

Structure and Independence of the Committees Established Under the Board of Directors

In order to ensure Board Of Directors are functioning effectively regarding their duties and responsibilities, the “Corporate Governance Committee”, “Audit Committee” and “Early Risk Identification Committee” have been constituted under the Board. The fields of activity, working principles, and members of these committees were determined by the Board of Directors, and publicly disclosed on the Company’s website.

All members of the Audit Committee have been elected from independent Board members. The chairman of the Corporate Governance and Early Risk Detection Committees are independent Board members. The Corporate Governance Committee, the Early Risk Detection Committee and the Audit Committee are consist of five, three and two members, respectively.

The Chairman and Vice Chairman of the Board do not serve on the committees. Pursuant to the Corporate Governance Principles, no executive members serve on the committees, except for the “Investor Relations Department” manager and employee who are assigned to the Corporate Governance Committee. Board members who do not qualify as independent members serve on all three committees.

The Board of Directors provides the necessary resources and support to the committees for the fulfillment of their duties. The committees are free to invite any manager they deem necessary to their meetings and seek his/her opinions. The frequency of meeting of the committees is sufficient and all of their activities are documented in written and recorded. Reports covering information about their activities and meeting outcomes are presented to the Board of Directors.

The Audit Committee oversees the operation and efficiency of the Company’s accounting system, public disclosure of financial information, independent audit, internal control and internal audit system. The Committee also defines the methods and criteria for the handling and resolution of complaints received in relation to the Company’s accounting and internal control system and independent audit, as well as for ensuring that Company employees adhere to the confidentiality principle regarding the Company’s notifications on accounting and independent audit. The Audit Committee reports its determinations in relation to its field of responsibility and duty, along with its assessments and suggestions to the Board of Directors in writing, and presents a written report to the Board of Directors covering its assessment of the accuracy and truthfulness of annual and interim financial statements to be publicly disclosed and their conformity with the accounting principles followed by the Company, incorporating the opinions of the Company’s managers responsible for these subjects and of independent auditors.

The members of the Audit Committee possess the qualifications defined in the Communiqué on Corporate Governance Principles. The activities of the Audit Committee and the minutes of their meetings have been disclosed in the annual report. Taking into consideration the competence and independence criteria of independent auditors, the Audit Committee suggests the audit firm it deems appropriate to the Board of Directors, which then designates the independent auditor firm.

The Corporate Governance Committee determines whether the corporate governance principles are implemented across the Company, detects the reasons for non-implementation and determines conflicts of interest resulting from failure to achieve full compliance with these principles. The Committee suggests improvements regarding corporate governance applications to the Board of Directors. In addition, the Committee oversees the activities of the Investor Relations Department and the Shareholder Relations Department.

The Nomination Committee and the Remuneration Committee have not been established and the responsibilities of these committees are incorporated within the activities of the Corporate Governance Committee. The candidates nominated for independent memberships of the Board of Directors have been evaluated concerning independence criteria under the related legislation and these evaluations have been reported.

The committee’s duties includes creating a transparent system for the identification, assessment and training of appropriate candidates for membership of the Board of Directors; determining relevant policies

and strategies; making regular assessments regarding the structure and efficiency of the Board of Directors; and making proposals to the Board of Directors in relation to possible changes to these aspects.

The wages policy including the principles of determination of wages of managers involved in the administrative responsibilities and the members of Board of Directors was defined and announced to public on the Company's website.

The Early Risk Detection Committee operates for earlier detection of risks that may threaten the Company's going concern and the committee endeavor to take required measures necessary and manage the risks. The committee evaluates the risk management systems of the Group companies and reports on the same.

In accordance with Corporate Governance Principles, all members of the Audit Committee and the chairmen of other committees must be independent Board members, and due to having two independent members on the Board of Directors, Board members must serve on more than one committee.

Audit Committee:

Chairman of Committee Prof. Dr. Atilla Murat Demirciođlu (independent member), and member Halit Bozkurt Aran (independent member)

Corporate Governance Committee:

Chairman of Committee Prof. Dr. Atilla Murat Demirciođlu (independent member), and members Halit Bozkurt Aran (independent member), Beyza Gen, Zeynep Hansu Uar and Kemal Tansu Akalın

Early Risk Detection Committee:

Chairmen of Committee Prof. Atilla Murat Demirciođlu (independent member), and members Halit Bozkurt Aran (independent member)