

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT OF AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

PART I - STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Objective target of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. ("Akmerkez" or the "Company") in this age of global competition and change we are passing through is to attain the fair company level by keeping pace with the change through the corporate governance practices besides its financial successes. With this awareness, the Company has included the goal of creation of sustainable value for its stakeholders among its primary goals. The characteristic of Akmerkez as a respectable, innovative, hardworking, creative and sharing enterprise is maintained by means of its institutionalized and reliable stance toward its clients, employees and the society as well as the Corporate Governance Principles which have been adopted by it for many years.

The purpose behind the establishment and implementation of these principles is to strengthen the trust of all beneficiaries in the Company. In line with this goal, Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. has declared that it will observe the Corporate Governance Principles and introduce the regulations required by these principles in accordance with the current practices.

All corporate governance principles provided in the Corporate Governance Communiqué (II-17.1) of the Capital Market Board, implementation of which is compulsory, are complied by the Company.

Reasons for non-implementation of the principles provided in the Corporate Governance Communiqué (II-17.1) of the Capital Market Board, whose implementation is not compulsory, are presented below on the basis of principle:

About the Principle No. 1.3.11 of the Corporate Governance Communiqué: Although there isn't a provision in the Articles of Association, the General Meetings are held publicly in the manner as specified in the Internal Guidelines on General Meeting.

About the Principle No. 1.5.2 of the Corporate Governance Communiqué: Maximum care is given to letting use of the minority rights. The minority rights have not been granted by the articles of association to those who own less than one twentieth of the capital.

About the Principle No. 3.1.2 of the Corporate Governance Communiqué: An indemnity policy has not been established for the employees of the Company. The number of employees of the Company is five, and the Company acts in accordance with the provisions of the Labor Law in effect.

About the Principle No. 3.2.1 of the Corporate Governance Communiqué: A model or mechanism has not been established for participation of the stakeholders in the management. However, the independent members in the Board of Directors make representation of all stakeholders as well as the Company and the shareholders in the management possible. The Company takes into account the views and recommendations of the employees, suppliers, various non-governmental organizations and all other stakeholders, and the customer satisfaction surveys.

About the Principle 4.2.5 of the Corporate Governance Communiqué: Although it is not so stated in the Articles of Association, the Chairman of the Board of Directors and the general manager of the Company are not the same person and their duties have been segregated. Nobody in the Company has unlimited authority to make decision.

About the Principle No. 4.2.8 of the Corporate Governance Communiqué: Potential losses that faults of the members of the board of directors in the performance of their duties may cause to the company have not been directly insured by the Company. However, liability insurance for any potential losses that faults of the members of the board of directors in the performance of their duties may cause to the company has been taken out by Akkök Holding A.Ş., one of the shareholders, to cover also the concerned managers of the Company.

About the Principle No. 4.3.9 of the Corporate Governance Communiqué: In respect of the rate of female members in the board of directors, a target rate, with the requirement that it may not be less than 25%, and timing have not been established, and the issue of increasing the number of female members will be reviewed again in the periods to come.

About the Principle No. 4.4.5 of the Corporate Governance Communiqué: Since how the meetings of the board of directors are to be made has been stipulated in Article 13 of the Articles of Association of the Company, how the meetings of the board of directors are to be made has not been put into writing with any internal regulation.

About the Principle No. 4.4.7 of the Corporate Governance Communiqué: Member of the Board of Directors spares adequate time for the business of the Company. If Member of the Board of Directors is a manager or member of board of directors in any other company, this does not lead to a conflict of interest and interfere with the duty of the member in the company. For this reason, undertaking of other duty or duties by the Members of the Board of Directors outside the Company has not been bound with certain rules or has not been limited. Any duties undertaken by the Members of the Board of Directors outside the company are stated in the "General Information Form of the Company" which is disclosed to the public through the KAP [*Public Disclosure Platform*]. Duties undertaken by the members of the board of directors outside the Company, and the reasons thereof, are informed to the shareholders during the general meeting where their elections are discussed under the item of the agenda concerning the election by making segregation between the duties within and outside of the group. In addition, if election of members of the board of directors is in the agenda of the general meeting, in respect of the persons whose candidacy to a seat in the board of directors, information about their curriculum vitae, duties carried out by them during the last ten years and reasons for resignation, nature and degree of importance of their relations with the company and the parties related with the company, whether they have the qualification for independency or not, and similar matters which may affect the activities of the company if they are elected as members of the board of directors is provided in the KAP and the "General Meeting Information Document" published on the Internet site of the company, pursuant the corporate governance principle no. 1.3.1 of the Corporate Governance Communiqué.

About the Principle No. 4.6.5 of the Corporate Governance Communiqué: Remunerations paid and all other benefits provided to the Members of the Board and the managers who have administrative responsibility are disclosed to the public as items of expenditure through the annual activity reports. However, the disclosure is not made on the basis of

person, but is made by making segregation between the Board of Directors and the top executives. This matter will be reviewed again in the periods to come.

There isn't any conflict of interest arising from the above stated principles set out in the Corporate Governance Communiqué (II-17.1) of the Capital Market Board, whose implementation is not compulsory. Necessary works for compliance with the Corporate Governance Principles will be continued in the periods to come by taking into account the developments and implementations in the legislation.

PART II - SHAREHOLDERS

2.1 Investor Relations Department

Investor Relations Department:

Murat Kayman
General Manager

+90 (212) 282 01 70 / 235
murat@akmerkez.com.tr

Zeynep Yıldırım Gündoğdu
Financial Affairs Manager (Head of Investors
Relations Department)

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Zeynep Yıldırım Gündoğdu, head of the department, has Capital Market Operations Advanced Level License (License No: 204295) and Corporate Governance Rating Specialty License (License No: 700432)

2.1.1 INVESTOR RELATIONS ACTIVITY REPORT

05.01.2015

To the Board of Directors of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.:

Our activity report, which has been prepared pursuant to Article 11 of the Corporate Governance Communiqué (II-17.1) promulgated by the Capital Market Board, is submitted to your information and will be contained in the annual activity report 2014 of the Board of Directors.

Yours sincerely,

Zeynep YILDIRIM GÜNDOĞDU
Financial Affairs Manager
Member of Corporate Governance Committee

Hilal KAYALAR
Budget and Finance Specialist

The basic function of the Akmerkez Investor Relations is compliance with statutory regulations and transparent, accountable, fair and responsible management approach model toward shareholders. In order to attain this goal, it uses and manages the investor relations tool for the purpose of providing comprehensive, complete and accurate information about the progress of the shares of Akmerkez to the stakeholders.

The basic working principles adopted by the Investor Relations unit include accessibility, quick response to shareholders, transparent, consistent and timely informing, and owning an updated web site. Care is given to making sure that the staff of the department is formed by competent persons who know the legislation well, have the licenses required by the Capital Market Board, know the Company and the sector dynamics well and is able to communicate this. In this context, the Investor Relations Department targets to create a difference by knowing the company correctly and analyzing it well, knowing the strategies of the company well and communicating these strategies with efficient methods.

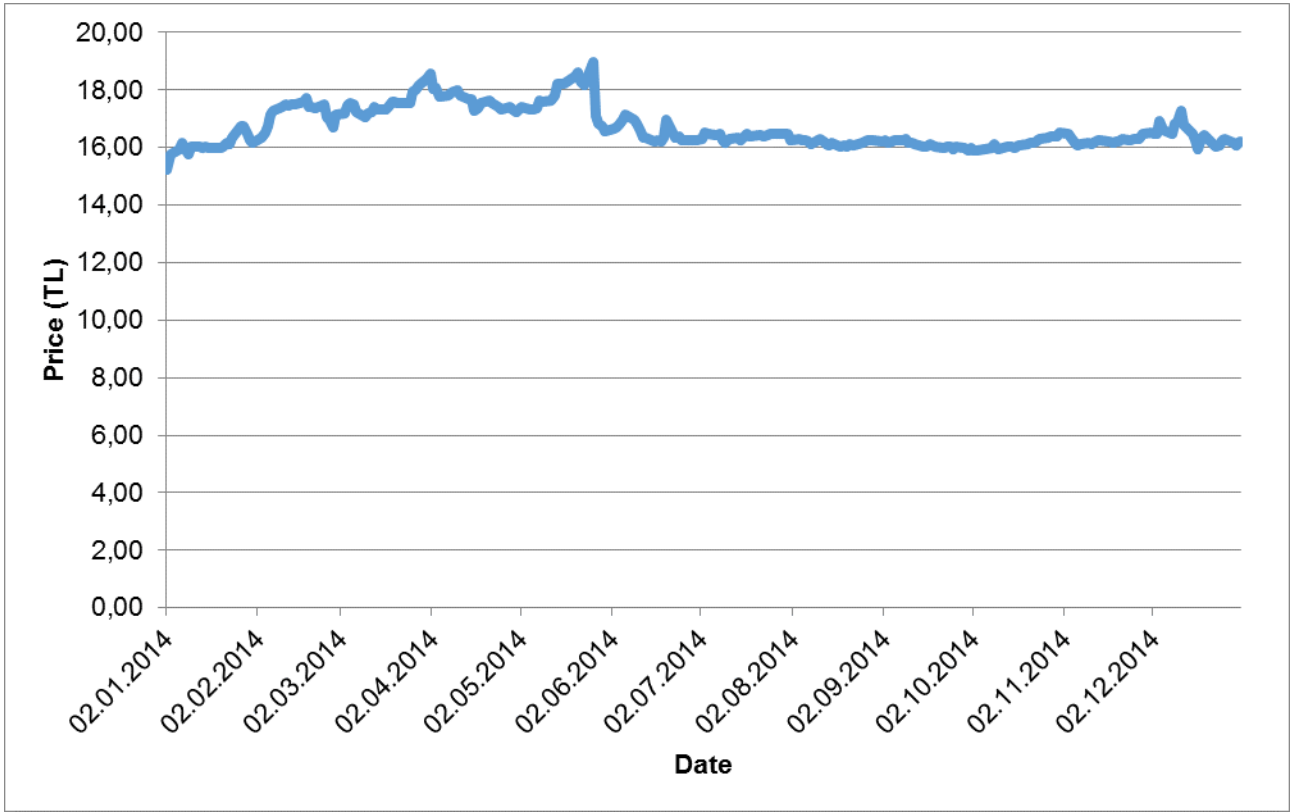
Important Developments in 2014

1) Share Performance

Shares of the Company are included in the following indexes of the stock market of Borsa İstanbul (BİST), and the share performance is shown in the following graph.

- National Market
- BIST 100
- Corporate Products Market
- BIST Real Estate Investment Partnerships
- BIST Financial
- BIST All

Price Graphic of the Stock AKMGY during 01.01.2014 - 31.12.2014



Shares of the Company have been traded in the Istanbul Stock Exchange and Borsa İstanbul since 2005. Performance of the shares of the Company in the exchange during the last five (5) years is summarized in the following table.

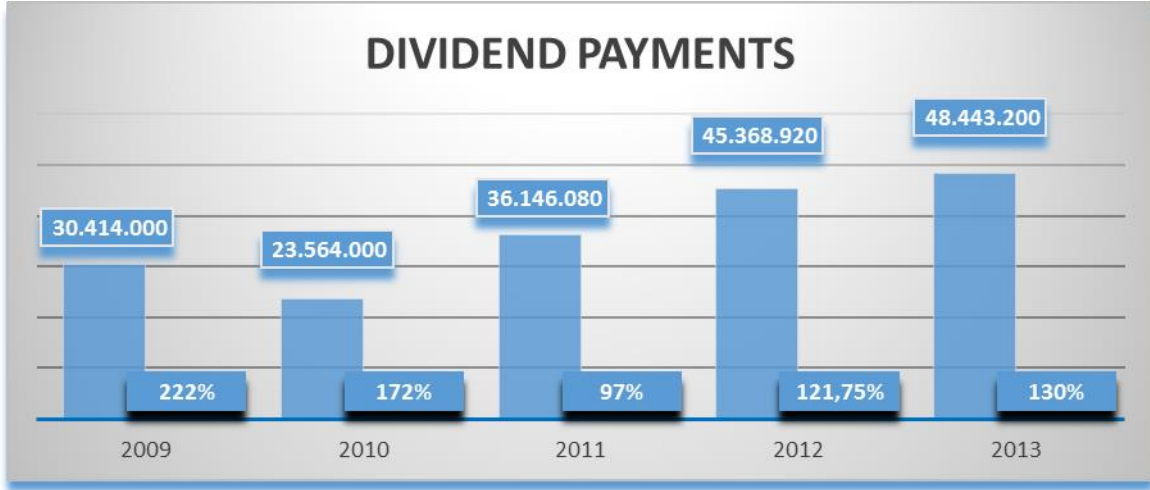
Share Info	2010	2011*	2012	2013	2014
Lowest Price (TL)	33.75	14.35	16.10	14.00	15.45
Highest Price (TL)	93.00	90.00	27.90	24.70	19.00
Year-End Closure Price (TL)	82.50	16.90	22.30	15.10	16.25
Issued Capital (TL 1,000)	13,700	37,264	37,264	37,264	37,264
Market Value (TL 1,000)	1,130,250	629,762	830,987	562,686	605,540

* Grates shares were given and capital was increased in 2011. Because of this, the margin between the highest and lowest prices of the shares appears very high. While the lowest price was TL 64.50 and highest price TL 90.00 before the capital rise, these prices occurred at TL 14.35 and TL 26.40, respectively, after the capital rise.

2) Dividend

Distribution of the profit share pertaining to the activity period of 2013 was approved by the annual general meeting held on March 31, 2014, and the amounts of the profit shares decided to be distributed were paid in cash to the shareholders of the Company on May 27, 2014.

Gross amounts of the dividends distributed during the last five (5) years and their ratios to paid-up capital are as follows:



3) Other activities in the year

Other activities carried out by the Investor Relations unit during the year are summarized as follows:

- Eighteen (18) special situation disclosures through the public disclosure platform,
- Gave answers by email to questions of four (4) local investors,
- Answered questions of investors who requested information by phone,
- Face to face meeting with one (1) foreign investor.

Communication Info of the Investor Relations Unit

Tel : +90 212 282 01 70

Fax : +90 212 282 01 15

Email address of the Investor Relations: gyo@akmerkez.com.tr

Address: Nispetiye Cad., Akmerkez Ticaret Merkezi, E3 Kat 1, Etiler, Beşiktaş, İstanbul

2.2 Use of Shareholders' Right to Information

In this regard, questions received by the concerned unit, except for information treated as confidential and trade secret, are discussed with the person who is the most competent of the subject-matter in question and answered by both phone and in writing. Right to demand information and to examine has not been abolished or restricted by the articles of association or by a resolution of one of the bodies of the Company.

No information and notice which may affect the use of shareholder rights are given place on the Internet site of the Company.

During 2014, 4 written applications were made to the Investor Relations Department and all applications were answered at latest within 7 days.

Such information and disclosures in nature which may affect the use of shareholder rights are made available up-to-date to the shareholders on the Internet site of the company. In this scope, 18 special situation disclosures were made in 2014.

The Investor Relations Department carries on activity for the purposes of providing accurate, timely and consistent information about the Company to existing and potential investors, analysts and, as per request, third persons, raising the familiarity and credibility of the Company, reducing the capital cost of the Company by implementing the Corporate Governance Principles, and facilitating the communication between the Board of Directors and the participants in the capital markets.

In parallel with this goal, the Company gives great importance to communication with the shareholders and investors and carries on an active investor relations program. The Investor Relations Department submits one (1) written report on the works and activities it carried out to the Board of Directors annually. The report on the investor relations activities was written and submitted to the Board of Directors on 05.01.2015.

In addition, there is the following regulation in article 28, titled 'Informing', of the Articles of Association:

Provided a prior written notice is given to the Board of Directors at latest 30 days before, the shareholders who own at least 20% of the shares, or their representatives, are authorized to conduct, or caused to be conducted by an international audit firm, an audit on the books, records and accounts of the Company at their own cost. In such a case, the Board of Directors is obligated to provide every kind of information in relation with the Company to such shareholder or their representative and to ensure that the staff of the Company cooperates in this regard. However, the shareholders who caused conduct of an audit are obligated to act in compliance with the provision (Right to Demand Information and to Examine) in article 437 of the Turkish Commercial Code and to make sure that confidentiality is secured. Furthermore, except for any confidential information which can be obtained from such books and documents allowed to be examined, no shareholder is authorized to learn any secrets of the company. Each shareholder is obligated to keep any secret which has come to their knowledge howsoever confidential forever, even after they are no longer a shareholder of the company. A shareholder who violates this obligation will become liable against the company for any resulting losses and will also have penal liability upon complaint of the company.

No public or private audit was done during the account period.

Investigation process of the lawsuit filed by Ömer Dinçök, one of the shareholders of the company, during the period with the request for appointment of a special auditor to the company pursuant to the provision of article 439/1 of the Turkish Commercial Code is still continuing, with the next hearing scheduled to 15:40 hours on 04.03.2015.

2.3 General Meetings

2.3.1 Annual General Meeting 2013 of the company was held on 31.03.2014. Notice for the meeting was advertised on the corporate Internet site of the company (www.akmgyo.com), on the Public Disclosure Platform (KAP), and Turkish Trade Registry Gazette at latest three weeks before the date of the meeting, excluding the dates for the notice and the meeting, and the documents specified in article 437 of the Turkish Commercial Code were made available to the inspection of the shareholders and also the matters specified under the corporate governance principle no. 1.3.1 of the Corporate Governance Communiqué were submitted to the information of the shareholders.

Along with the notice for the general meeting and in addition to such notices and disclosures which the company is required to make pursuant to the legislation, the "General Meeting Information Document", which was prepared to include such issues set out in the corporate governance principle no. 1.3.1 of the Corporate Governance Communiqué, was published on the Internet site. In addition, the Minutes of the General Meeting are made available to the information of investors on the Internet site.

2.3.2 Each proposal was stated in the agenda of the General Meeting under a separate caption and openly. There wasn't any issue included in the agenda of the Annual General Meeting 2013, which any shareholder submitted in writing to the Investor Relations Department for its inclusion in the agenda.

2.3.3 The annual general meeting 2013 was held in İstanbul in accordance with the relevant article of the articles of association with the purpose to increase the attendance of the shareholders and in a manner not to cause any inequality between the shareholders and to facilitate attendance of the shareholders at as much low cost as possible on 31.03.2014, and over 90% attendance was achieved. The minutes of the meeting and the list of present shareholders were disclosed to the public via the KAP and the corporate Internet site of the Company. No member of the media attended the meeting.

2.3.4 Chairperson of the meeting makes preparations about the conduct of the general meeting before the meeting pursuant to the Turkish Commercial Code and the other relevant laws and regulations, and the necessary information is provided by the Investor Relations Department to the chairperson.

2.3.5 During the general meeting held on March 31, 2014, the chairperson of the meeting gave care to the matter of conveyance of the issues in the agenda in an impartial, detailed, clear and understandable manner, and questions posed by the attendants of the general meeting, which didn't come into the scope of trade secret, were answered. For the reason that some of the questions posed were not related with the agenda or that some questions were so comprehensive that they could not be answered immediately, the concerned investors were given written answers by the Investor Relations Department on April 14, 2014. All questions asked during the general meeting and answers given to them were disclosed by the Investor Relations Department to the public on the corporate Internet site of the Company along with the Special Situation disclosure on April 24, 2014.

2.3.6 No privilege has been granted to any person or entity for access to the information of the company.

2.3.7 The members of the Board of Directors, the other concerned persons, the persons who were responsible for preparation of the financial statements, and the auditors were present at the annual general meeting 2013 in order to provide the necessary information and to answer the questions regarding the special issues in the agenda.

2.3.8 General meetings are held open to public as provided in the internal guidelines for General Meeting of the Company, through there isn't any provision in the articles of association.

2.3.9 There wasn't any resolution which was within the authority of the Board of Directors but left to the decision of the General Meeting because it required but didn't receive the affirmative vote of the majority of the independent members of the Board of Directors.

2.3.10 During the Annual General Meeting, amounts and beneficiaries of the donations made by the company during 2013 were informed to the shareholders as a separate issue in the agenda, and the activity report contained detailed information about the donations made during the year. The donations and aids policy of the Company was submitted to the approval of the shareholders in the general meeting 2012 and the upper limit for the donations the Company can make was determined at the annual general meeting 2013 pursuant to the Capital Market Law and the Profit Share Communiqué (II-19.1) of the Capital Market Board.

2.3.11 No significant transaction was executed by any shareholder who had control over the management of the Company, any member of the board of directors, any officer who had administrative responsibility or by spouse and any blood and in-law relative up to second degree of any of them with the Company which might cause conflict of interest with the Company during 2014. In addition, none of these persons engaged in any business transaction which came into the business subject of the Company on account of themselves or another person or became partner with unlimited liability of another company which engaged in the same business transactions. In addition, no person apart from the aforesaid ones, who had access to the information of the company, engaged in any transaction which came into the business subject of the Company on the name of themselves.

2.4 Voting Rights and Minority Rights

2.4.1 The Company refrains from any practice which makes the right to vote difficult. Every shareholder, even the ones beyond the boundaries of the country, is given the opportunity to use the voting right in easiest and most convenient manner.

2.4.2 At the Company, each share has one vote, and there isn't any privilege on the voting right as per the articles of association of the Company.

2.4.3 There isn't any company with which the Company has reciprocal participation relationship.

2.4.4 Maximum care is given to the use of minority rights, but there isn't any representative of the minority rights in the management.

2.4.5 Minority rights are not granted to those who own less than one twentieth of the capital as per the articles of association.

2.4.6 Use of the minority rights at the Company is subject to the Turkish Commercial Code, the Capital Market Law and the relevant regulations, and maximum care is given in this regard.

2.5 Right to Profit Share

2.5.1 There is no privilege as regards to participation in the profit of the Company. The profit share distribution policy of the Company as adopted by the General Meeting has been disclosed to the public and is contained on the corporate Internet site and in the activity report.

2.5.2 The profit distribution policy of the Company contains the minimum information in such clarity that will enable investors to foresee the procedures and principles applicable to distribution of the profit that the Company would earn in future periods.

2.5.3 At the annual general meeting 2013 held in 2014, a resolution was taken for distribution of the profit, and dividend amounting to TL 48,443,200.00 was distributed in cash on May 27, 2014.

2.5.4 Regarding the profit distribution, a balance policy is pursued between the interests of the shareholders and the interests of the Company, the details of which are given in the profit distribution policy.

2.6 Transfer of Shares

2.6.1 All of the shares of the Company in groups (A), (B) and (C) are registered and all of the shares in group (D) are bearer. All shares are listed in BIST, and there is provision of the Articles of Association which restricts transfer of the shares in groups (A), (B) and (C).

Article 7, titled 'Transfer of Shares', of the Articles of Association contains the following provision:

Selling, transfer or pledging of the registered shares of the groups (A), (B) and (C) other than the group (D) shares, or execution of any transaction in favor of any third person, including creation of usufruct, on these shares, is subject to permissions of the Board of Directors and the Capital Market Board. Transfer of any privileged shares is subject to permission of the Capital Market Board.

However, transfer of shares between shareholders in the same group and from real person shareholders to their spouse and descendants, and transfers done in accordance with the provision of paragraph 3 of article 495 of the Turkish Commercial Code are not subject to permission of the Board of Directors.

Each permit is exclusive to the proposed transaction. A disposition executed in accordance with this permit becomes valid if it is registered into the share register.

PART III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1 Corporate Internet Site and its Content

3.1.1 For disclosures to the public, the corporate Internet site, www.akmgyo.com, is used. The letterhead of the Company contains the address of the corporate Internet site. The corporate Internet site of the Company is made up in accordance with the corporate governance principle no. 2.1.1 of the Corporate Governance Communiqué of the Capital Market Board and the regulations of the Turkish Commercial Code. In addition, local and foreign stakeholders who want to get more information about the Company can reach the concerned representatives of the Company via the electronic mail address gyo@akmerkez.com.tr.

3.1.2 Shareholding structure of the Company, showing the names, and the quantity and rate of the shares owned by, the shareholders, is disclosed on the corporate Internet site of the Company and updated when necessary.

3.1.3 Any special situations and financial statement notices which must be disclosed to the public pursuant to the capital market legislation are made available in English as well as Turkish on the corporate Internet site to investors. Disclosures in English are prepared in summary to be accurate, complete, direct, understandable, adequate and consistent with their Turkish version to the extent that they help the persons who use them make their decision.

3.1.4 Basic information contained on the corporate Internet site of the Company is prepared also in English so that it is used by international investors as well.

3.2 Activity Report

3.2.1 Activity report of the Company is prepared in accordance with the statutory regulations in such quality that it enables the public to get complete and accurate information about the activities of the Company. The activity report contains all the information specified in the Corporate Governance Principles.

PART IV - STAKEHOLDERS

4.1 Informing of the Stakeholders

4.1.1 Ethical rules of the Company guarantee the rights of the stakeholders regulated by the legislation and mutual contracts. The stakeholders are informed in accordance with the policy established by the Company pursuant to the current legislation and ethical rules. In addition, informing of all stakeholders through the press releases, the activity report, the Internet site, and the other practices within the scope of the transparency-based informing policy. When performing their jobs, the employees of the Company are expected to fulfill their obligations by valuing the interests of the Company above the interests of themselves, their family and their relatives. The employees refrain from any venture which may mean gaining advantage for themselves or their relatives. Foreseeable potential situations of conflict of interest and situations defined by the management of the Company are communicated to the employees, and the management of the Company take the necessary measures.

4.1.2 In the event of violation of the rights of the stakeholders which are protected by the legislation and contracts, an efficient and rapid mechanism of remediation is made available. The Company makes things easier as necessary for use of such mechanisms as compensation which are provided by the legislation to the stakeholders. The Company doesn't have a special compensation policy for the employees, and the rights of compensation of the employees are protected under the relevant legislation.

4.1.3 The stakeholders are informed about the policies and procedures of the Company concerning the protection of their rights via the corporate Internet site of the Company.

4.1.4 The stakeholders can report any transaction of the Company which is contrary to the law and which is improper from ethical point of view to the Corporate Governance Committee and the Committee in charge of Audits. There wasn't any application and complaint in this regard in 2014.

4.1.5 When a conflict of interest occurs between the stakeholders or in the case that a stakeholder is a member of more than one interest group, a policy which is as much balanced as possible for the protection of the owned rights is pursued and protection of each right independently of other rights is targeted. In this scope,

- The Company gives importance to customer satisfaction in the sales and marketing of the services and takes the necessary measures for this.
- The Company takes the necessary measures to establish and maintain relations conforming to the laws and the charter of incorporation with customers to whom it provides services and with suppliers and to observe such international and sectorial standards in the supply of goods and services, and reviews and renews the processes.
- The Company treats the information about its customers and supplies as trade secret and gives care to the confidentiality of it.
- Requests of the customers involving the service they purchased are fulfilled rapidly, and we endeavor to inform the customers about delays without waiting for ending of the period.

4.2 Participation of the Stakeholders in the Management

4.2.1 Although such models which support participation of the stakeholders, primarily the employees of the Company, in the management of the Company are not provided in the articles of association, they are tried to be developed in a manner not to interfere with the activities of the Company.

Participation of the employees in the management is achieved through annual performance assessment meetings, recommendation systems and annual meetings held within the Company.

4.2.2 The Company takes into account any comments and recommendations transmitted by other stakeholders, too, where necessary.

4.3 Human Resources Policy of the Company

4.3.1 In the establishment of the recruitment policies and in the drawing up of career plans, the principle of providing equal opportunity to persons under equal conditions has been adopted. In the cases when it is foreseen that change of duty of managers would cause disruption in the management of the Company, a succession plan is drawn up regarding determination of managers to be newly assigned.

The human resources policy of the Company targets earning of candidates who fit to the culture and values of the Company, who have such knowledge, skills, experiences and competencies required by the job/position, and who will carry the Company to the future to the Company at the time of recruitment and placement and thus serving to the strategies and targets of the Company. It acts with the principle of selecting the correct employee for the correct job by using the contemporary assessment systems that will support giving of the most objective decision in the hiring and placement processes.

4.3.2 Standards applicable to recruitment of employees by the Company have not been established in writing.

The Company Management tries to actualize such Human Resources applications where internationally recognized models and systems integrated with each other are used. The Company targets to ensure using of contemporary systems which are integrated with each other and which ensure generation of business results in all human resources processes from hiring to performance management system, to development, to compensation and resignation process.

4.3.3 The employees are treated fairly in respect of all rights provided to them; training programs for raising the knowledge, skills and good manners of the employees are carried out; and training policies are established.

Starting from the continuous learning, development and business results generating approach of the Company, arrangement of development programs for the employees, which involve the targets of the Company and the knowledge, skill and experience areas and competencies, is targeted and at the same time it is tried to set aside fund for such programs which support development in social and cultural areas. In the development planning, needs of the Company and the employee are taken into account, and such training and development solutions fitting to the existing situation are offered.

4.3.4 Information meetings are held with and view are exchanged with the employees on issues such as financial standing of the Company, salaries, career, training, health, etc.

At the Company, a management system which gives value to human beings and encourages creativity, communication and participation of employees is implemented. The Company is conscious that creating an open, close and uninterrupted communication environment between the management and the employees is very important in terms of motivation and productivity of the employees.

4.3.5 Decisions taken in connection with the employees or developments concerning the employees are communicated to the employees.

4.3.6 Job descriptions and distribution of the employees and performance and reward criteria are communicated to the employees. Attention is paid to productivity in the determination of salaries and other benefits provided to the employees.

The Company uses a Job Assessment and Compensation model whose validity and reliability has been proven across the world. This model is a salary and benefits model which is objective and transparent, which reflects the realities of the national and international business world, which is based on the principle of equality and fairness, and which is based on compensation depending on the job done.

The Performance Management System is a structure which seeks that corporate targets are embraced by individuals and which strengthens the common corporate culture. The persons working within the system can transparently see their personal contributions and the effect of this contribution on the corporate scale. Outputs of the Performance Management System are used in the development planning, talent management, career and substitute planning, compensation and rewarding processes of the Human Resources and thus a structure where all these processes are fed with each other and gathered under a system integrated with each other is built up. By applying incentives that will reinforce the high performance culture of the Company, orientation of the employees toward the same goal is supported. Leadership and functional competencies of the Company are measured by means of assessments, and how the employee has achieved the business results is assessed. Hence, reinforcement and application of such competencies that will move the Company further and serve to its corporate reputation and sustainability are supervised with the same system.

4.3.7 Measures are taken to prevent discrimination among the employees on race, religion, language and gender and to protect the employees from physical, emotional and mental abuse within the Company.

The employees are informed on such issues through personal development and communication trainings.

4.3.8 The Company does not pose any obstacle before the freedom of establishing an association and the recognition of the right of collective labor agreement in an efficient manner, and support the same where necessary.

4.3.9 It makes continuous improvement and development to provide safe working environment and conditions for the employees.

4.3.10 No complaint on the issue of discrimination was received from the employees in 2014.

4.3.11 No representative has been appointed due to small number of the employees.

4.4 Ethical Rules and Social Responsibility

4.4.1 Activities of the Company are carried out in accordance with the ethical rules which are disclosed to the public through the corporate Internet site.

4.4.2 Maximum care is given to adoption and application of technologies which are innovative and compatible with the environment in accordance with the environmental policy and the quality policy of the Company.

Information about the activities of the Company toward the environment, the region where it is located and the public in general (supported/leaded social works, social works toward the people in the region, etc.) in 2014 is provided in the Annual Report.

PART V - BOARD OF DIRECTORS

5.1 Structure and Formation of the Board of Directors

The Board of Directors is formed by 10 members, including 3 independent members.

The general manager of the Company is MURAT KAYMAN.

Name and Last Name	Gender	Function	Occupation	Positions Undertaken in the Company over the Last 5 Years	Duties Undertaken Outside of the Company Currently	Rate of Share Held in the Company (%)	Representing Group of Shares	Independent Member or Not	Participated Committees and Duty Undertaken
Raif Ali Dinçkök	Male	Chairman of the Board	Business Admin.	Member of the Board	Chairman / Vice Chairman of the Boards of Directors of Akkök and Akkök Group of Companies		Group A	Not Independent Member	
Feyyaz Berker	Male	Vice Chairman of the Board	Engineer	Vice Chairman of the Board	Chairman and Member of the Boards of Directors of other companies he owns	1.36	Group B	Not Independent Member	
Davit Braunştayn	Male	Member of the Board	Industrial Engineer	Member of the Board	Chairman and Member of the Boards of Directors of other companies in which he owns shares	6.98	Group C	Not Independent Member	
Murat Gigin	Male	Member of the Board	Engineer	Member of the Board	Chairman and Member of Boards of Directors of other companies in various companies		Group B	Not Independent Member	
Alize Dinçkök Eyübođlu	Female	Member of the Board	Manager	Member of the Board	Member of the Boards of Directors of Akkök and Akkök Group of Companies		Group A	Not Independent Member	
Mehmet Ali Berkman	Male	Member of the Board	Industrial Manager	Member of the Board	Advisor to Akkök Executive Committee		Group A	Not Independent Member	
Frederic Yves Marcel Marle Fontaine	Male	Member of the Board	Business Admin.	Member of the Board	CEO of Corio N.V. France and Assistant General Manager of Corio Group in Charge of Development		Group D	Not Independent Member	
Rober Filiba	Male	Independent Member of the Board of Directors	Chemical Engineer	Independent Member of the Board of Directors	General Coordinator of the Foundation of Ulus Jewish High School			Independent Member	Chairman of Corporate Governance Committee / Member of Audit Committee
Selçuk Yener	Male	Independent Member of the Board of Directors- Member of the Board of Auditors	Business Engineer	Independent Member of the Board of Directors- Member of the Board of Auditors	-			Independent Member	Chairman of the Audit Committee / Member of the Corporate Governance Committee
Lütfü Ünver	Male	Independent Member of the Board- Member of Board of Auditors	Architect, MsC	Independent Member of the Board- Member of Board of Auditors	Lecturer at Architecture Faculty of Yıldız Technical University and Co-manager of İltay Mimarlık Dek. İnş. ve Tur. Ltd. Şti.			Independent Member	Member of Corporate Governance Committee / Member of Audit Committee

There isn't any member in the board of directors who has managerial duty.

A non-executive director is a person who doesn't have any administrative duty in the Company other than membership in the board of directors or who doesn't have a unit reporting to him/her, which carries out an executive activity, and who doesn't interfere with daily work flow and ordinary operations of the Company.

There isn't any restriction regarding undertaking of duties by the members of the Board of Directors outside the Company. Duties of the members of the board of directors outside the Company are informed to investors in the Company General Information Form, which is published on the KAP, and on the corporate Internet site of the Company.

Among the non-executive members of the Board of Directors are independent members who have the qualification to fulfill their duties without being influenced.

The Members of the Board of Directors were elected at the annual general meeting held on 28.05.2012 for an office term of 3 years.

ERHAN ÖNER, a member of the Board of Directors, resigned on 30.11.2014 and MURAT GİĞİN was elected in his place on 01.12.2014.

Office term of the independent members of the board of directors is maximum three years and they may be nominated and elected again.

Independent members of the Board of Directors have submitted their declaration to the effect that they are independent to the Company in writing. No situation which put an end to independency of the independent members occurred in 2014.

There is one female member in the Board of Directors of the Company. The Company doesn't have a written target or policy to increase the number of female members.

Administration and representation and binding of the Company against third persons rest on the board of directors formed by persons who have the qualifications set out in the Turkish Commercial Code and the capital market legislation, who are elected by the general meeting in accordance with the provisions of the Turkish Commercial Code and the Capital Market legislation for an office term of 3 (three) years at most. The Board of Directors elects one chairman and one vice chairman to replace the chairman in his absence among its members at the first meeting of them.

The Board of Directors of the Company is formed by 10 (ten) members elected by the general meeting among the nominees 4 of whom are nominated by majority of holders of Group (A) registered shares, 3 by majority of holders of Group (B) registered shares, 2 by majority of holders of Group (C) registered shares and 1 by majority of holders of Group (D) bearer shares offered to public, who are present at the general meeting.

In the event that the holders of the group (D) bearer shares offered to public, who are present at the general meeting, do not nominate a nominee and/or cannot nominate a nominee by majority, the Board of Directors is formed by 9 (nine) members elected by the General Meeting among the nominees 4 of whom are nominated by majority of the holders of Group (A) registered shares, 3 by majority of the holders of Group (B) registered shares

and 2 by majority of the holders of Group (C) registered shares, who are present at the general meeting.

Independent members of the board of directors are elected in adequate number, which may not be less than 2, by the general meeting in accordance with the corporate governance principles concerning the independency of members of board of directors as set out in the Corporate Governance Communiqué of the Capital Market Board.

Curriculum Vitae of the Members of the Board of Directors and the General Manager

Raif Ali DİNÇKÖK

Chairman of the Board of Directors

Raif Ali Dinçkök was born in İstanbul in 1971. After he graduated from the Business Administration Department of Boston University in 1993, he started his career at Akkök Group of Companies. He worked at the Purchasing Department of Ak-AI Tekstil San. A.Ş. during 1994-2000 and worked as coordinator at Akenerji during 2000-2003. Being a member of the Board of Directors and the Executive Committee of Akkök Holding A.Ş., Raif Ali Dinçkök is at the same time a member of the boards of directors of the Companies of Akkök Group.

Raif Ali Dinçkök has been acting as Member of the Board of Directors and the Executive Committee of Akkök Holding A.Ş. Offices of Raif Ali Dinçkök at various Akkök Group Companies as Chairman and Member of the Board of Directors are continuing. He took offices at various Akkök Group Companies as member of the Board of Directors in previous periods.

Feyyaz BERKER

Vice Chairman of the Board of Directors

Feyyaz Berker, born on October 7, 1925, Civil Engineer, MSc, studied at Robert College and Michigan University. Currently acting as the Chairman of the Board of Directors of Tekfen Holding A.Ş., Mr. Berker is the founder and Honorary President of the Turkish Industry & Business Association (TÜSİAD). Actively carrying out duties at various foundations such as TAPV, HEV, TEMA, TEGV, TTGV, Mr. Berker has received Honorary Title of Doctor from the Bosphorus University. Mr. Berker is married with two children and two grandchildren.

Davit BRAUNŞTAYN

Member of the Board of Directors

Born in İstanbul in 1964, Davit Braunştayn graduated from the Industrial Engineering Department of the Bosphorus University and received MBA degree in finance from Columbia University. Started his career as analyst at the Investment Banking department of Lazard Frenes&Co. in the United States, Mr. Braunştayn then transferred to Lignadekor Üretim ve Pazarlama A.Ş. where he is currently the general manager. Mr. Braunştayn speaks English, French and German.

Erhan ÖNER
Member of the Board of Directors

Born in İzmir in 1946, Erhan Öner received bachelor's degree from the Middle East Technical University and from the Mechanical Department of Miami University and post-graduation degrees in Pipeline Engineering from Texas University, in business administration from Cornell University and in finance and business administration from Urwick and Ashridge Colleges. He joined Tekfen Group as project engineer in 1969, worked there in various positions and was appointed as the general manager of Toros Gübre ve Kimya Endüstrisi A.Ş. in 1980. Afterward, he acted as the chairman, vice chairman, delegate member and member of the board of directors of Tekfen Group. Appointed as the CEO OF Tekfen Holding A.Ş. Group of Companies in 2000, Mr. Öner is a member of TÜSİAD and married with two children. Mr. Öner speaks English.

Murat GİĞİN
Member of the Board of Directors

Murat Gigin was born in İstanbul in 1952. He completed his undergraduate study in the Construction and Building Engineering Department of University of Bradford in 1974 and post-graduation study in the Department of Mechanical Engineering of University of London in 1975. He was conferred the diploma of Ocean Engineer by University College London in 1976.

Gigin started his career at Tekfen İnşaat as civil engineer at the construction sites in Kuwait in 1977, returned to the headquarters in İstanbul in 1983, and after worked in the Business Development department until 1986 and as coordinator at various international projects, he was appointed as Assistant General Manager of Tekfen İnşaat in 1986. Gigin, who acted as General Manager of Tekfen İnşaat during 1988-1998, took office as member of the Board of Directors at the companies of Tekfen Contracting Group until 2000. Murat Gigin is currently a member of the Boards of Directors of Tekfen Holding A.Ş. and Tekfen-ÖZ Gayrimenkul Geliştirme A.Ş.

Acting as Chairman and Delegate Member of the Boards of Directors of Group Companies at the Group Companies of Viem Ticari ve Sanayi Yatırımları Ltd. Şti. and as Chairman and Delegate Member of the Boards of Directors of Tekzen Ticaret ve Yatırım A.Ş., Agromak Makine İmalat Sanayi ve Ticaret A.Ş., Maxlines Maksimum Lojistik Hizmetleri A.Ş., Viem İletişim Yayıncılık Reklam Turizm Hizmetleri Yatırım Ticaret A.Ş., Ekozey Ekolojik ve Organik Tarım Gıda Hayvancılık ve Turizm Taşımacılık İthalat İhracat İnşaat Sanayi Ticaret A.Ş., İmbroz Tarım Hayvancılık Gıda Sanayi Turizm ve Ticaret Ltd. Şti., Galipoli Gıda Ürünleri Sanayi ve Ticaret Ltd. Şti., ENAT Endüstriyel Ağaç Tarımı Sanayi ve Ticaret A.Ş., Temari Gıda Sanayi ve Ticaret A.Ş.), Gigin is at the same time Vice Chairman of the Board of Directors of ANG Yatırım Holding.

Gigin, who took office at various non-governmental organization in the past, acted as Chairman of the International Pipeline and Offshore Contractors Association (IPLOCA) during 1995-1996, and is currently a member of the Board of Trustees of TEMA Foundation.

Alize DİNÇKÖK EYÜBOĞLU
Member of the Board of Directors

Born 1983, İstanbul, Alize Dinçkök Eyüboğlu graduated from the Business Administration Department of Sawyer School of Management of Suffolk University in 2005. She started her career at Ak-Al Tekstil Sanayi A.Ş. as the Strategic Planning Specialist in 2005. In 2006, she joined the newly established Akiş Gayrimenkul Yatırım A.Ş. and worked there as the Project Coordinator, the Sales and Marketing Manager and the Assistant General Manager in charge of Sales and Marketing, respectively. Alize Dinçkök Eyüboğlu currently has seats at boards of directors of Akkök Group of Companies.

Mehmet Ali BERKMAN
Member of the Board of Directors

Mehmet Ali Berkman was born in Malatya in 1943. After he graduated from the Industrial Management program of the Business Administration department of the Middle East Technical University, he received MBA degree in the Operational Research from Syracuse University in the United States. He retired from Koç Group, where he joined in 1972, in 2004. He undertook membership of the Board of Directors and chairmanship of the Executive Committee at Akkök Holding A.Ş. in September 2005. He also carried out duties of membership and chairmanship in the boards of directors of the Group Companies. Mehmet Ali Berkman, who handed over the Chairmanship of the Executive Committee of Akkök in January 1, 2013, continues his duty as Advisor to the Executive Committee of Akkök. Duties of Berkman as Chairman and Member of the Boards of Directors at the Group Companies are continuing.

Mehmet Ali Berkman is acting as Member of the Board of Directors and Advisor to the Executive Committee of Akkök Holding A.Ş. Duties of Berkman as Chairman and Member of the Board of Directors at various Group Companies are continuing. He acted as member of the Boards of Directors of various Akkök Group Companies in previous periods.

Frederic Yves Marcel Marie FONTAINE
Member of the Board of Directors

Mr. Fontaine was born in Tours, France in 1958. After he graduated from Nantes University of Commerce in 1981, he started his career at France Construction in 1983. Then he worked at Copra, Trema and Hammerson, respectively. He has been continuing his career as general manager in Corio France and member of the board of directors and CDO of Corio N.V. since May 2003. Mr. Fontain is married with two children.

Lütfün ÜNVER
Independent Member of the Board of Directors

Born in Kayseri in 1953, Lütfü Ünver was graduated from the Faculty of Architecture of İstanbul Technical University and then completed his post-graduation study in İstanbul Technical University. Starting his career at Ayyıldız Engineering and Consultancy, Mr. Ünver then worked at Cemtay Construction Co. and İltay Architecture Co., respectively. He is currently working as a lecturer at Yıldız Technical University.

Selçuk YENER
Independent Member of the Board of Directors

Born in Kütahya in 1960, Mr. Yener graduated from the Business Engineering Department of İstanbul Technical University. He gained broad experience at various industries in Turkey and worked as top executive in various companies like Mis Süt, Karaca Giyim and İstanbul Cerrahi Hastanesi.

Rober FILIBA
Independent Member of the Board of Directors

Born in 1951, Rober Filiba completed his high school education at Robert College and university education at the Chemical Engineering Department of Bosphorus University. He achieved Master's degree at Massachusetts Institute of Technology.

In later years he worked as Technical Marketing Engineer at İnterkem Koll. Şti., as Process Engineer at Vaniköy Starch and Glucose Factory and as Vice Chairman of the Board of Directors at Plastikap A.Ş. Mr. Filiba is currently acting as the General Coordination of the Foundation of Ulus Jewish High School.

Married with two children, Mr. Filiba speaks English, French and German.

Murat KAYMAN
General Manager

Born in Germany in 1974, Murat Kayman achieved MBA degree from Zichlin School of Business of New York Baruch College. He worked at STFA, Ekinciler Holding, Federation of International Trade Association, Blade Fencing Inc., ECE Germany, ECE Turkey, AVM MFI Partners and Akbatı Shopping Mall owned by Akiş GYO A.Ş.

Married with two children, Mr. Kayman speaks English and German.

5.2 Working Principles of the Board of Directors

5.2.1 The Board of Directors has been carrying on its duties in a transparent, accountable, fair and responsible manner.

5.2.2 The Board of Directors has segregated the duties by electing one Chairman and one Vice Chairman among its members.

5.2.3 The Board of Directors establishes the internal control systems to include the risk management and information systems and processes which can minimize the impacts of the risks which may affect the stakeholders of the Company, primarily the shareholders, by taking into account the views of the relevant committees of the board of directors.

5.2.4 The Board of Directors reviews the efficiency of the risk management and internal control systems at least once a year.

5.2.5 Although it is not set out in the articles of association, the powers of the chairman of the board of directors and the general manager have been segregated. The General

Manager and the Chairman of the Board of Directors of the Company are different persons, and their duties and powers have been defined with the organization chart.

5.2.6 The board of directors plays a role in the maintenance of efficient communication between the Company and the shareholders and in the solution of any disputes between them. To this end, it is in communication continuously with the Corporate Governance Committee and the Investor Relations Unit.

5.2.7 Any potential losses which the members of the board of directors may cause to the company due to their faults in the course of performance of their duties have not been directly insured by the Company. However, liability insurance for any potential losses which the members of the board of directors due to their faults in the course of performance of their duties to the company has been taken out by Akkök Holding A.Ş. to cover the concerned managers of the Company as well.

5.2.8 The Board of Directors meets at such frequently as it can fulfill its duties efficiently in compliance with the working principles of the Board of Directors. In 2014, total 33 resolutions were taken by the Board of Directors, and 13 of these resolutions were taken by holding meeting and the others in accordance with the provision of paragraph 4 of article 390 of the Turkish Commercial Code. All of the resolutions of the board of directors in 2014 were taken by unanimous votes of the members who attended the meeting.

5.2.9 The chairman of the board of directors determines the agenda of the meetings of the board of directors in consultation with the other members of the board and the general manager and notifies it to the members before the meeting. Pursuant to article 13 of the Articles of Association of the company, notice for the meetings of the board of directors is sent in writing by courier or facsimile at latest two weeks before the date of the meeting. Place of meeting is the head office of the company. However, the board of directors may meet at another place as well on condition that it takes a resolution to this effect and makes notification in writing by courier or facsimile to the members to be received by them at latest one week before. The members give care to attend each meeting after having examined the information and documents relevant with the issues in the agenda and made their preparations and to express an opinion.

5.2.10 Information and documents relevant with the issues in the agenda of the meeting of the board of directors are made available to the examination of the members of the board of directors within an adequate time before the meeting by ensuring equal information flow.

5.2.11 Any member of the board of directors can give a proposal to the chairman for making of a change to the agenda. Views of a member who will not be able to attend the meeting but has notified them in writing to the Board of Directors are informed to the other members.

5.2.12 Each member of the board of directors has one vote.

5.2.13 Issues in the agenda of the meetings of the board of directors are discussed openly and in all aspects. The chairman of the board of directors exerts the best effort to ensure active attendance of all members to the meetings of the board of directors. The members of the board of directors have their reasonable and detailed reasons for their counter vote on the issues they dissented in the meetings recorded in the minutes of the resolution.

None of the members of the board of directors used dissident vote against any resolution taken at the meetings of the board of directors held in 2014. Weighed voting right and/or negative vetoing right has not been granted to any members of the board of directors.

5.2.14 Member of the board of directors spares adequate time for the business of the company. If a member of the board of directors becomes a manager or a member of the board of directors of another company, this does not lead to conflict of interest and does not interfere with the duty of the member at the company. For this reason, undertaking of other duty or duties by members of the board of directors outside the company has not been bound with certain rules or restricted.

5.3. Number, Structure and Independency of the Committees Formed within the Body of the Board of Directors

5.3.1 By reviewing the structure and activities of the existing committees in accordance with the provisions of the Corporate Governance Communiqué of the Capital Market Board, the board of directors has formed the Committee in charge of Audit and the Corporate Governance Committee. The duties and responsibilities of the Nomination Committee, the Early Detection of Risk Committee and the Compensation Committee provided in the Corporate Governance Communiqué are carried out by the Corporate Governance Committee.

Committee in charge of Audit

Name and Last Name	Title
Selçuk YENER	Chairman
Lütfü ÜNVER	Member
Rober FİLİBA	Member

Corporate Governance Committee

Name and Last Name	Title
Rober FİLİBA	Chairman
Selçuk YENER	Member
Lütfü ÜNVER	Member
Zeynep GÜNDOĞDU	Member

5.3.2 Duty areas, working principles and members of the committees have been determined by the board of directors and announced to the public on the Public Disclosure Platform and the corporate Internet site of the Company.

5.3.3 All of the members of the Committee in charge of Audit formed within the body of the Board of Directors consist of the independent members of the board of directors. Chairman and two members of the Corporate Governance Committee are independent members of the board of directors. Other member of the Corporate Governance Committee, Zeynep Yıldırım Gündoğdu, has been included for the reason that she is the manager of the Investor Relations Department, who has the Capital Market Board licenses pursuant to the provision of second paragraph of article 11 of the Corporate Governance Communiqué.

5.3.4 The General Manager does not undertake duty in any committee.

5.3.5 Care is given that a member of the board of directors does not undertake duty in more than one committee. However, taking into account the knowledge and experience of the independent members, the members who carry out duty in a committee undertake duty in other committees.

5.3.6 Every kind of resource and support required for carrying out of duties of the committees is provided by the board of directors. The committees can invite any manager who they deem is necessary to their meetings and receive their opinions.

5.3.7 The committees use opinions of independent specialists in areas they deem necessary regarding their activities. The cost of any consultancy services needed by the committees is paid by the company. In this case, however, the information about the person/firm from whom/which the service is received and the information about whether that person/firm has any relationship with the company is given in the activity report. No such service was purchased in 2014.

5.3.8 The committees document and keep a record of all the works they carried out. The committees meet with the frequency as deemed necessary for efficiency of the works and as set in the working principles. They submit the reports containing the information about their works and the outcomes of their meetings to the board of directors.

5.3.9 The committee in charge of audit supervises the accounting system of the company, the disclosure of the financial data to the public, the independent audit, and the operation and efficiency of the internal control and internal audit systems of the company. Selection of the independent audit firm, preparation of independent audit contracts and commencement of the independent audit process, and works of the independent audit firm at every stage, are carried out under the supervision of the committee in charge of audit.

The independent audit firm from which the company will purchase service and the services to be purchased from it are determined by the committee in charge of audit and submitted to the approval of the board of directors.

Examination and conclusion of complaints received by the Company in connection with the accounting and internal control system and the independent audit of the Company, and the methods and criteria to be applied regarding evaluation of the reports of the Company in connection with accounting and independent audit issues are determined by the committee in charge of audit.

The committee in charge of audit reports in writing its evaluations regarding compliance of the annual and interim financial statements to be disclosed to the public with the accounting principles adopted by the Company and their accuracy by obtaining opinions of the responsible managers of the Company and the independent auditors, along with its own evaluations, to the Board of Directors.

The committee in charge of audit met 5 (five) times in 2014 and wrote the outcomes of the meetings into the minutes and submitted the decisions taken to the general meeting. 5 (five) reports were submitted by the committee in charge of audit to the board of directors during the account period 2014. The committee in charge of audit reports in writing its

findings involving its duty and responsibility area and its evaluations on the subject matter to the board of directors immediately.

5.3.10 The Corporate Governance Committee determines whether the corporate governance principles are complied with by the company or not and, if not complied with, the reasons thereof and any conflict of interest arising from failure to comply with these principles in full and makes recommendations for improvement of the corporate governance practices to the board of directors and supervises the works of the investor relations department.

5.3.11 The corporate governance committee also fulfills the duties and responsibilities of the Nomination Committee, the Early Detection of Risk Committee, and the Compensation Committee, which are provided in the Corporate Governance Communiqué.

5.4 Risk Management and Internal Control Mechanism

5.4.1 The Board of Directors reviews the efficiency of the risk management and internal control systems at least once a year.

The risk inventory of the company is one of the most important tracking tools used by Akmerkez GYO in the risk management works. The risk inventory covers operational, financial, reputational and strategic risks of the Company, and the risks whose risk score is at high and very high level are monitored at the level of the Board of Directors, and detailed action plans are developed and a risk owner is assigned for each risk. The risk owner is responsible for management of the respective risk in accordance with the agreed action plan. Hence, the risk management philosophy has become a constant item of the routine business agenda of the executives of Akmerkez GYO. This philosophy, which is updated in line with the sectorial and corporate developments, has become an integral part of the practices of the Company.

5.5 Strategic Targets of the Company

5.5.1 The Board of Directors administers and represents the Company by keeping the risk, growth and income balance at the optimum level through strategic decisions and by overseeing primarily the long term interests of the Company through rational and cautious risk management understanding.

5.5.2 The Board of Directors defines the strategic targets of the Company, determines the manpower and financial resources needed by the Company, and supervises the performance of the management.

5.5.3 The board of directors reviews the degree of achievement of the targets, the activities and the past performance of the company. In this connection, the Board of Directors has concluded that the Company achieved the operational and financial performance targets in 2014.

5.6 Financial Rights

5.6.1 The board of directors is responsible for achievement of the established targets by the company. Evaluation regarding whether the company has achieved the operational

and financial performance targets, which were disclosed to the public, and, if not achieved, the reasons thereof, are elucidated in the annual report. The board of directors makes self-criticism and performance evaluation on the bases of board and member and managers who have administrative responsibility and rewards or removes the members of the board of directors and the managers who have administrative responsibility in the light of such evaluations.

5.6.2 Principles of compensation of the members of the board of directors and the top level executives have been documented and submitted to the information of the shareholders under a separate item and the shareholders were given the opportunity to express their opinions in this regard in the annual general meeting held in 2012. The wages policy prepared to this end is posted on the corporate Internet site of the Company under the heading of General Meeting Information Document 2011.

5.6.3 Dividend, share options or payment plans based on the performance of the company are not used in the remuneration of the independent members of the board of directors. Care is given that the remunerations to the independent members of the board of directors are determined at such level which would preserve their independency, and the remunerations are determined by the general meeting.

5.6.4 The Company does not lend money or make available loan to or give guarantees, such as surety, in favor of any member of the Board of Directors or any top level executive.

5.6.5 Benefits were provided in the amount of gross TL 637,311.40 to the members of the Board of Directors and in the amount of gross TL 339,088.00 to the top level executives. The remunerations, salaries and all other benefits paid to the members of the Board of Directors and the top level executives are collectively disclosed to the public through the footnotes to the financial statements contained in the annual report. Our disclosures are not on the individual basis, but rather cover the Board of Directors and the top level executives.