

## **Corporate Governance Principles Compliance Report**

Pursuant to the article 39 of the Communiqué Serial III, No. 48.1 of the Capital Market Board Concerning the Principles Applicable to Real Estate Investment Companies, the information policy of Akmerkez Gayrimenkul Yatırım Ortaklığı Anonim Şirketi has been established as follows:

Information other than the information specified in the Communiqué on the Principles Applicable to Real Property Investment Companies, the Communiqué on the Principles Applicable to Disclosure of Special Situations to Public and the other relevant regulations is disclosed to the public in accordance with this information policy:

a. As subject to the rules and limitations set out in the aforesaid regulations, Akmerkez may take out ads and notices, hold press conferences, conduct public meetings, participate in fairs and similar events regarding its existing portfolio or new projects at hand and sales, leases and similar marketing activities related thereto.

b. Up-to-datedness of the technological infrastructure built in order to communicate the information of Akmerkez to the public and to inform the shareholders and the investors on every subject about the Company is ensured and the information is communicated through the following distribution channels:

Annual report: Annual report of Akmerkez is issued in Turkish and English and submitted to the investors fifteen days before the General Meeting and transmitted via electronic medium upon request.

Corporate web site: The portfolio value statement, the financial statements by periods, the stock performance, the annual report, the articles of association, the special situation disclosures and the documents related with the General Meeting of the Company are published in the web site of the Company.

Relations with the press: In order to inform the media about the current and future investment projects of the Company, the Company will hold press conferences. Dates of the press conferences will be notified to the concerned persons ten days before the conference. Press releases related with the conferences held will be distributed and interview requests will be evaluated.

Informing of the investors and specialists: How to respond to the questions and comment requests of shareholders, stakeholders, investors and financial analysts about Akmerkez is described in the third item below.

c. Questions asked and/or information and comments requested by the press, shareholders, stakeholders, investors, financial analysts and specialists about Akmerkez will be transmitted to the Company via the corporate web site, telephone and fax and the questions will be answered by the advisors of the board of directors, the General Manager, the finance manager, the company lawyers and the shareholder relations unit depending on the subject of such questions, within seven business days.

## AKMERKEZ GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

### 1. 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.

### SECTION I - SHAREHOLDERS

#### 2. Shareholder Relations Unit

All shareholders, including the minority and foreign shareholders, are treated equally.

Alongside the organs of the Company, the “Shareholder Relations Unit” which has been established as a requirement of the law reports directly to the General Manager. The Unit plays an active role in facilitating of the protection and use of the shareholding rights, mainly the right to be informed and the right to inspect.

Within this scope, questions forwarded to the unit are answered both by phone and in writing after they were discussed with the person having the highest authority on the respective subject matter, except for the information considered as confidential and trade secret.

4 written applications were made to and all applications were replied by the Shareholder Relations Unit within 7 days during 2013.

Employees of the Company who are in charge of the Shareholder Relations are:

Murat Kayman  
General Manager  
0 212 282 01 70 / 235  
[murat@akmerkez.com.tr](mailto:murat@akmerkez.com.tr)

Zeynep Yıldırım Gündoğdu  
Finance Manager  
0 212 282 01 70 / 228  
[zeynep@akmerkez.com.tr](mailto:zeynep@akmerkez.com.tr)

Unit:

Fax: 0 212 282 01 65

e-mail: [gyo@akmerkez.com.tr](mailto:gyo@akmerkez.com.tr)



Latest information and remarks which may affect the use of shareholding rights are published on the web site for use by the shareholders. In this context, 28 public disclosures were made in 2013.

### **3. Use of the Right to be Informed by the Shareholders**

Each shareholder has the right to have access to and examine any information, except for trade secrets, in accordance with the regulations in effect. The right to be informed and the right to inspect have not been revoked or limited by the articles of association or a resolution of one of the organs of the Company.

Although there isn't a provision in the articles of association to the effect that each shareholder is entitled to personally demand from the general meeting to make a special audit for investigation of particular incidents even if it is not included in the agenda, no application was made to the general meeting in this regard.

No application was made for appointment of a special auditor over the period.

The management of the Company refrains from taking any action which makes it difficult to make a special audit.

### **4. General Meetings of Shareholders**

One annual general meeting was held in 2013 and no media member attended the general meeting. The shareholders didn't use their right to ask question and didn't propose any issue to be discussed at the general meeting. Attendance at the general meeting was over 90%.

Besides the methods provided in the legislation, notice for the general meeting is made via the web site [www.akmgyc.com](http://www.akmgyc.com) and "KAP", the Platform for Public Disclosure, so as to ensure notification of the meeting to as many shareholders as possible, at latest three weeks before the meeting and is published in the Turkish Trade Register Gazette and two daily newspapers circulating across Turkey.

On the Internet site of the Company, besides the notice for the general meeting and other notices and disclosures of the Company which must be made pursuant to the law, the general meeting information section, which is prepared so as to include the matters specified in the article 1.3.2 of the Communiqué of the Capital Market Board Concerning the Establishment and Application of Corporate Governance Principles, was published.

On the agenda of the general meeting, each proposal is stated under a separate heading and clearly.

If there is an issue on the agenda of the general meeting which has been forwarded by the shareholders to the Shareholder Relations Unit of the Company in writing for inclusion on the agenda, it is evaluated by the Board of Directors. If the Board of Directors does not accept the agenda recommendations of the shareholders, unaccepted recommendations and reasons for rejection are announced at the general meeting.

Annual general meetings of shareholders are held in İstanbul with the aim of increasing the attendance of the shareholders in a manner that will not lead to inequality between the shareholders and that will ensure attendance of the shareholders at the meeting with minimum cost, in accordance with the relevant article contained in the articles of association.

Questions asked by the attendants at the general meeting, which are not considered as trade secret, are answered by the Board of Directors and top executives.

At the annual general meeting 2013, necessary permissions were granted to the shareholders who held majority in the management, the members of the board of directors, the top executives and their blood and in-law relatives up to second kind to execute any transaction which may lead to conflict of interest with the Company or its affiliates, to compete with the Company or its affiliates, to engage in any business which is included in the subject of the Company personally or through others and to become partners of any companies which are engaged in such business and to carry out other transactions pursuant to the Corporate Governance Principles of the Capital Market Board and also necessary permissions were given to the members of the Board of Directors as per the articles 395 and 396 of the Turkish Commercial Code, and no problem was experienced in respect of the approval given over that period.

No privilege was granted to any person or entity regarding access to the proprietary information of the Company.

The members of the board of directors who are concerned with any special issues on the agenda, any other related persons, the executives and auditors who were in charge of preparation of the financial statements attend the annual general meeting to provide the required information and to answer the questions.

Donations made by the Company during the year are informed to the shareholders as a separate issue on the agenda at the annual general meetings and in the annual report.

General meetings are held open to public, including the beneficiaries and media members, without right of speech, though it has not been provided in the articles of association.

In 2013, no transaction was executed in relation with any matter regarding any transactions of important nature in terms of application of the Corporate Governance Principles.

## **5. Voting Rights and Minority Rights**

The Company refrains from any action which may make it difficult to use the voting right. Including the cross-border, each shareholder is given the opportunity to use the voting right in an easiest and appropriate manner.

There isn't any privilege for the voting right.

There isn't a company with which the Company has a mutual subsidiary relationship.

Maximum care is given to using of minority rights.

Regarding the minority rights, compliance with the relevant legislation is assured.



## **6. Right to Profit Share**

Profit share distribution policy of the Company is available on the Internet site of the Company.

Profit distribution policy of the Company contains the minimum information with such clarity that will enable investors to foresee the procedures and principles to be applied to the distribution of the profits earned by the Company in the future periods.

The resolution taken by the Board of Directors regarding distribution of the profits in 2013 in accordance with the articles of association of the Company will be submitted to the approval of the general meeting.

In the distribution of the profits, a balanced policy is pursued between the interests of the shareholders and the interests of the Company. There isn't any privilege for distribution of the profit share.

## **7. Transfer of Shares**

All groups A, B and C shares in the stock of the Company are nominative shares and all group D shares bearer shares. All shares are listed in the İstanbul Stock Exchange. There is a restrictive provision in the Articles of Association regarding the transfer of the groups A, B and C shares.

## **SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY**

### **8. Information Policy**

Information policy of the Company addresses such issues, apart from the ones specified in the legislation, as which information will be disclosed to public, in what manner, in which frequency and by which ways such information will be disclosed to public, in which frequency the board of directors or executives will make interviews with the press, in which frequency meetings will be held to inform the public, and which method will be used for answering of the questions asked to the Company, and similar issues.

Information of the Company required to be disclosed to public is made available to the public accurately and in complete in a manner that can be understood, interpreted and easily accessible with low cost and on a timely manner, in a manner that will assist those individuals and entities who and which will make use of such disclosures to take a decision, via the "Public Disclosure Platform" ( [www.kap.gov.tr](http://www.kap.gov.tr) ) and on the Internet site of the Company. In addition, the "e-YÖNET: Corporate Governance and Investor Relations Portal" of the Central Registry Agency will be used for keeping of the shareholders of the Company informed directly and efficiently.

Information about the future, assumptions and data on which such assumptions are based are disclosed as well and care is given to ensure that they do not contain any baseless, exaggerated forecast and are not misleading. Furthermore, care is given to ensure that assumptions are consistent with the financial standing and operational results of the Company.

If any forecast and basis contained in the information about the future disclosed to the public has not come true or is understood to be wrong, the information is updated.

The Company's information policy is available in the "investor relations" section on the web site at [www.akmgyo.com](http://www.akmgyo.com).

The employee who is in charge of the implementation of the information policy of the Company is:

Zeynep Yıldırım Gündođdu  
Finance Manager  
0 212 282 01 70 / 228

[zeynepg@akmerkez.com.tr](mailto:zeynepg@akmerkez.com.tr)

## **9. Company's Internet Site and Its Content**

For public disclosures, the web site of the Company at [www.akmgyo.com](http://www.akmgyo.com) is used actively. The letterhead of the Company states the address of the Internet site of the Company.

The Internet site of the Company is issued in accordance with the article 2.2.2 of the Communiqué of the Capital Market Board Concerning the Establishment and Application of the Corporate Governance Principles. In addition, those stakeholders who want to get more information about the Company can reach the representatives of the Company via the electronic mail address, [gyo@akmerkez.com.tr](mailto:gyo@akmerkez.com.tr), of the Company.

The shareholding structure of the Company and the names of shareholders and the quantity and rate of shares held by them are disclosed to public on the Internet site of the Company.

International investors wanting to have more information about the Company can reach the representatives of the Company via the electronic mail address, [gyo@akmerkez.com.tr](mailto:gyo@akmerkez.com.tr), of the Company.

The annual reports and the independent audit reports are published in English, too, on the Internet site of the Company, and preparations for publication of other information in English are in progress.

## **10. Annual Report**

The board of directors of the Company has prepared the annual report in such detail that will enable the public to have access to full and accurate information about the activities of the Company, in accordance with the Turkish Commercial Code and the regulations of the Capital Market Board. The annual report contains information in the headings related with the Corporate Governance Principles.

## **SECTION III - STAKEHOLDERS**

### **11. Keeping the Stakeholders Informed**

Stakeholders of the Company are such persons, entities or interest groups as employees, creditors, clients, suppliers, various non-governmental organizations, etc., who and which have an interest in achievement of the targets, or in the operations, of the Company. In cases when the rights of the stakeholders are not protected by the legislation and mutual agreements, interests of the



stakeholders are protected in accordance with the rules of goodwill, to the extent that the capabilities of the Company allow. Within this scope, ethical values of the Company have been established and published on the Internet site.

In the event of breach of the rights of the stakeholders which are protected by laws and agreements, an efficient and fast means of remedy is provided. The Company provides the facility necessary for resorting to mechanisms such as compensation which are made available to stakeholders by laws. There isn't a special compensation policy applicable to the employees of the Company and compensation rights of the employees are observed under the relevant regulations.

The Company policy regarding the protection of the rights of the stakeholders is announced to the public via the Internet site of the Company.

Stakeholders can notify any transaction of the Company which is contrary to the statutory regulations or the ethical rules to the Corporate Governance Committee or the Audit Committee of the Company.

In the event that conflict of interest occurs between stakeholders or that one stakeholder takes part in more than one interest group, a policy as much balanced as possible is pursued in order to protect the rights of the stakeholders and to protect each right independently of other rights.

## **12. Participation of Stakeholders in the Management**

Although the articles of association does not specify any model which supports participation of stakeholders, mainly the employees, in the management of the Company, works on the development of a model of participation which will not impede the operations of the Company are continuing.

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

The Company takes into account the views and recommendations given by other stakeholders as well.

## **13. Human Resources Policy of the Company**

The Company carries on a management system which gives value to human beings and encourages the creativity, the communication and the participation of the employees. The Company knows that creation of an open, intimate and uninterrupted communication line between the management and the employees is very important for the motivation and productivity of the employees.

The management of the Company endeavors to actualize such Human Resources practices in which internationally recognized models and integrated systems are used. The Company targets the use of modern and integrated systems in all human resources processes from recruitment to performance management system, to personal development, to determination of salaries, to termination of employment contracts, etc.

In the recruitment and appointment process, the human resources policy of the Company seeks attraction of candidates who have such knowledge, skills, experience and competencies required by a job/position and who fit to the culture and values of the Company, so that the strategies and targets of the Company can be fulfilled. Modern assessment systems which support taking of the

most objective decisions in the recruitment and appointment processes are used with the principle of selecting the correct employee for the correct job.

In pursuance of its continuous learning, development and business results achievement approach, the Company targets to implement development programs relevant with the targets of the Company and the knowledge, skills, experience and competencies of the employees on the one hand to set aside funds for programs supporting the development of the employees in social and cultural areas. In the development plans, training and development solutions in congruent with the current circumstances are offered by taking into account the needs of the Company and the employees.

The Performance Management System is a structure aiming at owning of the corporate targets by the individuals and strengthening of the common corporate culture. By means of the transparency afforded by the system, the employees can clearly see their individual contributions and the impact of their contributions on the corporate dimension. Outcomes of the Performance Management System are used in the development planning, talent management, career and alternate planning, salary determination and rewarding processes of the Human Resources, so that a structure under which all these processes are supported by and integrated with each other is created. Incentives aiming at strengthening the high performance culture of the Company are established in order to support orientation of the employees to the same purpose. In this way, competencies that will carry the Company forward and serve to the reputation and sustainability of the Company are strengthened and implemented by means of the same system.

The Company uses a Job Assessment and Salary model the validity and reliability of which has been proven across the world. It is an objective, transparent salary and benefits determination model reflecting the realities of the national and international business world, based on the principle of equality and fairness, predicating the salary on the job performed.

Job descriptions of the employees and distribution of the jobs by the employees as well as the performance and rewarding criteria are communicated to the employees.

No complaint was received from the employees on the matter of discrimination in 2013.

The representative employee who is in charge of the relations with the employees is:

Zeynep Yıldırım Gündoğdu  
Finance Manager

0 212 282 01 70 / 228

[zeynepg@akmerkez.com.tr](mailto:zeynepg@akmerkez.com.tr)

#### **14. Ethical Rules and Social Responsibility**

Activities of the Company are carried out in accordance with the ethical rules announced to public on the Internet site of the Company.

Maximum care is given to finding, developing, adapting and applying innovative and environmental friendly technologies in accordance with the environment policy and quality policy of the Company.



## SECTION IV - BOARD OF DIRECTORS

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

The board of directors administers and represents the Company with strategic resolutions taken by it by protecting the long term interests of the Company in the first instance and by maintaining the risk, growth and yield balance of the Company at the optimum level by pursuing a rational and cautious risk management policy.

The board of directors establishes the strategic targets of the Company, identifies the human and finance resources needed by the Company and oversees the performance of the management.

The board of directors oversees the compliance of the activities of the Company with the articles of association, the internal regulations and the established policies.

The board of directors is formed by 10 members in total, 3 of whom are independent members.

Name and Last Name	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	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	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	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	6.32	Group C	Not Independent Member	
Erhan Öner	Member of the Board	Engineer	Member of the Board	Chairman and Member of Bords of Directors of other companies in which he owns shares	0.2	Group B	Not Independent Member	
Alize Dinçkök Eyüboğlu	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	Member of the Board	Manager	Member of the Board	Advisor of Akkök Executive Committee		Group A	Not Independent Member	
Frederic Yves Fontaine	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 Lecturer at		Group D	Not Independent Member	
Lütü Ünver	Independent Member of the Board-Member of Board of Auditors	Architect, MsC	Independent Member of the Board-Member of Board of Auditors	Architecture Faculty of YTU and Co-manager of İltay Mimarlık Dekorasyon			Independent Member	Member of Corporate Governance Committee / Member of Audit Committee
Rober Filiba	Independent Member of the Board of Directors-Member of the Board of Auditors	Engineer	Independent Member of the Board of Directors-Member of the Board of Auditors	General Coordinator of the Foundation of Ulus Jewish High School			Independent Member	Chairman of Corporate Governance Committee / Member of Audit Committee
Selçuk Yener	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

There isn't a member of the board of directors who is in an executive position in the Company. A member of the board of directors who is not in an executive position in the Company is a person who does not hold any administrative office and does not interfere with daily work flow and regular activities of the Company, other than membership in the board of directors.

Among the members of the board of directors who do not hold any executive office, there are independent members who are capable of performing their duties without being under any influence.

Office term of the independent members of the board of directors is maximum three years. Independent members can be re-nominated and re-elected at the end of their office term.

No event took place which affected the independency of the independent members in 2013.

There is one woman member in the board of directors of the Company.

The Company is administered and represented before and committed against third persons by the board of directors formed by members elected by the general meeting for maximum 3 (three) years in accordance with the Turkish Commercial Code and the capital market legislation, who meet the qualifications specified in the Turkish Commercial Code and the capital market legislation, majority of whom are members who do not hold any executive office in the Company. The board of directors elects among its members a chairman and a vice chairman who will act as chairman in his/her absence in its first meeting.

The board of directors is formed by 10 (ten) members, 4 of whom are elected among the candidates nominated by majority of the holders of Group (A) nominative shares, 3 by majority of the holders of Group (B) nominative shares, 2 by majority of the holders of Group (C) shares and 1 by majority of Group (D) bearer shares held by public who are present at the general meeting.

In the event that the holders of Group (D) bearer shares held by public who are present at the general meeting do not nominate and/or elect a candidate by majority of votes, the board of directors is formed by 9 (nine) members elected by the General Meeting, 4 of whom among the candidates nominated by majority of the holders of Group (A) nominative shares, 3 by majority of the holders of Group (B) nominative shares and 2 by majority of the holders of Group (C) nominative shares.

Independent members in sufficient number, which may not be less than 2, are elected by the general meeting to the board of directors pursuant to the principles as to the independency of the members of the board of directors as set forth in the Corporate Governance Principles of the Capital Market Board.

Number and qualifications of the independent members of the board of directors are determined as per the regulations of the Capital Market Board concerning the corporate governance.

### **Declarations of Independency of the Independent Members of the Board of Directors**

I hereby declare that I am independent, in the meaning of the word as defined in the paragraph (g) of the article 4 of the Communiqué Concerning Real Estate Investment Companies, of other shareholders who own shares or have voting right at the rate of 10% in the Company, of those



shareholders of the Company who have preferential right to nominate candidates to the Board of Directors of the Company, of any company from which consultancy services are purchased, of any company providing operating services to the Company, of those persons specified in the paragraphs (a) and (b) of the article 18 of the Communiqué Serial IV, No. 11 of the Capital Market Board on the Principles Applicable to Real Estate Investment Companies, who own a share or have a voting right at the rate of 10% or above in the Company, and of any subsidiary of the Company.

Lütfü ÜNVER

Rober FİLİBA

Selçuk YENER

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

### **Raif Ali DİNÇKÖK**

#### **Chairman of the Board of Directors**

After graduating 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-Al Tekstil San. A.Ş. during 1994-2000 and worked as coordinator at Akenerji during 2000-2003. Raif Ali Dinçkök, the Chairman of the Board of Directors of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş., is also the Chairman of the Boards of Directors of AK-AL Tekstil Sanayii A.Ş., Aktek Bilgi İletişim Teknolojisi Sanayi ve Ticaret A.Ş., AK-PA Tekstil İhracat Pazarlama A.Ş. and Dinkal Sigorta Acenteliği A.Ş. Raif Ali Dinçkök is a member of the Board of Directors and Executive Committee of Akkök Sanayi Yatırım ve Geliştirme A.Ş. and of the Boards of Directors of Akkök Group of Companies.

### **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 was 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.

**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 was graduated from the Industrial Administration 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 with the scholarship awarded by TEV. He joined Koç Group in 1972. He worked as General Manager of Mako, Döktaş, Uniroyal and Arçelik companies of the group. He was appointed as the Head of Strategic Planning of Koç Holding A.Ş. in 2000. Besides this duty, he acted as the Head of Human Resources in 2001. He was retired in early 2004 pursuant to the policy of the group. He has been acting as the member of the Board of Directors and Chairman of the Executive Committee of Akkök Sanayi Yatırım ve Geliştirme A.Ş. since September 2005. Having undertaken the role of Chairman of the Boards of Directors of Aksa Akrilik Kimya Sanayi A.Ş. and Akenerji Elektrik Üretimi A.Ş., Mr. Berkman has been acting as Member and Chairman of the Boards of Directors of the other group companies. Mr. Berkman is currently working as Advisor to the Executive Committee of Akkök Holding.

**Frederic Yves Fontaine**  
**Member of the Board of Directors**

Mr. Fontaine was born in Tours, France in 1958. After he was 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 was 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.

## **16. Working Principles of the Board of Directors**

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

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

The Board of Directors met 30 times over 2012 and took resolutions in compliance with the requirements for quorums for meeting and resolution as specified in the articles of association of the Company.

Although it is not provided in the articles of association, powers of the Chairman of the Board of Directors and the Chief Executive Officer/General Manager have been defined clearly and 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 established by means of the organization chart.

General Manager of the Company is not a member of the Board of Directors.

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, the Corporate Governance Committee and the Shareholder Relations Unit are working together.

The Board of Directors meets at such frequency as needed to fulfill its duties efficiently.

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 CEO/General Manager. Other members can propose changes to the agenda of the meeting. Each member of the board of directors endeavors to be present at and prepared for the meetings of the board of directors by examining the information and documents about the issues in the agenda of the meeting and to express his/her views on such issues during the meeting.

Each member of the board has one vote. Regarding the quorums for the meetings and resolutions of the board of directors, the provisions of the Turkish Commercial Code apply as provided in the articles of association.

There isn't any internal regulation as to how the meetings of the Board of Directors will be made, but the provisions of the relevant statutory regulations are applied in this regard.

Issues on the agenda are openly discussed from all angles. The Chairman does his best to ensure active attendance of the non-executive members of the Board to the meetings of the Board. No member of the Board cast vote against any resolution at the meetings in 2013.

No guarantee, pledge or mortgage was given in favor of any third person.

Provisions as regards to such issues were set forth in the articles of association in 2013 pursuant to the relevant articles of the Corporate Governance Principles.

Each member of the Board of Directors spares adequate time for the business of the Company. If a member of the Board of Directors is working as an executive at or acting as a member of the board of directors of another company or is providing consultancy services to another company, it is essential that this does not cause a conflict of interest and does not impede the performance by that member of his/her duties at the Company. No specific rules and limitations have been established regarding undertaking by members of the Board of Directors of positions or jobs outside of the Company.

Within the scope of the project of renovation of AKMERKEZ TİCARET MERKEZİ which is being carried out by the resolution no. 13 of 28.12.2007 taken by the Board of Directors and disclosed to the public, the construction license of 06.12.2013 issued by the Municipality of Beşiktaş for renovation of the façade (Façade and Skylight Alteration) of AKMERKEZ TİCARET MERKEZİ was disclosed to the public and it was resolved that AKKON YAPI TAAHHÜT İNŞAAT VE MÜŞAVİRLİK ANONİM ŞİRKETİ, a related party of the Company, be appointed as the contractor for carrying out of the work of renovation of the façade of AKMERKEZ TİCARET MERKEZİ and that a Contracting Agreement be executed with the said company in this regard.



## **17. Number, Structure and Independency of Committees Formed Under the Board of Directors**

The board of directors has been establishing internal control systems comprising of risk management and information systems and processes so as to minimize the risks that may affect the stakeholders, mainly the shareholders, of the Company, by taking into account the views of the concerned committees of the board of directors. To this end, an Early Detection of Risks Committee has been established within the body of the Audit Committee and the Corporate Governance Committee.

The board of directors has formed the Audit Committee and the Corporate Governance Committee. Duties and responsibilities of the Nomination Committee, the Early Detection of Risks Committee and the Salary Determination Committee are fulfilled by the Corporate Governance Committee.

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

All members of the Audit Committee and the Corporate Governance Committee have been elected among the independent members of the board of directors.

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

The Audit Committee is formed by three independent members, one being the chairman and two being the members of the Committee. One member of the Audit Committee is at the same time the chairman of the Corporate Governance Committee.

All resources and support needed by the committees to perform their duties are provided by the board of directors. The committees can invite such executives as they deemed necessary to the committee meetings and obtain their views.

The committees can obtain opinions from independent experts on issues needed by them in connection with their functions. Cost of consultancy services needed by the committees is paid by the Company.

The committees keep a written record of all works carried out by them. The committees meet at such frequency as deemed necessary in order to ensure efficiency of the works and as set forth in the working principles. The committees report the information about their works and the results of their meetings to the board of directors.

The Corporate Governance Committee, which has been established to monitor the compliance of the Company with the corporate governance principles and to carry out improvement works and submit proposals to the board of directors in this regard, has three members, all of who are non-executive members of the board of directors.

Besides the duties specified in the legislation, the Corporate Governance Committee fulfills also the duties and responsibilities of the Nomination Committee, the Early Detection of Risks Committee, and the Compensation Committee.

## Audit Committee

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

## 18. Risk Management and Internal Control Mechanism

The board of directors reviews the efficiency of the risk management and internal control systems at least once a year.

The current internal control system is audited, with the issues of raising the efficiency and productivity of the activities of the Company, ensuring reliability of the financial reporting and compliance with the laws and regulations on the top, in accordance with the annual internal audit plan and the results of the audit are reported to the Audit Committee. In the annual internal audit plan, priority is given to such risks highlighted in the course of corporate risk management. Efficiency of the internal audit activities is reviewed by the Audit Committee at minimum 6 meetings held during the year. In these meetings, opinions of the internal auditors, external auditors and other managers of the Company are obtained when deemed necessary.

## 19. Strategic Targets of the Company

Business of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. is to create value by means of the real properties it owns.

Akmerkez GYO A.Ş. is the leader of the shopping center industry and has been able to preserve this position for many years and aims at maintaining it. Besides its financial and brand strengths, the Company has targeted and succeeded to be a significant value for its stakeholders.

Akmerkez GYO A.Ş. has adopted the principle of being a powerful, respectful, hardworking and sharing company for the benefit of both its shareholders and investors and clients and employees.

From this standpoint, the Company has been adopting the Corporate Governance Principles established by the Capital Market Board.

The Company has achieved its operational and financial targets as of the end of 2013.

Strategic targets of the Company are established by the Board of Directors by five-year plans. The Board of Directors periodically reviews the degree of achievement of strategic plans, the works carried out in this regard and the past performance in meetings held at least 4 times in a year.



## **20. Financial Benefits Provided to the Members of the Board of Directors and the Top Executives**

The Board of Directors is responsible for achievement of the operational and financial performance targets established by the Company and announced to the public.

Remunerations to the members of the Board of Directors have been written and submitted to the information and view of the shareholders under a separate issue on the agenda at the general meeting. The salary policy issued to this end is available on the Internet site of the Company.

The Company has authorized the Corporate Governance Committee regarding fulfillment of the duties of the salary committee as specified in the legislation.

Remunerations to the independent members of the Board of Directors do not comprise share options or a bonus plan based on the performance of the Company. Remunerations to the independent members are so fixed by the general meeting as to ensure that they remain independent.

The Company does not borrow money, extend loan or give surety to any member of the board of directors or any top executive.

Remunerations, salaries and other benefits paid to the members of the board of directors and top executives are stated collectively in the annual report and announced to the public in the footnotes to the financial statements.

Equal remuneration is paid to the members of the board of directors. In 2013, total TL 608,588 has been paid as remuneration to the members of the board and TL 302,830 as salary to the top executives.

## **SECTION V - OTHER INFORMATION**

The Company has 5 employees.

No conflict of interest has occurred between the Company and the firms from which the Company purchases services in various areas such as investment consultancy and rating.

There isn't any legislation amendment that may affect the operations of the Company significantly.

No significant administrative sanction and penalty has been imposed on the Company and members of the board of directors for any violation of the legislation.

The Company does not have any subsidiary and affiliate.

No security has been issued by the Company, except for the stocks sold to the public.

### **Our Legal Status and Disputes**

The Company does not have any dispute with any public authority regarding tax and similar obligations or with any third person or employee, except for the disputes with such real persons and legal entities as stated in the following table. The Company has not incurred or paid any damages arising from any tort.

The lawsuits filed against the Company with the courts in İstanbul are still pending. Information about these lawsuits is given in the attached table.



**LAWSUITS FILED BY AKMERKEZ GYO A.Ş.**

	Court	Case File No.	Plaintiff	Defendant	Subject Matter	Last Status
1	6 <sup>th</sup> LAW COURT OF FIRST INSTANCE IN İSTANBUL	2010/87	AKMERKEZ GYO	AVRUPA SANDVIÇ (STORE NO. 414)	ACTION FOR RESTORATION	We won the case.
2	8 <sup>th</sup> COMMERCIAL COURT OF FIRST INSTANCE IN İSTANBUL	2007/635	AKMERKEZ GYO	ANC GIDA	ACTION OF DEBT	Original action has been sustained in part. Counter action has been in part as well. Serving of the judgment to us is awaited.
3	12 <sup>th</sup> CIVIL COURT OF PEACE IN İSTANBUL	2013/195	AKMERKEZ GYO	HOME STORE (STORE NO. 178)	ACTION FOR EVACUATION	Action is still pending.
4	5 <sup>th</sup> CIVIL COURT OF PEACE IN İSTANBUL	2013/222	AKMERKEZ GYO	HOME STORE (STORAGE)	ACTION FOR EVACUATION	Action is still pending.

## LAWSUITS FILED AGAINST AKMERKEZ GYO A.Ş.

	Court	Case File No.	Plaintiff	Defendant	Subject Matter	Last Status
1	2 <sup>nd</sup> CIVIL COURT OF PEACE IN İSTANBUL	2009/742 - Case no. 2011/124 E with the new court having jurisdiction	BERKAY İNCE İNTERVO (1 <sup>st</sup> Office floor in the Tower B3)	1- AKMERKEZ GYO A.Ş. 2- ÜÇGEN BAKIM	ACTION FOR DAMAGES Claimed Sum: TL 100,000	The court dismissed the action in favor of the Company on procedural grounds.
2	14 <sup>th</sup> COMMERCIAL COURT OF FIRST INSTANCE IN İSTANBUL	2004/355	ERMES İNŞAAT	AKMERKEZ GYO A.Ş.	ACTION OF DEBT Claimed Sum: TL 1,105,234.29	We lost the action. We paid TL 1,968,680.50 to Ermes İnşaat.
3	2 <sup>nd</sup> CONSUMER COURT IN İSTANBUL	2009/295	ALBER RIFAT BAYRAKTAR	AKMERKEZ GYO A.Ş.	ACTION FOR DAMAGES Claimed Sum: TL 10,000 (theft at the garage)	We lost the action. We paid TL 79,507.40, including the interest, to the plaintiff. We applied to the Court of Appeals for correction of the judgment. The judgment was reversed by the Court of Appeals in favor of us. This time, the court sustained the action in part and ordered that TL 1,700 be paid. The defendant appealed the judgment. The decree of the Court of Appeals is awaited.
4	1 <sup>st</sup> CONSUMER COURT IN İSTANBUL	2007/753	MEHMET BOZKURT	AKMERKEZ GYO A.Ş.	ACTION FOR DAMAGES Claimed Sum: TL 41,000 (theft at the garage)	Action is still pending.
5	44 <sup>th</sup> COMMERCIAL COURT OF FIRST INSTANCE IN İSTANBUL	2010/521 - New Case No. 2011/279	AYRUPA SANDVIÇ (STORE NO. 414)	AKMERKEZ GYO A.Ş.	REPLEVIN Claimed Sum: TL 32,846.29	The Court rendered its judgment against the Company.
6	5 <sup>th</sup> ENFORCEMENT COURT IN İSTANBUL	2013/567	HOME STORE (STORE NO. 178)	AKMERKEZ GYO A.Ş.	COMPLAINT AND ACTION OF OBJECTION AGAINST PAYMENT ORDER	The Court rendered its judgment in favor of the Company.
7	5 <sup>th</sup> ENFORCEMENT COURT IN İSTANBUL	2013/568	HOME STORE (STORE NO. 178)	AKMERKEZ GYO A.Ş.	COMPLAINT AND ACTION OF OBJECTION AGAINST PAYMENT ORDER	The Court rendered its judgment in favor of the Company.
8	43 <sup>th</sup> COMMERCIAL COURT OF FIRST INSTANCE IN İSTANBUL	2013/261	MEETING SPACES (E3 BLOCK, FLOOR 2)	AKMERKEZ GYO A.Ş.	ACTION OF DEBT Claimed Sum: TL 10,000	As a result of preliminary investigation of the case, the Court rendered decision of lack of jurisdiction.
9	17 <sup>th</sup> CIVIL COURT OF PEACE IN İSTANBUL	2013/956	SEVİL PARFÜMERİ (STORE NO. 322-323)	AKMERKEZ GYO A.Ş.	ACTION FOR FIXING OF RENT (Request for reduction of monthly rent to TL 55,000)	The action is still pending.
10	17 <sup>th</sup> CIVIL COURT OF PEACE IN İSTANBUL	2013/956	SEVİL PARFÜMERİ (STORE NO. 221)	AKMERKEZ GYO A.Ş.	ACTION FOR FIXING OF RENT (Request for reduction of monthly rent to TL 25,000)	The action is still pending.