

# **CORPORATE GOVERNANCE COMMITTEE WORKING PRINCIPLES**

With the decision of Board of Directors nr. 103/184 and dated 21/03/2012, in accordance with the Communiqué Serial: IV No: 56 “For Definition And Enforcement of the Corporate Governance Principle” issued by Capital Markets Board, it was decided that the Corporate Governance Committee shall also fulfill the duties of the Nomination Committee and the Remuneration Committee.

## **1. PURPOSE**

Purpose of Corporate Governance Committee: determining whether principles of corporate governance are implemented, if not grounds of non-implementation and ascertaining the conflict of interest which arises from not complying with these principles, advising the board of directors in order to enhance the implementation of corporate governance and supervise the work of the investor relations department, within the context of CMB’s “Communiqué on Corporate Governance” to fulfill the duties of the Nomination Committee and the Remuneration Committee.

## **2. GROUND**

The operating principles of the Corporate Governance Committee have been determined based on the arrangements, provisions and principles stipulated in the Legislation about Capital Market, Articles of Association of the Company and “Communiqué on Corporate Governance” of the Capital Market Board.

## **3. AUTHORITY and SCOPE**

The Corporate Governance Committee, formed and powered by the Board of Directors, is authorized to obtain the information by inviting the company employees, representatives of the entities and enterprises interconnected with the Company, internal and external auditors and the experts who are specialists on their subjects, to the meetings and acquiring the professional consultancy externally.

The Committee acts within the limits of its powers and liabilities and provides recommendations to the Board of Directors; however, the responsibility for final decision shall always be assumed by the Board of Directors.

## **4. STRUCTURE OF THE COMMITTEE**

- The Committee is formed in accordance with the Articles of Association of the Company.
- The Chairman of the Committee is elected among the independent members of the Board of Directors.
- Committee shall be composed of minimum two members who are assigned by the Board of Directors among its members, investor relations manager, when necessary among those who are no-members of the Board of Directors but are experts on their subjects.
- The members of the committee can only be elected from among the non-executive persons potentially.

- The persons, who are experienced about the areas such as accounting, finance, auditing, law, management, etc., may take charge in the committee.
- The Corporate Governance Committee is assigned by the Board of Directors for 1 year. The members of the Committee are reelected in the first meeting of the Board of Directors which to be held after the Ordinary General Meeting very year. The members, whom their assignment period expires, may be reelected by the Board of Directors.
- The opinion may be obtained from the independent experts in the company's expense during carrying out the activities of the Corporate Governance Committee and such experts may be assigned in the Committee.
- Corporate Governance Committee may form sub-working committees either among its members or from others when necessary.
- The Executive Chairman / General Manager of the Company shall not have a duty in the Corporate Governance Committee.

## **5. TASKS AND LIABILITIES**

- To determine whether principles of corporate governance are implemented, if not grounds of non-implementation and ascertain the conflict of interest which arises for not complying with these principles and advising the board of directors in order to enhance the implementation of corporate governance and supervise the work of the investor relations department,
- To work for forming a transparent system on determination, evaluation and training of the candidates suitable for the positions of the Board of Directors and executives and to determine policies and strategies with this regard, to evaluate the structure and productivity of the board of directors regularly and submit its advices to the board of directors regarding possible amendments in this respect,
- To evaluate the candidate proposals for independent membership, by considering as to whether the candidate meets the independence criteria,
- To designate the principles, criteria and implementations to be used in the remuneration of the members of the board of directors and the executives, considering the long term targets of the corporation and supervision thereof,
- To support and assist to the Board of Directors by carrying out the works on corporate governance and investor relationships and public disclosure,
- To perform duties which are assigned to the Corporate Governance Committee that borne by Capital Markets Law, Capital Market Board Corporate Governance Communiqué and other regulations, that are legislated based on the Capital Markets Law and other laws.

## **6. MEETING AND REPORTING**

- Committee meets as frequently as required by its duties in the company's head office or in a place where the Committee members are present.
- The resolutions, taken in the meetings, are issued in written, signed and maintained by the committee members.
- Committee submits the advices and recommendations which it obtains related to its task and liability area to the Board of Directors with a report.
- Committee's meeting and decision quorum is the absolute majority of the total number of Committee members.

## **7. ENFORCEMENT**

The duties and rules of procedures of the Committee and the amendments herein come into force upon the resolution of the Board of Directors.