

**İHLAS YAYIN HOLDİNG A.Ş.**  
**CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT**

**Section 1- Declaration of Compliance with the Corporate Governance Principles**

Our Company shows the utmost care to comply with the “Capital Markets Board Corporate Governance Principles” which are issued by the CMB in all corporate governance applications since that day it was opened to the public.

Of the Corporate Governance Principles the required principles are complied with and work is being done to achieve compliance with the optional principles.

**1.1. Corporate Governance Principles that are not yet able to be practiced**

a) Required Corporate Governance Principles that are not able to be Practiced

Due to the statement that it cannot be applied for partnerships in the second and third group, the third clause in principle number 4.3.7. and the second clause of principle number 4.3.8. of the Corporate Governance Principles cannot be practiced.

b) Optional Corporate Governance Principles that are not able to be Practiced

The matters in the Corporate Governance Principles currently being enforced which are unable to be practiced by the Company at this time have been specified under the following headings.

**1.2. The Right to Obtain and Examine Information**

-Request for a private Auditor to be Assigned,

The phrase concerning the request for a private auditor to be assigned being used as an individual right is included in our core contract therefore there is no conflict of interest due to noncompliance with the principle for this reason.

**1.3. General Assembly**

There is no provision in the company core contract concerning the ability to hold general assemblies open to the shareholders and the public including the media without allowing right to speak. However the phrase the company’s other administrators “employees, audio and visual technicians and press members may enter” is included in our company’s Internal Guidelines on the Principles and Procedures for the General Assembly’s Operations.

**1.5. Minority Rights**

- The presence of a minority representative in our Board of Directors,  
Minority shares are not represented in the management.

**3.1. The Company Policy on Beneficiaries**

- There is no compensation policy for company employees. It is planned that this will be created as soon as possible and disclosed to the public via the corporate internet site.

**3.2 Supporting the Participation of Beneficiaries in the Company Management**

-Participation of the Beneficiaries in the Company Management,

There is no policy setting forth the participation of beneficiaries in management or concerning beneficiaries in the core contract. However, as seen from the statements in clauses 4.1 and 4.2 of Section IV in the Corporate Governance Report there is a policy that is not directly explained by the company but enforced.

#### **4.2. The Board of Directors Operation Principles**

- The authorities of the board of directors chairman and general manager have been clearly separated. However this distinction has not been stated in writing in the core contract.
- The board of directors have not formed internal audit systems to include risk management and information systems processes. The formation of internal audit systems has been planned for 2015.

Insurance against damaged caused by faults of board members during the execution of their duties in an amount exceeding the company equity by 25% has not yet been obtained. It is planned for this process to be completed as soon as possible and disclosed to the Public Disclosure Platform as soon as possible.

#### **4.3. Structure of the Board of Directors**

- Women members on the Board of Directors,

There are no women members on our company's board of directors. A policy is planned to be created within the year 2015 to reach the goals that are set forth in the Corporate Governance Communiqué number II-17.1.

Work that has Been Done Towards Complying with Principles within the Period

Our company's internet site, Annual Annual Activity Report and corporate compliance report have been reviewed in line with the TCC No 6102, the CMB no 6362 and Corporate Governance Principles and the necessary work on compliance have been done.

The work necessary to achieve compliance to the Corporate Governance Principles in the Corporate Governance Communiqué No. 11-17.1 of the Capital Market Board published to go into force on 03.01.2014, is ongoing.

#### **1.1. Simplifying the Use of Shareholder Rights**

As per the 2<sup>nd</sup> Paragraph of the 11<sup>th</sup> Article of Capital Markets Board "Corporate Governance Communiqué" n.II-17.1 Shareholders Relations Unit's name was changed as the "Investor Relations Department" on the 27<sup>th</sup> of June 2014. A decision was taken for the Investor Relations Department to carry out its activities under the Company General Manager Mr. Mustafa Erdoğan. Working fulltime at the Corporation, Ümit Fırat who has a "Capital Markets Activities Advanced Level License" and a "Corporate Governance Rating Specialist License" was appointed as the Investor Relations Department Director and Corporate Governance Committee member.

**Mustafa Erdoğan**  
**Board of Directors Deputy Chairman,**  
**General Manager and Executive Director**

**Abdullah Tuğcu**  
**Board of Directors Member**

## SECTION II – SHAREHOLDERS

### 2.1. Shareholder Relations Department

Our Company's Shareholder Relations Department was established in 2010 and serves all shareholders and investors since that day.

As per the Capital Markets Board "Corporate Governance Communiqué" n.II-17.1 Shareholders Relations Unit's name was changed as the "Investor Relations Department" on the 27<sup>th</sup> of June 2014. A decision was taken for the Investor Relations Department to carry out its activities under the Company General Manager Mustafa Erdoğan and to prepare and present a report at least once a year to the Board of Directors about the activities it carries out. Working fulltime at our Company, Ümit Fırat who has a "Capital Markets Activities Advanced Level License" and a "Corporate Governance Rating Specialist License" was appointed as the Investor Relations Department Director and Corporate Governance Committee member. Working fulltime at our Company, Sırrı Söztutan who has a "Capital Markets Activities Advanced Level License" was appointed as a Specialist in the Investor Relations Department.

The contact information of the department is as follows:

İhlas Yayın Holding A.Ş. Shareholders Relations Department  
Merkez Mah. 29 Ekim Cad. İhlas Plaza No:11 B/31 34197 Yenibosna/Istanbul  
Tel: 0(212) 454 24 22 - Fax: 0(212) 454 24 27

Sırrı Söztutan

e-mail: [sirri.soztutan@ihlas.com.tr](mailto:sirri.soztutan@ihlas.com.tr)

Ümit Fırat

e-mail: [umit.firat@ihlasyayinholding.com.tr](mailto:umit.firat@ihlasyayinholding.com.tr)

The Shareholders relations department primarily;

- Plays an effective role in protecting and making easier the rights of shareholders based on the right to obtain and examine information,
- Provides information and explanations that could affect the use of shareholder rights in updated form on the partnership's corporate internet site,
- Makes sure that the records of correspondence and other information and documents between the investors and the partnership are kept properly, securely and up to date,
- Responds to requests for information about the partnership made by partnership shareholders,
- Prepares documents concerning the general assembly meetings that need to be presented for the review and examination of shareholders and takes the necessary precautions to ensure that general assembly meetings are held in compliance with relevant regulations, the core contract and other regulations within the partnership,
- Monitors and tracks the carrying out of all obligations generated by the capital markets regulations including corporate governance and public disclosure,
- To represent our company in all investor relations meetings organized by national and international organizations,
- To prepare the material to be presented in meetings and update them when necessary.

As of the end of December 2014, 5 e-mails and 1 fax which came in over this contact information were responded to also questions from both local and foreign investors were answered. An active role was taken in the formation of the company's Annual Annual Activity Report. Investors were informed in the most comprehensive form. The Company's corporate web site is updated under the coordination of the Investor Relations Department in

line with the developing and changing corporate structure of the company and the Corporate Governance Principles set forth by the CMB.

On 20.02.2015, the Investor Relations Department presented the report about the activities it carried out in 2014 to the Board of Directors.

## **2.2. The Use of the Right to Obtain Information by Shareholders**

The questions received by e-mail and by phone within the period generally pertaining to the Company's operations and performance in the stock exchange were answered, with caution towards information of a confidential and commercial secret nature, the CMB regulations and the TCC.

The company Annual Annual Activity Report and financial statements disclosed in the previous period have been presented on the web page. Questions other than these have been answered in writing. Electronic formats were used actively and in their most updated form for this information process.

There was no demand for the assignment of a Private Auditor and no individual right regulation has been implemented in the core contract on this subject.

## **2.3. General Assembly Meetings**

Information on the Ordinary General Assembly Meetings Held in 2013

Company's Ordinary General Assembly was held on the 31<sup>st</sup> of March 2014, at 15:00 PM at the Holding Headquarters with the physical attendance of 134.503.235 shares, and electronic attendance of 1 share, thus with the attendance of 134.503.236 shares in total representing 67% of the paid-in capital. The General Assembly was registered in the Istanbul Trade Registry on the 7<sup>th</sup> of April 2014, and was published in the Turkish Trade Registry Gazette n.8548 (date: 11<sup>th</sup> of April 2014)

In addition to the information about how to attend the General Assembly on electronic platform, the call for the meeting prepared by the Board of Directors, the agenda and the power of attorney (sample) were included in the announcement made via Turkish Trade Registry Gazette on the 7<sup>th</sup> of April 2014 about the General Assembly. The call for the General Assembly and other documents related to the General Assembly were made available on our Company's website, Public Disclosure Platform and Electronic General Assembly System. Furthermore, the announcement for the meeting was sent via fax or e-mail to those who requested information by phone.

21 days prior to the General Assembly date, at the Company Headquarters; Board of Directors' Annual Report, Independent Audit Report prepared by Bilgili Bağımsız Denetim ve Yeminli Finansal Müşavirlik A.Ş., the financial statements prepared and issued in accordance with the provisions of the CMB's "Communiqué on Principles Regarding Financial Reporting in Capital Markets" n.II.14.1, Balance Sheet and Income Statement prepared in accordance with the legal records, and the General Assembly Information Document, were made available for shareholders' review.

Regarding the 6<sup>th</sup> Agenda Item, our investor (one of the shareholders who used his/her right to ask question) who attended the meeting on electronic platform asked a question; "Will there be a target set for Female Members in the Board of Directors as per the CMB Corporate Governance Principles? At least how many members are you targeting and could you explain the timeframe for reaching this target? I would like to have information about the reasons for

not appointing Female Members in the Board of Director.” The answer was; “At the General Assembly, explanation about the issue is made available in the Annual Report”. Shareholders’ did not make any proposals about the agenda. The utmost care and dedication is shown in complying with the requirements of law to simplify participation in the General Assembly. It is presumed that no difficulties were encountered concerning participation in the general assembly and no feedback has been received from shareholders to date. General Assembly minutes are presented to shareholders at their request at the end of the meetings, they are sent to the Public Disclosure Platform and made available on the company web site for shareholders who were not able to participate in the meeting.

General Assembly minutes were made available for the shareholders on the webpage, Electronic General Assembly System and in the Financial Affairs Unit. No donation or aid was made within the period and the shareholders were informed about the issue at the 2013 General Assembly Meeting with the 9<sup>th</sup> Agenda Item. Furthermore, an amount equivalent to 1% of Company’s 2013 consolidated gross sales figure was set as the upper limit for the donations that can be made by the Company in 2014. As per the Article n.1.3.6 of the Corporate Governance Principles stipulated in the Capital Markets Board’s Corporate Governance Communiqué n.II-17.1; In case our majority shareholders (who control the management of the Company), Board of Directors’ members, managers who have administrative responsibilities, and their spouses and blood relatives and relatives by marriage up to second-degree make any important transaction with the Corporation or its associate companies which may lead to conflicts of interest, and/or in case they make any transaction, related to a commercial business that is within the scope of Corporation’s or its associate companies’ field of activity, for their own account or for the account of others or did not become unlimited partners in other companies carrying out similar commercial businesses; no such transactions were performed within the Company’s field of activity by persons (on behalf of themselves) who have privileged access to company information apart from the ones mentioned above. Information was given to the General Assembly about this fact, and the issue was recorded in the General Assembly minutes.

Furthermore, at the General Assemblies decision are taken and necessary information is provided in conformity with the Articles of the Turkish Code of Commerce regarding the tasks of the General Assembly and provisions of the Capital Markets Board’s Corporate Governance Communiqué n.II-17.1 and the Articles of Association of the Company. The General Assembly meeting announcement is made via the Public Disclosure Platform, EGAS, the company web site and printed media. Also information documents about the General Assembly are available on the company web site.

The General Assembly announcements include;

- Meeting date and time,
- Clear location,
- Agenda
- Information needed concerning the agenda matters,
- Information about the total number of shares reflecting the partnership structure and voting rights, if there are privileged shares in the partnership capital the total number of shares representing each of the privileged groups, the voting rights and nature of privileges as of the date that the disclosure is made,
- Information about changes in management and activities that will have significant impacts on the Company’s and/or its associate companies’ activities that were/will be carried out in

previous/future accounting periods and information about the reasons behind these changes, and

- If on the General Assembly meeting agenda there are items about dismissal, change, or election of the Members of the Board of Directors; the reasons for dismissal or change, and the following information about the persons nominated as a Member of the Board of Directors; their résumés, list of jobs/positions (within the last ten years), reasons for leaving jobs/positions, the level of importance and nature of their relationship with the corporation and with the related parties of the corporation, information regarding whether they have the qualifications for independence or not, and information about similar issues that may have impact on the activities of the corporation in case these persons are elected as Members of the Board of Directors, and
- The written requests from shareholders for matters they wish to be added to the agenda which have been conveyed to the Investor Relations Department, in situations where the board of directors does not accept recommendations for the agenda the recommendations which have been rejected and their reasons,
- If on on the agenda there is an amendment to the Articles of Association, former and new versions of the amendments to the Articles of Association will be included with the relevant Board of Directors decisions, and will be announced to the shareholders.

While the General Assembly agenda is being prepared special care is given to giving each proposal under a different heading, expressing agenda headings clearly so as not to cause varying interpretations and not include articles titled “other” or “various” as prohibited by regulations.

Power of attorney samples are announced along with the meetings and made available to our Shareholders in electronic format for Shareholders who will be represented by a proxy in the meetings.

There is no provision in the company core contract concerning the ability to hold general assemblies open to the shareholders and the public including the media without allowing right to speak. However the phrase the company’s other administrators “employees, audio and visual technicians and press members may enter” is included in our company’s Internal Guideilnes on the Principles and Procedures for the General Assembllys’ Operations.

Regarding issues in the General Assembly meetings that require special attention board of directors members, other relevant individuals, authorities who have responsibility in the preparation of financial tables and an authority from the Independent Audit Company that audits the financial tables is invited.

The principles and procedures concerning the use of votes in our Company’s General Assembly have been listed below:

- Our partners may be present in person at the General Assemblies or have themselves represented by proxy
  - Votes are submitted in the General Assembly openly and by means of raising hands.
- The article concerning the voting rights of Group A and B shareholders in General Assembly meetings has been provided below.

VOTES:

Article-20:

Each of the Group A shareholders are allowed 1 (one) vote per share in the Ordinary and Extraordinary General Assembly meetings.

Each of the Group B shareholders are allowed 15 (fifteen) votes per share in the Ordinary and Extraordinary General Assembly meetings.

The principles and procedures concerning the use of votes are announced to Shareholders at the beginning of the meeting.

The subjects that our Shareholders want to be included in the agenda and which they have conveyed to the Shareholder Relations Department are included where possible in the agenda by the Board of Directors when preparing the agenda.

The General Assembly meetings are held according to the core contract at the company headquarters or a convenient location in the city where the headquarters is located.

#### **2.4. Voting Rights and Minority Rights**

While there are no privileges in the core contract concerning voting rights the core contract article 9 is as follows:

PRIVILEGES:

Article-9:

a- Privilege to elect board members;

As long as the Company General Assembly determines the Board to be 5 people at least 4 of the Board of Directors Members; and if the Company General Assembly determines the Board to be 7 people at least 5 of the Board of Directors Members; and if the Company General Assembly determines the Board to be 9 people at least 7 of the Board of Directors Members; and if the Company General Assembly determines the Board to be 11 people at least 9 of the Board of Directors Members are selected from among candidates nominated by the (B) group shareholders

b- Privilege to vote in General Assembly Meetings;

The group B shareholders have 15 (Fifteen) votes for each share to be used in ordinary and extraordinary General Assembly meetings.

The company has no partner with which it is in a reciprocal affiliation relationship. Our affiliates do not have an affiliation in our company. Minority shares are not represented in our management.

#### **2.5. Shareholding Rights**

There is no privilege in participating in the decision of the company. The company has a profit distribution policy which is disclosed to the public. During meeting no. 2014/28 dated 23.12.2014 of the Board of Directors the Corporate Governance Committee Decision no 2014/07 dated 23.12.2014 was assessed to determine the Profit Distribution Policy written below. The policy in question was disclosed to the Public Disclosure Platform (PDP) on 23.12.2014 was submitted to the information of the General Assembly, included in the Annual Annual Activity Report and disclosed to the public on the company internet site. On the 5<sup>th</sup> agenda item; Company's 2013 results were discussed at the General Assembly, and the Board of Directors proposal for not making Profit Distribution due to the fact that we have loss in our consolidated and non-consolidated financial statements that were prepared in conformity with the Turkish Accounting Standards (TMS) and the Turkish Financial Reporting Standards (TFRS) and the provisions of the Tax Procedure Law, was unanimously approved.

The General Assembly will take a decision regarding the accounting period results in our consolidated and non-consolidated financial statements that were prepared in conformity with

the Turkish Accounting Standards (TMS) and the Turkish Financial Reporting Standards (TFRS) and the provisions of the Tax Procedure Law, was unanimously approved. The profit distribution policy disclosed to the public by the Company is as follows:

#### THE PROFIT DISTRIBUTION POLICY

Our Company makes Profit Distribution within the framework of the Turkish Code of Commerce provisions, Capital Markets Regulations, Tax Regulations and other relevant regulations and the “Profit Distribution” Article of our Articles of Association. In Profit Distribution, a balanced and consistent policy between the shareholders’ and the Company’s benefits is pursued in conformity with the Corporate Governance Principles.

The ratio of the Profit Distribution is presented to the approval of the General Assembly after it is determined by the Board of Directors (i) by taking market expectations, company’s long term strategies, investment and financing policies, profitability and cash status into consideration as long as our financial means are available, and (ii) within the framework of the relevant provisions of the Turkish Code of Commerce, Tax Procedure Law, Capital Markets Law, Capital Markets Board principle decisions and similar legislation and the Articles of Association of the Company.

In case a decision is taken to make Profit Distribution, the Board of Directors of the Company will decide to distribute profit in cash and/or in scrip issue and submits the issue to the approval of the General Assembly. In case a decision is taken to distribute dividends in cash, the amounts can be split into equal or varying installments provided that the issue is resolved at the General Assembly meeting where the decision is taken. The number of installments is determined by the General Assembly or the Board of Directors provided that it is explicitly authorized by the General Assembly.

There are no privileges in profit distribution. Profit shares are distributed equally to all the existing shares regardless of their issue date and acquisition date.

The timeframe regarding the dividend distribution is presented by the Board of Directors to the approval of the General Assembly. Subsequent to the Board of Directors’ proposal and the approval of the Shareholders’ General Assembly and on the date determined by the General Assembly; dividends shall be distributed to the shareholders within the legal timeframe by taking the legal regulations and the relevant provisions of the Articles of Association of the Company into consideration.

Unless the contingency reserves which are to be set aside by law are reserved and the first dividend specified for shareholders in the core contract are distributed in cash and/or share stocks no decision can be made to reserve other contingency reserves, to transfer profit to the next year and in the distribution of dividends to distribute it to privileged shareholders, to participation, founding and common shareholders, board members, clerks, servants and workers and/or similar organizations.

A dividend advance may be issued on the condition that the Board of Directors is authorized by the General Assembly and other regulations of the Capital Markets Board are complied with. The total profit share in one period may not exceed half of the profit for the previous year. The authorization given to the board of directors by the general assembly is limited to the year in which it is issued. No decision can be made to issue an additional dividend advance and/or to distribute dividends until the dividend advance of the previous year has been deducted.

Provided that the donations made within the year in conformity with the Capital Markets Law and relevant legislation, are presented for the information of the shareholders at the General Assembly; the upper limit for the donations to be made within the accounting period is determined by the General Assembly. Donations cannot exceed this limit and donations made by the Company are added to the distributable profit base.

## **2.6. Transfer of Shares**

The provisions of the Capital Market Law and the Turkish Commercial Code are complied with in the transfer of shares.

## **SECTION III – PUBLIC INFORMATION AND TRANSPARENCY**

### **3.1. The Company Internet Site and Its Content**

The official internet site of the company which is the same as the name of the company, easily found and accessed is [www.ihlasyayinholding.com.tr](http://www.ihlasyayinholding.com.tr).

The internet site is actively used to keep the public informed and the information provided here is constantly updated. The information on the company's internet site is the same and/or consistent with the disclosures that have been made in accordance with relevant regulations and do not contain conflicting or deficient information. The company letterhead included the internet site.

In addition to information that is required to be disclosed by law, the company internet site includes commercial registry information, the partnership and management structure in the most current state, detailed information about privileged shares, the latest form of the company core contract, material disclosures, financial reports, Annual Activity Reports, explanation forms and other documents to inform the public, General Assembly meeting agendas, lists of attendees and meeting minutes, voting by proxy forms, share purchase proposals or the required information forms prepared for collecting power of attorneys and similar forms, the profit distribution policy, disclosure policy and ethical rules created by the company are included in the internet site. In this context information that goes back at least 5 years is included on the corporate internet site.

Company's shareholders' structure indicating the names, amount and ratio of shares and privileges of the real (natural) shareholders who have more than 5% of the shares free from the indirect and mutual subsidiary relationship, is quarterly updated on the corporate website. The information on the internet site is also prepared in English so that foreign investors can also benefit from it.

On our web page under the heading "Corporate" our company management structure and information on all our company activities is available, under the heading "Affiliates" all information about activities being conducted is provided to inform the public, under the heading "Corporate Governance" all information that is required to be disclosed within the context of Corporate Governance Principles is provided, under the heading "Investor Relations" the Company's affiliate and organizational structure, financial information, material disclosures, related party transactions, insider trading and detailed information about transactions related to these is provided, under the heading "Information Community Service" a link is provided to the MKK-E-Company system, under the heading "News" all manner of announcements and information released to the press is provided, under the heading "Career" our Human Resources Policy and the application procedures for those who wish to work in one of our groups is provided and under the heading "Contact" contact information such as address, telephone and email plus a map showing directions is provided.

### **3.2. Annual Activity Report**

The Company Annual Activity Report includes all of the information stated in the "Corporate Governance Communiqué" number II-17.1. It is prepared in the detail that the public needs in order to be completely and correctly informed about the company's activities. In addition to the other matters specified in the relevant regulation and Corporate Governance Principles the Annual Activity Report includes the following;

- Information about the duties carried out by Board of Directors members and administrators outside of the company and the declarations of the Board members concerning independence,
- The members of the committees created within the Board of Directors, frequency of meetings, activities conducted, the Board of Directors assessment on their work principles and efficiency of the committees,
- Number of Board of Directors meetings in a year and attendance of members in the meetings,
- Information about changes in regulations that could have an important effect on the company's operations,
- Information about important cases filed against the company and their probable results,
- Information about conflicts of interest with companies from which the Company obtains services on matters like investment consultation and scoring and the precautions that are taken by the Company to prevent conflicts of interest,
- Information about affiliates with a direct participation in the capital of more than 5%,
- Information about employee social benefits, professional training and corporate social responsibility activities of the company that achieve other community and environmental results.

## **SECTION IV - BENEFICIARIES**

### **4.1. Keeping Beneficiaries Informed**

Beneficiaries are individuals, companies and interest groups who are employees, creditors, customers, suppliers, various nongovernmental organizations that are involved in the company reaching its goals or its activities. The company secures the rights of beneficiaries which are organized with regulations and contracts, in its operations and activities. In situations where the rights of beneficiaries are to be protected by regulations and mutual contracts, the rights of beneficiaries are protected within the framework of goodwill and company resources.

There is no compensation policy for company employees. It is planned that one will be created as soon as possible and disclosed to the public via the internet site.

Beneficiaries are sufficiently informed about protecting their rights, relevant company policies and procedures by means of using the corporate internet site.

Relevant departments have been assigned to convey any transactions by beneficiaries that are in violation of the company's regulations or not ethically suitable to the Corporate Governance Committee or the committee in charge of auditing. All questions asked by the beneficiaries within the period are responded to by the relevant departments. No special setting has been created for this, the existing information channels are used.

The Company web address [www.ihlasyayinholding.com.tr](http://www.ihlasyayinholding.com.tr) has been used most efficiently both to provide answers and make announcements on this subject.

In the event that conflicts of interest arise between beneficiaries or one beneficiary is included in more than one interest group; a balanced policy is implemented to the extent possible in order to protect rights and the objection is to protect each right independently.

### **4.2. Participation of the Beneficiaries in Management**

There is no policy in the Company core contract that sets forth the participation of beneficiaries in management.

The [etik@ihlasyayinholding.com.tr](mailto:etik@ihlasyayinholding.com.tr) address, which is forwarded to the Audit Committee of our Board of Directors, has been created so that our beneficiaries, who are comprised of our shareholders, customers, suppliers and personnel can convey transactions that they feel is not suitable to our company's legal or ethical values and after such reports are assessed by the Audit Board the necessary actions are taken and informed to the beneficiaries.

All quality efforts being conducted in all of our affiliates are conducted in this scope and kept up to date. Internal services training has been provided on this subject and an approach that the consumer is always right has been implemented in responding to and solving all consumer problems. In order for personnel to participate in management and relay all manner of requests, complaints and suggestions the [insanhaklari@ihlasyayinholding.com.tr](mailto:insanhaklari@ihlasyayinholding.com.tr) address has been created and announced to all personnel. Also it has been announced that all suggestions that come in over the [info@ihlasyayinholding.com.tr](mailto:info@ihlasyayinholding.com.tr) address will be considered as well.

### **4.3. Human Resources Policy**

#### **HUMAN RESOURCES VISION**

The vision of the company is to be an exemplary company in which a world standard human resources approach is embraced, a preferred company in terms of its work force in the sector and a place where everyone is proud of working.

#### **HUMAN RESOURCES MISSION**

Developing people, making sure that they are happy and peaceful to contribute to the community and have employees with high performance will increase our competitive edge in Turkey and the World. Therefore it is our mission to provide fair and transparent working systems and settings for people to work peacefully.

#### **THE PRINCIPLES OF THE HUMAN RESOURCES POLICY**

The purpose of the Human Resources Policy is to make sure that employees are effective, productive and happy so that İhlas Yayın Holding A.Ş. can achieve national and international competitive superiority. The basic principles to be followed in order to achieve this purpose are as follows;

- 1-To provide candidates according to the nature of the work and necessary skills and to develop and implement exams and orientation systems,
- 2-To make sure that personnel work in jobs that are relevant to their knowledge and skills
- 3-To maintain the productivity and efficiency of the company personnel at the highest level,
- 4-To provide the opportunity for all employees to improve themselves and develop a career by providing an efficient training plan and program,
- 5- Preparing Senior Level Administrators from within the company for positions other than very specialized ones with the knowledge of the General Manager
- 6-To maintain the morale and motivation of personnel in every position at the highest level
- 7-To protect and improve the material and emotional rights of personnel,
- 8-To create a setting that develops the desire of employees to work with all administrators and work towards developing good human relations,
- 9-To ensure the development of institutionalization among all personal without language, religion, race or gender discrimination,
- 10-To meet the social and cultural needs of personnel within the budget resources, ensure the fair benefit of all personnel from social services and aid to make the Company an appealing place to work.

Listening to all the problems, suggestions and expectations of our employees and finding solutions to their problems is handled by the human resources department. One person within the department is assigned with this duty. Sırrı Söztutan is our colleague who has been assigned with this task. Also the [insankaynaklari@ihlasyayinholding.com.tr](mailto:insankaynaklari@ihlasyayinholding.com.tr) address has been opened to assess all problems and suggestions and every issue is responded to here. There are no complaints on discrimination to date. The applications in our company on this issue are quite clear and transparent. No one is excluded based on religion, language, race and gender. This issue is a principle of our HR policy.

The work analysis necessary to establish a fair salary system and the determination of job descriptions, authorities and responsibilities of our employees have been started by our Human Resources department. After the work analysis is completed a performance assessment system based on goals and skills will be established.

After the system is completely formed a Performance assessment handbook will be compiled and implemented once the necessary training is provided to the employees and administrators. The regulations on supplying and preparing personnel, Leaving employment and discipline rules and regulations on the titles to be used in the holding have been published. In this context training sessions on regulations that have been published concerning the revision work on employee titles, application rules and monitoring work training for employees and other departments are ongoing. Also work on other matters (Individual benefits, salary management etc) continue. When they are completed announcements will be made. Our organizational structure is being reshaped. After the organizational structure is completed an organization handbook will be prepared and the new job descriptions will be notified to personnel.

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

The ethical rules for our Company and employees have been set forth by our Board of Directors as follows. These ethical rules have been announced to our employees and to the public within the scope of disclosure through our internet address.

##### **Ethical Rules**

Our Board of Directors

Our Company has set forth that the capital market is above all dependent on trust and therefore these ethical principles are extremely necessary only to be exceeded in superiority by laws and that this must be defended. The Financial Affairs Manager Board of Directors Member and Accounting-Finance department administrators must;

- Make complete, fair, correct and clear explanations in all reports and documents that are disclosed to the public or submitted to the capital markets regulators that the company is a member of,
- Act in compliance with all laws, regulations and principles in their relations with the company and shareholders
- Be sure to act in letter and in spirit of these ethical principles and work to create a working culture that will establish the basis for compliance with laws and company policies in all of the Company's activities.

Also they must make sure that persons who are in the position of knowing information on financial statements which have not been disclosed to the public maintain confidentiality with discretion.

Our Employees;

- Are honest, reliable, ethical people who are cautious about moral values and never compromise on these values.
- Carry out their duties in the departments where they are assigned in the company's best interest with care, devotion, objectivity and compliance with confidentiality rules.
- Strive to do their jobs in the best possible way in order to increase the profitability and market share of the company.
- Are always reasonable and restrained in their speech, behavior and apparel.
- Are aware of the importance of superior – subordinate and customer relations and adjust their behavior accordingly.
- Are respectful, restrained, moderate, active and positive in all of their interactions and therefore have a positive impact on relations both within and outside of the company.
- Comply meticulously with laws, professional principles and relevant regulations.
- Assess difference ideas, perspectives and suggestions with an agreeable approach to make the most efficient, solid and suitable decisions.

- Distance themselves from any kind of arguments with political, religious, ethnic and discriminatory content and any illegal activities.
- Have the necessary information and experience for the job they execute. They constantly strive to improve their general culture, professional knowledge and skills. They utilize the resources and values they have to carry out their responsibilities in the best possible way.

### **Social Responsibility**

The founders and employees of the İhlas Group came together under the principle that “The most beneficial person is one who serves mankind” and decided to carry out their business within this framework. Therefore our priority principle is to provide services that are beneficial to humanity without religion, race, gender or age discrimination.

Our company has embraced being sensitive to social responsibilities, complying with regulations concerning the environment, consumers and public health as well as ethics, supporting and respecting human rights that are valid throughout the world and combating all manner of corruption including bribery and extortion as part of its basic principles.

The efficient and productive use of world resources which belong to all of humanity, respect for environmental preservation and undertaking as well as carrying out social responsibilities are all an inseparable element of serving humanity. Maintaining peace among people is achieved through educating them well and then enabling them to continue their lives in a healthy manner. It is for this reason that our Group’s publication the Türkiye Newspaper places importance on the environment and nature and provides special pages dedicated to carrying out this important social responsibility.

TGRT News, another broadcasting medium of our group prepares programs on subject concerning the environment and disabled people and also serves as a media sponsor for meetings, panels and seminars on these subjects. Our company is not involved in any activities that pollute or harm the environment. There have been no legal or financial problems related to this.

## SECTION V – THE BOARD OF DIRECTORS

### 5.1. Board of Directors Structure, Formation

Our Board of Directors in which the Chairman and Executive Chairman are separate, there are 3 executive and 3 non-executive members and 3 independent members for a total of 9 members

Position	Name and Last Name	Task	Start and End of Term	
Board of Directors Chairman	Ahmet Mücahid Ören	Non Executive Member	30.05.2012	*2015
Board of Directors Deputy Chairman and General Manager and Executive Director	Mustafa Erdoğan	Executive Member	30.03.2013	*2015
Board of Directors Member	Abdullah Tuğcu	Executive Member	30.03.2013	*2015
Board of Directors Member	Nuh Albayrak	Non Executive Member	30.05.2012	**10.03.2014
Board of Directors Member	İsmail Kapan	Non Executive Member	10.03.2014	**2015
Board of Directors Member	Mehmet Nurettin Yağcı	Executive Member	25.11.2013	*2015
Board of Directors Member and Corporate Governance Committee Member	Orhan Tanışman	Non Executive Member	30.05.2012	*2015
Board of Directors Member and Corporate Governance Committee Chairman	Melih Rüçhan Arvasi	Independent Member	30.05.2012	***07.04.2014
Board of Directors Member and Corporate Governance Committee	Nazmi Örs	Independent Member	07.04.2014	***2015

Chairman				
Board of Directors Member, Audit Committee Chairman and Early Risk Detection Committee Member	Osman Duman	Independent Member	30.05.2012	**06.02.2014
Board of Directors Member, Audit Committee Chairman and Early Risk Detection Committee Member	Hüsnü Kurtiş	Independent Member	06.02.2014	**2015
Board of Directors Member, Audit Committee Member and Early Risk Detection Committee Chairman	Tolga Sönmez	Independent Member	30.05.2012	**27.03.2014
Board of Directors Member, Audit Committee Member and Early Risk Detection Committee Chairman	İsmail Cengiz	Independent Member	27.03.2014	**2015

\* Elected on 30.05.2012 to serve for a term of three years until the General Assembly to be held at the end of the third year.

\*\* Due to the fact that Osman Duman, Nuh Albayrak, and Tolga Sönmez resigned from their positions on 06.02.2014, 10.03.2014, and 27.03.2014, Hüsnü Kurtiş was appointed for the vacant position of Osman Duman, İsmail Kapan was appointed for the vacant position of Nuh Albayrak and İsmail Cengiz was appointed for the vacant position of Tolga Sönmez, and they were approved as Members of the Board of Directors at the 2013 Ordinary General Assembly held on 31.03.2014.

\*\*\* Due to the fact that Melih Rüçhan Arvasi resigned from his position on 07.04.2014, Nazmi Örs was elected for his position to serve till the first General Assembly.

The Backgrounds of the Board of Directors Members

**Ahmet Mücahid ÖREN**

**Chairman of the Board of Directors**

Born in 1972 in Istanbul, A. Mücahid Ören graduated from Anatolian University Faculty of Economics. Between 1989-1991, he worked as a Computer Coordinator in Türkiye Gazetesi and as a General Publishing Consultant in Türkiye Çocuk Magazine. In 1991, he became the General Manager of TGRT Channel and coordinated the preparation process of infrastructure and broadcasting. In 1993, He was appointed as İhlas Holding A.Ş. Vice Chairman of the Board of Directors and Holding General Manager. In 2013, he was elected as the Chairman of the Board of Directors of İhlas Holding A.Ş.. Being a member of numerous corporations, associations and foundations in and outside the country in industry, trade and service sectors, Ören has had many articles published.

**Mustafa ERDOĞAN**

**Vice Chairman, General Manager and Executive Member**

Starting his professional career in 1990, at the İhlas Holding Financial Affairs Coordination Department, Mustafa Erdoğan assumed various tasks in this department. He later worked for Rehber Independent Accounting And Financial Consulting Office between 1997-2000. Returning in 2000 to İhlas Holding, Erdoğan was appointed as the Financial Affairs Manager İhlas Yayın Holding as of 2005. In 2013, he was elected as a Member of the Board of Directors and became the General Manager of the company. Furthermore, Erdoğan is a Member of the Board of Directors in İhlas Gazetecilik A.Ş., İhlas Yayın Holding A.Ş., TGRT Haber TV A.Ş. and TGRT Dİjital TV A.Ş.. Erdoğan has a financial consultant license, and is Member of the Istanbul Chamber of Independent Accountants and Financial Consultants (İSMMMO).

**Abdullah TUĞCU**

**Board Member**

Born in 1982 in Kayseri, Abdullah Tuğcu graduated from Istanbul University Faculty of Business Administration. He attended the Marmara University Finance Department Financial Law Master's Program. Joining İhlas Group in 2008, as the Financial Affairs Manager of İhlas Mining Company, Tuğcu became İhlas Yayın Holding Finance Coordinator in 2013, and was appointed as İhlas Holding Assistant General Manager in charge of Finance in 2014. Besides his aforementioned positions, Tuğcu is a Member of the Board of Directors in İhlas Holding A.Ş., İhlas Yayın Holding A.Ş., İhlas İnşaat Holding A.Ş., İhlas Pazarlama Yatırım Holding A.Ş., İhlas Gazetecilik A.Ş., TGRT Haber TV A.Ş., TGRT Dijital A.Ş., İhlas Haber Ajansı A.Ş. and İhlas Gelişim Yayıncılık A.Ş..

**İsmail KAPAN**

**Board Member**

Born in 1956 in Malatya, Pütürge district, İsmail Kapan received his Bachelor's degree at Istanbul University Faculty of Law; and received his Master's degree at Istanbul University Faculty of Economics Social Sciences Institute Department of "Social Structure and Social Change"; and received his PhD in the International Relations Department. İsmail Kapan started professional career as a columnist in 1978 in the Türkiye Gazetesi. After completing his military service between 1983-84, he worked as a lawyer and legal consultant for some time and then returned to journalism in 1987. Working as News Director, Editorial Director and Managing Editor in Türkiye Gazetesi, İsmail Kapan founded İhlâs New Agency (İHA) in 1993 and worked as its General Manager for a year and a half. In 1994, he became the Chief Editor of Türkiye Gazetesi and worked in this position four years. Later, Kapan was

appointed as the İhlâs Holding Media Group President in 1998. Working as the General Coordinator of Türkiye Gazetesi between 2001-2003, İsmail Kapan also continued to write as a columnist besides his administrative tasks. Furthermore, on radio and TV channels of the Publishing Group he has moderated panel programs and commented on daily political developments. Appointed for the second time as the Chief Editor of Türkiye Gazetesi in March 2014, Kapan continues to serve in this position besides writing in his column. Besides being a Member of the Turkish Journalists Association, he has been a Member of the Press Council Supreme Board for 16 years. İsmail Kapan is the Chairman of the Board of Directors of İhlas Gazetecilik A.Ş. and a Member of the Board of Directors of İhlas Yayın Holding A.Ş.

### **Mehmet Nureddin YAĞCI**

#### **Board Member**

Born in Istanbul in 1969, Mehmet Nureddin Yağcı graduated from Bosphorus University Computer Engineering in 1991. In the same university he achieved a Post Graduate Degree in Computer Engineering (1993), attended Film and TV at the Westminster University in London (1995) and he attended the MBA (2001) program at Koç University. Starting his professional career in Türkiye Gazetesi in 1989, Yağcı worked as a research assistant at Boğaziçi University for short period and then worked as a producer for the BBC Turkish in London. Having assumed various tasks since 1997 in TGRT, İhlas Holding and İhlas Yayın Holding, Mehmet Nurettin Yağcı is a Member of the Board of Directors of İhlas Yayın Holding.

### **Orhan TANIŞMAN**

#### **Board Member and Corporate Governance Committee Member**

Born in 1969 Istanbul, Orhan Tanışman graduated from Istanbul Technical University Architecture and Marine Engineering Department, and received his Master's Degree from Yıldız Technical University. He later attended the PhD program in investment planning in Istanbul University. He simultaneously attended the Istanbul University Institute of Business Economics and graduated in 1999. Between 1991-1992, he worked as a research assistant at Marmara University Technical Education Faculty. Between 1992–1994 he worked as a research assistant at Istanbul University Engineering Faculty. Starting his career in İhlas Holding in 1994, Tanışman is currently the Assistant General Manager in charge of İhlas Holding'te Budget, Reporting and Investor Relations. Being a Member of the Board of Directors in İhlas Gazetecilik A.Ş. and in İhlas Yayın Holding A.Ş., Orhan Tanışman is also a member of Corporate Governance Association of Turkey (TKYD), Turkish Investor Relations Society (TÜYİD).

### **Hüsnü KURTİŞ**

#### **Independent Board Member and Chairman of Audit Committee**

Born in 1953 in Niğde, Hüsnü Kurtiş worked as the Ankara Representative of Türkiye Gazetesi after graduating from Adana Academy of Economics and Commercial Sciences in 1975. He later worked as İhlas Holding A.Ş. Personnel Manager, TGRT TV Financial Affairs Manager, İhlas Film Prodüksiyon A.Ş. Assistant General Manager and İhlas Kargo Assistant General Manager. Hüsnü Kurtiş is an Independent Member of the Board of Directors in İhlas Holding A.Ş. and in İhlas Yayın Holding A.Ş.

## **İsmail CENGİZ**

### **Independent Member of the Board of Directors and Audit Committee Member**

Born in 1957 in Sarıkamış. After graduating from Eskişehir Academy of Economics and Commercial Sciences in 1979, he started working in Erzurum for Dadaş Bookstore in 1981. After completing his military service in 1982, he worked in Erzurum for various firms as a financial affairs specialist. He later became a partner in “Erzurum Dayanıklı Tüketim and Ticaret Ltd. and worked as the Financial Affairs Manager. He quit both his positions at the company in October 2005. In 2006, he began working in Tekirdağ Çerkezköy for BDK Construction Laboratory as a partner, and quit his position on the 10th of 2012 selling his shares in the company. İsmail Cengiz is an Independent Member of the Board of Directors in İhlas Holding A.Ş. and İhlas Gazetecilik A.Ş. and in İhlas Yayın Holding A.Ş..

## **NAZMİ ÖRS\***

### **Independent Member of the Board of Directors and Chairman of the Corporate Governance Committee**

Born in 1948 in Antalya, Nazmi Örs graduated from Ankara Yenişehir Sağlık Koleji Radyoloji Department in 1969, and Ankara Gevher Nesibe Health Education Institute Public Health Department in 1979. He later worked in Izmir, Kars, Ankara, Gaziantep and Istanbul as a director, teacher and in various other positions under the Ministry of Health. In 1999, he retired from his Assistant Administrative Manager position in Bakırköy Hospital for Psychiatric and Neurological Diseases. He is an Independent Member of the Board of Directors in İhlas Gazetecilik A.Ş. and in İhlas Yayın Holding A.Ş..

### **Information About the Independent Board of Directors Members**

With the resignation of Independent Board of Directors Member Osman Duman on 06.02.2014 the Corporate Governance Committee, which undertook the duties of the Candidate Nomination Committee, evaluated the nomination of Hüsnu Kurtiş in the report dated February 6, 2014 and submitted this to the Board of Directors on February 6, 2014 after which Hüsnu Kurtiş was elected to serve until the first General Assembly.

At the 2013 Ordinary General Assembly meeting held on 31.03.2014, a decision was taken to approve these persons as Members of the Board of Directors.

Due to the fact that the Independent Member of the Board of Directors Tolga Sönmez resigned from his position on 27.03.2014, the Corporate Governance Committee that carries out the tasks of the Nomination Committee, reviewed (*with its report dated 27<sup>th</sup> of March 2014*) İsmail Cengiz’s nomination for independent membership in the Board of Directors and presented the issue to the Board of Directors on the 27<sup>th</sup> of March 2014, and the Board of Directors elected İsmail Cengiz to serve till the first General Assembly. At the 2013 Ordinary General Assembly meeting held on 31.03.2014, a decision was taken to approve İsmail Cengiz as a Member of the Board of Directors.

Due to the fact that the Independent Member of the Board of Directors Melih Rüçhan Arvasi resigned from his position on 07.04.2014, the Corporate Governance Committee that carries out the tasks of the Nomination Committee, reviewed (*with its report dated 7<sup>th</sup> of April 2014*) Nazmi Örs’s nomination for independent membership in the Board of Directors and presented the issue to the Board of Directors on the 7<sup>th</sup> of April 2014, and the Board of Directors elected Nazmi Örs to serve will the first General Assembly.

Corporate Governance Committee, which undertook the duties of the Candidate Nomination Committee, evaluated the nomination of Hüsni Kurtiř in the report dated February 6, 2014 and submitted this to the Board of Directors on February 6, 2014.

Hüsni Kurtiř has declared that within the last five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and (i) İhlas Yayın Holding A.ř. and the Company and (ii) the subsidiaries of Company, and (iii) shareholders who control the management of Company or who have significant influence in Company and juridical persons controlled by these shareholders; within the last five years, I have not worked as an executive manager who would have important duties and responsibilities or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed (during the timeframe of selling/purchasing of the products and services.

Based on this report; the Board of Directors was presented to the approval of the shareholders, and was approved at the General Assembly held on 31.03.2014 for electing the Independent Members of the Board of Directors.

With its report dated 27<sup>th</sup> of March 2014, the Corporate Governance Committee that carries out the tasks of the Nomination Committee, reviewed İsmail Cengiz's nomination for independent membership in the Board of Directors and presented the issue to the Board of Directors on the 27<sup>th</sup> of March 2014.

İsmail Cengiz, has declared that within the last five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my spouse, my second degree relatives by blood or by marriage and (i) İhlas Yayın Holding A.ř. and the Company and (ii) the subsidiaries of Company, and (iii) shareholders who control the management of Company or who have significant influence in Company and juridical persons controlled by these shareholders; within the last five years, I have not worked as an executive manager who would have important duties and responsibilities or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed (during the timeframe of selling/purchasing of the products and services.

Based on this report; the Board of Directors was presented to the approval of the shareholders, and was approved at the General Assembly held on 31.03.2014 for electing the Independent Members of the Board of Directors.

With its report dated 7<sup>th</sup> of April 2014, the Corporate Governance Committee that carries out the tasks of the Nomination Committee, reviewed Nazmi Örs's nomination for independent membership in the Board of Directors and presented the issue to the Board of Directors on the 7<sup>th</sup> of April 2014.

Nazmi Örs has declared within the last five years, no executive employment relation that would give important duties and responsibilities has been established between myself, my

spouse, my second degree relatives by blood or by marriage and (i) İhlas Yayın Holding A.Ş. and the Company and (ii) the subsidiaries of Company, and (iii) shareholders who control the management of Company or who have significant influence in Company and juridical persons controlled by these shareholders; within the last five years, I have not worked as an executive manager who would have important duties and responsibilities or have not been a member of the Board of Directors or been a shareholder (more than 5%) particularly in the companies that provide auditing, rating and consulting services for the Company (including tax audit, legal audit, internal audit), and in the companies that the Company purchase products and services from or sells products and services to within the framework of the agreements signed (during the timeframe of selling/purchasing of the products and services.

Based on this report; the Board of Directors will be presented to the approval of the shareholders at the first General Assembly to be held for electing the Independent Members of the Board of Directors.

As per Corporate Governance Communiqué n.II-17.1 that entered into force on the 3<sup>rd</sup> of January 2014; Independent Members of the Board of Directors, Hüsnu Kurtiş, İsmail Cengiz and Nazmi Örs, presented their independence statements on 06.02.2014, 27.03.2014 and 07.04.2014.

#### **INDEPENDENT MEMBER DECLARATION**

To the Attention of the İhlas Yayın Holding A.Ş. (Company) Board of Directors, I hereby declare that neither myself, spouse or relatives by blood or marriage up to the second degree, has established employment in an administrative position taking on important duties and responsibilities in the past five years with the Company and partners with management control or important influence in the company and legal entities with management control over these partners; that I do not have together with others or on my own more than 5% in the Company capital or votes or privileged shares or have an important business relationship established.

I have not been involved in the past five years with companies providing the audit, scoring and consultation services of the Company and had not been an employee in any companies from which the Company makes important service and goods purchases in the scope of contracts or been a partner with over 5% share or in important administrative positions in companies from which services and goods are purchased or sold, or been a member of their Board of Directors, that I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership in the Board of Directors of the Company, I do not currently work full time at a public company or organization, I am considered a resident of Turkey according to the Income Tax Law, I have strong ethical standards, professional respectability and experience which will contribute positively to the Company activities, enable me to maintain impartiality in conflicts of interest between the company and shareholders and make decisions taking into account the rights of beneficiaries. I will devote sufficient time to be able to monitor Company activities and carry out the requirements of my duty.

Hüsnu Kurtiş

#### **INDEPENDENT MEMBER DECLARATION**

To the Attention of the İhlas Yayın Holding A.Ş. (Company) Board of Directors, I hereby declare that neither myself, spouse or relatives by blood or marriage up to the second degree, has established employment in an administrative position taking on important duties

and responsibilities in the past five years with the Company and partners with management control or important influence in the company and legal entities with management control over these partners; that I do not have together with others or on my own more than 5% in the Company capital or votes or privileged shares or have an important business relationship established.

I have not been involved in the past five years with companies providing the audit, scoring and consultation services of the Company and had not been an employee in any companies from which the Company makes important service and goods purchases in the scope of contracts or been a partner with over 5% share or in important administrative positions in companies from which services and goods are purchased or sold, or been a member of their Board of Directors, that I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership in the Board of Directors of the Company,

I do not currently work full time at a public company or organization,  
I am considered a resident of Turkey according to the Income Tax Law,  
I have strong ethical standards, professional respectability and experience which will contribute positively to the Company activities, enable me to maintain impartiality in conflicts of interest between the company and shareholders and make decisions taking into account the rights of beneficiaries. I will devote sufficient time to be able to monitor Company activities and carry out the requirements of my duty.

İsmail Cengiz

**INDEPENDENT MEMBER DECLARATION**

To the Attention of the İhlas Yayın Holding A.Ş. (Company) Board of Directors,  
I hereby declare that neither myself, spouse or relatives by blood or marriage up to the second degree, has established employment in an administrative position taking on important duties and responsibilities in the past five years with the Company and partners with management control or important influence in the company and legal entities with management control over these partners; that I do not have together with others or on my own more than 5% in the Company capital or votes or privileged shares or have an important business relationship established.

I have not been involved in the past five years with companies providing the audit, scoring and consultation services of the Company and had not been an employee in any companies from which the Company makes important service and goods purchases in the scope of contracts or been a partner with over 5% share or in important administrative positions in companies from which services and goods are purchased or sold, or been a member of their Board of Directors, that I do have the professional training, knowledge, and experience that will help me properly carry out the tasks and duties I will assume as a result of my independent membership in the Board of Directors of the Company,

I do not currently work full time at a public company or organization,  
I am considered a resident of Turkey according to the Income Tax Law,  
I have strong ethical standards, professional respectability and experience which will contribute positively to the Company activities, enable me to maintain impartiality in conflicts of interest between the company and shareholders and make decisions taking into account the rights of beneficiaries. I will devote sufficient time to be able to monitor Company activities and carry out the requirements of my duty.

Nazmi Örs

In the framework of the permission granted to Board of Directors Members at the General Assembly, the Board of Directors members have taken on duties as Board of Directors Members in other companies and have not made any transactions on their behalf in the scope of the prohibition on competition with these companies.

The Duties Undertaken by Board of Directors Members in other Companies:

AHMET MÜCAHİD ÖREN

İhlas Holding A.Ş.

Board of Directors Chairman

İhlas Haber Ajansı A.Ş.

Board of Directors Chairman

İhlas İnşaat Holding A.Ş.

Board of Directors Chairman

İhlas Pazarlama Yatırım Holding A.Ş.

Board of Directors Chairman

MUSTAFA ERDOĞAN

TGRT Haber TV A.Ş.

Board of Directors Member

TGRT Dijital TV Hizmetleri A.Ş.

Board of Directors Member

İhlas Gazetecilik A.Ş.

Board of Directors Member

ABDULLAH TUĞCU

İhlas Holding A.Ş.

Board of Directors Member

İhlas Gazetecilik A.Ş.

Board of Directors Member

İhlas Gelişim Yayıncılık A.Ş.

Board of Directors Member

İhlas Haber Ajansı A.Ş.

Board of Directors Member

TGRT Haber TV A.Ş.

Board of Directors Member

TGRT Dijital TV Hizmetleri A.Ş.

Board of Directors Member

İhlas İnşaat Holding A.Ş.

Board of Directors Member

İhlas Pazarlama Yatırım Holding A.Ş.

Board of Directors Member

İSMAİL KAPAN

İhlas Gazetecilik A.Ş. Board of Directors Chairman and General Manager of Broadcasting

ORHAN TANIŞMAN

İhlas Gazetecilik A.Ş.

Board of Directors Member

İhlas Haber Ajansı A.Ş.

Board of Directors Member

Dijital Varlıklar Görsel Medya ve İnternet Hiz. Ltd. Şti. Company Manager

MEHMET NUREDDİN YAĞCI

TGRT Dijital TV Hizmetleri A.Ş.

Board of Directors Member

HÜSNÜ KURTIŞ

İhlas Holding A.Ş.

Independent Board of Directors Member

İSMAİL CENGİZ

İhlas Holding A.Ş.

Independent Board of Directors Member

İhlas Gazetecilik A.Ş.

Independent Board of Directors Member

NAZMİ ÖRS

İhlas Gazetecilik A.Ş.

Board of Directors Member

## **5.2. The Principles of the Board of Directors Activities**

- The Board of Directors chairman meets with the other members and the general manager to determine the agenda of the meetings.

Also the agenda of the Board of Directors meeting is determined according to the suggestions of the company administrators and committees and in situations that require a Board decision on the operation activities of administrators the agenda is determined by current events concerning the period in additions to the meeting demands. The Board of Directors meet at least once a month. The Board of Directors Members are careful to attend every meeting and present their views. Provisions are made to allow Board of Directors meetings to be held in Electronic setting.

- The Board of Directors Secretary is authorized to prepare all the documents concerning the determination of the meeting agenda, announcing it, calling the meeting and informing the Board of Directors Members. Sırrı Söztutan is assigned as the Board of Directors Secretary. The Board of Directors Members are notified of the agenda, meeting place and time (by e-mail and phone) and are invited to the meeting by the Board of Directors Secretary.

- As of December 31, 2014 the Board of Directors Members have held 30 meetings and achieved 81 percent attendance.

- As of December 31, 2014 there were no adversarial events in the Board of Directors meetings that were asked to be recorded. During the same period there were no adversarial matters between the independent members.

- In all of the Board of Directors meetings attendance is made in person

- The questions that are asked during the meeting are not recorded.

- Majority vote and/or the right to veto has not been given to Board of Directors Members. Each member of the Board of Directors has one vote.

How the Board of Directors meetings are to be held is organized in the Board of Directors Internal Instructions and has been approved at the General Assembly.

The Board of Directors chairman is responsible for making sure that the information and documents concerning the Board of Directors meeting agenda is presented for the review of Board Members ahead of time to ensure an equal flow of information during the meeting. The views of members who do not attend the meeting are submitted in writing to the Board of Directors and are submitted for the review of the other members.

The duties of the Board of Directors chairman and the general manager have been clearly separated. However this distinction has not been expressed in writing in the core contract. The Board of Directors has not yet formed internal control systems to include risk management and information systems operations. The creation of internal control systems is planned within 2015. The Board of Directors reviews risk management at least once a year. The Board of Directors plays a leading role in providing efficient communication between the company and shareholders and resolving any conflicts that may arise between them and works in close cooperation with the Corporate Governance Committee and the Investor Relations Department for this purpose.

No insurance has been facilitated in an amount exceeding the company capital by 25% against the faults of the Board of Directors members during the execution of their duties and the damages the company may sustain. It is planned that this transaction will be completed as soon as possible and disclosed to the public on the PDP.

During the processes specified in article 1.3.9 of the Capital Markets Board “Corporate Governance Communiqué” no. II-17.1 the independent Board of Directors members attend the meetings and the majority approval is sought among the independent members. In 2013 there has been no process that falls into the scope of 1.3.9 in the “Corporate Governance Communiqué” no. II-17.1.

Within the scope of the Article n.1.3.9 of the “Corporate Governance Communiqué” n.II-17.1, asset sales was made on 29.12.2014 and all independent member casted affirmative votes for this transaction. The text announced on the Public Disclosure Platform on 29.12.2014 is given below.

“At the Board of Directors meeting held on 29.12.2014; decision was taken;  
To sell the independent section n.1 owned by our Company at the property located at the address “Istanbul, Bahçelievler, Yenibosna Merkez Mahallesi 29 Ekim Caddesi No 11” to Aslan Ticaret Dayanıklı Tüketim Malları Ltd. Şti., for TL 28.015.000, and to receive this amount via bank until the 31<sup>st</sup> of January 2015,  
To use the amount obtained as a consequence of the sales transaction within the scope of the Article n.5/e of the Corporate Tax Law, and  
A decision was taken not to consider the sales transaction that will be made for the property, as a significant transaction due to the fact that it does not exceed the 50% limit within the framework of the “Significance Criteria” stipulated in the Article n.6/1-b of the Communiqué, according to the evaluations made within the scope of the 5<sup>th</sup> Article “Significant Transactions” and the 6<sup>th</sup> Article “Significance Criteria” of the Capital Markets Board “Communiqué (II-23.1) on Common Principles Regarding Significant Transactions and The Retirement Right”. These evaluations indicate that the sales transaction;  
a) Within the framework of the “Significance Criteria” in the Article n.6/1-a of the Communiqué “Significance Criteria”; the ratio of the value of the sold property recorded in the latest financial statements compared to the value of the total assets in the latest financial statements, is %4,97  
b) Within the framework of the “Significance Criteria” in the Article n.6/1-a of the Communiqué “Significance Criteria”; the ratio of the transacted sum compared to the Corporation’s value that is calculated based on the arithmetic mean of the weighted average of the daily prices for the six month period prior to the date of the Board of Directors decision, is 48%.  
c) Within the framework of the “Significance Criteria” in the Article n.6/1-a of the Communiqué; the contribution of the property (to be sold) on the revenue in the latest annual financial statements was, 0.11%.  
At the Board of Directors meeting held on 29.12.2014, all Independent Members of the Board of Directors casted affirmative votes.  
Land Registry transactions were completed as of the same date.”

### **5.3. The Number, Structure and independence of the Committees formed in the Board of Directors**

An Audit Committee, Corporate Governance Committee and Early Risk Detection Committee has been created in the framework of principles in the Company Board of Directors. The committees are comprised of two members.

The distribution and qualities of the committee members are as follows;

Audit Committee Chairman	Osman Duman (Independent Board of Directors Member)*
Audit Committee Chairman	Hüsnü Kurtiş (Independent Board of Directors Member)*
Audit Committee Member	Tolga Sönmez (Independent Board of Directors Member)*

Audit Committee Member İsmail Cengiz (Independent Board of Directors Member)  
Corporate Governance Committee Chairman Melih Rüşhan Arvasi (Independent Board of Directors Member)\*  
Corporate Governance Committee Chairman Nazmi Örs (Independent Board of Directors Member)  
Corporate Governance Committee Member Orhan Tanışman (Non Executive Board of Directors Member)  
Corporate Governance Committee Member Ümit Fırat (Director)\*\*\*  
Early Risk Detection Committee Chairman Tolga Sönmez (Independent Board of Directors Member)  
Early Risk Detection Committee Chairman İsmail Cengiz (Independent Board of Directors Member)  
Early Risk Detection Committee Member Osman Duman (Independent Board of Directors Member)  
Early Risk Detection Committee Member Hüsnü Kurtiş (Independent Board of Directors Member)

\* Due to the fact that Osman Duman resigned from his position on 06.02.2014, Hüsnü Kurtiş was elected for his position and was approved as a Member of the Board of Directors together with his positions in the committees at the General Assembly held on 31.03.2014.

\*\* Due to the fact that Tolga Sönmez resigned from his position on 27.03.2014, İsmail Cengiz was elected for his position and was approved as a Member of the Board of Directors together with his positions in the committees at the General Assembly held on 31.03.2014.

\*\*\* Due to the fact that Melih Rüşhan Arvasi resigned from his position on 07.04.2014, Nazmi Örs was elected for his position to serve till the first General Assembly.

\*\*\*\*Investor Relations Department Director Ümit FIRAT was appointed as a Corporate Governance Committee member by the Board of Directors on 27.06.2014 as per the Capital Markets Board's "Corporate Governance Communiqué" n.II-17.1.

Whenever possible the Board of Directors Members do not serve on more than one committee.

Since no separate "Nomination Committee" or "Pricing Committee" has been formed as a requirement of the Board of Directors structure, the Corporate Governance Committee carries out these duties in accordance with the Capital Markets Board "Corporate Governance Communiqué" no. Series:II-17.1 article 4.5.1.

The Committee has not needed independent expert opinions in the 2014 activities.

The procedure to be followed by the committees while carrying out their activities is as follows; "The committees will act within their own authority and responsibility and make recommendations to the Board of Directors but the final decision is made by the Board of Directors".

During the 2014 activity period the Corporate Governance Committee met seven times, the Audit Committee five times and the Early Risk Detection Committee met six times and the recommendations decided on as a result of the meetings were all accepted by the Board of Directors.

#### **5.4. Risk Management and Internal Control Mechanism**

Work has been done within the Audit Committee for the internal control function and an Internal Audit Department will be formed. The production of data online and the instant control of the whole system constitute the principle of the Internal Control Mechanism. Pursuant to the Board of Directors decision no 2013/11 dated 08.03.2013 and “Early Risk Detection Committee” was formed therefore taking over the duties that were previously carried out by the Corporate Governance Committee. Thus the risk management work that was started before is being continued by the Early Risk Detection Committee. The work done by the committee in 2014 can be summarized as follows:

- The risk assessment and management process prepared by the Corporate Governance Committee within the scope of risk management is being continued by the Early Risk Detection Committee.
- The specific risks that the company may be exposed to and the levels of their impact have been identified in the risk assessment table which was prepared in the scope of this process.
- Also the existing control levels and strategies against specific risks that the company could be exposed to and the levels of risk have been identified.
- The actions according to risk levels and the date on which these actions will be taken have been determined.
- The actions to be taken have been reviewed throughout the year.
- At the end of the year the risk assessment table was reviewed again and the dates for action according to risk level were reset.

#### **5.5. Strategic Goals of the Company**

The company is active through its affiliates in all manner of written, audio and visual publications, advertisement, news agency and similar sectors. The main strategy of the company is to strengthen its position in the media sector with the synergy that is achieved through providing support to its affiliates for all types of investments. The Board of Directors monitors the degree of reaching these goals by reviewing the performance of past and current activities in quarterly financial tables, audit reports and activities reports.

#### **5.6. The Financial Rights Provided to the Board of Directors**

The waging system for Board of Directors Members and senior level administrators have been written out by the Corporate Governance Committee and presented for the information and approval of partners in the General Assembly held on May 30, 2012. The principles for Board of Directors Members and senior level administrator wages have been announced in the Annual Activity Reports and the corporate internet site. These principles are provided below.

#### **THE WAGING PRINCIPLES FOR BOARD OF DIRECTOR MEMBERS AND SENIOR LEVEL ADMINISTRATORS**

1. The decision for paying fees to the Company Board of Directors members and auditors in the scope of articles 12 and 15 of the core contract is at the discretion of the General Assembly.
2. The recommendations concerning wages to be paid to each of the Board of Directors Members and senior level administrators are determined by the Corporate Governance Committee and presented to the Board of Directors. The Board of Directors presents the recommendations to the attention of the partners in the General Assembly meeting.
3. The Corporate Governance Committee determined the wages in direct correspondence with the performance of the Board of Directors Members and senior level administrators.

4. While determining the wages to be paid to Board of Directors Members and senior level administrators the company's internal balance, strategic goals and ethical values are taken into consideration and steps are taken to ensure that the wages that are determined comply with these criteria.
5. The wages to be paid to Board of Directors Members and senior level administrators may not be associated with such short term performance of the company as profit or revenue. On the contrary they are determined considering long term goals.
6. The Corporate Governance Committee which is assigned by the Company Board of Directors monitors and audits waging policies. The Corporate Governance Committee assesses waging policies and applications within the framework of risk management and submits their relevant recommendations in a report form to the Board of Directors every year.
7. No payment plans based on stock options and the company's performance are to be used in the waging of Independent Board of Directors Members.
8. The wages of Independent Board of Directors members are kept at a level that maintains their independent status.
9. The Company may not give a loan to, get a loan on behalf of, extend the period or improve the conditions on previously obtained loans and credits to any Board of Directors Members or senior level administrators or allow them to use loans through a third party as a personal loan or give assurances such as collateral for them.
10. Information about wages all the other benefits provided to Board of Directors members and senior level administrators are disclosed to the public through the annual Annual Activity Report.