

RULES OF PROCEDURES OF THE CORPORATE GOVERNANCE COMMITTEE

1. ESTABLISHMENT

At the Board of Directors meeting of the Company dated 21.01.2008, a Corporate Governance Committee has been established with the purposes of improving the Company's corporate governance activities through recommendations, within the frame of the provisions of Capital Markets Board Corporate Governance Principles.

Within the frame of the provisions of Communiqué Vol. IV, No: 56 on Designation and Implementation of Corporate Governance Principles by Capital Markets Board which was made effective as of 30 December 2011, the structure of the Corporate Governance Committee has been examined and revised, and approved by Board Decision dated 30.06.2012.

2. PURPOSE

Determine whether or not corporate governance principles are implemented in the Company, ascertain the reasons and possible conflicts which may arise if they are not implemented and make recommendations to the Board of Directors to improve the implementation of corporate governance principles and fulfill the responsibilities of Nomination Committee and Remuneration Committee as explained in the Communiqué.

3. TASKS AND RESPONSIBILITIES

Tasks of the Corporate Governance Committee;

- Determining whether or not corporate governance principles are implemented, ascertaining the reasons and possible conflicts which may arise if they are not implemented and making recommendations to the Board of Directors to improve the implementation of corporate governance principles.
- Supervising the activities of the department responsible for relationships with the shareholders.
- Reviewing the "Corporate Governance Adoption Report" which will be publicized and checking if the information provided therein are accurate and consistent with the information known to the Committee.
- Ensuring that Corporate Governance Principles are improved, adopted and implemented at the Company, working to make improvements in case of non-implementation and recommending to the Board of Directors to increase the level of adoption.
- Following the Corporate Governance Principles at a global level and recommending to the Board of Directors to ensure adoption at the Company as necessary.

- Establishing a transparent system to determine the possible candidates to the Board of Directors and assess and train them as necessary and working to determine the policies and strategies on this issue.
- Conducting regular assessments on the structure and efficiency of the Board of Directors and submitting recommendations to the Board of Directors on possible revisions.
- Determining and supervising the approaches, principles and applications regarding the performance evaluation and career planning issues for the Board Members and top level managers.
- Making recommendations on remuneration of members of the Board of Directors and top level managers based on the long-term objectives of the company.
- Defining the criteria to ensure remuneration based on the performance of the company and the member.
- Submitting recommendations on remuneration of members of the Board of Directors and top level managers to the Board based on the level of meeting the criteria.

The Committee will submit its assessments and recommendations on the aforementioned issues verbally or in writing to the Board of Directors.

4. STRUCTURE OF THE COMMITTEE AND MEMBERSHIP CRITERIA

- The Corporate Governance Committee consists of minimum two members. Chairman of the Committee will be selected among the independent members of the Board of Directors. Chief executive officer/general manager cannot be assigned to the committee.
- Both members in case the committee consists of two members and majority of the members in case the committee consists of more than two members will be selected among the Board Members who are not assigned to executive tasks. When necessary, experts who are not Board Members can also be appointed to the committee.
- When the new members of the Board of Directors are selected at the ordinary general assembly, they will determine the members of the Corporate Governance Committee based on the assignment term of the Board of Directors. The old members of the committee will continue to be assigned until a new one is selected.
- Resources and support required by the Committee to fulfill its responsibilities will be provided by the Board of Directors. The Committee can invite the managers to ask for their opinions as necessary.
- The Committee will take the opinions on independent experts regarding the activities as necessary. The Company will cover the expenses related with the consultancy services required by the Committee.

5. COMMITTEE SUB GROUPS

The Corporate Governance Committee can establish sub work groups consisting of committee members and/or other experts with sufficient experience on corporate governance as necessary, with the purposes of ensuring the efficiency of its works.

6. MEETINGS

- The Committee will conduct meetings with a frequency as required by its assigned tasks.
- The decisions by the Committee are considered as recommendations to the Board of Directors and the Board of Directors is the final decision-maker.
- The Committee will ensure that the Board of Directors is informed regarding the issues related with its assigned position.
- Meeting and decision quorum is the absolute majority of the committee members.
- The meetings will be conducted at the company headquarters or any other location easily accessible by the committee members.

7. REPORTING PROCEDURES

- Committee decisions will be recorded in a book which will be kept by the Committee.
- The minutes of the meeting will include the following as a prerequisite:
 - o Date and time of the meeting
 - o Agenda
 - o Detailed information on the issues discussed at the meeting
 - o Decisions made
- Decisions deemed required by the Committee will be submitted to the Board of Directors.
- Board of Directors' secretariat will be responsible for preparation and bookkeeping of the reports. The minutes of the meeting will be submitted to the information of Committee Members and archived.

8. EFFECTIVENESS

These rules of procedures for the Corporate Governance Committee have been revised and approved by the Board Decision dated 01.10.2012. The Board of Directors is authorized to revise and update these rules of procedures as necessary.