

## **WORKING PRINCIPLES OF EXECUTIVE COMMITTEE**

### **1. FOUNDATION**

Executive Committee has been established by Board of Directors' Decision of our Company dated 26.04.2012, so as to give advice and make suggestions to Board of Directors for the purpose of increasing efficiency of Board of Directors and ensuring the efficacy in the fields of investment and business development in areas fitting for its strategic targets by means of ensuring coordination between our Company's Board of Directors and administrative structure.

### **2. PURPOSE**

Since the Board of Directors cannot convene as often as desired and on time, the purpose of this Committee is to follow up developments in the Company and the sector within which the Company is carrying out activity and inform Board of Directors about these developments when required; to ensure coordination between Company's administrative structure and Board of Directors; to put forward suggestions for developing strategies suitable for the Company and improving the efficiency of activities.

### **3. DUTIES AND RESPONSIBILITIES**

Duties of Executive Committee are:

- To ensure necessary preparations, analysis and evaluations to be completed concerning effects on activities, financial dimension, legal status, compliance with strategic priorities, before submission of important matters to the approval of all members, which are to be decided by Board of Directors,
- To ensure transmission and issuance of subjects concluded by decision of General Assembly or Board of Directors, to Company management within the framework of directives and policies determined,
- To control whether Company's activities are carried out in accordance with Board of Directors' decisions and annual business plans or not,
- To follow up developments in economical, social and political environments of sector within which the Company carries on business and to evaluate effects of these developments and to determine strategies improving competitive power,
- To determine opportunities that might arise by monitoring sector dynamics, in the direction of determined strategies,
- To monitor company's weaknesses and strengths through internal analysis and to monitor opportunities and threats through external analysis,
- To search inner and external growth opportunities that will allow the Company to achieve its strategic objectives,
- To supervise the system functionality that will ensure company business programs to be formed, revised as required according to developments in outer environment and used as a performance criteria,
- To follow the management of the strategies and projects accepted by the Board of Directors,

- To assess significant legal developments that might affect the activities and effects of these developments.

The Committee advises the Board of Directors in writing or orally its evaluations and recommendations on the abovementioned matters.

#### **4. STRUCTURE AND MEMBERSHIP CRITERIA OF COMMITTEE**

- Executive Committee shall consist of one president and members in a number not less than 1/3 of Board of Directors.
- Upon election of new Board of Directors in Ordinary General Assembly, members of Executive Committee shall be determined in parallel with Board's term of office. Former committee members shall continue their duties until new committee members are elected.
- All kinds of resources and supports necessary for Committee to fulfill its own duties shall be provided by Board of Directors. Committee may invite any manager it deems necessary and receive his/her opinions.
- General Manager shall not take office in the committee, but he/she shall provide all information and works required. Committee shall not intervene in daily activities of General Manager; authority and responsibility in these activities shall belong to General Manager.
- Committee may benefit from independent expert opinions when needed with regard to its own activities. Costs of consultancy services required and needed by Committee shall be borne by Company.
- Committee members shall be paid compensations, at discretion of Board of Director, for the services they provide, in accordance with Company's Articles of Association by considering their term of office.

#### **5. SUB-COMMITTEES**

Sub-committees consisting of persons to be selected among Executive Committee's own members and/or externally and having enough experience and knowledge in their own subjects may be formed with the purpose of ensuring effectiveness of works and studies of Executive Committee. These sub-committees shall fulfill all necessary reporting and technical works.

#### **6. MEETINGS**

- Committee shall convene as often as required by the tasks assigned to it and at least once a month if it is not required to convene more frequently.
- In cases required by Board Chairman, the committee shall attend general and specific information meetings concerning Company's/Group's activities (such as Planning Council, Annual Budget and special purpose meetings).
- Committee's decisions have the characteristics of advice to Board of Directors; and the final decision shall be made concerning the respective matter by Board of Directors.
- The Committee shall ensure notification of the Board of Directors in subjects within its authorization and responsibility. It shall report information on activities being carried out and developed suggestions, to Board of Directors.

- Quorum shall be absolute majority of total number of committee members.
- Meetings may be held in company's registered office or another place easily accessible by committee members.

## **7. REPORTING PROCEDURES**

- A meeting minute shall be prepared for committee's meeting within one week following each meeting.
- Meeting minute is required to include at least those following:
  - o Place and date of Meeting
  - o Agenda
  - o Information concerning the matters discussed in the meeting
  - o Decisions taken
- Decisions deemed necessary by Executive Committee shall be submitted to Board of Directors.
- Secretary of Board of Directors shall be responsible for preparing and retaining the reports. Meeting minute prepared shall be archived following its submission to Committee Members.

## **8. EFFECT**

These working principles of Executive Committee were approved by decision of Board of Directors dated 26.04.2012. Board of Directors is authorized to revise and update these aforementioned working principles, when needed.