

Corporate Governance Principles Compliance Report

Information policy of Akmerkez Gayrimenkul Yatırım Ortaklığı Anonim Şirketi has been established as follows pursuant to the paragraph 3 of the article 43 of the Communiqué Serial VI, No. 11 of the Capital Market Board on the Principles Applicable to Real Property Investment Companies.

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-dateness 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 accounting 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. Corporate Governance Principles Compliance Statement

Akmerkez GYO A.Ş. is a market leader in the shopping center industry and aims to sustain this position for long years. Besides the financial strength and brand strength, the Company targets to be an important value for its stakeholders.

Akmerkez GYO A.Ş. has adopted the principle of being a strong, respectable, hardworking and sharing entity for its shareholders and investors as well as customers and employees.

From this point of view, the Company fulfills the requirements of the "Corporate Governance Principles" established by the Capital Market Board.

SECTION I - SHAREHOLDERS

2. The Shareholder Relations Unit

As a corporation listed in the İstanbul Stock Exchange, the Company has established a "Shareholder Relations Unit" by the resolution of the Board of Directors dated 16.03.2009 pursuant to the article seven of the Communiqué Serial IV, No. 41 of the Capital Market Board in order to ensure the use of shareholding rights, the making of required reporting to the Board of Directors and the communication between the Board of Directors and the shareholders.

Annual general meeting formalities and communication with the shareholders were carried out actively and regularly in 2011.

3. Shareholders' Use of Right to Information

The shareholders didn't ask any question or make any request in writing or via electronic medium during the period. Akmerkez has a web page concerning its financial activities and all information is updated in accordance with the communiques of the Capital Market Board. At present, the shareholders can reach the Company by phone, fax and electronic mail as well as via the internet pages at the addresses of www.akmerkez.com.tr and www.akmgyo.com.

Appointment of a special auditor was not requested during the period or the previous period.

4. Information about the General Meeting

The Company calls the shareholders to the General Meeting in accordance with the provisions of the Turkish Commercial Code and the Capital Market Regulations. Notice to the shareholders is published in minimum two daily newspapers and the Turkish Trade Register Gazette. The notice for the General Meeting states the agenda, the date, time and place of the General Meeting and the conditions for attendance at the General Meeting. Such information is notified to the İstanbul Stock Exchange and the Central Registration Agency. Besides the shareholders of the Company, the representatives of the Stock Exchange, the intermediary agencies and the press can attend the General Meeting. After the meeting, documents of the meeting are sent to the Capital Market Board, the Central Registration Agency and the İstanbul Stock Exchange. Information about the meeting will be published in the web site of the Company from this year on.

During 2011, Akmerkez held one Annual General Meeting and one Extraordinary General Meeting where resolutions on the issues in the agenda were taken.

5. Voting Rights and Minority Rights

There isn't any preferential voting right under the Articles of Association of the Company. Each share has one vote. There isn't a practice regarding representation of the minority shares in the management and method for casting of cumulative votes.

The shareholder groups A, B, C and D (public) have the right to nominate candidates to the management. Apart from this right, there isn't any preference giving privilege to the shareholders.

6. Profit Distribution Policy and Time of Profit Distribution

Regarding the profit distribution, the Company complies with the regulations in the Turkish Commercial Code and the capital market legislation.

The amount remaining after deduction of the sums which the Company is obliged to pay and set aside pursuant to the general accounting principles, such as overheads and miscellaneous depreciation expenditures as well as the mandatory reserves for taxes and financial obligations payable by the Company as a legal entity, from the income ascertained at the end of the account year as well as after deduction of any losses in the previous years from the net profit shown on the annual balance sheet is distributed in accordance with the following order and principles:

First Order Statutory Reserve

a) 5% of the remaining amount is set aside as first order statutory reserve until it reaches 20% of the paid-up capital pursuant to the article 466 of the Turkish Commercial Code.

First Dividend

b) From the remaining amount, including the donations made during the respective account year, first dividend is set aside in an amount determined by the General Meeting which may not be less than the amount and rate determined by the Capital Market Board, in accordance with the principles set out in the profit distribution policy of the Company.

c) The General Meeting may set aside an amount from the remaining amount up to 5% for distribution to the members of the board. How that amount will be distributed is determined by the board of directors. The general meeting may also set aside an amount up to 1.5% for allocation to existing or would-be-established foundations, particularly education and health foundations (Turkish Commercial Code, Article 469(3)).

Second Dividend

d) Minimum 80% of the amount remaining after deduction of the amounts set out in the paragraphs (a), (b) and (c) from the net profit is distributed as 2nd dividend.

e) If an amount remains after deduction of the amounts set out in the paragraphs (a), (b), (c) and (d) from the net profit, the General Meeting is authorized to distribute that amount as 2nd dividend in part or whole or to maintain it on the balance sheet as the period-end profit or to add it to statutory or facultative reserve or to set aside it as extraordinary reserve.

Second Order Statutory Reserve

f) Pursuant to the sub-paragraph 3 of the paragraph 2 of the article 466 of the Turkish Commercial Code, one tenth of the amount remaining after deduction of a profit share at the rate of 5% of the issued capital from the amount decided to be distributed to the shareholders and any persons participating in the profit is set aside as second order statutory reserve.

g) Unless the statutory reserve has been set aside as required by the law and the first dividend has been set aside for payment to the shareholders as provided in the articles of association, no further reserve may be set aside from the profit or no profit may be carried forward to the next year or no profit share may be paid to the directors, the employees, the servants and the workers.

Akmerkez GYO A.Ş. distributed the profit in 2010 to its shareholders during 2011 in accordance with the Articles of Association and the Capital Market legislation. Profit distribution will be made during the next period in accordance with the Capital Market legislation and the article 30 of the Articles of Association of the Company. The profit distribution policy of the Company is to distribute the whole or substantial part of the profit to the shareholders.

Statement of dividend distributions during the last five years:

Balance Sheet Period	Distributed Profits (TL)	Rate of Distributed Profit Share	Paid-up Capital (TL)	Note
2010	23.564.000,00	172%	13.700.000,00	Gratis Shares
2009	30.414.000,00	222%	13.700.000,00	Cash
2008	40.826.000,00	298%	13.700.000,00	Cash
2007	43.840.000,00	320%	13.700.000,00	Cash
2006	11.097.000,00	81%	13.700.000,00	PROFITS IN PREVIOUS YEARS (PROFIT FROM INFLATION)
2006	52.024.380,00	379,74%	13.700.000,00	Cash

7. Share Transfer

Pursuant to the article seven of the Articles of Association of the Company, the registered nominative shares of the Company in the groups (A), (B) and (C) and the bearer shares in the group (D) which are held by the public may not be transferred to another person during one year following the end of the sale of shares to the public. Any share transfer made in contradiction with this provision is not entered into the share register of the Company.

Even after the elapse of the aforesaid period during which transfer of the shares is forbidden, sale, transfer, pledge or other disposal of the registered nominative shares in the groups (A), (B) and (C) in favor of third persons is subject to prior consent of the Board of Directors. The Board of Directors may withhold such consent and refuse to enter such transaction into the share register without stating any reason. Each consent is valid for the respective transaction. Disposal of the shares made by such consent becomes valid upon its entry into the share register. Provision of the paragraph 4 of the article 418 of the Turkish Commercial Code and the provisions of the Capital Market legislation are reserved.

Transfer of shares between the shareholders in the same group and by a real person shareholder to his/her spouse and offspring and to the Directors at minimum rate as required by the law in order to become a director of the Company is not subject to the consent of the Board of Directors.

There isn't any restrictive provision as to the transfer of bearer shares in the group D held by the public. Such shares can be freely transferred in accordance with the provisions of the Turkish Commercial Code, the Capital Market Law and the Communiques of the Capital Market Board.

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company's Information Policy

Public disclosures required by the Capital Market legislation were made during the period.

Such information is published under the sub-sections of Continuous Information Form, Annual Reports and Independent Audit Report under the section of Financial Information in the web site of the Company in order to provide updated information to the public about the financial performance of the Company and other matters concerning the public.

9. Special Situation Disclosures

Pursuant to the principle of public disclosure and transparency, 27 public disclosures were made during the period of 01.01.2011-31.12.2011 with a view to informing the shareholders of the Company and the other concerned parties on a timely manner. The Company didn't receive any clarification request from the Capital Market Board or the İstanbul Stock Exchange regarding the Special Situation Disclosures made pursuant to the regulations of the Capital Market Board.

10. Web Site of the Company

The Company has web sites at the addresses of www.akmerkez.com.tr and www.akmgyo.com. The trade register data, the shareholder structure, the articles of association, the prospectus, the signature circular, the periodic financial statements, the portfolio value statement, the stock performance data, the special situation disclosures, the annual reports and the other documents of the Company related with the general meetings are published in these web sites.

11. Disclosure of Ultimate Controlling Shareholder(s) in Real Person Status

Ali Raif Dinçök, Ömer Dinçök and Nilüfer Çiftçi from Akkök Sanayi Yatırım ve Geliştirme Anonim Şirketi and Feyyaz Berker, A. Nihat Gökyiğit, Alev Berker and Erhan Öner from Tekfen Holding Anonim Şirketi, which are majority shareholders of the Company, are the ultimate controlling shareholders. The shareholding structure is stated in the annual report each year.

12. Disclosure of Persons Who Have Access to Insider Information to the Public

Persons and departments who and which have access to insured information at Akmerkez GYO A.Ş. are the Directors, the Auditors, the General Manager and the Accounting Department.

SECTION III - STAKEHOLDERS

13. Disclosure of Information to Stakeholders

Stakeholders of Akmerkez GYO A.Ş. are its shareholders. The Company makes appraisal of the value of the real properties in its portfolio and the real property rights it owns, through an independent appraisal firm, and discloses the appraised value to the public at the end of each year pursuant to the Capital Market Law and the relevant regulations and the Communiqué of the Capital Market Board concerning the Principles Applicable to Real Property Investment Companies.

14. Participation of the Stakeholders in the Management

Pursuant to the article eight of the Articles of Association of the Company, holders of the group D shares sold to public (traded in the stock exchange) have the right to nominate a candidate to the Board of Directors. Pursuant to the article eleven of the Articles of Association, if these shareholders attend the general meeting and nominate a candidate by majority of votes, they can be represented by one member in the Board of Directors.

15. Human Resources Policy

There isn't a human resources department at Akmerkez GYO A.Ş. Works related with the human resources are carried out by the Accounting Department.

The Company has four staff members as per the job description. All staff members are competent in their jobs and have been selected in accordance with the policy of the Company. Their performances have been assessed on the basis of their individual competencies and job descriptions.

15.1 Human Resources Management of Akmerkez contains modern and innovative applications which run on internationally recognized models and integrated systems. The sentence of "The purpose of investment in human resources is to gain responsible, creative, participant and happy employees who have self-confidence and develop themselves" summarizes the human resources policy of Akmerkez. In all human resources processes of the Company, from recruitment to performance management system, to personal development, to fixing of salaries and to termination, modern and integrated systems are used.

15.2 Human resources policy of Akmerkez aims at gaining candidates who conform to the culture and values of Akmerkez and have Common Behavioral Competencies of Akmerkez to the Company in the course of recruitment and appointment so as to ensure serving to the main and subsidiary objectives of the Company. The criteria which bear importance in the selection and assessment processes of Akmerkez include propensity to team working, loyalty to the company and the job, self-confidence, innovativeness, openness to change, participation, taking initiation and capability to produce solutions.

15.3 In line with the continuous learning and development policy of the Company, the employees are given training courses that support the targets of the Company, the technical and behavioral competencies and the personal development in social and cultural areas. The Company knows that creation of a clear, close and uninterrupted communication medium between the management and the employees is very important for the motivation and productivity of the employees.

15.4 Performance management system of Akmerkez is a system that extends from the personal development to the corporate development, that seeks embracement of corporate targets by the individuals and that reinforces the common corporate culture. Outputs of the performance management system are used in the training planning, salary fixing/rewarding and career planning functions of the Human Resources. Akmerkez always gives care to implementation of a fair assessment system by which high performance is rewarded.

Although no complaint to the effect that discrimination is made among the employees has been received so far, the HAY Job Evaluation System which is based on the principle of equality is implemented with a view to preventing occurrence of any problem in this regard in the future. The HAY Job Evaluation System is a methodology for salary-fixing and rewarding of which effectiveness and reliability has been proven around the world, which is used to prevent any discrimination among the employees and to ensure justice in the salaries. This model is an objective and transparent salary and subsidiary rights model which reflects the realities of the national and international business world, which is based on the principle of equality and fairness, which seeks to fix the salary according to the job performed, and which can be easily used by the leader.

16. Information about the Customers and Suppliers

Leases for a term of five and ten years are executed in US dollar with real persons and legal entities who and which are tenants of the real properties in the portfolio of the Company.

17. Social Responsibility

Since its establishment, Akmerkez GYO A.Ş. has always acted very sensitively on the matters of social responsibility, technological developments, cultural activities and environment and continued this sensitivity throughout 2011.

Besides offering quality products and services pursuant to the principles of Corporate Social Responsibility, the Company is also aware of its responsibility for raising the social standards. It is sensitive toward the needs of the society without neglecting the future generations. In this regard, the Company has adopted the principle of contributing to the social enrichment by making donations and providing social aids primarily to the education, culture and art and sport activities.

Pursuant to the principles of Corporate Social Responsibility, the Company made donations and provided social aids to various entities and institutions in 2011.

Donations made during 2011 are as follows:

<u>Donations and Social Aids</u>	<u>(TL)</u>
Societies and Foundations	14.518,52
Public Entities	-
Total	14.518,52

SECTION IV - BOARD OF DIRECTORS

18. Structure and Formation of the Board of Directors and Independent Directors

The Board of Directors of ten persons consists of a Chairman, a Vice Chairman, five members and ten independent members. One of the five members represents the publicly held group D shares in the Board of Directors. The members of the Board of Directors have segregated the duties among themselves.

Name and Last Name	Duty	Profession	Duties undertaken at the Company during the last 5 years	Duties undertaken outside the company at present	Share held in the capital of the Company (%)	Represents the share group	Whether he/she is an independent member of the Board of Directors	Takes part in Committees and undertakes duties
Ralf Ali Dinçök	Chairman of the Board	Business Administrator	Member of the Board	Chairman/ Vice Chairman of Boards of Directors of Akkök and Akkök Group		Group A	Not an Independent Member	
Feyyaz Berker	Vice Chairman of the Board	Engineer	Chairman of the Board	Chairman and Member of Boards of Directors of other companies in which he owns stocks	1.36	Group B	Not an Independent Member	
Davit Braunştayn	Member of the Board	Industrial Engineer	Member of the Board	Chairman and Member of Boards of Directors of other companies in which he owns stocks	6.87	Group C	Not an Independent Member	
Erhan Öner	Member of the Board	Engineer	Member of the Board	Chairman and Member of Boards of Directors of other companies in which he owns stocks	0.2	Group B	Not an Independent Member	
Alize Dinçök Eyübođlu	Member of the Board	Manager	Member of the Board	Member of Board of Directors of Akkök and Akkök group companies		Group A	Not an Independent Member	
Mehmet Ali Berkman	Member of the Board	Manager	Member of the Board	CEO at Akkök and Akkök group companies		Group A	Not an Independent Member	
Francine J. Zijlstra	Member of the Board	Business Administrator	Member of the Board	Head of strategy and company acquisition department of Corio N.V.		Group D	Not an Independent Member	
Devrim Ulucan	Independent Member of the Board & Member of the Board of Auditors	Lecturer	Independent Member of the Board & Member of the Board of Auditors	Lecturer			Independent Member	Committee in charge of audit
Güner Öztekin	Independent Member of the Board & Member of the Board of Directors	Retired Ambassador	Independent Member of the Board & Member of the Board of Auditors	Retired Ambassador			Independent Member	Committee in charge of audit
Ahmet Hakan Dinçer	Independent Member of the Board & Member of the Board of Auditors	Manager	Independent Member of the Board & Member of the Board of Auditors	Turkey Manager of Inditex S.A.			Independent Member	Committee in charge of audit

19. Resumes of the Members of the Board of Directors

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.

Alize DİNÇKÖK EYÜBOĞLU

Member of the Board of Directors

Mrs. Eyüboğlu was born in İstanbul in 1983. She was graduated from the Business Department of Sawyer School of Management of Suffolk University in 2005. She started her career as Strategic Planning Specialist at Ak-Al Tekstil Sanayi A.Ş. in 2005. After establishment of Akış Gayrimenkul Yatırımı A.Ş. in 2006, she was transferred to that company. Worked as Project Coordinator, Sales and Marketing Manager and Assistant General Manager in charge of Sales and Marketing, respectively, Mrs. Eyüboğlu is also member of the Boards of Directors of Akkök Group of Companies.

Franciena J. ZIJLSTRA

Member of the Board of Directors

A national of the Netherlands, Franciena J. Zijlstra has university degree in business administration and post-graduation degree in real estate. Having an experience of twenty years in international finance and real estate industries and currently acting as the head of the Strategy and Company Acquisition department of Corio, Mr. Zijlstra plays an active role in the formation and development of the portfolio of the Company. He is a member of ICSC Europe, ICSC Europe Research Group and ULI.

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.

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.

Ahmet Hakan DİNÇER

Member of the Board of Directors (Independent Member)

Born in İstanbul in 1965, Ahmet Hakan Dinçer was graduated from the Economics Department of İstanbul University. Started his career as Sales Assistant at Gipaş A.Ş. in 1981, Mr. Dinçer worked as Regional Manager at Ak-Pa A.Ş., a member of the Akkök Group, in 1987 and then worked as Export Manager at Aksu, another member of the group. He established his own company in textile industry in 1996 and became the General Manager of Za Ltd in 1997. He was appointed as the Country Manager of Inditex S.A. in 1999. He is currently performing this duty. Mr. Dinçer speaks English, French and Spanish.

Güner ÖZTEK

Member of the Board of Directors (Independent Member)

Born in Çankırı in 1935, Güner Öztekin was graduated from St. Joseph High School and the Faculty of Political Sciences of Ankara University. Started his career as Personal Secretary at the Secretariat-General of the Foreign Ministry on December 31, 1959, Mr. Öztekin worked as Embassy Clerk, Personal Secretary, Undersecretary of Embassy and Embassy, respectively at the Foreign Ministry. He is currently the Chairman of the Board of Directors and Director of the Foundation for Middle East and Balkan Studies. Speaking French and English, Mr. Öztekin is married.

Devrim ULUCAN

Member of the Board of Directors (Independent Member)

Born in İstanbul in 1940, Prof. Dr. Devrim Ulucan was graduated from the Law Faculty of İstanbul University. Completed doctorate at Cologne University in Germany, Mr. Ulucan started his academic career as Assistant at İstanbul Technical University. He was conferred the title of Assistant Profession in 1979 and the titled of Professor in 1989. Mr. Ulucan is currently a lecturer at the Business Faculty of the İstanbul Technical University. Mr. Ulucan also worked as Minister's Advisor at the Ministry of Labor and Social Security during 1992-1995. Speaking German, Mr. Ulucan is married.

20. Mission, Vision and Strategic Targets of the Company

The Company is the country leader in the shopping centers industry. It targets to develop and sustain this position for long years.

21. Risk Management and Internal Control Mechanism

Financial statements are updated by the Company daily, weekly and monthly. Necessary legal actions are taken within the statutory time against the tenants who have failed to fulfill their obligations arising from the leases on a timely manner, in order for full and regular collection of the rents which are the primary operational income of the Company. Foreign exchange position of the Company is monitored so as to minimize the exchange risks.

22. Powers and Responsibilities of the Members of the Board of Directors and the Executives

Duties of the executives of the Company have been defined. Powers of the Board of Directors are set out in the Articles of Association. The signature circular specifying the powers of the executives is renewed each year after the general meeting.

Duties and responsibilities of the members of the board of directors are set out in the Turkish Commercial Code, the Capital Market Regulations and the Articles of Association of the Company.

23. Operational Principles of the Board of Directors

The members of the Board of Directors are informed by the General Manager and mutual communication is ensured. Having carried out its activities in accordance with the powers set out in the Articles of Association, the Board of Directors has taken all its resolutions unanimously so far.

24. Ban of Executing Transaction and Competing with the Company

Pursuant to the article 20 of the Communiqué on the Principles Applicable to Real Property Investment Companies, the members of the Board of Directors may not obtain consent from the General Meeting for being exempted from the ban of executing transaction with the company as provided in the article 334 of the Turkish Commercial Code and for being exempted from the ban of competing with the company as provided in the article 335 of the Turkish Commercial Code.

25. Ethical Boards

Employees of the Company are the persons who have adopted the mission and working principles of the Company and who are working in accordance with the general professional and ethical principles.

26. Number, Structure and Independence of the Committees of the Board of Directors

There are ten members at the Board of Directors of the Company. Three of the members are independent members and are at the same time the members of the Audit Committee. The financial statements issued once quarterly are submitted to the approval of the Board of Directors after the approval of the Audit Committee.

27. Number of meetings held by the Board of Directors during the year and attendance of the members to these meetings

The Board of Directors held 27 meetings during 2011 and took resolutions in accordance with the quorums for the meeting and the resolution as set out in the articles of association.

28. If it is decided that the chairman of the board of directors and the executive committee/general manager be the same person, disclosure of the rationale for this

The Chairman of the Board of Directors and the Chairman of the Executive Committee/General Manager are different persons.

29. Financial Rights Provided to the Board of Directors

As per the article thirty of the Articles of Association of the Company, an amount up to 5% of the net profit remaining after setting aside of the statutory reserve and the 1st dividend determined by the Capital Market Board can be set aside for payment to the members of the Board of Directors by the resolution of the General Meeting in the manner determined by the Board of Directors, but there isn't a resolution taken by the General Meeting for payment of a share from the profit to the members of the Board of Directors.

The Annual General Meeting held on 03.05.2011 resolved that a monthly remuneration of TL 3,860 net be paid to each of the members of the Board of Directors. Apart from this, no financial right is provided to the members of the Board of Directors.

SECTION V - OTHER INFORMATION

30. Conflict of interest arising between the Company and the entities from which the Company receives services in fields such as investment consultancy and rating and measures taken by the Company to prevent such conflict of interest

There isn't any conflict of interest arising between the Company and the entities from which the Company receives services in fields such as investment consultancy and rating.

31. If the Company could not have attained the operational and financial performance targets established by the Company and disclosed to the public, disclosure of the reason for this

The Company has attained its operational and financial targets as of the end of 2011.

32. Business of the Company

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

33. Amendments to the regulations that may significantly affect the activities of the Company

No amendment has been made to the regulations that would significantly affect the activity of the Company.

34. Disclosure as regards to significant administrative sanctions and penalties imposed on the Company and the members of the board of directors on account of their practices in contradiction with the regulations

No significant administrative sanction and penalty has been imposed on the Company and the members of the board of directors on account of their practices in contradiction with the regulations.

35. Subsidiaries and Affiliates

The Company doesn't have a subsidiary or an affiliate company.

36. Information about the issue of securities

Except for the shares of stock sold to the public, the Company has not issued any security.

37. Legal Status and Disputes

The Company doesn't have any dispute either with the public authorities regarding taxation and similar fiscal obligations or with any third person and employee, except for the real persons and legal entities stated in the following table. The Company doesn't owe or has paid any damages by contract or tort.

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

LAWSUITS FILED BY THE COMPANY

No.	Court	Case File No.	Plaintiff	Defendant	Subject-matter	Current Status
1	3 rd ADMINISTRATIVE COURT IN İSTANBUL	2007/979 E. 2008/781 K.	AKMERKEZ GYO	İBB	ANNULMENT OF THE UKOME DECISION	Action was dismissed. The Company appealed the judgment of the local court with the State Council, requesting suspension of execution. The appeal was dismissed by the 8th Department. We wait for return of the file from the State Council.
2	6 th LAW COURT OF FIRST INSTANCE IN İSTANBUL	2010/87 E.	AKMERKEZ GYO	AVRUPA SANDVIÇ	RESTITUTION	The Company won the action. The defendant appealed the judgment. The Court of Appeals reversed the judgment of the local court. The action will be reheard.
3	2 nd COURT OF INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS COURT IN İSTANBUL	2010/163 E.	AKMERKEZ GYO	1-İSTANBUL ARAŞTIRMA HİZ. 2-ÇAĞLA GÜRDAL	BREACH OF TRADEMARK [e-akmerkez]	The Company won the lawsuit. Upon serving of the judgment containing the reason to us, the judgment will be enforced.
4	8 th COMMERCIAL COURT OF FIRST INSTANCE IN İSTANBUL	2007/635 E.	AKMERKEZ GYO	ANC GIDA	ACTION OF DEBT	The main action was sustained in part. The counter action was sustained in part as well. We are waiting for serving of the judgment to us.
5	3 rd INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS COURT IN İSTANBUL	2011/3 E.	AKMERKEZ GYO	ÖZYURLAR İNŞAAT	ACTION FOR DAMAGES TL 70,000 (AK&NMERKEZ)	Action is still pending.
6	5 th COURT OF PEACE IN ŞİŞLİ	2011/116 DEĞ. İŞ.	AKMERKEZ GYO	ARTÖLYE - BİRGEN USLUOĞLU	DETERMINATION OF EVIDENCE	The parties made peace. The case has been left off for application.
7	3 rd LAW COURT OF PEACE IN İSTANBUL	2011/692 E.	AKMERKEZ GYO	ARTÖLYE - BİRGEN USLUOĞLU	DETERMINATION OF RENT	The parties made peace. The case has been left off for application.
8	21 st COURT OF PEACE IN İSTANBUL	2011/868 E.	AKMERKEZ GYO	ARTÖLYE - BİRGEN USLUOĞLU	EVACUATION	The parties made peace. The case has been left off for application.

LAWSUITS FILED AGAINST THE COMPANY

No.	Court	Case File No.	Plaintiff	Defendant	Subject-matter	Current Status
1	9 th COMMERCIAL COURT OF FIRST INSTANCE IN ISTANBUL	2009/636 E.	ÇAKIR GIDA (former tenant of the outlet no. 420)	AKMERKEZ GYO A.Ş.	ACTION FOR RESTITUTION Claim: TL 19,700	The lawsuit concluded against the Company. We appealed the judgment. We are waiting for return of the case file from the Court of Appeals.
2	14 th COMMERCIAL COURT OF FIRST INSTANCE IN ISTANBUL	2009/674 E.	ÇAKIR GIDA (former tenant of the outlet no. 420)	AKMERKEZ GYO A.Ş.	ACTION FOR DAMAGES Claim: TL 10,000	The action was dismissed in favor of us. The plaintiff appealed the judgment. We are waiting for return of the case file from the Court of Appeals.
3	2 nd COURT OF PEACE IN ISTANBUL	2009/742 E. New Case No: 2011/124 E. with the court having jurisdiction.	BERKAY İNCE İNTERYO (Tower B3, 1st Office Floor)	1- AKMERKEZ GYO A.Ş. 2- ÜÇGEN BAKIM	ACTION FOR DAMAGES Claim: TL 100,000	The court rendered decision of non-jurisdiction in favor of us. The plaintiff appealed the judgment. The Court of Appeals approved the judgment. The opponent party referred the case to another court having jurisdiction. The action is still pending.
4	14 th COMMERCIAL COURT OF FIRST INSTANCE IN ISTANBUL	2004/355 E.	ERMES İNŞAAT	AKMERKEZ GYO A.Ş.	ACTION OF DEBT Claim: TL 1,105,234.29	The court sustained the action in part. The court ordered that the debt of TL 637,841.56 be collected together with interest. The judgment has been appealed by us. We are waiting for return of the case file from the Court of Appeals.
5	2 nd CONSUMER COURT IN ISTANBUL	2009/295 E.	ALBER RIFAT BAYRAKTAR	AKMERKEZ GYO A.Ş.	ACTION FOR DAMAGES Claim: TL 10,000 (theft at car park)	The action concluded against us. We paid TL 79,507.40 plus interest to the plaintiff. We are going to file request for revision of the judgment with the Court of Appeals.
6	1 st CONSUMER COURT IN ISTANBUL	2007/753 E.	MEHMET BOZKURT	AKMERKEZ GYO A.Ş.	ACTION FOR DAMAGES Claim: TL 41,000 (theft at car park)	ACTION IS STILL PENDING.
7	2 nd LAW COURT OF PEACE IN ISTANBUL	2010/168 E.	BERKAY İNCE İNTERYO (Tower B3, 1st Office Floor)	AKMERKEZ GYO A.Ş.	ACTION FOR RESTITUTION	The action concluded in favor of us. The plaintiff appealed the judgment. We are waiting for return of the case file from the Court of Appeals.
8	4 th CONSUMER COURT IN ISTANBUL	2010/1107 E.	NURİ CEM ERBAK	AKMERKEZ GYO A.Ş.	ACTION FOR DAMAGES Claim: TL 10,000 (theft at car park)	We settled the case with the plaintiff by paying TL 5,000 to the plaintiff.
9	44 th COMMERCIAL COURT OF FIRST INSTANCE IN ISTANBUL	2010/521 E. Yeni Esas No: 2011/279 E.	AVRUPA SANDVIÇ (OUTLET NO. 414)	AKMERKEZ GYO A.Ş.	ACTION FOR RESTITUTION Claim: TL 32,846.29	ACTION IS STILL PENDING.
10	15 th COMMERCIAL COURT OF FIRST INSTANCE IN ISTANBUL	2010/663 E.	NİLÜFER BİLSEL	AKMERKEZ GYO A.Ş.	ACTION FOR DAMAGES Claim: TL 10,000 Claim for Pecuniary Damages: TL 40,000	ACTION IS STILL PENDING.
11	11 th COMMERCIAL COURT OF FIRST INSTANCE IN ISTANBUL	2010/758 E.	ATM DIŞ TİCARET (OUTLET NO. 445)	AKMERKEZ GYO A.Ş.	ACTION FOR DAMAGES TL 525,000	ACTION IS STILL PENDING.