

GLOBAL INVESTMENT HOLDINGS

**SUSTAINABILITY MANAGEMENT and
THE DUTIES AND WORKING PRINCIPLES OF THE SUSTAINABILITY
COMMITTEE**

Revision	Release Date
V.1	June 2016

GLOBAL INVESTMENT HOLDINGS INC.

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1. AIM

Carrying out our work on sustainability within the Global Yatırım Holding Anonim Şirketi (“Global Investment Holdings” or “GIH”), across areas involving social, corporate, and environmental management -including climate change; establishing a Sustainability Committee within the corporate structure by creating essential strategies, policies, targets and action plans; and determining a framework for authority, and the tasks and responsibilities for all the Company’s employees and departments. Furthermore, GIH aims to have these duties and principles include sector-specific features and adjustments and act as a framework, especially for subsidiaries in which GIH owns the majority of shares or has management control.

2. SCOPE

The Sustainability Committee covers all processes relevant to GIH, as well as its managers and their employees, joint ventures, contractors, consultants, agencies acting on behalf of GIH; as well as all practices relevant to the suppliers’ sustainability rules and principles.

3. AUTHORITY, DUTIES AND RESPONSIBILITIES

Board of Directors

The Board of Directors is responsible for reviewing and approving the Sustainability Committee’s Duties and Working Principles and sustainability strategies and policies; the adequacy of monitoring and auditing systems; determining and managing reporting mechanisms; investigating noncompliance cases and imposing sanctions.

Senior Management

Senior Management is responsible for preparing, improving, enforcing and updating the Sustainability Committee’s Duties and Working Principles; executing pre-determined sustainability strategies and policies on the basis of decision-making, business, auditing, and reporting processes; and ensuring that the implementation of relevant strategies and policies is compatible with the Environmental Management System. Senior Management is composed of the General Manager and Department Heads/Directors.

Legal Department

The Legal Department evaluates the Sustainability Committee’s Duties and Working Principles, improvement needs and whether they are up-to-date. The Department submits related suggestions to Senior Management, as well as updating the Sustainability Committee on developments regarding national and international regulations on sustainability.

Employees

Employees shall comply with the environmental strategies and policies, Environmental Management System rules and relevant regulations of working principles. Employees are responsible for notifying the Compliance and Internal Audit Department in the case of any action or practice against the policies and principles of sustainability, climate change, and environment, or the Sustainability Committee in the case of detection of an unprecedented risk area or activity.

GIH’s Joint Ventures and Executives acting in the name of GIH

Executives acting in the name of GIH, as well as consultants, contractors, subcontractors, suppliers, agencies and joint ventures are required to comply with our sustainability principles and environmental policies.

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Corporate Communication Department

The Corporate Communication Department is responsible for publishing this document, the Sustainability Strategy, the Environmental Policy, and any additional documents for public disclosure on the company's portal.

Human Resources Department

The Human Resources Department is responsible for the distribution of this document, the Sustainability Strategy, the Environmental Policy, and any other internal documents; and for conducting the required employee trainings.

Investor Relations Department

The Investor Relations Department is responsible for maintaining the relationships among the Company's corporate investors, portfolio managers, analysts, and current and potential shareholders regarding the Sustainability Strategy, the Environmental Policy and relevant practices. Furthermore, the Department is required to carry out public disclosures in a transparent and simultaneous manner, for all those concerned. The Investor Relations Department is also responsible for the release of this document and the Sustainability Strategy, the Environmental Policy and other documents determined for public disclosure on the company's website.

4. SUSTAINABILITY COMMITTEE

The Duties and Authority of the Sustainability Committee

- a) The Committee shall prepare sustainability and environmental strategies and policies to be integrated into the company's structure, and submit them for the Board of Directors' approval,
- b) It shall implement sustainability and environmental strategies and policies approved by the Board of Directors; determine and approve draft sustainability, and environmental objectives and targets, action plans, and related performance indicators to submit for the General Manager's information,
- c) It shall ensure that the approved GIH activities are implemented in accordance with the sustainability and environmental objectives and targets, action plans, and related performance indicators,
- d) It shall ensure communication of the sustainability strategy and policies, including to employees and other stakeholders within the company; and designate the trainings necessary for the concerned stakeholders and employees,
- e) It shall prepare and update major auditing procedures regarding the processes and activities determined to have an important impact on the environment; and submit these procedures for Senior Management's approval,
- f) It shall determine a means of communication with regard to emergencies related to sustainability and environment, and submit this for Senior Management's approval,
- g) The Committee shall examine the reports on Corrective and Preventive Actions submitted by environmental officers, in addition to the audit reports on sustainability submitted by the Compliance and Internal Audit Department; finalize issues within the scope of its authority and responsibility; submit issues that require the approval of Senior Management or the Board of Director,

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- h)** The Committee shall periodically review sustainability policies, management systems, working principles, practices, targets, and performance at least once per year, and submit proposals for changes, if necessary, to the Board of Directors; the ultimate authority being the Board of Directors,
- i)** The Committee shall fulfil other duties and exercise its authority regarding sustainability, as granted by the Board of Directors, the Board of Directors Committees and Senior Management.

Sustainability Committee's Organizational Structure

- a)** The Committee operates under the Board of Directors.
- b)** The Committee is composed of 14 members.
- c)** A member of the Board of Directors presides at the Committee.
- d)** The Sustainability Committee must report directly to the Chairman - a member of the Board of Directors.
- e)** The Committee is composed of the following officials from companies: Chief Financial Officer, Investor Relations Director, Senior Investor Relations Specialist, Junior Investor Relations Specialist, Lawyer, and Human Resources Director from GIH; Chief Financial Officer, and Budget Reporting Manager from Global Port Holding; Occupational Health and Safety Director from Naturelgaz; Financial Affairs Manager and Lawyer from Straton; Business Development Manager from Pera; General Manager from Actus; and Assistant General Manager from Global Securities.
- f)** The Committee seeks expert opinion when necessary.
- g)** The Committee convenes with the participation of one more than half of its members, and takes decisions with the majority of its members.
- h)** The Corporate Communication Department conducts the administrative duties of the Committee.

5. ENFORCEMENT

These Duty and Working Principles are hereby accepted and entered into force by the Board of Directors' 29.06.2016 dated and 905 numbered decision.