

Global Investment Holdings

Corporate Governance Principles Compliance Report

In 2017, Global Investment Holding's Corporate Governance Rating was upgraded to 9.05 (out of 10.00) from 8.99, indicating that the Company achieved substantial compliance with CMB's Corporate Governance Principles.

SECTION I STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Global Investment Holdings ("GIH") accommodates and pays utmost attention to the execution of the Corporate Governance Principles published by the Capital Markets Board of Turkey ("CMB"). Accordingly, the Company conducts analytical studies at the Board of Directors level.

In line with this approach, a Committee, including three Board of Directors members, was established to carry out the necessary restructuring studies into the Company's organizational structure and Articles of Association. The requirement to include at least two Independent Members in the Board of Directors, as stipulated by the Company's Corporate Governance Principles, has been fulfilled.

Shareholders can find comprehensive and updated information on GIH's website; additionally, they can post their questions to the Investor Relations Department by phone, e-mail and via social media.

GIH continues to pursue necessary revisions by examining the website and the annual report in greater detail in terms of adherence to the Corporate Governance Principles. The Board of Directors, senior management and all employees of GIH have consistently supported adoption of the Corporate Governance Principles within the Company at each stage of the process.

Our Corporate Governance Rating has been determined as a result of an evaluation made under four main topics (Shareholders, Public Disclosure and Transparency, Stakeholders, and Board of Directors), and weighted based on CMB Corporate Governance Principles, and on the current distribution, which is based on the main topics stated below:

Sections / WEIGHT	Rating
Shareholders – 25%	92.70
Public Disclosure & Transparency – 25%	92.01
Stakeholders – 15%	90.93
Board of Directors – 35%	87.74
Overall (Out of 10)	9.05

The report, prepared by Kobirate and related to the corporate governance rating of 9.05, confirms that the Company has largely achieved compliance with the CMB's Corporate Governance Principles and applies the necessary policies and measures to its practices.

REASONS FOR NON-COMPLIED CORPORATE GOVERNANCE PRINCIPLES

The Company continues its efforts toward full compliance with the Corporate Governance Principles. Principles other than those currently being implemented, or not yet implemented, have not caused conflicts of interest among the stakeholders.

The Company's Articles of Association contain no provisions stipulating that material decisions such as "demergers and share exchanges, buying, selling, or leasing significant amounts of tangible/intangible assets, or donation and grants, or giving guarantees such as suretyship, mortgage in favour of third parties" are required to be taken at a General Meeting. The underlying reason is that it is in the nature of the business in which the Company is involved to buy, sell, and lease quite frequently. Having to hold a General Meeting whenever such a transaction takes place is considered impossible; thus, no such article has been included in the Articles of Association. This practice is refrained from to ensure the timely execution of deals, and to avoid missed opportunities.

The preferred stock groups in our Company's Articles of Association were created prior to its IPO, and our Company is not authorized to amend these privileges. Our privileged shareholders made an application to the CMB in July 2010 in order to abrogate these privileges, which was not approved.

That the Articles of Association entitle shareholders to appoint a special auditor, and that there is no additional pro-

vision on minority rights: Regarding this matter, our Company is of the conviction that the framework provided for by the Turkish Commercial Code and CMB regulations is sufficient.

The Company has not established a policy concerning stakeholders' involvement with the board. However, independent members of the board enable the representation of all the stakeholders along with the Company and its shareholders. The Company respects the opinions and suggestions of all its employees, suppliers, nongovernmental organizations and customer satisfaction surveys. Certain board members serve on more than one committee due to the Company's shareholding structure.

In accordance with Article 4.6.5 of the Corporate Governance Principles, all remunerations and interests provided to board members and senior managers have been disclosed to the public in the annual report. However, the disclosure is made not on a personal basis, but by featuring the separation of board members and senior managers.

SECTION II - SHAREHOLDERS

Investor Relations

Structured as a holding company on 01.10.2004, our Company complies with all applicable laws, Articles of Association and other Company regulations regarding the exercising of shareholders' rights, and takes necessary measures to facilitate the exercise of these rights.

During the process of our Company's becoming a holding company in October 2004, the matter of "Investor Relations" was a priority; as a result, the Investor Relations Unit was established within the organizational structure.

Investor Relations is structured as the responsibility of the Board of Directors' Corporate Governance Committee. The Investor Relations Department shared information about its activities

carried out during fiscal year 2017 with committee members at Corporate Governance Committee meetings. Meeting minutes were presented to the Board of Directors for evaluation by the Corporate Governance Committee. Four reports were submitted by the Department to the Corporate Governance Committee in 2017.

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Information on the department that handles GIH's relations with shareholders is presented below:

Name-Surname	Title / License	Phone	E-mail
Aslı Su Ata	Director / CMB Advanced Level & Corporate Governance Rating	+90 (212) 244 60 00	investor@global.com.tr
İsmail Özer	Investor Relations Analyst / CMB Advanced	+90 (212) 244 60 00	investor@global.com.tr
Esra Gündüz	Junior Specialist	+90 (212) 244 60 00	investor@global.com.tr

The main activities carried out by the Investor Relations Unit are summarized below:

- > Ensuring that shareholder records are kept accurately, reliably and up-to-date;
- > Responding to written information requests from shareholders, unless the requested information is publicly unavailable, confidential or a trade secret;
- > Taking necessary steps to ensure that General Assembly meetings are held in compliance with applicable legislation in force, the Company's Articles of Association and other Company regulations;
- > Preparing documents beneficial to shareholders for General Assembly meetings;
- > Ensuring that meeting minutes are sent to shareholders;
- > Monitoring and overseeing every aspect of the public disclosure process for compliance with applicable legislation.

In addition to the aforementioned, the tasks below, performed within the structure established in 2005, will be carried out by the Investor Relations Unit in tandem with the Financial Affairs and the Finance and Law Unit/s:

- Responding to written or verbal information requests from shareholders;
- Preparing the Company's investor presentation and updating it regularly;
- Updating the Investor Relations section on the Holding's website;
- Arranging investor information meetings abroad;
- Managing investor visits;
- Announcing quarterly financial reports to investors via teleconference and e-mail;
- Organizing analyst meetings in parallel to the Public Disclosures Platform announcements made to Borsa Istanbul.

Since its establishment, the Investor Relations Unit has attended meetings within and outside the country and organized teleconferences, having submitted detailed answers – as prescribed by the Information Policy – to information requests made via phone, e-mail, and investor meetings. Questions posed by individual investors concerning company performance, interpretation of financial results, profit distribution policy, associate company performance and stock price performance are responded at specified periods. Within the relevant period, more than 100 questions were answered by phone and e-mail.

EXERCISE OF SHAREHOLDERS' RIGHT TO OBTAIN INFORMATION

Other than those relating to trade secrets and undisclosed information, queries received from shareholders and analysts by the Capital Markets and

Investor Relations Department by letter, phone, e-mail and other means are answered as swiftly and effectively as possible upon contacting the relevant person of the highest authority on the related matter. Furthermore, current and historical information and developments relating to GIH that are of interest to shareholders are regularly communicated to concerned parties via the corporate website, both in Turkish and English. They are also regularly communicated to those registered in our database via e-mail.

The related Corporate Governance Committee regularly works in coordination with responsible units to best inform shareholders.

Provisions of the Turkish Commercial Code are applicable regarding the appointment of a private auditor, which is why there is no separate article in the Articles of Association regarding this issue. Within the period, no requests were made to appoint a private auditor.

GENERAL ASSEMBLY MEETINGS

The Ordinary General Assembly meeting of shareholders regarding the Company's 2016 activities was held on 28 April 2017 at the head office. Of the Company's share capital as of the date of the Ordinary General Assembly meeting, 42.1% was represented at the meeting.

Pursuant to applicable legislation, the invitation to the General Assembly Meeting was published in the Trade Registry Gazette, Borsa Istanbul's Public Disclosure Platform system, and on the Company's website. There is no timeframe specified for the participation in General Assembly meetings of the holders of registered shares entered in the stock ledger. At General Assembly Meetings, the holders of shares traded on Borsa Istanbul are required to communicate their attendance to the General Assembly no later than one day prior to the date of meeting and obtain

their passes, pursuant to Article 415/3 of the Turkish Commercial Code. Secondary legislation issued as per the New TCC, lays out the principles of the Electronic General Assembly, which provides shareholders an alternative to being physically present at the General Assembly.

Prior to the General Meeting, the annual report and financial statements and reports, independent audit reports, as well as the information document on General Assembly agenda articles and other documents, the final version of the Articles of Association, and Amendments to the Articles of Association – in case of an amendment to the Articles of Association – were made available for shareholder inspection at the Company's headquarters. The Agenda and Amendments to the Articles of Association are announced by the method mentioned in section 4.2.

Information related to the donation and aid made within the period was presented with a separate agenda item at the General Assembly. No one had anything to add during the petitions and suggestions session, which was a separate agenda item. Stakeholders such as rating specialists and independent auditors attend our General Assembly meetings as observers. No media entity attended the Meeting.

Neither the executive managers who have administrative responsibilities nor the shareholders who control the management of the Company realized any transactions with the Company or its associate companies that constituted a conflict of interest. Moreover, these parties did not realize any transactions related to a commercial business that operates within the scope of the corporation, or its associate companies' field of activity, for their own account, or for the account of others; and/or they did not become unlimited partners in other companies carrying out similar commercial businesses.

As part of the information we have obtained, the shareholders (who control the management of the Company), Board of Directors members, executive managers holding administrative responsibilities, and their spouses and blood relatives and relatives by marriage up to the second-degree have not realized any important transactions with the Company or its associate companies that may lead to conflicts of interest, nor have they made any transactions related to a commercial business that is within the scope of the corporation or its associate companies' field of activity, on their own account, or on account of others; and/or they did not become unlimited partners in other companies carrying out similar commercial businesses.

Details of the donations were listed in the 15th Article of the Annual Report.

VOTING RIGHTS AND MINORITY RIGHTS

There are four types of shareholders in our Company's capital: (A), (D), (E) and (C). Shares in Groups (A), (D) and (E) have privileges, and shares in Group (C) have no privileges. It has been stipulated that the Company's Board of Directors consists of seven members. All shareholders are entitled to nominate three Board Member candidates. It is stipulated that only one of these three candidates shall be approved by the shareholders of Group (A) shares.

For the adoption of a range of Board resolutions specified in the Articles of Association, the shareholders of Group (D) and Group (E) shares are required to participate in the Board meeting, and it is required that the resolution be approved by the Board members nominated by the shareholders of Group (A) shares.

The share capital of the Company does not involve any cross-shareholdings.

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DIVIDEND POLICY

The policy will be determined by the General Assembly of Shareholders based upon Board of Directors proposals in accordance with the provisions of the Capital Markets Law and the communiqués of the Capital Markets Board. For dividend distribution, the policy adopted by the Company is designed to be a consistent policy balancing shareholder and Company benefits, in accordance with the Corporate Governance Principles. There are no privileges for participating in Profit Distribution.

The Company realizes dividend distributions in accordance with the Turkish Commercial Code and the CMB and within prescribed statutory periods. Under the Articles of Association, no privileges are granted on the Company's profit sharing. Dividend distribution is made within statutory periods, as stipulated in the relevant legislation, within the shortest time following the General Assembly meeting.

The Company's profit distribution policy was presented for shareholder information at the General Assembly, and publicly announced on the Company's website. At the General Assembly held on 28 April 2017, the General Assembly was informed about the issue of not distributing profit related to the 2016 financial statements, due to the fact that no profit was generated for the period ending on 31 December 2016, either in

the consolidated financial statements issued in line with Capital Markets Board regulations, or in the solo/legal financial statements issued as per the Tax Procedure Law and Turkish Commercial Code.

TRANSFER OF SHARES

The Company's Articles of Association contain no provisions that render it difficult for shareholders to freely transfer their shares.

SECTION III - PUBLIC DISCLOSURE AND TRANSPARENCY

INFORMATION DISCLOSURE POLICY OF THE COMPANY

At the General Assembly, shareholders were provided with information on the Company's Information Disclosure Policy, which was also published on the corporate website.

The Board of Directors is responsible for overseeing, monitoring and developing the Information Disclosure Policy. The Investor Relations Unit Director, CFO and Chief Legal Advisor are the executives in charge of implementing the Information Disclosure Policy.

As well as the Investor Relations Unit, the Corporate Communications Department is responsible for overseeing and monitoring all issues related to

public disclosures. Questions received from outside the Company are responded to as swiftly as possible by the CEO, CFO, and Legal Advisor, or within the knowledge of and authorization limits set by the CEO, the CFO and Legal Advisor, by the Investor Relations Unit. Equality for social stakeholders in obtaining information is strictly observed when responding to inquiries.

In quarterly periods, following the public disclosure of financial statements of the relevant period, a press statement summarizing the financial situation of GIH is issued and published. The Company's annual report is prepared annually and delivered to investors, as well as relevant institutions and entities by the Investor Relations Unit.

Public disclosures are made by either the Chairman (Mehmet Kutman), individual Board Members, Financial Affairs and Finance Group Head (Kerem Eser), or the Chief Legal Advisor (Uğur Aydın) depending on the content of the disclosure, or else by the Investor Relations Unit according to the authority to which the disclosure will be made.

WEBSITE AND ITS CONTENTS

As stipulated by the CMB's Corporate Governance Principles, the Company website www.globalyatirim.com.tr is actively used in public disclosures. All matters related to the Investors Relations Unit are posted on the www.globalyatirim.com.tr website.

Our Company website is clearly indicated on all corporate identity documents and promotional materials. The Company's website meets international standards in terms of informational content and layout. It is administered by the Investor Relations Unit. The main headings on the website are listed below:

> Detailed information on corporate identity,

> Vision and mission,

> Information on the members of the Board of Directors and Company's senior management,

> Company ownership structure,

> The Company's Articles of Association,

> Trade registration data,

> Financial data, annual and interim activity reports,

> Press releases,

> Regulatory disclosure of material events,

> Share performance and calculator,

> Investor presentations,

> Date and agenda of the General Assembly meeting and General Assembly information document,

> Minutes and attendance roll of the General Assembly meeting,

> Proxy sample,

> Corporate Governance Principles Compliance Report,

> Dividend Policy,

> Information Disclosure Policy,

> Corporate Social Responsibility.

ANNUAL REPORT

Information specified by relevant legislation and the CMB's Corporate Governance Principles is available in our Annual Report.

Disclosure of Ultimate Controlling Individuals

The shareholder structure and the changes in the shareholder structure of the Company are disclosed to the public in accordance with relevant legislation. The Company's shareholder structure is available for review on the website.

SECTION IV - STAKEHOLDERS

As a holding company, our shareholders and strategic business partners are our primary stakeholders. The information flow of all subsidiaries and the holding company is realized at a central location in order to maintain coordinated relations with stakeholders.

Additionally, the personal experience and educational level of our employees directly impacts the services delivered by our Company and its subsidiaries involved in the service industry. As a result, the Company's human resources policy plays a vital role in this respect. The human resources policy is specified along with the "Personnel Regulations" document and recruitments are announced on the Company's website. The feedback system based on the employee performance system has been initiated at our subsidiaries, with the aim of applying the system across the Company.

INFORMING STAKEHOLDERS

When stakeholders are classified together with investors, business partners and employees, the disclosures to inform investors are explained in detail under the "Informing Shareholders" heading. The intranet system, established to provide detailed information to Company employees, is also used to conduct in-company operations related activities, as well as to keep Company personnel informed about public disclosures and managerial issues that would affect the Company's business.

PARTICIPATION OF STAKEHOLDERS IN MANAGEMENT

Members of the Audit Committee and Corporate Governance Committee participate in the weekly assessment

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meetings held by unit managers, who can thus communicate to senior management their opinions on the units and subsidiaries under their responsibility. Unit managers pose questions to committee members in the fulfilling of their duties. As a result, the information flow mechanism between stakeholders and the committees passes through the unit managers.

HUMAN RESOURCES POLICY

Global Investment Holdings maintains a forward-looking strategy that reflects fundamental changes in the national economic and political arena. Backed by its expanding organization and professional teams, our Company offers opportunities for prospective managers regarding personal talent and career development. At the recruitment stage, the Company offers equal employment conditions and job opportunities to candidates who hold documented university degrees and have a relevant academic background; are fluent in English, as well as speaking other foreign languages; and who are successful individuals in their respective fields. Göknil Akça is the Human Resources Director in charge of managing relations with employees. In 2017, no employee complaints were received.

The Company's human resources policy has been defined, set down in wri-

ting and announced on the intranet under the "Personnel Regulation" heading, both in Turkish and English. Pursuant to this regulation, the Company recruits individuals of superior knowledge and skill, who are easily adaptable to the corporate culture, and who are open-minded to change and development.

The Company's human resources policy adopts the principle of providing equal opportunities to employees under equal conditions with regard to recruitment and career planning. To this end, positions are announced on an easily accessible website and job applications are received via e-mail.

The opportunities offered to employees, and developments within the Company that may affect personnel are shared by senior management via e-mail as well as over the intranet.

INFORMATION ON RELATIONS WITH CUSTOMERS AND SUPPLIERS

Our Company is a holding company that does not have a direct relationship with customers and suppliers.

CODE OF ETHICS AND SOCIAL RESPONSIBILITY

The Code of Ethics was formulated by Global Investment Holdings in order to add financial value to its shareholders

and to increase its corporate value. The Code of Ethics is composed of principles and rules that all managers and employees must abide by. The Code of Ethics of our Company was publicly announced on the website as part of the Information Policy.

Global Investment Holdings and its subsidiaries consider their customers, shareholders, employees and the community in general as core social stakeholders for whom they work. At the Global Investment Holdings level, as well as through its subsidiaries, the Group is deeply committed to ensuring a better life for the various communities we are a part of and where we operate. In line with this aim, Global Investment Holdings Group makes contributions to and sponsors various educational, charity, social and sporting activities and projects. In fiscal year 2017, Global Investment Holdings continued to support education as part of its social responsibility activities.

SECTION V - BOARD OF DIRECTORS

Structure and Formation of the Board of Directors and Independent Members

The Company is managed by seven Board Members elected by the General Assembly. The names of the members of the Board of Directors who were appointed in accordance with the Company's Articles of Association are presented below:

Mehmet Kutman
Chairman - Executive Member

Erol Göker
Vice Chairman - Executive Member

Ayşegül Bensele
Member - Non-Executive Member

Serdar Kırmaz
Member - Executive Member

Adnan Nas
Member - Non-Executive Member

Ercan Nuri Ergül
Independent Board Member

Oğuz Satıcı
Independent Board Member

An up-to-date list of the Company's Board Members and their résumés are presented in the Annual Report and on the corporate website.

In consideration of Chairman Mehmet Kutman's investment banking career, and his experience in business development and project management, the Board of Directors has decided to also appoint him as CEO.

Two independent members of the Board of Directors satisfy CMB Corporate Governance Principles pertaining to independence criteria.

There are no rules and/or limitations imposed upon the members of the Board of Directors with regards to their employment outside the Company. It is always taken into account that this is a holding company, and that being represented in the management of associated companies is to our Company's benefit.

The duties of the Remuneration Committee were assigned to the Corporate Governance Committee, which, on 27 April 2017, submitted the names of two candidates meeting the independence criteria to the Board of Directors.

In the event that a situation arises that compromises the independence of a Board Member, the concerned independent member immediately informs the Board of Directors about this development, for an eventual disclosure to the public. In principle, Board Members who lose independence submit their resignation.

To meet the quota of independent members, following the resignation of an independent member, the Corporate Governance Committee makes an evaluation regarding the selection of a new independent member to serve until the next General Assembly, and submits its decision to the Board of Directors in written form.

There is one (1) female member on the Board of Directors.

Working Principles of the Board of Directors

Members of the Board of Directors are promptly provided with comprehensive information to ensure that they accurately and efficiently execute their required tasks. The secretarial unit is structured under the Board of Directors as part of the corporate governance efforts. The unit informs the Members of the Board of Directors and provides them with the meeting agenda and documents related to the agenda at least three (3) days prior to the meeting. Board of Directors meetings are held at least once a month and whenever deemed necessary. Our Board of Directors submitted 37 written decisions in 2017. Decisions were made unanimously at the Board of Directors meetings. The Board's agenda is determined by the members of the Board of Directors in line with Company requirements. The members of the Board of Directors do not have weighted voting rights; all members, and the chairman, have equal voting rights. At meetings, questions asked by the Members of the Board of Directors, and reasonable and detailed reasons for any negative votes given for issues on which Board Members state different opinions, are recorded in the decision book. Losses incurred by the Company by members of the Board of Directors as a result of their faults during their term of office, are insured with a policy that has a value exceeding 25% of the Company capital.

MISSION, VISION, AND STRATEGIC GOALS OF THE COMPANY

GIH's mission, vision, objectives, and values are publicly disclosed on the corporate website. Mission: The Holding is committed to developing a portfolio of competitive companies, within the sectors in which it operates, with strong and healthy growth prospects in line with global standards. The Holding is also responsible for updating strategies for its subsidiaries that reflect the changing local and global environment, to ensure their quick adaptation to changing business con-

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ditions and foster continuous growth. Vision: Global Investment Holdings aims to become a leader in its operations; to initiate new and innovative projects with growth potential; and to become a pioneer in developing the business environment in Turkey.

RISK MANAGEMENT AND INTERNAL AUDIT MECHANISM

The Company has established a risk management and internal control unit. Studies in this regard are conducted under coordination of the Board Members Ercan Nuri Ergül and Oğuz Satıcı. The Internal Control Department reports directly to the Audit Committee of the Board of Directors.

AUTHORITIES AND RESPONSIBILITIES OF BOARD MEMBERS AND EXECUTIVES

The authority and responsibilities of the Board of Directors are defined in the Company's Articles of Association in a way that leaves no room for doubt and in a manner consistent with the Board's functions, clearly distinguishable and identifiable from the authority and responsibilities of the General Assembly.

In addition to the functions defined in the Articles of Association, the Board of Directors fulfils the following functions as listed in the Board of Directors section of the Capital Markets Board's Corporate Governance Principles:

> The Board of Directors continuously and efficiently revises the degree to which the Company achieves its objectives, activities and past performance. While revising the same, the Company seeks to comply with international standards in every area. If required, the Board of Directors takes measures without any delay or obstacle. Effective revision refers to detection of compliance with applicable laws and regulations and international accounting standards reflecting the Company's activities; the degree of achievement of Company objectives; the financial status and activity results in the accounting records; and the degree of accuracy of the Company's financial information.

> The Board of Directors establishes a risk management and internal control mechanism, minimizing the risks that may adversely affect Company stakeholders, particularly the shareholders the Company may encounter; the Board also takes necessary measures to ensure the effective operation of such a system.

> The Board of Directors forms committees to fulfil its functions and responsibilities in a sound manner.

> The Board of Directors takes measures and applies incentives to ensure that qualified personnel serve the Company for the long term. If required, the Board of Directors removes managers from office without any delay and appoints appropriate and qualified managers to replace those removed.

> The Board of Directors acts as a leader in the elimination and settlement of the disputes that may arise between the Company and its shareholders.

> The Board of Directors shall ensure full compliance with all applicable laws, regulations, and provisions of the Articles of Association, intra-company arrangements and the policies established in exercising shareholders' rights. To this end, the Board of Directors shall act in close cooperation with the Corporate Governance Committee and Investor Relations Unit established in the body of this committee.

PROHIBITION ON DOING BUSINESS, OR COMPETING WITH THE COMPANY

As required by the Corporate Governance Principles, in the event of any violation of the prohibition on board members' doing business or competing with the Company, the potential conflicts of interest are publicly disclosed.

NUMBER, STRUCTURE, AND INDEPENDENCE OF COMMITTEES ESTABLISHED BY THE BOARD OF DIRECTORS

The Board of Directors of Global Investment Holdings has established a Corporate Governance Committee and an Audit Committee in line with the Capital Markets Board's Corporate Governance Principles. The Board members are regularly kept infor-

med on the research studies of the Committee. Based on the resolutions adopted by the Board of Directors on 13 September 2017 numbered 939, Ercan Ergül, Independent member, Ayşegül Bensele, Non-executive Board member, Adnan Nas, Non-executive Board member, and from the Investor Relations Department Aslı Gülhan Ata, have been elected as members of the Corporate Governance Committee. Oğuz Satıcı, Independent member, and Ercan Ergül, Independent member, have been elected as members of the Audit Committee. Oğuz Satıcı, Independent member, and Adnan Nas, Non-executive Board member, have been elected as members of the Early Risk Assessment Committee. During the period, the Corporate Governance Committee convened four times and passed one resolution, the Audit Committee convened four times and the Early Risk Assessment Committee convened six times and passed two resolutions. These three committees serve in an advisory function for the Board and make recommendations. All committees carry out their operations in line with their charters, which are outlined on the Company's website. The chairs of the committees are non-executive independent Board members. Since all Audit Committee members must be independent Board members, and as committee chairs must be selected from among independent members, Independent member Ercan Ergül sits on both committees.

REMUNERATION OF THE BOARD OF DIRECTORS

At the General Assembly meeting of 28 April 2017, a decision was made to pay a net honorarium of TL 9,000 per month to the members of the Board of Directors for the 2017 activity period. The minutes of the Ordinary General Assembly Meeting were publicly announced via a material event disclosure and on our Company website. The Remuneration Policy was prepared and issued in writing; it was then presented

for the information of shareholders in a separate agenda item at the Ordinary General Assembly meeting held on 1 July 2014. The Remuneration Policy was also announced on the Company website. Furthermore, salaries and all other benefits given to the Members of the Board of Directors and executive managers are publicly announced in the Annual Report. Apart from that specified in the consolidated financial tables, the Company did not lend money, or extend credit to any members of the Board of Directors, or executive managers within the relevant period.

Statement of Responsibility

Of the Board Resolution on the Approval of Financial Statements & Annual Report

DATE: 12 MARCH 2018

Number: 960

STATEMENT OF RESPONSIBILITY AS PER ARTICLE 9 OF CAPITAL MARKETS BOARD COMMUNIQUÉ NO: II-14.1

Under the Capital Markets Board Regulations, within the framework of the information provided to us in relation to our tasks and responsibilities related to the Company, we hereby announce and declare that: the Annual Report prepared by the Company and the consolidated Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flow, Statement of Changes in Equity along with the related Notes prepared by the Company and audited by the independent auditor DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of DELOITTE TOUCHE TOHMATSU LIMITED) for the period of 01.01.2017 – 31.12.2017 under the CMB Financial Reporting Communiqué numbered as II.14.1. in accordance with Turkish Accounting Principles/ Turkish Financial Reporting Standards (“TAP/TFRS) and in line with the compulsory formats determined by the CMB;

- Have been reviewed by us;
- According to the information obtained within the scope of our duty and responsibility, as of the date of our statement, the reports do not contain any inaccuracy in all material respects and are free of omissions that may be regarded as misleading as of the issue date;
- According to the information obtained within the scope of our duty and responsibility, we hereby declare that the financial statements, prepared in accordance with the financial reporting standards in force, regarding the period concerned, present correctly and fairly the actual situation of our Company concerning its assets, liabilities, financial position and profit/loss, and that the annual report presents correctly and fairly the development and performance of business, the Company’s financial position, its financial situation together with the important risks and uncertainties it is exposed to, and a truthful account of the results of its operations

Sincerely,

12 March 2018

Oğuz SATICI | Chairman of Audit Committee

Mehmet Kerem ESER | Group Director | Financial Affairs and Finance

Internal Controls: Rationalization

In 2017, Global Investment Holdings continued to implement Group-wide risk management and internal control policies. The Company systematically followed and abided by its corporate codes of conduct, including internet usage restrictions, proprietary trading limits and guidelines, and management reporting systems. During the year, GIH carried out an organization-wide company asset security awareness initiative, which covered information and information systems.

The Internal Audit team conducts audits of the current internal control system, especially in terms of boosting the efficiency and productivity of Group operations, maintaining reliability in financial reporting and compliance with applicable laws, rules and regulations. This effort is executed in accordance with the annual internal audit plan, with the audit findings reported to the Board of Directors. Risks that prove critical under the framework of corporate risk management in the annual internal audit plan are prioritized.

At the request of the Board of Directors, the Internal Audit team coordinated and performed a wide range of audits in 2017 to identify potential risks within Group companies and head office departments. The Internal Audit team has taken the necessary steps both at the holding and individual company levels to implement efficient risk management tools through its internal audit technical implementations. The team plans to undertake a broad range of internal audits throughout 2018 in line with the annual audit plan.