

THE CORPORATE GOVERNANCE PRINCIPLES DECLARATION

Pursuant to CMB (Capital Market Board) meeting decision 48/1588 made on 10.12.2004, it has been deemed appropriate for the companies having transactions in ISE (Istanbul Stock Exchange) to include their declaration of adoption to the Corporate Governance Principles on their Activity Reports and Web Sites, and in this context, our Company has issued the Corporate Governance Principles declaration and the Adoption Report, and included in or Activity Report before the Shareholders' General Assembly Meeting of the previous year.

Our Company has been considering the application of Corporate Governance Principles published by Capital Market Board and observation of the regulations to be followed subject to the developing conditions under the frame of development of capital markets. The company targets to take actions required for application of the Corporate Governance during decision-making and actions related to the rights of shareholders, informing the public and assurance of transparency as well as interest holders and Board of Directors. In this connection, our company observes execution of the said principles and targets to ensure them in strict loyalty to equal treatment for shareholders, responsibility to inform and Corporate Governance Principles. In this context, application of Corporate Governance Principles in line with development of capital markets and effectiveness of companies offered to public has a decisive importance for our Company under the frame of domestic and international markets.

Please find below the **Corporate Governance Principles Adoption Report** issued in terms of those applied and the non-applied ones during activity year of 2005 based on the Adoption Report 2004, subject to legal regulations in terms of current managerial activities and regulation.

Our company continues to conduct the required studies in order to bring more common and permanent outcomes into practice under the scope of essential benefits of the Corporate Governance Principles and applications during the coming periods, and will act in line with the responsibility of the same principles.

Moreover, the following new Corporate Governance Adoption Report can be accessed and reviewed from the (www.tofas.com.tr) address.

ADOPTION REPORT ON THE CORPORATE GOVERNANCE PRINCIPLES

Chapter 1:

SHAREHOLDERS:

Shareholder Relations Unit

1- As included in our previous Adoption Report and in line with the basic principles determined by the Governance Principles, and with the purpose of managing the relationships with the shareholders of our Company and implementing the required arrangements, a Shareholder Relations Unit has been established under the External Relations Group Directorate, and the name of this unit has been changed as the **Corporate Governance and Shareholder Relations** in the term with the purpose of effective follow-up of applications regarding the Corporate Governance Principles.

The said Unit carrying out activities primarily for the organization of the Shareholders' General Assembly Meetings, exercising of the shareholding rights and stock transactions as well as keeping the required records for shareholders and meeting the information requests of shareholders, and ensures the representation and contacts of the Company before the Capital

Market Board and ISE as well as other relevant entities and institutions including the ISE Settlement and Custody Bank and Central Registry Agency.

This Unit is also responsible for the arrangements for capital increases and dividend payouts, organizations of Board Meetings and following up and recording of Auditor decisions as well as public information in the scope of capital market regulations and meeting of the information requests of investors including the Website. Furthermore, the Corporate Governance and Shareholder Relations Unit is responsible for the following up of capital market arrangements and performing the required studies and also carrying out of contacts with the affiliates and following up of corporate governance principles throughout the Company. The authorized person of the Unit is **Dr. M. Adil Salepçiođlu** and you can access him to get more information through borsa@tofas.com.tr e-mail address or at internal phone numbers which are (0212) 275 33 90 /1812 and (0212) 275 29 60 / 1899.

Use of Rights to Information by Shareholders

2- Our 35 Shareholders that has been registered in the list of participants of the latest General Assembly were duly informed on the financial and administrative issues. In addition to those contacted by telephone during the term, the number of shareholders that personally visited the Company and requested information or exercised free share rights and profit dividend are 156, and 370 e-mail messages sent to borsa@tofas.com.tr address for information request were duly replied.

Moreover, the Finance Management has organized 120 one-on-one meetings and 3 Analyst Meetings within the term particularly for the Corporate Investors and Investment Trusts. Analyst Reports issued on this matter are made available in our Website for the information of investors and public.

Our Shareholders may access to information on "Corporate Governance" and "Shareholder Relations" and review the general, managerial and financial data via the relevant links under the "Investor Relations" section. And, in addition to these sections, a new link "Stock Exchange Information" was provided within 2005 where they may access ISE records.

Our Company has started the application of an electronic operating system and a program that enables sending of Special Case Explanations and other notices to CMB and ISE within the scope of the KAP (Public Informing Project), technical studies of which are carried out by Tübitak-Bilten. Moreover, the membership procedure has been completed with the Central Registry Agency that was established for the purpose of monitoring the capital market instruments based on registration, and the registration of stocks quoted in the Stock Market were completed in line with the arrangements for the monitoring of stocks based on registration is 2005. Studies on this matter are still on progress and the relevant regulations are followed up and implemented.

In addition to arrangements and applications, our Company also periodically organizes "Shareholders Factory Visit". Being intended to provide shareholders and investors with an opportunity to see and learn about the factory closely, the said visit program was organized in 2005 with 120 participants.

3- The Articles of Association of the Company do not contain any provision about an individual right to appoint a "special auditor" in case of request. No requests were submitted to our Company within the term for appointment of a special auditor. Currently, there is no information and application on this matter based on the existing regulations as well as general practices. In addition to internal auditing applications, our Company is also subjected to

auditing of the two main Shareholders (KOÇ and FIAT), and also of an Independent External Auditing Company as legally approved by the General Assembly.

Information about General Assembly

4- Within the period, ordinary General Assembly Meeting of the Shareholders was held on April 15, 2005. Invitations to the General Assembly are duly promulgated within the legal periods on the Turkish Trade Registry Gazette as well as two daily newspapers issued nationwide with all the required information. Moreover, the shareholders registered in the Shareholders Book are informed by a letter. Names of the 35 shareholders that obtained participation documents that stand as an entry card from Our Company or were listed in the blockage documents obtained from ISE Settlements and Custody Bank, Inc. registered in the attendance list. Moreover, everyone that are willing to participate in the General Assembly as a viewer were ensured to participate in the Meeting. Within this scope, representatives of press, authorities of various investment trusts and banks attended the Meeting as well.

Procedure of General Assembly is made to ensure the utmost presence of the shareholders and the minutes of such meetings shall be accessible in writing or electronically at all times and includes activities that increase the efficiency of the Meeting..

Financial statements and the activity report as well as other information and documents are made available in the Head Office for the review of shareholders and interested persons within the legal period prior to the General Assembly Meeting. Promulgations on the General Assembly Meeting are made within at least 3 weeks prior to the meeting. Following issuance and submission of financial tables to ISE and publication of the Activity Report, any information and reports to be discussed at the General Assembly Meeting are sent to the addresses of those requesting by post, facsimile or e-mail in the electronic environment in a manner ensuring the quickest receipt. The records shall be maintained at the locations, including electronic media, where shareholders have the easiest access.

The most natural rights of our shareholders in the General Assembly Meetings are asking questions and raising their opinions, which are shown utmost respect. Therefore, the rights of the Shareholders for asking questions in the General Assembly or making suggestions about the Agenda items, or delivering speeches regarding their suggestions are provided by the Board of Meeting and the required records are kept as per the provisions. In this context, written and oral suggestions made by the shareholders to the Board of Meeting about various issues in the General Assembly are added to the Minutes of the General Assembly Meeting posted on the Internet. Additionally, records showing that any votes of shareholders against certain matters are also recorded in the Minutes of the Meeting can be observed by reviewing the latest General Assembly documents (www.tofas.com.tr).

Annual Activity Reports, financial statements, independent auditors' reports and profit distribution proposal, form of voting by proxy and other information and documents related to the General Assembly agenda, the required documents issued in line with the capita market regulations, the most current text of the Articles of Association and any amendment texts, records that include the most recent information, Special Case Explanations submitted to the Stock Market, distribution of capital among the shareholders and any other information from the Report of Board of Directors to the Corporate Governance Adoption Report can be accessed electronically.

In the light of the said proposals, the requests of shareholders for working and information from our Company are approved by the top management of the Company and the shareholders are allowed to make the desired reviews accordingly. Our Shareholder that has

submitted such a request within the term was asked to provide evaluation and information based on his reviews and the required matters are taken into account.

Company activities are specified by the Articles of Association. Article 3 titled “Objective and Subject” of the Articles of Association covers the activities that might be performed to realize the objects and subjects of the company and unless any resolution to amend them is taken by the General Assembly, the Company is not entitled to perform the activities it wishes. The matters such as merger with other companies take over of another company or separation shall be resolved by the General Assembly upon suggestion of the Board of Directors. In addition, the Company may purchase, construct, sell, rent, mortgage or receive mortgage of any types of real estate and bestow real rights on them as an amendment to the Articles of Association in the form approved by the Board of Directors. The Articles of Association of the company are accessible from our Company web site (www.tofas.com.tr).

All the Minutes of General Assembly Meetings and Lists of Participants for the previous years can be accessed from the Head Office of our Company as well as from the archives of Turkish Trade Registry Gazette retained at Istanbul Trade Registry Office. Furthermore, the Minutes of General Assembly Meetings and other relevant documents for the last 3 years can be accessed and reviewed from the stated Website of our Company in "pdf" format.

Voting Rights and Minority Rights

5- Each share entitles the holder one voting right and there is no voting privilege (Article 20 of the Articles of Association). Board of Directors and Auditor should be selected between the candidates nominated by the shareholders of Issue A and Issue D of Preferred Shares (Articles 9 and 15). Voting rights are exercised as per the provisions contained under the Articles of Association (Articles 21 and 22). Regulations of the Capital Market Board on voting by proxy are observed.

In case of mutual participation, sovereign shareholder is not possible. The Articles of Association does not contain any provision about representation of minority shares in the management or collective voting method. Due to voluntary application matter and non-planning for sovereign shareholding by the major shareholders, provision on quorum was not applied for the existing General Assembly (Article 19 of the Articles of Association).

Dividend Policy and Dividend Payment Time

6- Profit distribution applications and policy of our Company are made within knowledge of the shareholders pursuant to the regulations of the Capital Market Board as well as the relevant provision of the Articles of Association. There is no privilege regarding profit participation and dividend distribution. Article 29 of the Articles of Association about “Profit Distribution” is applied. The distributable profit is calculated by taking into account the long term policies and strategies of our Company as well as investment and financial plans and the profitability status and in accordance with the CMB notifications; and the General Assembly is authorized to decide whether the distributable profit will be distributed wholly or partially in cash or free of charge at a certain rate (or not making cash profit distribution due to legal requirements) without being lower than the distribution rate stated in the relevant notification and regulations of CMB.

The date of distribution is determined by the General Assembly in accordance with the regulations of the Capital Market Board. Based on the requirements of the Capital Market Board regarding profit distribution, the specified legal periods are observed upon General Assembly's approval. Dividends are distributed equally to all the existing shares as of the financial period in accordance with the policies and applications related to the distribution of

profit. This matter is set forth in the relevant provision of the Articles of Association, and also, the amendment that allows advance distribution of dividends to Shareholders upon resolution of the Board of Directors in the form as stated in the amended article 29 in 2005 and upon authorization of the General Assembly **has been accepted**. Since this matter introduces a General Assembly provision, the arrangements on the distribution of profit is made available to the information of shareholders.

Transfer of Shares

7- Article 8 of the Articles of Association “Sales of the Shares Registered to Title” has stipulated the provisions to be applied regarding sale and transfer of registered shares of Issues A and B and there are restrictions on transfer of shares subject to the said rules and arrangements. This features the protection of the existing rights of the dominant shareholders and the limitation of the transfer of shares to any automobile manufacturer or to companies that are controlled indirectly.

Chapter 2:

GIVING INFORMATION TO PUBLIC AND TRANSPARENCY:

Company’s Policy to give Information

8- The Company aims to give correct, complete, understandable, analyzable and cost effective easily accessible information to the concerned persons and investors in due time as per the policy to give information and transparency. Any request for information shall be considered unless the information requested is trade secret. However, the company has briefing activities conducted in accordance with policies of our affiliated domestic and foreign shareholders as well as strategic policies on which the said information, documentation and records are based. Furthermore, all arrangements from media relationships to public meetings and informing the customers are handled by the concerning Units. In addition to the information studies carried out pursuant to capital market regulations, the public information by means of the media and analyst meetings are held under determined rules. In addition to those specified by the regulations, the information that are disclosed to public or the frequency of the meetings are determined through the said information policy and annual strategic communication plans of the Company.

In the forthcoming term, the company information policy established in line with the said information procedure will be duly revised and disclosed again. **Mr. Nezh Olcay**, one of the Group Directors, is authorized for the establishment and execution of such policies.

Special Case Explanations

9- Information on special cases is both given in written and through KAP-BIY computer program to ISE and CMB. The said explanations shall be released to the public together with the regulation in detail and within due period. Within the term (from 3/25/05 when the previous Adoption Report was issued to the date of this Report) the Special Case Explanations and/or notices by our Company have been submitted to ISE for a total of times, and can be found under "Company News" section in the ISE Bulletin. Of these information submittals, 2 of them were requested by ISE and 1 by CMB. Dates of submittal of Special Case Explanations and other notices published in the ISE Bulletin are as follows, 3/29/2005, 3/30/2005 (twice), 3/31/2005, 4/1/2005, 4/11/2005, 4/15/2005 (twice), 4/20/2005, 4/25/2005, 4/27/2005, 4/29/2005, 5/11/2005, 5/20/2005, 5/23/2005, 5/27/2005, 6/17/2005,

7/11/2005, 7/12/2005, 7/13/2005, 7/14/2005 (twice), 7/21/2005 (three times), 8/24/2005, 9/21/2005, 11/9/05, 11/14/05, 12/27/05, 12/29/2005, 1/3/2006, 2/8/06, 3/1/2006, 3/8/2006.

No information and documents, except the ones given to our Exchange Market, were given to any Exchange Market quoted abroad. Furthermore, there are no delays in the public disclosure of the special cases within the scope of Notification Vol. VIII, No.39, and the letter of permission of CMB dated 7/12/05 that allows our Company to increase capital, it was stated that our Company will be warned for compliance with the provision of the notification with regards to the delayed submittal of an additional document due to regulations pursuant to Additional Article 2 of the Notification Vol:IV, No:1.

Company Web Site and Its Content

10- Our company has an active and updated web site. The information to be needed about the company is provided in details in the web site. Our Website provides various information from Presentations and News to Human Resources and R&D studies. Our website is regularly updated and has a "Investor Relations" section under www.tofas.com.tr address that includes the minimum matters introduced by CMB as defined above. The "Corporate Governance" and "Shareholder Relations" subsections include the necessary records and information. Moreover, the "Stock Market Information" subsection is added under the Investor Relations section to make an information line that our shareholders and investors as well as analysts may access to ISE data. In addition to the foregoing, Activity Reports of our Company may be obtained in printed form as well as reviewed as current and archive information from the Website. As it is stated, it is always possible to access to the term financial statements and reports from our Website and the information requests sent electronically are replied accordingly.

Declaration of Real Person Final Shareholder/Shareholders

11- Except major Shareholders, Koç Holding A.Ş. and Fiat Auto S.p.A., there is no other shareholder having more than 5% of the shares. The Members of the Board, executive management and shareholders holding more than 5% of the shares of the company directly or indirectly release the information on transactions made regarding capital market instruments and shares and outcomes thereof. In this context, the stock purchases are sent to ISE for publishing in the ISE Bulletin.

Announcement of the Persons Capable to Gain Inside Information

12- Considering that the information and strategic resolution only entitled to the top management of the company and assuming that the public is not able to know those persons and no legal requirement in this direction exists, it has not been needed to announce the names of them previously. However, Top Management of the company has taken all actions required to prevent insider trading. The previous Adoption Report contains names of persons that are in the position of making insider trading. The top management entitled to access the information that is likely to effect the capital market instruments of the company consists of Board of Directors and Group Directors of the Company. Therefore, the list of those entitled to access such information contains **Mr. Mustafa V.Koç, Mr. Sergio Marchionne, Mr. Temel Atay, Mr. F.Bülent Özyaydınlı, Mr.M. Selçuk Gezdur, Mr. Paolo Monferino, Mr.Diego Pistone** and The Board Member and Company CEO **Mr. Alfredo Altavilla** as well as the Accounting, Finance and Control Group Director **Mr. Nezih Olcay**, and Industrial Group Director **Mr. Massimo Risi**.

Chapter 3:

INTEREST HOLDERS:

Information to Interest Holders

13- The interest holders are employees, suppliers, customers and basically the third persons in direct relationship with the company and called the "stakeholders". Company vision is revised based on the stakeholder concept. The said interest holders are informed regarding the matters concerning them and organizations, briefings, planned studies and arrangements regarding explanations are all held by the Company. Corporate governance applications ensure guarantee of rights of the interest holders stipulated or not yet stipulated under regulation within the scope of stakeholder definition.

Participation of the Interest Holders in the Management

14- Participation of the interest holders in improvement activities regarding administrative matters and expressing their opinions actively in this direction as well as analyzing the matters are performed under the procedures prepared by the company. From EFQM model to Kaizen works, there are systematic meetings and training programs as well as "employment evaluation enquiry" ranging from self-evaluation meetings open to all blue and white collars, open door meetings all based on total quality philosophy and targeting improvement of efficiency where both employees and suppliers as well as customers may reflect their requests are carried out in line with Human Resource policies. In addition to the corporate website, there is also an Intranet application in place for interoffice communications.

From dealer community meeting to shareholders' factory visit, works that will increase the social activities for any group are planned and executed. In addition to the activities carried out by sales and dealer network, there is a system in place where customer demands and satisfaction are followed up and reflected to the management and necessary arrangements are made and feedback is provided accordingly. Moreover, activities regarding Customer Relations Principles (MIP) ensure effectiveness and maximization of customer relations and implementation of policies towards improvement of the service quality.

Human Resource Policy

15- Human resources policy of our Company has been established and is being implemented in line with the company strategies and policies. In this context, recruitment, career planning and rotation, individual development, pricing and performance management issues are handled and business life related arrangements and basic duties and responsibilities of employees are ensured within the scope of Personnel Guidelines. Various committees have been established to execute relations with the employees and employees have a representative in each of those committees; however, no representative has been selected and/or assigned to execute relations directly with the employees. The rights and working conditions of both the white collar and blue collar personnel are assured without allowing for any discrimination or abuse both in the Plant and the Head Office. No complaint has taken regarding the matter during the period.

Information About Customer-Supplier Relations

16- Any and all actions to ensure customer satisfaction during marketing, sale and post-sale of the goods and services of the company have been taken and put into practice. The demands of customer satisfaction and the demands regarding the products the customer has bought are met rapidly and the result thereof is informed to the customers. Improvement studies are organized systematically and high quality is assured by means of ISO quality certifications and quality standards. The principles and policies for suppliers as well as satisfaction criteria in customer centered product and services are regularly measured and followed up by the related units of the company and information studies are conducted.

Social Responsibility

17- Social activities for the neighborhood where the factory is located and the public in general are arranged according to the Corporate social responsibility and effect on public criteria. In this context, the social activities conducted during the period have been detailed in the Activity Report. Furthermore, the periodically published Tofaş Newspaper provides various information as well as publishings on social activities. No complaint regarding environmental problems caused have been received and we have records including environmental assessment reports.

4. Chapter:

BOARD OF DIRECTORS:

Structure, Composition and Independent Members of the Board of Directors

18- The Board of Directors of the Company has been composed as per provisions of the related law and the Articles of Association. Excluding the CEO, none of the Board Members and the Chairman have a directly executive capacity in the company. CEO of our Company, **Mr. Alfredo Altavilla** is also a member of the Board of Directors. In addition, as the members of the Board are elected as representative of certain shareholding groups, they are not in the nature of independent member specified under Corporate Governance Principles.

Our Board of Directors consists of **Mr. Mustafa V. Koç** (Chairman), **Mr. Sergio Marchionne** (Vice Chairman), **Mr. Temel Atay** (Member), **Mr. F.Bülent Özaydınlı** (Member), **Mr. M. Selçuk Gezdur** (Member), **Mr. Paolo Monferino** (Member), **Mr. Diego Pistone** (Member) and **Mr. Alfredo Altavilla** (Member& CEO).

Regarding employment of the members of the Board outside the Company, there are no restrictions other than those stipulated under regulations and rules resolved by the Board of Directors. Employment of them in group companies and other matters are subject to provisions of Turkish Trade Code. Articles 9 and 10 of the Articles of Association stipulates structure and office period of the member, while articles 11 and 12 powers and quorum of meeting and functions. The resolutions of the Board of Directors are taken with minimum affirmative votes of five members of the Board provided that they are elected among those suggested by minimum two Issue A and minimum two Issue D shareholders.

Qualities of the Members of the Board of Directors

19- Chairman and Directors of the Board shall be formed in a manner ensuring effect and effectiveness at the highest level. Considering the provisions stipulated under Corporate Management Principles, the members are elected among those having the above qualifications and competent in management. The persons to be appointed to the position shall have the above-mentioned qualifications as of appointment date as well as having required knowledge. Board of Directors are selected among effective persons at higher levels and known by people

and capable of providing the Company shareholders and stakeholders with maximum satisfaction on company activities.

Mission and Vision of the Company and Strategic Objectives

20- The mission, vision and values of the company have been formulated and published and renewed upon revisions in line with the improvements. Our mission, vision and values are determined by the senior management and informed to the Board of Directors of our Company and made available in our Website. Additionally, a "new vision workshop" was conducted within 2005 and the issued "2015 Vision of Tofaş" is published in our Website. The efforts of the concerning Units in the establishment and implementation of the strategic targets of the Company are submitted by the Senior Management to the Board of Directors and followed up accordingly. Based on the strategic targets, the Board of Directors reviews and evaluates the past year performance and compares and contrasts and decides on the coming year objectives submitted by the top management.

Risk Management and Internal Control Mechanism

21- A risk management and internal control organization is formed depending on financial and administrative activities of the company and the functioning and effectiveness of the internal auditing shall be followed up by the Auditing Committee and Accounting, Finance and Control Group Director as per related capital market regulation and rules.

Internal Auditing activities within the year are conducted with the purpose of improving the effectiveness of the said efforts in order to verify that the financial statements are true and ensure that the activities are carried out in compliance with the laws and regulations. The concerning Unit reviews the processes, determines the existing and possible risks and reports solution proposals for such risks.

Duties and Responsibilities of Members of the Board and the Executives

22- Article 11 of the Articles of Association stipulates the powers and authorities of the "Board of Directors". In addition, required amendments to the Articles of Association are deemed necessary. The Company management is specified pursuant to Turkish Trade Code and the relevant regulations mainly based on representation and binding of the company, and the authorities are exercised pursuant to legal requirements.

Activity Basis of the Board of Directors

23- Titles or agenda items regarding Resolutions of the Board of directors are prepared and issued periodically or in line with the requirements arising. The number of the meetings of the Board may vary depending on the needs occurring. The number of resolutions made by the Board of Directors was 19 in 2003, 18 in 2004 and 27 in 2005. Presence and calls are made whenever business of the company requires and the Board of Directors convenes. No dedicated secretariat was established for communication purposes but, the Corporate Governance and Shareholder Relations Unit carries out the preparation of agendas for the Board Meetings, typing of resolutions and keeping and following up of records. In case of different voting on the resolutions occurs, the case and reasons thereof shall be noted. The resolution shall contain questions and responses thereto, if any. The resolution of the Board of Directors shall be signed by 5 members, at least 2 from Issue A and 2 from Issue D shareholders in order to be effective and there is no cast vote or veto right.

Restrictions on Business and Competition with the Company

24- The members of the Board of Directors are banned from conduct of business and competition with the company and in case of such actions that might cause conflict of interest; required actions shall be applied subject to the legislation in effect.

Ethical Rules

25- The Company has conducted studies regarding observance of ethical rules and applications as per them in general. Generally accepted ethical rules are observed in connection with regulations and arrangements as well as applications. In addition, the ethical rules will be specified under Corporate Governance Principles and be released to public as "Tofaş Business Ethical Principles". Relationships with company shareholders, public information, and the activities of Company employees, interest holders and the Board of Directors are followed up in accordance with the ethic rules. In this context, new arrangements to be made within the framework of information policy will be disclosed to public as they take place.

Number, Structure and Independency of Committees to be Established Under the Board of Directors

26- Pursuant to article 12 of the articles of association, an executive committee -consisting of 4 persons, 2 from Issue A and 2 from Issue D shareholders- has been established. The committee has been established among the members of the Board of Directors in order to carry out the required actions in the intermediate period between the meetings of the Board of Directors.

Furthermore, an Auditing Committee was established for the follow up of financial matters, reviewing of periodical financial statements and footnotes in accordance with the relevant Notification, carrying out of the required activities as stated in the Corporate Governance Principles, reviewing the Report of the Independent External Auditors, and finally submitting of the proposal on the financial results based on the current information to the Board of Directors; and the Committee consisted of **Mr. M.Selçuk Gezdur** and **Mr. Diego Pistone** as of 2005.

Corporate Management Committee under Corporate Governance Principles has not been established yet. The action regarding the matter shall be taken as per the related regulation in effect and the regulations to be issued by Capital Market Board. Observance of Corporate Governance Principles shall be followed up by the Chairman of the Board personally.

The activities performed as per duties delegated to the said committees are forwarded to the Board of Directors. When needed, the specialist persons not being member to the Board can also be appointed to post in the said committees. The committees shall act in line with their responsibilities and submit their recommendations to the Board. The final decision shall be taken by the Board.

Financial Benefits Allocated to the Board of Directors

27- As stated in the previous Report, no interest is provided for the Chairman and the Members of the Board of Directors other than the remunerations determined by the General Assembly. No application based on performance or rewarding of the Board is applied.

During the period no debt has been granted to any members of the Board and Top Manager of the company, no credit has been utilized by them and none of them has used benefits through third persons as well as no guarantees in favor of them.