

Global Investment Holdings Corporate Governance Principles Compliance Report

1. Statement of Compliance with Corporate Governance Principles

Global Investment Holdings ("GIH") accommodates and pays utmost attention for executing the Corporate Governance Principles published by the Capital Markets Board of Turkey ("CMB"). With the aim of adopting this approach, the Company conducts studies at the Board of Directors level.

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

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

GIH continues to necessary revisions by examining the website and the annual report in more detail in terms of Corporate Governance Principles. The Board of Directors, senior management and all employees of GIH have always supported the adoption of the Corporate Governance Principles within the Company at every 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, Board of Directors) weighted based on CMB's Corporate Governance Principles and current distribution based on main topics are provided below:

Sections	Weight (%)	Rating
Shareholders	25	86.89
Public Disclosure and Transparency	25	91.89
Stakeholders	15	88.42
Board of Directors	35	87.12
Total	100	8.84

The report, which has been prepared by Kobirate related to the corporate governance rating, shows that Company is compliant with the 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 for full compliance with the corporate governance principles. Principles other than implemented presently or not implemented yet have not caused a conflict of interests 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 substantial amounts of tangible/intangible assets, or donation and grants, or giving guarantees such as suretyship, mortgage in favor of third parties" are required to be taken at a General Meeting. The underlying reason is that the nature

of the business in which the Company is involved requires it to buy, sell, and lease quite frequently. Having to hold a General Meeting every time such a transaction takes place is considered to be impossible and thus no such article has been included in the Articles of Association. This practice is refrained from in order to ensure that deals are made quickly and to prevent opportunities from being missed.

The preferred stock groups in our Company's Articles of Association were created before its IPO and our Company is not authorized to amend these privileges. Our privileged shareholders made an application to 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 provision on minority rights: Regarding this matter, our Company is of the conviction that the framework provided for by the Turkish Commercial Code and the CMB regulations is sufficient.

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

In accordance with article 4.6.5 of Corporate Governance Principles, all the remunerations and interests provided to the board members and top managers has been disclosed to the public by the annual report. But the disclosure is made not by personal basis but by featuring the separation of board members and top managers.

GLOBAL INVESTMENT HOLDINGS

I. Shareholders

2. Investor Relations Unit

2.1 Structured as a holding on 01.10.2004, our Company complies with the legislation, Articles of Association and other Company regulations on the matter of exercise of shareholder rights and takes necessary measures to facilitate the exercise of these rights.

2.2 During the process of our Company's becoming a holding company in October 2004, "Investor Relations" subject was a priority; for this reason the Investor Relations Unit was established in the Organization Structure.

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

Investor Relations Department:

Selran Çakır Baydar /Director
Begüm Döşlüođlu /Specialist
Esra Gündüz /Junior Specialist

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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 measures to ensure that the General Assembly meetings are held in compliance with legislation in force, the Company's Articles of Association and other Company regulations;
- Preparing the documents that will be 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 legislation.

2.3 In addition to the foregoing, the tasks below, performed within the structure established in 2005, will be carried on by the Investor Relations Unit in tandem with the Financial Affairs and the Finance and Law Unit.

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

2.4 Since August 2005, consequent to the roadshows realized with different brokerage houses, meetings are organized with investors, either by visiting or hosting at the headquarters of the Company.

3. Exercise of Shareholders' Right to Obtain Information

3.1 Queries, other than those relating to trade secrets and undisclosed information, received from shareholders and analysts by the Capital Markets and Investor Relations Department by letter, phone, email and other means are answered in the fastest and most effective way possible upon contacting the relevant person with the highest authority on the related matter. Furthermore, current and retrospective information and developments relating to GIH that are of interest to shareholders are regularly communicated to the concerned parties via the corporate website both in Turkish and English. They are also regularly communicated to those registered to our database via email.

A total of 271 information requests received by GIH in the relevant period were answered.

3.2 The related Board Member works in coordination with the responsible units regularly to inform the shareholders.

3.3 Concerning the use of the rights of shareholders in 2013, no complaint was conveyed to our Company or there was not any examination/investigation about our Company including the request for the appointment of a special auditor.

4. Information on General Assembly

4.1 The Ordinary General Assembly meeting of shareholders regarding the Company's 2012 activities was held on 23 May 2013. The Company's share capital as of the date of the meeting, 38.22% was represented at the Ordinary General Assembly meeting.

4.2 Pursuant to applicable legislation, the invitation for the General Assembly Meeting was published in the Trade Registry Gazette, Borsa Istanbul's Public Disclosure Platform system, and the Company's web site. There is no timeframe specified for the participation in General Assembly meetings of the holders of registered shares entered in the stock ledger. At the General Assembly Meetings to be held in 2014, the holders of shares traded on the Borsa Istanbul will be 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.

4.3 Before the General Meeting, the annual report and financial statements and reports, independent audit reports, profit distribution proposal, information document about General Assembly agenda articles and other documents, final version of Articles of Association, Amendments to the Articles of Association –in case there is change in the Articles of Association– were made available for the inspection of shareholders at the Company's headquarters. Agenda and Amendments to the Articles of Association are announced by the method mentioned in 4.2.

4.4 At the General Assembly meeting, shareholders exercised their rights to ask questions and all questions were answered by Board of Directors. No proposal was made to add an article to the agenda.

4.5 The General Assembly included a separate agenda item concerning the sums and beneficiaries of any donations and assistance made by the Company during the year, as well as the donation policy, and thus information was provided to the shareholders.

5. Voting Rights and Minority Rights

5.1 There are four different 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 privilege. It has been stipulated that the Company's Board of Directors consists of seven members. All shareholders are entitled to nominate candidates for three Board Members. It is stipulated that only one of these three candidates shall be approved by the shareholders of Group (A) shares.

For 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.

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

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6. Dividend Policy and Timing of Distribution

6.1 The Profit Distribution

Policy will be determined by the General Assembly of Shareholders upon proposals of the Board of Directors in accordance with the provisions of the Capital Markets Law and communiqués of the Capital Markets Board. For dividend distribution, the policy adopted by the Company is designed to be a consistent policy balancing the shareholders' and the Company's benefits, in accordance with the Corporate Governance Principles.

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

At the General Assembly meeting held on the 23rd of May 2013, a decision was taken to distribute – from the net period profit of TL 108,074,628 specified in the 2012 consolidated financial statements – a gross dividend amount of TL 13,365,000 (gross 5,93990 kuruş per share of 1.- Turkish Lira each) until the 31st of May 2013, which will be covered from the legal records after setting aside legal reserves within the framework of the provisions of Corporate Income Tax Law and Turkish Code of Commerce.

7. Transfer of Shares

The Company's Articles of Association do not contain any provisions that make it difficult for the shareholders to freely transfer their shares.

II. Public Disclosure and Transparency

8. Information Disclosure Policy of the Company

8.1 At the General Assembly, shareholders were provided with information about the Information Disclosure Policy of the Company, which was also published on the corporate web site.

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.

8.2 Together with 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 in the shortest amount of time 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 the inquiries.

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

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

9. Material Disclosures

9.1 For public disclosures, the Company acts in compliance with the Capital Market Law, Capital Markets Board and Stock Exchange regulations and the CMB Principles. Public disclosures are announced on the Company's corporate website both in Turkish and English.

10. Company Website and its Contents

10.1 As stipulated by CMB's Corporate Governance Principles, the Company website is actively used in public disclosures.

10.2 All matters related to the Investors Relations Unit are posted on the www.globalyatirim.com.tr website.

10.3 Our Company's 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 for the General Assembly meeting and General Assembly information document,
- Minutes and attendance sheet of the General Assembly meeting,
- Proxy sample,
- Corporate Governance Principles, Compliance Report,
- Dividend policy,
- Information Disclosure policy,
- Frequently asked questions,
- Corporate Social Responsibility.

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11. Disclosure of the Company's Ultimate Controlling Shareholders

Changes in capital structure and in the capital structure of the Company are publicly disclosed in accordance with relevant legislation. The Company's shareholder structure can be reviewed on the website.

12. Public Disclosure of Insiders

GIH is in complete compliance with rules governing insider trading as per capital market and related laws, regulations and administrative provisions and takes all necessary measures to fulfill its responsibilities thereunder. For this purpose, GIH formulated an "Insider Trading Policy". The list of insiders has also been publicly disclosed on the corporate website.

III. 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.

Besides, the personal experience and educational level of our employees directly affect the services offered by our Company and its subsidiaries being involved in the service industry, accordingly, the Company's human resources policy plays a vital role in this respect. The Company's human resources policy is specified with the "Personnel Regulations" and the recruitments are announced on the Company's website. The feedback system based on the employees' performance system has been initiated at our subsidiaries, and it is aimed to apply the system across the Company.

13. Informing Stakeholders

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

14. Participation of Stakeholders in Management

The members of the Audit Committee and Corporate Governance Committee participate in the weekly assessment meetings held by the unit managers, who can thus communicate to the senior management their opinions about the units and subsidiaries under their responsibility. Unit managers pose questions to committee members as they fulfill their duties. As such, the information flow mechanism between stakeholders and the committees passes through the unit managers.

15. Human Resources Policy

Global Investment Holdings maintains a forward-looking strategy in parallel with the 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 conditions and job opportunities to candidates who hold documented university degrees and have relevant academic background, are fluent in English as well as speak other foreign languages and are successful individuals in their respective fields.

Yasemin Çakar is the Human Resources Director in charge of managing relations with employees. In the year 2013, no complaints were made by employees.

15.1 The Company's human resources policy has been defined in writing and announced on the intranet under heading "Personnel Regulation" both in Turkish and English. According to this regulation, the Company recruits individuals with superior knowledge and skills, easily adaptable to the corporate culture and open-minded for changes and development.

15.2 According to the human resources policy, the Company has adopted the principle of providing equal opportunities to employees of equal conditions with regard to recruitment and career planning. Thus, the positions are announced on easily accessible website and job applications are received via email.

15.3 Opportunities offered to employees and developments within the Company that may affect employees are shared by top management via email as well as through the intranet.

16. Information about Relations with Customers and Suppliers

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

17. Social Responsibility

Global Investment Holdings and its subsidiaries consider their customers, shareholders, employees and the community in general as their basic social stakeholders they work for. At the Global Investment Holdings level as well as through its subsidiaries, the Group is deeply committed to its aim to ensure a better life for various communities we are a part of and operate in. In line with its aim, Global Investment Holdings Group makes contributions to and sponsors various educational, charity, social and sports activities and projects.

In the year 2013, Global Investment Holdings continued to give support to education within the framework of its social responsibility activities.

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IV. Board of Directors

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

18.1 The Company is managed by seven 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
Jérôme Bernard Jean Auguste Bayle – 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 web site.

In consideration of the 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.

18.2 Two independent members of Board of Directors satisfy CMB corporate governance principles pertaining to independence criteria.

18.3 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 being represented in the management of the associated companies is for our Company's benefit.

18.4 The duties of the Remuneration Committee were assigned to the Corporate Governance Committee, which, on 29 April 2013, submitted the names of two candidates meeting independence criteria to the Board of Directors.

18.5 In case a situation compromising the independence of a Board Member arises, 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.

Following the resignation of the independent member, in order to meet the quota of independent members, 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.

19. Qualifications of Board Members

19.1 The resumes of the members of the Board of Directors are available on our website at www.globalyatirim.com.tr.

19.2 Board members are elected from among individuals who have basic knowledge of the Company's line of business and high level managerial skills.

20. Mission, Vision, and Strategic Goals of the Company

GIH's mission, vision, objectives, and values are publicly disclosed on the corporate website.

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 and evolving the business environment in Turkey.

Mission: The Holding is committed to developing portfolio of competitive companies, within the sectors in which it operates, with strong and healthy growth prospects in conformity with global standards. The Holding is also responsible for updating strategies for its subsidiaries, along the lines of the changing local and global environment, as to ensure their quick adaptations to changing business conditions and help their continuous growth.

21. Risk Management and Internal Audit Mechanism

The Company has established a risk management and internal control unit, under the chairmanship of Hakan Murat Akin. Studies in this regard are carried on under coordination of the Board members Jérôme Bayle and Oğuz Satıcı. The Internal Control Department reports directly to the Audit Committee of the Board of Directors.

22. Authorities and Responsibilities of Board Members and Executives

The authorities and responsibilities of the Board of Directors are defined in the Company's Articles of Association in a manner that is consistent with the Board's functions, that does not leave room for any doubt and that is clearly distinguishable and identifiable from the authorities and responsibilities of the General Assembly.

Besides the functions set forth in the Articles of Association, the Board of Directors also fulfills the following functions listed among the functions of the Board of Directors in the Corporate Governance Principles of the Capital Markets Board:

- The Board of Directors continuously and efficiently revises the degree of achievement of the objectives by the Company, activities and past performance of the Company. While revising the same, the Company tries to comply with international standards on any matter. If required, the Board of Directors takes measures without any delay and problem. Effective revision refers to detection of compliance with the applicable laws and regulations and international accounting standards in reflection of the Company's activities, degree of achievement of the objectives by the Company; financial status and activity results in the accounting records and the degree of accuracy of the financial information regarding the Company.

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- The Board of Directors establishes a risk management and internal control mechanism, minimizing the risks which may adversely affect the interest holders of the Company particularly the shareholders and the Company may encounter; and takes necessary measures for effective operation of such a system.
- The Board of Directors forms committees in order to fulfill its functions and responsibilities in a sound manner.
- The Board of Directors takes measures and applies incentives to ensure that qualified personnel would serve the Company for a long term. If required, the Board of Directors removes the managers from office without any delay and appoints appropriate and qualified managers in lieu of the removed ones.
- The Board of Directors acts as a leader in elimination and settlement of the disputes which may arise between the Company and the shareholders.
- The Board of Directors shall ensure full compliance with the laws, regulations, and provisions of the Articles of Association, intra-company arrangements and the policies established in exercising the shareholders' rights; and for this purpose, 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.

23. Operating Principles of the Board of Directors

Members of the Board of Directors are promptly provided with all information they may need to adequately perform their duties. The agendas for the meetings and related documents are delivered by the Board of Director's Secretariat Office no later than three (3) days prior the Board meeting. The Board of Directors meets when it is deemed necessary, and at least once a month. In 2013, the Board of Directors adopted 28 written resolutions. All resolutions have been unanimously adopted. The agenda of the Board meeting is prepared by the Board member in accordance with business and operations of the Company. The members of the Board of Directors are not entitled to weighted votes; all members and the chairperson are entitled to equal votes. During the meetings, the questions posed by Board Members, and detailed and reasonable explanations of any dissident votes are recorded in the meeting minutes.

24. Prohibition on Doing Business or Competing with the Company

As required by 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 will be publicly disclosed.

25. Code of Ethics

GIH's code of ethics has been formulated and published on the corporate website within the framework of its public disclosure policy. The utmost care is given to ensure that the code of ethics formulated for the Company, its Board members, and its employees is complied with.

26. Number, Structure, and Dependency of Committees Established by the Board of Directors

The Board of Directors of GIH has set up a Corporate Governance Committee and an Audit Committee in line with Capital Markets Board corporate governance principles. The Board members are kept informed regularly on the studies of the Committee. Based on the resolution adopted by the Board of Directors on 24 June 2013, Jerome Bernard Jean Auguste Bayle, Independent member, Ayşegül Bensef, Non-executive Board member, Adnan Nas, Non-executive board member have been elected as members of the Corporate Governance Committee. Based on Board resolution dated 24 June 2013, Oğuz Satıcı, Independent member and Jérôme Bernard Jean Auguste Bayle, Independent member, have been elected as members of the Audit Committee. Based on Board resolution dated 24 June 2013, Jérôme Bernard Jean Auguste Bayle, Independent member, Oğuz Satıcı, Independent member and Adnan Nas, Non-executive board member have been elected as members of the Early Risk Assessment Committee. In the year 2012, the Corporate Governance Committee convened five times and the Audit Committee convened four times. The committees are serving as advisory to the Board and make recommendations. All committees carry out their operations in line with their charters. The Chairpersons of the committees are non-executive independent Board members. Since all Audit Committee members need to be independent Board members and as committee chairmen need to be chosen from among independent members, the independent member Jérôme Bernard Jean Auguste Bayle sits on both committees.

Duties and Working Rules of the Corporate Governance Committee:

1. PURPOSE

To determine whether the corporate governance principles are applied in the Company and if not to find out the grounds as well as the conflicts of interest resulting from such non-compliance precisely, to carry out improvement actions on that issue and present the same to the Board and supervise the work carried out by the Investor Relations Unit.

2. POWERS AND SCOPE

The Corporate Governance Committee:

- a) The field of duty of the Corporate Governance Committee covers the aspects set out by the Capital Market legislation for the Candidate Nomination Committee, Early Risk Assessment Committee, Remuneration Committee and Corporate Governance Committee.
- b) To develop the Corporate Governance principles in the Company and ensure their adoption and application.
- c) To evaluate the annual Corporate Governance transactions of the Board of Directors and submit the same to the Board.
- d) To regulate the operations of the Investor Relations Unit.
- e) To offer recommendations on the operation, structure and effectiveness of the Board and the attached committees.

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- f) To work on developing policies and strategies on the issues of determining and evaluating the appropriate candidates for the Board.
- g) To make regular assessments on the structure and effectiveness of the Board members and submit any recommendations on possible changes to made regarding such issues to the Board.
- h) To determine the approach, principles and applications regarding the performance assessment and career planning of the Board members and high level managers and supervises them.
- i) To provide effective internal control systems in order to identify, evaluate, monitor and manage the risky issues that could affect the achievement of the Company's targets according their influence and possibility.
- j) To monitor the integration of the risk management and internal control systems to the institutional structure of the Company and their effectiveness.
- k) To work on the issues of measurement, reporting and the utilization of the decision-making mechanisms of the risks by the risk management and internal control systems of the Company keeping the appropriate checks required in view.
- l) To review the committee's operations regularly and submit the proposals for changes to the Board for approval as necessary, but the responsibility of final decision always lies with the Board.
- m) To determine the recommendation on the remuneration rules for the Board members and high level managers taking the long-term targets of the Company in to account.
- n) To set out the criteria to be used for determining the salaries commensurate with the performance of the Company and member.
- o) To reviews the committee's operations regularly and submit the proposals for changes to the Board for approval as necessary, but the responsibility of final decision always lies with the Board.

3. STRUCTURE OF THE COMMITTEE

- a) The committee is formed in compliance with the Articles of Association of the Company.
- b) The committee is comprised of at least two members.
- c) The chairperson of the committee is elected out of the independent Board members.
- d) If the committee is comprised of two members only, both members and if the committee is comprised of more than two members, the majority of the members are elected out of the individuals, who are not included in the executive staff. The CEO of the Company, General Manager and the Deputy Chairman responsible for Financial Affairs may not serve on the committee

- e) When deemed necessary, the committee may seek the opinion of experts in their fields.
- f) The committee is re-elected during the first meeting of the Board after the ordinary shareholders assembly meeting each year.
- g) The committee convenes with the participation of half the members plus one and the resolutions are adopted upon majority decision.
- h) The secretarial work of the committee is performed by the Board secretariat.

4. COMMITTEE MEETINGS AND REPORTING

- a) The Corporate Governance Committee meetings are held at least every three months.
- b) The resolutions adopted during the committee meetings are transcribed and archived by the Board secretariat
- c) The committee informs the Board on the issues falling within its authority and responsibility.

5. RESPONSIBILITIES

a) Compliance with the Corporate Governance Principles

- Ensures the development of the Corporate Governance principles in the Company and their adoption.
- Determines whether the corporate governance principles are applied in the Company and if not finds out the grounds as well as the conflicts of interest resulting from such non-compliance; submits recommendations on improving the foregoing to the Board.
- Examines the complaints received by the Company regarding the shareholders, ensures their resolution and makes sure that any information from the employees on such issues is notified to the Board within the framework of the confidentiality principle.
- Performs other activities requested by the Board, which can be assessed within the scope of corporate governance.

b) Disclosures to the Public

- The committee reviews the activity report to be disclosed to the public.
- The committee develops the recommendations designed for making sure that the public disclosures and analyst presentations are made in compliance with the "Information Disclosure Policy" of the Company.

c) Investor Relations

The "Investor Relations Unit" is established for monitoring all the relations between the shareholders and investors for making sure that the requirements related to their right of being informed are respected in full.

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Investor Relations Unit

- Consists of an adequate number of expert personnel.
- Fulfills the requests of the shareholders and investors for information, within the framework of the legislation, Articles of Association, corporate governance principles and the Information Disclosure Policy.
- Organizes periodic investor informational meetings in the country and abroad within the framework of the legislation, Articles of Association, corporate governance principles and the Information Disclosure Policy or attends such meetings organized.
- Carries out the work for ensuring active communications with domestic and foreign investors through the web site.
- Supervises and monitors the process of informing the public in compliance with the relevant legislation.
- Makes sure that the records related to the shareholders are kept in a sound, secure and updated manner.
- Makes sure that the activity reports are prepared as prescribed by the legislation and Capital Markets Board's Corporate Governance Principles.
- Follows up that the General Assembly meetings are convened in compliance with the procedures.
- Ensures the preparation of the documents to be submitted to the shareholders at the General Assembly meetings.
- Ensures the development of the system required for drawing up the meeting minutes in compliance with the procedures.

d) Responsibility of Reporting

- The committee makes sure that the Board is informed on the issues falling within its authority and responsibility.
- The committee transcribes all of its operations and keeps their records.
- The committee compiles its operations in a report and submits to the Board.

e) Nominating Candidates of the Board

- Develops a transparent system for determining the proper candidates for the Board, their assessment, training and remuneration as well as develops policies and strategies regarding those issues.
- Develops recommendations on the numbers of the Board members and managers.
- Forms a candidacy pool for the Board members and keeping the opinion and recommendations of the shareholders regarding the formation.
- Reviews and approves the appointment and promotion philosophy, principles and practices of the Company regularly.
- Determines the candidacy criteria, reviewing the same regularly and recommends the candidates nominated to the Board.

f) Remuneration

- To determine the approach, principles and applications regarding the performance assessment, career planning and remuneration of the Board members and high level managers, to supervise them ensure that such applications are put in to writing.
- To review and approve the remuneration philosophy, principals and practices of the company regularly.
- To ensure the conformity of the rules of remuneration for the Board members and high-level managers of the company with the risk management principles and practices of the company.
- To ensure the conformity of the remuneration policy with the interests of the shareholders.
- To take the measures required for preventing the Board members and high-level managers from setting their own salaries themselves.

Duties and Working Rules of the Audit Committee:

1. PURPOSE

Supervision of the company's accounting system and financial information, their disclosure to the public as well as the supervision of the operation and effectiveness of the internal control system.

2. POWERS AND SCOPE

The Audit Committee:

- a) Verifies the accuracy, transparency and compliance of the financial tables, foot notes and financial information with the legislation and the international accounting standards and reports the results to the Board in writing taking the comments of the independent auditing company.
- b) Examines the presence of any issues that could damage the independence of the independent auditing company and its employees and its adequacy on behalf of the Board.
- c) Supervises the company's accounting system and financial information, their disclosure to the public as well as the operations and effectiveness of the independent auditing company at every stage.
- d) Supervises the selection of the independent auditing company, initiation of the independent auditing process by preparing audit agreements and the operations of the independent auditing company at every stage.
- e) Investigates the internal and external complaints received in connection with the company's accounting, internal control system and independent audits within the framework the principle of confidentiality and concludes the same.
- f) Supervises the compliance with the legal regulations and in-house arrangements.
- g) Reviews the committee's operations regularly and submits the proposals for changes to the Board for approval as necessary, but the responsibility of final decision always lies with the Board.

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3. STRUCTURE OF THE COMMITTEE

- a) The committee is formed in compliance with the articles of association of the company.
- b) The committee is comprised of at least two members. Selection of all the members out of the independent members is essential.
- c) The CEO of the company, General Manager and the Deputy Chairman responsible for Financial Affairs may not serve in the committee.
- d) The persons, who have worked as consultants for the company before, may not be elected as the members of the Audit Committee
- e) When deemed necessary, the opinion of experts on committee issues may be sought.
- f) The committee is re-elected during the first meeting of the Board after the ordinary shareholders assembly meeting each year.
- g) The committee convenes with the participation of half the members plus one and the resolutions are adopted upon majority decision.
- h) The secretarial work of the committee is performed by the Board secretariat.

4. COMMITTEE MEETINGS AND REPORTING

- a) The Audit Committee meets at least once a quarter and presents the results of the meeting to the Board.
- b) The committee informs the Board on the issues falling within its authority and responsibility.
- c) The resolutions adopted during the committee meetings are written down and archived by the Board secretariat.

5. RESPONSIBILITIES

a) Financial Tables and Announcements

- Takes the opinion of the responsible managers of the company and independent auditors regarding the conformity of the financial tables and foot notes to be disclosed to the public to the accounting principles followed by the company as well as their accuracy and reports to the Board in writing, including its own assessments.
- Reviews the activity report to be disclosed to the public and examines the consistency of the information contained therein with the information possessed by the committee.
- Reports the changes in the accounting policies, internal control system and legislation that could affect the preparation of the financial tables of the company to a large extent to the Board.
- Reviews the important accounting and reporting issues and studies their impact on the financial tables.

- Investigates and concludes the complaints received from the shareholders and stakeholders that are important enough to have an impact on the financial tables.
- Reviews the transactions left to the assessment and decision of the management in transferring to the accounting records such as the evaluation of the assets and resources, guarantees and collaterals, performance of the social responsibilities as well as any other obligations and conditional events.

b) Independent Auditing Company

- The selection of the independent auditing company, changing the same, initiating the audit process, monitoring and evaluating the activities are carried out under the supervision of the Audit Committee.
- The committee examines the audit scope and audit process proposed by the external auditors and informs the Board about the issues that could hinder their work.
- The committee evaluates the independence of the independent auditors' performance.
- The committee makes sure that the important problems discovered by the independent auditors as well as the recommendations offered for solving such problems are notified to the committee on time and discussed.
- Examines and approves all types of fees and compensation of the independent audit company.

c) Internal Audit and Internal Checks

- The Audit Committee conducts studies on the effectiveness and adequacy of the internal control system and reports to the Board.
- Makes sure that the measures required for conducting the internal audit transparently are taken.
- The committee reviews the operations of the Internal Audit Unit, its organizational structure and its duties and working principles and informs the Board about any issues that restrict or obstruct the independent auditors' work as well as the efficacy of the activities and makes recommendations.
- The committee makes sure that the problems set out in the audit report of the Internal Audit Unit as well as the recommendations offered for solving such problems are notified to the committee on time, discussed and answered.

d) Compliance with the Regulations Imposed by the Laws

- Monitors whether the company activities are carried out in compliance with the legislation and the company's internal regulations. Sets out the rules to be applied in case of any actions contradictory to the regulations.
- Makes sure that the complaints received in connection with the accounting, internal checks and independent audit are investigated within the framework of the confidentiality principles.

DUTIES AND WORKING RULES OF THE EARLY RISK ASSESSMENT COMMITTEE

1. PURPOSE

The purpose of the Early Risk Assessment Committee is to early diagnosis of the risks that would endanger the existence, development and continuity of the company, implementing the measures and remedies required in this respect, and to manage and report these risks in parallel with the company's corporate risk -taking profile, to apply necessary precautions relevant to recognized risks, to consider while making decision and to make suggestions to the board about developing and integrating internal control systems.

2. POWERS AND SCOPE

Early Risk Assessment Committee:

- a) Provides effective internal control systems in order to identify, evaluate, monitor and manage the risky issues that could affect the achievement of the company's targets according their influence and possibility.
- b) Monitors the integration of the risk management and internal control systems to the institutional structure of the company and their effectiveness,
- c) Works on the issues of measurement, reporting and the utilization of the decision-making mechanisms of the risks by the risk management and internal control systems of the company keeping the appropriate checks required in view.
- d) Reviews the committee's operations regularly and submits the proposals for changes to the Board for approval as necessary, but the responsibility of final decision always lies with the Board.

3. STRUCTURE OF THE COMMITTEE

- a) The committee is formed in compliance with the articles of association of the company.
- b) The committee is comprised of at least two members. The chairman of the committee is elected out of the independent Board members.
- c) When deemed necessary, the committee may seek the opinion of the experts in their fields.
- d) The committee is re-elected during the first meeting of the Board after the ordinary shareholders assembly meeting each year.
- e) The committee convenes with the participation of half the members plus one and the resolutions are adopted upon majority decision.
- f) The secretarial work of the committee is performed by the Board secretariat.

4. COMMITTEE MEETINGS AND REPORTING

- a) The Early Risk Assessment Committee meetings are held at least every 3 months.
- b) The committee informs the Board on the issues falling within its authority and responsibility.
- c) The resolutions adopted during the committee meetings are written down and archived by the Board secretariat

5. RESPONSIBILITIES

- a) To identify, analyze, measure, monitor and report the risks faced by the company and issue warnings in order to reduce the controllable and uncontrollable risks.
- b) To determine the risk management policies in line with the opinion of the Board based on the risk management strategies, to determine the implementation procedures and ensuring their application and compliance with them.
- c) To participate in the processes of design, selection, implementation and preliminary approval of the risk management models as essential tools for risk management, to review the models regularly and to make the changes required by conducting scenario analyses.
- d) To request information, opinion and reports from the relevant units where deemed necessary in order to ensure the effective application of the risk monitoring function.

27. Remuneration of the Board of Directors

At the General Assembly Meeting held on 23 May 2013, it was resolved that the Members of the Board of Directors be paid a monthly net stipend of TL 8,000. The Remuneration Policy for senior executives and the attendance fee of Board Members were published on the web site. During the year 2013, the Company did not lend money or extend credit to any Board Member or senior executives, except those indicated in the consolidated financial statements.

Mehmet Kutman
Chairman

Serdar Kirmaz
Executive Board Member