Remuneration Policy)
- Human Resources Profile
- Job Application

10.5. The Company letterhead clearly indicates the address of its web site.

11. Disclosure of Ultimate Controlling Individual(s)

11.1. Changes regarding the shareholding structure and/or the managerial control of the Company are announced to the public in accordance with capital markets legislation and CMB regulations.

11.2. The shareholder structure of the Company as of December 31, 2011 was as follows:

Shareholders	Share Capital (TL)	Share (%)
Adilbey Holding A.Ş. ⁽¹⁾	1,290,679,019	52.68
Free float ⁽²⁾	817,724,422	33.88
Aydın Doğan	246,992,721	10.08
Işıl Doğan	40,523,872	1.65
Hanzade V. Doğan Boyner	22,703,044	0.93
Arzuhan Yalçındağ	19,049,260	0.78
Vuslat Sabancı	11,353,044	0.46
Y. Begümhan Doğan Faralyalı	974,618	0.04
Total Share Capital	2,450,000,000	100.00

Aydın Doğan and the Doğan Family are ultimate shareholders of our Company.

⁽¹⁾ Adilbey Holding A.Ş.'s share has increased to 52.68% (TL 1,290,679) as a result of purchasing 16,679,046.07 shares from ISE on October 31, 2011 and December 8, 2011.

⁽²⁾ In accordance with the Capital Markets Board's (the "CMB") Resolution No: 21/655 issued on July 23, 2010, it is regarded that 31.46% of the shares (December 31, 2010: 32.12%) are outstanding as of December 31, 2011 based on the Central Registry Agency's ("CRA") records. Some 34.29% of Doğan Holding's shares are publicly available.

11.3. To the best of our knowledge, there were no voting agreements among shareholders in 2011 that aimed at increasing control over the management of the Company.

12. Individuals with Access to Inside Information

12.1. Board Directors, auditors, the Shareholder Relations Unit, top executives of the Holding and other persons who have access to inside information are prohibited from revealing knowledge that could be used to the advantage of third parties.

12.2. The names and titles of people who have potential access to such information that can be classified as commercial secret are presented below:

Name	Title
Aydın Doğan	Honorary President
Y. Begümhan Doğan Faralyalı ⁽¹⁾	Chairperson
Hanzade V. Doğan Boyner ⁽¹⁾	Deputy Chairperson
İmre Barmanbek	Deputy Chairperson
Yahya Üzdiyen ⁽²⁾	Deputy Chairperson and CEO
Vuslat Sabancı	Board Member
Arzuhan Yalçındağ	Board Member
Mehmet Ali Yalçındağ	Board Member
Soner Gedik	Board Member, Audit and Corporate Governance Committee Member
Ali İhsan Karacan	Independent Board Member, Audit and Corporate Governance Committee Member

Name	Title
Taylan Bilgel	Board Member, Audit and Corporate Governance Committee Member
Erem Turgut Yücel	Board Member
Selma Uyguç	Board Member
Ahmet Toksoy	Chief Financial Officer
Kemal Sertkaya	Deputy President, Internal Audit
Mehmet Yörük	Deputy President, Finance and Portfolio Management
Yener Şenok	Deputy President, Financial and Administrative Affairs
Murat Doğu	Deputy President, Finance, Capital Markets, IFRS/CMS Reporting and Affiliates Oversight
Hüseyin Cem Kölemenoglu	Deputy President, Finance, Cash Management
Özge Bulut Maraşlı ⁽³⁾	Head of Investor Relations and Corporate Affairs Division
Tolga Babalı	Deputy President, Finance, Risk Management
Hakan Genç	Deputy President, Finance, Budget and Reporting
Aygen Leyla Ayözger	Deputy President, Business Development
Melih Özaydın	Deputy President, Energy Business
Hande Özer	Capital Markets, IFRS/CMB Reporting and Affiliates Oversight Director; Corporate Governance Committee Member
Oktay Hatırnaz	Capital Markets, IFRS/CMB Reporting and Affiliates Oversight Director
Korhan Kurtoğlu	Financial Reporting Director
Ayhan Sırtıkara	Analysis and Valuation Director
Haşim Işık	Industry, Trade and Tourism Operations Director
Hakan Kantek	Business Processes and Systems Director
Rişe Özkan	Corporate Communications Director
Handan Karakuş	Information Systems Director
Alper Altıok	Administrative Affairs and Purchasing Director
Muzaffer Cöğüş	Finance Manager
Banu Çamlıtepe	Investor Relations Director (Doğan Yayın Holding)

Aside from those listed above, the following individuals are also considered to have access to insider information;

- Employees of the independent audit firm,
- Certified financial accountants providing services to the Company,
- Officers participating in the financial control, accounting and audit processes.

⁽¹⁾ Arzuhan Yalçındağ resigned from her position as Chairperson on December 31, 2011 and was replaced with Yaşar Begümhan Doğan Faralyalı as of January 1, 2012. Valid as of the same date, Hanzade Vasfiye Doğan Boyner was appointed Deputy Chairperson.

⁽²⁾ CEO as of January 24, 2012.

⁽³⁾ Özge Bulut Maraşlı resigned from her post on December 31, 2011.

PART III – STAKEHOLDERS

A holding company, Doğan Holding does not carry out operational activities directly. Accordingly, shareholders and investors have a more prominent position among its 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.

13. Informing the Stakeholder

13.1. 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 the Public Disclosure Policy.

13.2. The stakeholders of the Company, i.e. shareholders, investors, financial institutions and suppliers, can access Company information via press releases and the web site along with reports and presentations.

13.3. The Company also has an intranet site that is only accessible by employees.

14. Stakeholders Participation in Management

14.1. The Company is in ongoing communication with its stakeholders. All feedback received from stakeholders is presented to senior management for evaluation after various procedures and solution proposals and policies are developed.

14.2. There is no regulation that provides for stakeholder participation in the Company's management.

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

15. 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.

The human resources activities of Doğan Holding and Group companies are divided into the following four categories:

- Human resources planning,
- Work analysis based on roles and responsibilities,
- Training,
- Performance and compensation management.

These processes are managed with due consideration of sectoral or local specificities.

16. Relations with Customers and Suppliers

16.1. The actual activity of the Company is to invest in and form partnerships through its affiliates, subsidiaries and joint ventures (Group Companies) in its main areas of operation: media, energy, telecommunications, tourism, insurance, industry and trade. The Group also provides finance, project development, organization, marketing, administrative consulting and internal auditing and risk management services to its subsidiaries. Since the Company is a holding, its customers and suppliers generally consist of Group Companies.

16.2. In addition to meeting the needs of Group Companies, the services provided them are designed to create value for the companies. Services are provided to business partners in accordance with market prices.

17. Social Responsibility

Capitalizing on its institutionalized structure and employees with high social awareness, the Company carries out social responsibility projects by mobilizing the synergy of all companies under its umbrella. During the performance of its operations or the operations of its subsidiaries, the Company strives to fulfill its responsibilities as regards the prevention of environmental pollution and the protection of natural resources.

Together with the subsidiaries under its umbrella, the Company develops or supports projects which draw attention to social problems and contribute to social development, particularly in the field of education.

Efforts to support the educational, social and cultural development of Turkey are undertaken by subsidiaries under umbrella of the Company, as well as Aydın Doğan Foundation. The Foundation's activities are geared toward improvement and development in the fields of education, public health, scientific research, sports, arts and economics. Furthermore, the Foundation supports activities concerning the media, promotes technological advancements, and strives to generalize cultural and social progress.

Aside from activities performed in-house, the Company also supports the social awareness and societal mission projects of various institutions and agencies via its media outfits, and thereby embraces the mission of providing hundreds of projects the value they deserve every year.

Within the context of corporate social responsibility, the Company has invested in one of its subsidiaries, Doğan Organic Products in Kelkit, Gümüşhane, which has been recognized for its contributions to the region and pioneering activities in organic agriculture. The project, friendly to natural resources and highly observant of environmental principles and animal rights, contributes significantly to the development of the region with its "contractual farming" project. This investment is considered to be a leading regional development project in Turkey.

Doğan Holding supports and participates in activities of various social responsibility projects executed by non-governmental organizations.

PART IV - BOARD OF DIRECTORS**18. The Structure and Formation of the Board of Directors and Members**

18.1. There are six non-executive and four executive members on the Board of Directors.

18.2. Members of the Company's Board of Directors:

Member	Position	Executive/Non- executive
Y. Begümhan Doğan Faralyalı ⁽¹⁾	Chairperson	Executive
Hanzade V. Doğan Boyner ⁽¹⁾	Deputy Chairperson	Non-executive
İmre Barmanbek	Deputy Chairperson	Non-executive
Yahya Üzdiyen ^{(2) (3)}	Deputy Chairperson	Executive
Vuslat Sabancı	Member	Non-executive
Arzuhan Yalçındağ	Member	Non-executive
Mehmet Ali Yalçındağ	Member	Non-executive
Soner Gedik	Member	Non-executive
Ali İhsan Karacan	Member	Independent
Taylan Bilgel ⁽²⁾	Member	Non-executive
Erem Turgut Yücel	Member	Executive
Selma Uyguç	Member	Executive

⁽¹⁾ Arzuhan Yalçındağ resigned from her position as Chairperson on December 31, 2011 and was replaced with Yaşar Begümhan Doğan Faralyalı as of January 1, 2012. Valid as of the same date, Hanzade Vasfiye Doğan Boyner was appointed Deputy Chairperson.

⁽²⁾ Deputy Chairperson Ragıp Nebil İlseven resigned from his position on January 6, 2011, and Board Member Taylan Bilgel resigned from his position on January 18, 2011. Taylan Bilgel was reappointed Board Member at the Ordinary General Assembly meeting dated July 19, 2011. Board Members who resigned on January 6 and 18 were replaced with Yahya Üzdiyen as Deputy Chairperson and Soner Gedik as Board Member on January 18, 2011 to serve until the Ordinary General Assembly where the activities of the year 2011 will be discussed.

⁽³⁾ Yahya Üzdiyen has served as CEO since January 24, 2012.

18.3. Members are elected at the annual General Assembly meeting. The members are limited to a three-year term in office and after the three years members are to be reappointed for the next period.

18.4. Some of the members of the Board of Directors also sit on the Board of Directors of subsidiary companies.

18.5. Brief personal and professional background of the Board members is available on the Company's web site.

19. Qualification of Board Members

19.1. The qualifications of Board Members are in compliance with the Capital Markets Board's Principles of Corporate Governance Part IV under title 3.1.

19.2. The Company ensures that Board members:

- a) are preferably university graduates;
- b) possess a high level of competence and knowledge;
- c) are educated and experienced in Company management;
- d) are sufficiently competent to interpret the financial statements and reports;
- e) possess basic knowledge of the legal framework regulating the activities and transactions related to Company's field of activity;
- f) have never been convicted of violating regulations; and
- g) are able to attend Board meetings.

19.3. Since the qualifications given for the Board members defined in 19.2, the members' compliance program is not applied.

20. Mission, Vision and Strategic Goals of the Company

20.1. Our vision is to target and effectively realize investments that contribute to transparency in society and the general welfare and stability of the individual in 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 to ensure proper execution of these objectives.

20.2. The vision and mission of the Company is available in the annual report.

20.3. The strategic goals determined by the Executive Committee of the Company in accordance with the plans of the Company are presented for to the approval of the Board of Directors prior to authorization.

20.4. 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.

21. Risk Management and Internal Control Mechanism

Since the Company is a holding company, its main areas of focus are asset management, financial performance of its subsidiaries as well as financial and fiscal risk management. The management of financial and fiscal risks is performed by the Presidency for Financial Affairs, relevant Vice Presidencies of Financial Affairs and the Vice Presidency for Fund Management and Finance. The identification and reporting of the financial risks and operational risks of subsidiaries are under the authority and responsibility of the CEO. Whenever deemed necessary, the Audit Committee and Corporate Governance Committee also present to the Board of Directors problems and proposed solutions concerning the risk management and internal control mechanisms. In the year 2011, the Company placed increased emphasis on risk management and reporting, as well as restructuring efforts.

22. Authorities and Responsibilities of Board Members and Executives

22.1. According to the Company's Articles of Association, the Board of Directors manages and represents the Company. The limit of authority of those authorized to represent the Company and to collect its revenues is published in the appropriate forums by the Board of Directors.

22.2. The authority to perform management tasks and representative authority can be assigned wholly or in part to individual members of the Board of Directors by the mandates of the General Meeting or by the Board of Directors.

22.3. The Board of Directors' responsibilities has been determined regarding to the Capital Markets Board's Corporate Governance Compliance Principles.

23. Operating Principles of the Board of Directors

23.1. The Board of Directors convenes as required for the Company business, but no less than once a month.

23.2. All decisions made by the Board of Directors are recorded in the registry book.

23.3. In accordance with Article 2.174 of Chapter IV of the CMB Principles of Corporate Governance, all Board members are present in-person at the meetings where important matters concerning the operations of the Company are going to be discussed.

23.4. The Board customarily meets at Company headquarters but can convene in another venue upon decision of the Board of Directors.

23.5. The members of the Board of Directors are assured to access any type of information to carry out their tasks. Issues to be discussed at Board meetings are conveyed to members prior to each meeting along with the agenda.

23.6. Since all decisions made by the Board of Directors have been the result of a unanimous vote, there has been no need to vote on differing proposals offered by members at the meetings. In addition, because they are in constant contact, no questions were raised by members that required notation in the registry.

23.7. The members of the Board of Directors have no privileged voting rights including the right to veto.

23.8. 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.

24. A Ban on Doing Business with the Company and Non-Compete Clause

The required permission for members of the Board of Directors to carry out transactions specified in Articles 334 and 335 of the Turkish Commercial Code is granted through the resolution of the General Assembly. As per the Company information, none of the Board of Directors has any business activity conflicting with the Company's field of activity in 2011.

25. Code of Ethics

The Company's code of ethics is available on its web site.

26. Number, Structure and Independence of Committees

26.1. The Company has established an Audit Committee to ensure that the Board of Directors successfully performs its tasks in accordance with Capital Markets Board legislation.

26.2. The Board of Directors has resolved to appoint Ali İhsan Karacan as Audit Committee President and Soner Gedik, Ahmet Toksoy and Murat Doğu as Audit Committee Member, to serve until the Ordinary General Assembly on the 2011 Activity Period.

Ali İhsan Karacan: President, Independent Board Member

Soner Gedik⁽¹⁾: Board Member, Non-executive

Taylan Bilgel⁽²⁾: Board Member, Non-executive

Murat Doğu: Deputy President, Finance, Capital Markets - IFRS/CMB Reporting and Affiliates Oversight

⁽¹⁾ Has held this position since March 30, 2011.

⁽²⁾ Appointed to in lieu of Ahmet Toksoy who resigned from Audit Committee Membership on March 30, 2012.

26.3. Audit Committee members possess qualifications enabling them to perform their duties and were selected from among the non-executive members of the Board.

26.4. The Audit Committee conducts its activities regularly in accordance with capital markets regulations and the Capital Markets Board's Corporate Governance Principles. In conjunction with this, in 2011:

- a) The Company's annual/interim financial statement and footnotes and independent auditor's reports were all examined prior to public release; and
- b) The opinion on the choice of independent auditor was delivered, and its contract with the Company was reviewed.

26.5. The Audit Committee holds meetings at least four times a year and presents its decisions to the Board of Directors in written format.

26.6. The Audit Committee acts within the limits of its authority and responsibilities and advises the Board of Directors. However, final decisions are made by the Board of Directors.

26.7. The Corporate Governance Committee was established on December 28, 2010 to support and improve the activities on Corporate Governance. The Committee Members who will be serving from 2011 General Assembly until the next General Assembly and their titles are as follows;

Ali İhsan Karacan: President, Board Member, Non-executive

Soner Gedik*: Member, Board Member, Non-executive

Murat Doğu: Member, Deputy President, Finance, Capital Markets, IFRS/CMS Reporting and Affiliates Oversight

Hande Özer: Member, Capital Markets, IFRS/CMB Reporting and Affiliates Oversight Director

27. Remuneration of the Board of Directors

27.1. According to the Company's Articles of Association, remuneration to be paid the Board of Directors as compensation for their services is to be determined at the General Assembly.