

2012 CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Corporate Governance Principles Compliance Statement

Akfen Holding A.Ş. (“the Company”) makes the utmost effort to comply with both the Articles of Association and the Capital Markets Board’s Corporate Governance Principles in accordance with the Communiqué on Corporate Governance Principles which came into effect on 30 December 2011. The Company continues its efforts to comply with the non-required principles as well. The Company constantly takes the necessary steps to reach the highest standards in the area of corporate governance, and also pursues its activities continuously to enforce various recommended provisions included in the principles. Akfen Holding considers its code of ethics, transparency, equity, responsibility and accountability as key components of the Company’s corporate culture.

Due to the importance of complying with the CMB’s Corporate Governance Principles, the Company revised its Articles of Association and made them suitable with the Principles.

The following amendments were made to the Articles of Association:

- A statement on independent Board Members will be published in the annual activity report of the Board of Directors;
- The Ministry of Industry and Commerce Commissioner will be present at General Assembly meetings;
- The Board of Directors will be composed of six members at least; the majority of the members will be non-executive; independent members in a sufficient number will be elected pursuant to the Corporate Governance Principles; members will be elected for a three year term at most; Board meetings will be held when required but four times a year at minimum; each member has the right to cast one vote and it will be exercised in person;
- Required committees will be established within the structure of the Board of Directors in accordance with CMB regulations and other applicable laws, rules and regulations;
- Announcements and notifications of the General Assembly meetings will be made at minimum three weeks prior to the meeting date, via all communication means including electronic communication to ensure the widest participation of the shareholders; similarly, notifications to relevant authorities will be made at minimum three weeks prior; shareholders will be able to attend the meetings in an electronic environment in accordance with applicable legislation; the Capital Market Law regulations on corporate governance will be adhered to in critical processes that pertain to the Principles and any kind of related party processes of the Company and processes related to assurance, pledge and mortgage in favor of third parties;
- The Company will adhere to the legally required CMB Principles; Company processes carried out and the Board of Directors decisions made without abiding by the required principles will be invalid and noncompliant with the Articles of Association.

The Company’s Public Disclosure Policy prepared pursuant to the CMB’s Corporate Governance Principles was discussed and approved at the Board meeting on 4 April 2011. The public disclosure policy was put into written form and published on the Company website at www.akfen.com.tr.

The Investor Relations Department is directly under responsibility of the Executive Director, who is the Chairman of the Executive Board as the most senior executive manager in the Company.

Upon the Board resolution made at the Board meeting on 17 May 2010, in accordance with the Articles of Association, the Company established the Audit Committee and Corporate Governance Committee, completed committee member elections and started committee operations in compliance with the Corporate Governance Principles.

Upon the resolution of the Board of Directors of the Company no. 2012/25 dated 1 June 2012, it was decided that the Audit Committee will be composed of two (2) independent members, Mr. Şaban Erdikler will be appointed Chairman and Mr. Nusret Cömert will be appointed as member; in the Board of Directors Meeting dated 6 August 2012, it was decided that the Corporate Governance Committee which will also fulfill the duties of the Nomination Committee, Early Risk Detection Committee and Wage Committee will be composed of five (5) members, Mr. Nusret Cömert will be appointed Chairman and Ms. Pelin Akın, Mr. Selim Akın, Mr. Şaban Erdikler and Ms. Sıla Cılız İnanç will be appointed as members.

In the activity period ending on 31 December 2012, the Company complied with and applied the Principles except certain provisions specified in Article 18.3.4 (“Use of the Cumulative Voting System in the Election of Board Members”) of this Report. It is assumed that, as per the current conditions, this issue will not cause critical conflicts of interest within the scope of the regulations on “critical” processes within the new TCC and CMB legal framework. Although minority rights can be exercised via the two independent members of the Board of Directors, the advantages and disadvantages of employing the cumulative voting system in the election of the Board member has yet to be assessed by the Company.

The Board of Directors provides full support to Senior Management and the employees of Akfen Holding A.Ş. in the implementation of the Corporate Governance Principles across the Company at every level of the organization. Upon the adoption of the Corporate Governance Principles by the Company, the Corporate Governance Principles Compliance Report was issued to declare that the Company’s operations will be in line with the principles of equity, transparency, accountability and responsibility.

CHAPTER I - SHARE HOLDERS

2. Investor Relations Department

The exercise of shareholder rights at the Company complies with applicable legislation, the Articles of Association and other in-house regulations, and every measure is taken to ensure the exercise of these rights.

In January 2010, the Company established an Investor Relations Department before the public offering of May 2010, in order to manage all relations between the shareholders and the Company, and to ensure proper communication. The Investor Relations Department strives to provide current and prospective investors accurate, timely and consistent information about Akfen Holding; to increase investor awareness and market credibility of the Company; reduce the Company's costs with the implementation of Corporate Governance Principles; and ensure communication between the Board of Directors and capital markets participants. In parallel with these objectives, the Company places utmost importance on communication with shareholders and investors, and runs an active investor relations program. In the organizational chart, the Investor Relations Department reports directly to the CEO.

Investor Relations serves as a connection between the Board of Directors, and the financial community, and carries out the following functions:

- To ensure that shareholder records are maintained in a meticulous, secure and up-to-date fashion,
- To respond to written or verbal information requests by shareholders, prospective investors, stock analysts, public agencies (CMB, ISE, CRA, et al.), and the financial media - except confidential, secret information and/or trade secrets not disclosed to the public - to ensure accurate and simultaneous access to information, and to update current information,
- To issue material event disclosure statements to the Public Disclosure Platform, to translate these statements into English and share these with investors via the Company's website,
- To review all Company announcements, and to prepare Turkish and English announcements on the Company's financial results,
- To update the Investor Relations section of the website and use all electronic communication means in order to keep shareholders and prospective investors informed,
- To build a database of domestic and international institutional investors, as well as stock and sector analysts,
- To ensure the Company is represented in domestic or overseas investor relations meetings attended by current and prospective investors and analysts,
- To review and analyze reports by analysts, and to monitor critical developments and data pertaining to the Company,
- To take the necessary measures to ensure that General Assembly meetings are held in accordance with applicable legislation, Articles of Association and other in-house regulations,
- To prepare all documents that the shareholders will need in the General Assembly meeting,
- To ensure the delivery of meeting minutes to shareholders,

- To supervise all public disclosure actions and ensure their compliance with applicable legislation.

Investor Relations strives to use all electronic communication channels and the corporate website in its activities.

Contact information for the Investor Relations Department is found on the website (<http://www.akfen.com.tr>) and in the annual activity reports of the Company. Investor Relations can be contacted at yatirimci@akfen.com.tr for any requests and questions.

Ms. Aylin Çorman, who holds an advanced level capital market activities license and corporate governance rating specialists licence, is the officer in charge of Investor Relations and her contact information is as follows:

Aylin Çorman, Investors Relations Manager
Levent Loft - Büyükdere Cad. No: 201
K. 11 34394 Levent, Istanbul - TURKEY
Tel: +90 (212) 319 87 00
Fax: +90 (212) 319 87 30
acorman@akfen.com.tr
yatirimci@akfen.com.tr

- As of 11 February 2013, 28.26% of the Company's shares were floated publicly; of which, 63.49% was held by foreign investors. In 2012, the Company participated in 11 domestic and overseas roadshows and various investment conferences in total to provide information to shareholders and investors and conducted; in addition, the Company held face-to-face meetings with over 140 current and potential investors. Numerous meetings were also held with investors, shareholders and analysts regarding the Company's operational results, performance and other developments.

Furthermore, pursuant to the Capital Market Law, the Company issued 96 material event disclosures and published these disclosures on the corporate website in 2012. The Company also answered queries from investors and analysts by phone and email, and released detailed financial statements in financial reporting periods during the year.

3. Exercise of Shareholders' Right to Information

It is essential to treat all shareholders, prospective investors and analysts equally with regards to the right to information and analysis, and to simultaneously provide all financial statements to the public, with the same content. Under the Company's Public Disclosure Policy, all information concerning shareholders and market players are disclosed via material event disclosures; the English version of these disclosures is transmitted electronically to any persons/institutions who submit their email address to the Company; the Turkish and English versions of all past material event disclosures can be accessed via the website.

Investor Relations responds to the numerous written and verbal information requests from shareholders and pursuant to the provisions of the Capital Market Law. In order to expand shareholders' right to information, any current information that might affect the exercise of their rights is submitted to shareholders via the website. The English and Turkish versions of all information disclosures are published on the corporate website to ensure equal treatment among domestic and foreign shareholders.

The Company amended its Articles of Association related to auditor appointment in accordance with new CMB and TCC legislation and started the application process for authorization.

4. Information on the General Assembly

The Ordinary General Assembly Meeting for the year 2012 was held at the Akfen Conference Hall at the Company's Headquarters on 31 May 2012.

Notices and announcements in respect of ordinary and extraordinary meetings of the General Assembly are made at minimum three weeks prior to the meeting date, in a manner to ensure the widest participation of the shareholders and in compliance with applicable legislation.

The General Assembly meeting announcements published on the website included the date, time, location and agenda of the meeting, the invitation of the Board of Directors, and the shareholder participation procedure for the General Assembly. The General Assembly is held in accordance with the internal directive of the TCC on "Working Principles and Procedures of the General Assembly."

The General Assembly's meeting procedures ensure the widest participation of shareholders. The General Assembly Informational Note is prepared and published on the website two weeks prior to the meeting date.

General Assembly meetings are organized in the least complicated manner to avoid any unequal treatment among shareholders, and to impose the least possible cost to shareholders.

The Company completed efforts to amend the Articles of Association for the electronic General Assembly to be held in accordance with applicable laws, rules and regulations of the TCC and Capital Market Law; also certification of employees for the required infrastructure was also completed.

(See Annex 2.)

The Akfen Conference Hall, where the General Assembly meetings are held, is located at the Company's Headquarters, and can accommodate all shareholders. The General Assembly meetings are open to the public, and are organized under the supervision of the Commissioner of the Ministry of Industry and Commerce.

In the General Assembly meeting agenda, items are detailed in an impartial, detailed, clear and comprehensible manner; the wording does not allow for multiple interpretations; shareholders have an equal chance to express their opinions and pose questions, in order to engage in a healthy debate.

The General Assembly's meeting minutes are accessible on the website (www.akfen.com.tr).

During the General Assembly meeting, shareholders did not exercise their right to ask questions and did not give suggestions for the agenda. At the meeting, shareholders were informed about the amount of the donations and grants made in the period, as a separate agenda item.

5. Voting Rights and Minority Rights

Voting Rights

The Company avoids practices that might make the exercise of voting rights difficult, and it is ensured that each shareholder exercises their voting right in the most practical and convenient manner.

Pursuant to the Articles of Association, Class A shareholders have three votes for one share, while Class B shareholders have one vote for one share. Class A share certificates are registered shares, and are not traded on the ISE.

At the Company, there is no provision requiring the voting right to be exercised within a certain time limit after it is granted.

The Articles of Association do not provide any provision preventing a non-shareholder to cast a vote as a representative by proxy.

Minority Rights

The exercise of minority rights at the Company is subject to the Turkish Commercial Code, Capital Market Law, applicable legislation, and communiqués and resolutions of the Capital Markets Board; the Articles of Association do not provide any provisions in this matter.

At the Company, minority rights are thus to be exercised in accordance with the referenced laws, rules and regulations. These rights can also be exercised via two independent Board Members. The independent members of the Board of Directors enable the minority to be represented in the management.

Although the Articles of Association do not yet include the cumulative voting system, the advantages and disadvantages of the system will be assessed by the Company in accordance with changes in legislation.

Equal Treatment of Shareholders

At the Company, all shareholders including minority and foreign shareholders receive equal treatment.

6. Right to Dividend Distribution

The Company adopts resolutions related to dividend distribution in accordance with the Turkish Commercial Code, Capital Market Law, tax laws, other relevant legislation, communiqués and resolutions of the Capital Markets Board and the Articles of Association.

Pursuant to the Articles of Association, after the deduction of the Company's general expenses, miscellaneous depreciation, and other such sums to be paid or reserved by the Company, as well as any taxes to be paid by the Company's legal entity from year-end revenue, the dividend is calculated in the following manner, from the remaining net profit on the annual balance sheet, if any, after the subtraction of any loss from the previous periods (for the amendment text of the Articles of Association, see Annex 2).

Primary Legal Reserve Fund:

1. 5% of the total is set aside as first legal reserves.

First Dividend:

2. Any donation during the year is added to the remainder, and of this sum, the first dividend is calculated according to the rate and amount determined by the Capital Markets Board.
3. After the deduction of the abovementioned amounts, the General Assembly has the right to decide on the distribution of a dividend to Board Members, officers and employees of the Company.
4. After the first dividend for shareholders is allocated, 1% of the remaining profit is transferred to the Turkish Human Resources Foundation.

Second Dividend:

5. After the deduction of the abovementioned amounts from the net profit, the General Assembly is entitled to allocate the remaining amount partially or completely as the second dividend or as extraordinary reserves.

Secondary Legal Reserves:

6. Of the sum to be distributed to shareholders and other individuals with a stake in the profit, 5% of the paid-in capital is deducted and one-tenth of the remainder is allocated as secondary legal reserves, pursuant to Article 466, Sub-clause 2, Paragraph 3 of the Turkish Commercial Code.
7. Until the legal reserves are allocated, and the first dividend for shareholders is distributed in cash and/or as shares in line with the Articles of Association, the Company cannot allocate other reserves, transfer profits to the following year, distribute dividends, or give profit shares to Board members, officers or employees of the Company, foundations established for various purposes, or persons/institutions with similar purposes.
8. The dividend of the accounting period is distributed evenly to all existing shares, regardless of their issue and acquisition dates.
9. There is no privilege among share groups with respect to dividend distribution.
10. The distribution method and time of the distributable profit is determined by the General Assembly upon the proposal of the Board of Directors. The provisions of the Capital Market Law are followed.

According to the Board of Directors' resolution dated 9 April 2010, Akfen Holding abides by a dividend distribution policy based on "proposing to the General Assembly the distribution of at least 30% of the distributable profit, from the 2009 accounting year onwards, after taking into consideration the general profitability of the Company."

The Company has a dividend distribution policy; it was submitted for the information of shareholders at the General Assembly; the policy is included in the annual report and disclosed to the public on the Company website.

7. Transfer of Shares

The transfer and assignment of the Company's bearer shares are subject to the provisions of the Turkish Commercial Code, Capital Market Law and relevant legislation.

Pursuant to the Articles of Association, in case shareholders who hold registered share certificates wish to sell their shares, the share transfer must be approved by a resolution of the Board of Directors and the transaction needs to be registered in the share ledger. The Board

may reject a share transfer without presenting any reason. Class A privileged shares are registered shares.

CHAPTER II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Public Disclosure Policy

The Company's Public Disclosure Policy, prepared pursuant to the CMB's Corporate Governance Principles, was discussed and approved at the Board of Directors meeting dated 4 April 2011.

The Public Disclosure Policy was prepared in written form, and published on the website (www.akfen.com.tr).

The Board of Directors is responsible for monitoring, reviewing and developing the Public Disclosure Policy. The Corporate Governance Committee gives information and presents proposals to the Board of Directors, Audit Committee and the Investor Relations Department on matters concerning the Company's Public Disclosure Policy. Investor Relations is in charge of monitoring and supervising any matters concerning public disclosure.

The Public Disclosure Policy aims at informing shareholders, investors and capital markets participants about the Company's past performance and future expectations in a complete, accurate, timely, comprehensible and equal fashion, in line with generally accepted accounting principles and the Capital Market Law, and thus to maintain active and transparent communication.

Principles and Instruments of the Public Disclosure Policy

Any information to be disclosed to the public is submitted in a timely, accurate, complete, comprehensible, interpretable, cost-effective, accessible and equal fashion to help concerned persons and institutions make investment decisions. Akfen Holding A.Ş. acts in accordance with the Capital Market Law and ISE regulations in its public disclosure practices. The Company's public disclosure principles and tools and other relevant information are given below:

- The Investor Relations Department is in charge of supervising and monitoring all matters pertaining to the Public Disclosure Policy. Investor Relations responds to any queries from outside the Company with the knowledge of the Executive Director, CEO or Assistant General Managers. All communications and meetings with capital markets participants are under the responsibility of Investor Relations.
- In addition to using methods pursuant to legal and regulatory requirements, the Company uses all public disclosure means and methods such as press bulletins, means of electronic data transmission, e-mail messages, meetings with current shareholders and prospective investors, online announcements, and the like in an effective manner.
- Akfen Holding's Code of Ethics outlines all principles and rules that managers and employees have to comply with. The Code of Ethics is published on the Company website.
- In case that any material change occurs or is expected in the near future in the financial condition and/or operations of the Company, the public is informed in line with the provisions of applicable legislation.

- Any changes and developments that arise after the Company's public disclosures are announced to the public through regular updates.
- News reports circulating in the media about the Company are monitored daily by the contracted public relations agency and submitted to the Company. In case that rumors or news reports circulating in the media, market or internet, and which do not originate from the Company are so significant as to affect the value of the Company's shares and in case that these rumors or news have content differing from prior material event disclosures, statements, circulars, announcements approved by the CMB, financial statements and other public disclosure documents, the Company issues a material event disclosure on whether such information is accurate or adequate, even before any warning, notification or request from the CMB or ISE.

Periodic Financial Statements and Reports, and Independent Audit in Public Disclosure

The Company's financial statements and their footnotes are prepared on a consolidated basis pursuant to CMB's Communiqué Serial: XI, No: 25 and International Financial Reporting Standards (IFRS), and these are submitted for independent audit and then disclosed to the public in accordance with International Audit Standards (IAS).

Disclosure of Ultimate Controlling Real Person(s)

With a 68.21% stake, Mr. Hamdi Akın is the ultimate controlling shareholder in the Company.

Material Disclosures

Any developments which might affect the value of the Company's capital market instruments are announced to public without any delay within the time limit prescribed by law.

No sanction was imposed on the Company by the CMB due to any failure in issuing material event disclosures. The Company has received one warning related to material event disclosures.

The Company has not issued any financial instruments on foreign stock exchanges, therefore it has no further public disclosure obligations.

Public Disclosure of Insiders

The following key individuals fall in this category according to legal provisions and under employment contracts:

- Mr. Hamdi Akın, Chairman of the Board
- Mr. İrfan Erciyas, Board Member / Executive Director
- Mr. Selim Akın, Vice Chairman of the Board
- Ms. Pelin Akın, Board Member
- Mr. Şaban Erdikler, Independent Board Member
- Mr. Nusret Cömert, Independent Board Member

Senior executives with a role in management: CEO Mr. İbrahim Süha Güçsav, Assistant General Manager Ms. Sila Cılız İnanç (Legal Affairs) and Assistant General Manager Mr. Hüseyin Kadri Samsunlu (Financial Affairs).

Other senior executives: Fatma Gülbin Uzuner Bekit (Finance Coordinator), Necmiye Meral Altınok (Budget & Reporting and Risk Management Coordinator), Rafet Yüksel (Accounting

Coordinator), Burak Kutluğ (Business Development Coordinator), Tuba Şahanoğlu (Business Development Director), Kürşat Tezkan (Public Relations Coordinator, started work at the Company on 21 March 2012), Nafiz Turgut (Human Resources Director, started work at the Company on 8 January 2013) and Aylin Çorman (Investor Relations Director, started work at the Company on 1 February 2012), Sabahattin İlhan (Information Technologies Director), Serpil Dardağan (Internal Audit Director), Harun Denek (Financial Reporting Director), Murat Yazıcıgil (Budget & Reporting and Risk Management Specialist).

Also: Oktay Uğur (Board Consultant), Coşkun Mesut Ruhi (General Director of Akfen İnşaat), Saffet Atıcı (General Director of HEPP Group), Deniz Bilecik (Assistant Manager of Akfen REIT), Hatice Nesrin Tuncer (KPMG Auditor), Yusuf Anıl (Accounting Director of Akfen REIT), Ebru Burcu Karabacak (Accounting Director of Akfen İnşaat), Aybeniz Sezgin (Accounting Director of HEPP Group).

Pursuant to the Corporate Governance Principles, a list of persons with access to insider information is included in the Corporate Governance Compliance Report. Furthermore, any updated versions of the list are published on the corporate website.

9. The Company Website and its Contents

The Company website is used actively in public disclosure as prescribed by the CMB Corporate Governance Principles.

All matters related to Investor Relations are included on the www.akfen.com.tr website.

The English version of the website is intended for the use of foreign investors.

All information disclosed to the public is accessible online on the Company website. The address of the website is clearly indicated on the letterhead of the Company. The following information is included on the www.akfen.com.tr website:

- The History of the Company
- The most up-to-date management and shareholding structure
- The summary balance sheet, income statement and cash flow statement
- Summary operational information
- The Board of Directors and Board committees
- Agenda of the General Assembly, informational document for the General Assembly, form for voting by proxy, and meeting minutes
- The latest version of the Articles of Association
- Prospectuses and public offering circulars
- Trade registry details
- Annual activity reports
- Periodic financial statements and reports
- Material event disclosures
- Corporate Governance Principles Compliance Report
- Public Disclosure Policy
- Dividend Distribution Policy
- Code of Ethics
- Presentations
- Information and graphics concerning the share price and performance

- News updated by a data provider
- Contact details for Investor Relations
- Company contact details
- Frequently Asked Questions
- Internal Directive of TCC on "Working Principles and Procedures of the General Assembly"

All applicable provisions indicated in the Capital Market Board's Corporate Governance Principles Section II, Article 2.2.2 are published and updated via the Company website.

10. Annual Activity Report

Akfen Holding's annual report is prepared in accordance with the principles stipulated by the applicable legislation and in sufficient detail to ensure that the general public can obtain accurate and complete information on the Company's activities.

CHAPTER III - STAKEHOLDERS

11. Informing the Stakeholders

The corporate governance practices and Code of Ethics of the Company guarantee the rights of stakeholders as stated by law and in mutual agreements. Stakeholders are regularly provided with information in accordance with the Company's Public Disclosure Policy and pursuant to current legislation.

Furthermore, the Company aims to inform all stakeholders through press bulletins, annual activity reports, the website and the Company's transparent public disclosure practices.

While carrying out their duties, Company employees are expected to hold the Company's interest above the interest of themselves, family and relatives, and to fulfill their professional obligations accordingly. Employees avoid any effort that might generate personal favors for themselves or their families.

Any possible or foreseeable conflicts of interest and various cases defined by the Company management are disclosed to employees, and the Company management takes all the necessary preventative measures.

Stakeholders can convey the Company's operations which are in violation of law and ethically inappropriate to the Corporate Governance Committee and the Audit Committee through the independent members who are also chairmen of the committees; no other reporting mechanism has been established.

12. Stakeholder Participation in Management

No mechanism or model has been defined for the participation of stakeholders in management. However, independent members of the Board of Directors enable all shareholders and stakeholders to be represented in Senior Management.

Opinions of stakeholders are received in critical decisions that affect the stakeholders.

13. Human Resources Policy

- In recruitment, training and development, remuneration and career planning, as a principle, the Company provides equal opportunities to persons under equal conditions.
- Employment criteria are stated in written form and observed in practice.
- Employees are treated equally in matters of development and promotion; various development policy and plans are devised to enhance the know-how, skills and experience of employees.
- Employee job definitions, and criteria for performance assessment and remuneration are determined by managers and shared with employees.
- Relations with employees are managed by the Human Resources Coordination Department; the Department Director is Mr. Nafiz Turgut as of 8 January 2013. Employees are not subjected to any kind of discrimination. No complaints have been received from employees with regards to discrimination.

As of 31December 2012, Akfen Holding, its subsidiaries and joint ventures employ a total of 27,994 personnel.

Information on Relations with Customers and Suppliers

Since the Company is a holding company, it is not directly involved in operations. Therefore, it does not have any direct contact with customers and suppliers.

As a holding company, Akfen Holding A.Ş. formulates general policies related to subsidiaries' measures and efforts to ensure customer satisfaction, gives its shareholders the utmost support and, in some cases, meets with third parties on these matters, and constantly supervises efforts to enhance customer satisfaction.

14. Code of Ethics and Social Responsibility

Code of Ethics

Akfen Holding disclosed its "Code of Ethics" on the website as the principles and rules that it defined in order to add financial value for stakeholders and elevate the Company's corporate values and that must be obeyed by all executives and employees.

Through these rules, the Company aims to ensure that Akfen executives and employees act with high standards and are aware of the corporate effects of their behaviors and attitudes; corporate employees and stakeholders must always display the most proper conduct and act in the most ethical and professional manner.

Social Responsibility

Akfen Holding makes the utmost effort to conduct its operations with awareness of its social responsibilities and supports education, arts, social and other types of corporate social responsibility initiatives.

Non-Governmental Organizations

Turkey Human Resources Foundation (TİKAV)

Akfen Holding A.Ş., in order to enable university students to become successful and effective individuals socially and culturally, founded the Turkey Human Resources Foundation. TİKAV was founded on 15 January 1999 under the leadership of Mr. Hamdi Akın with the principle of realizing its duties in educational field instead of waiting for the state to provide all the services. TİKAV aims to improve the quality of young human resources in the country through the programs it implements as a non-governmental organization based on Atatürk's principles. The Personal Development Program includes an array of activities in which university students would start to undertake as freshmen and which they continue until the end of their senior year; the participation in several seminars, trainings, interviews, apprenticeship training and travel programs enhance the knowledge and skills of university students.

The Foundation provides scholarship and educational opportunities to university students and had obtained the authorization to administer the program to young people within its core mission, as the independent operator of the International Award for Young People in 2001. In order to present, execute, survey and certificate the International Award for Young People in 2003 in Turkey, TİKAV, pioneered the foundation Association of Award for Young People and was authorized as the National Authority.

TİKAV uses funding from UNFPA, UNICEF and the European Union Youth Program for some of the projects it implements. The Foundation also took its place in the Turkish Delegation at some of the United Nations conferences. Under the sponsorship of MIP (Mersin Port Administration), it implemented the “Eski Köye Yeni Adet” (New Tradition for the Old Village) initiative in 2010, “Anneler Okulu Projesi” (Mother’s School Project) project in 2010 and 2011 and the “Ortak Dilimiz Renkler Projesi” (Colors, Our Common Language) initiative in 2012. For 2013, with the partnership of MIP, TİKAV plans to implement the projects “Hands in Hands with Village Headmen in Mersin” for 222 village leaders and “We Restore, You Study.” All initiatives undertaken in partnership with MIP will be implemented in Mersin.

Uluslararası Gençlik Ödülü Derneği (UGO)

The Association for Award for Young People, under the main sponsorship of Akfen Holding, is the only establishment authorized by the British International Award Association to present, execute, survey and certificate the International Award for Young People in Turkey. The association aims to foster general societal development by contributing to the individual and social development of young people through the program it implements.

The Regional Reunion for 2011 of the International Award for Young People Program aimed to support the personal development of youth by raising awareness of volunteering without competition, was held 28 April – 1 May 2011 in Istanbul with the participation of 15 National Authorities of European, Mediterranean and Arabic Countries (EMAS) region’s and the representatives of the International Award Association.

Sponsorships

Projects introducing children and youth to the arts

Akfen Holding believes that the arts is one of the most important fields to take societies into the future and provides support to the Istanbul Modern Friends of Education with this approach. The Istanbul Modern improves artistic creativity in Turkey with educational programs and activities and allows the local cultural identity to meet with the international arts environment.

During 2012, Akfen Holding continued to add value to the educational programs of the Istanbul Modern with its support to create opportunities for arts education for children and youth and enhance the existing success of the Museum.

Housing opportunity to earthquake victims

After the earthquake in Van in 2011 which is still fresh in the memory as a great disaster, many of our citizens lost their homes. Due to its socially aware approach, Akfen Holding participated in the “Hürriyet Mahallesi” (Liberty Neighborhood) campaign that commenced with the cooperation of Hürriyet Newspaper and the Red Crescent Society. Under the assistance campaign that aims to provide housing to those who lost their homes due to the earthquake, the Holding has donated 20 homes to the families impacted by the disaster.

Working with Red Crescent in aiding Somalia

Akfen Holding closely monitors social problems not only in Turkey but also all around the world and has made a donation to the aid campaign launched by Turkish Red Crescent for Somalia which is facing the danger of famine.

Contribution to promotion of Turkey overseas

TÜSİAD founded an “Overseas Communication Commission” to carry out communication and promotional activities targeted at public opinion in European countries. The Overseas Communication Commission intends to develop projects to promote Turkey on international platforms; cooperate with leading PR firms in Europe to this end; evaluate and direct initiatives; provide financial support from the private sector and other organizations; and coordinate the execution of selected projects. An “Overseas Communication Fund” was established to finance such efforts of the Commission. In order to contribute to the fund, Akfen Holding entered into a sponsorship contract for the period 1 January 2008 to 31 December 2012.

Support to and participation in sporting events from the sports fan Akfen Family

Istanbul Corporate Games is the most extensive inter-company sports event held in Turkey to date and took place 8-10 June 2012 for the 10th time with the participation 4,113 persons and 5,257 contestants from 184 companies. Akfen Holding sponsored the Corporate Games in 2012 in football, and participated in the event with one football, one carting and three bowling teams comprised of a total of 27 sports fan employees.

Support to the popularization of Turkish from Akfen Holding

The Turkish Olympics, s deemed as one of the most comprehensive events in the world, was held 30 May - 14 June 2012 in 41 different provinces across the country, most notably in Ankara and Istanbul with the slogan “Humanity Hand in Hand.” Akfen Holding sponsored the Turkish Olympics, held for the 10th time this year, by the International Turkish Association (ITA) and in which Turkish speaking children from around the world competed using their Turkish.

Official sponsor of BSEC 20th Establishment Anniversary Summit

On the occasion of the 20th anniversary of the founding of the Black Sea Economic Cooperation Organization (BSEC), Akfen Holding was the official sponsor of the BSEC Combined Art exhibition held at Dolmabahçe Palace Medhal Hall on 26 June 2012. The exhibition was part of the BSEC Heads of State and Government Summit hosted in Istanbul and under the care of our President Mr. Abdullah Gül.

Bab-ı Âli (Sublime Porte) Meetings that enrich the intellectual substance of Turkey

Bab-ı Âli Meetings are, an “intellectual hub aiming to prepare the intellectual infrastructure of new projects for Turkey’s future on a global scale” that bring together renowned and esteemed figures from across the world. Considered one of the top intellectual hubs in Turkey since its inception in 1990, Bab-ı Âli Meetings were held for the 103rd time on 4 April 2011 under the sponsorship of Akfen Holding. The honorary spokesperson for the event was Dr. Kadir Topbaş, the mayor of the Istanbul Metropolitan Municipality.

Bab-ı Âli Meetings is in the process of developing and setting up a more efficient, visionary, inclusive and multi-dimensional intellectual platform where participants can receive crucial information first-hand from Presidents, Parliamentary Leaders Prime Ministers, Opposition Leaders, Ministers, Mayors and leading specialists.

Micro-loan program increases production in poor regions

The Turkish Foundation to Reduce Waste was established in 1998 in Ankara to prevent waste and reduce poverty in the country. In addition to operating food banks for those at the hunger threshold, the Foundation works in cooperation with Muhammed Yunus, the 2006 Nobel

Prize winner and the Grameen Micro-Loans Program to ensure that poor women engage in production and generate income. Akfen sponsored the micro-loan project to contribute to its promotion.

The Micro-Loans Program, which was initiated for the first time in Diyarbakır on July 18, 2003, continues to be successfully implemented in the provinces of Diyarbakır, Mardin, Batman, Gaziantep, Kahramanmaraş, Adana, Ankara, Çankırı, Yozgat, Zonguldak, Amasya, Eskişehir, Kayseri, Niğde, Bursa, Aydın, Erzincan, Sivas and Rize. The micro-greenhouse projects that use hydroponic techniques were launched in these provinces for the poor. Akfen has provided financing for the micro-loan project in Kayseri.

Service to society with Akyurt Foundation

Akyurt Foundation was established in 1999 to meet the physical, psychological, social and cultural needs of senior citizens who cannot look after themselves. Hamdi Akın is a member of the Board of Trustees of Akyurt Foundation.

Gold Medal from Turkish Red Crescent

Akfen Holding, one of the 170 donors that successfully supported domestic and foreign humanitarian aid operations through donations, received a gold medal from the Turkish Red Crescent thanks to the assistance it provided to Van earthquake victims. The Chairman of the Board of Directors of Akfen Holding Mr. Hamdi Akın received his gold medal from the Turkey's Prime Minister Mr. Recep Tayip Erdoğan.

Akfen Holding ranks among friends of AKUT (Search and Rescue Team)

Through a donation to the Friends of AKUT program, Akfen Holding contributed to the first and leading search and rescue team in the country. AKUT has saved 1,428 lives in 1,055 operations it has carried out during earthquakes, floods and landslides, in the mountains, at sea, in traffic accidents and other natural disasters not only in Turkey but also overseas. AKUT goes where it can help people in need and performs operations within the bounds of possibility following the gratis philanthropy principle.

Supported Universities

Abdullah Gül University Support Foundation

Since 2011, Akfen Holding contributed to the Abdullah Gül University Support Foundation. The Holding is committed to helping Abdullah Gül University achieve its stated vision in a short period of time, and thereby relieving the public sector of its heavy burden in the field of education. The Foundation not only supports and awards bright students, but also meets the economic, social and cultural needs of the academic and administrative personnel. Furthermore, the Holding strives to support the university's physical and technological infrastructure to enhance its educational, research and application capabilities.

London School of Economics

The establishment of Turkish Studies chairs at leading universities around the world is an essential element of Turkey's promotional activities abroad. Such professorial chairs, which promote Turkish history and culture overseas, are able to provide a platform to express the country's point of view and opinions on current events.

Thanks to the efforts of the Turkish Ministry of Foreign Affairs, the "Chair for Contemporary Turkish Studies" was established at the London School of Economics, one of the most

prestigious academic institutions in the world. Akfen, which supports such an important project to promote Turkey, holds a permanent membership on the Advisory Board. This function is fulfilled by Ms. Pelin Akın on behalf of Akfen Holding.

Our Schools

Ülkü Akın Secondary School

Ülkü Akın Secondary School was put into service of students at the beginning of the academic year 1993-1994 by Akfen Holding, which, as an indication of its socially aware approach, acts in line with its mission to contribute to the education and development of the country's youth. The school takes its name from the late Mrs. Ülkü Akın, the wife of the Chairman of the Board of Directors of Akfen Holding Mr. Hamdi Akın who lost her life due to a sudden illness.

Having started out as an elementary school, it was transformed into a secondary school at the end of 2011-2012 academic year as a result of 4+4+4 educational reform initiative of the Ministry of National Education. The institution is now operates as Ülkü Akın Secondary School. The school includes 24 classrooms, two kindergartens, a laboratory, one multi-purpose hall and a library where 330 students receive educational training currently.

Hikmet Akın Secondary School

Hikmet Akın Secondary School opened its doors at the beginning of 2004-2005 academic year in the Hamidiye Neighborhood of Düzce. The Chairman of the Board of Directors of Akfen Holding Mr. Hamdi Akın commissioned the construction of Hikmet Akın Secondary School in the memory of his mother, the late Mrs. Hikmet Akın. The school provided educational training to first through the eighth graders under the name Hikmet Akın Elementary School, until the end of the 2012 academic year when it was transformed into a secondary school following 4+4+4 educational reform of the Ministry of National Education. A total of 355 students attend the school.

Global Compact

Akfen Holding takes pride as the first company in Turkey to sign the UN Global Compact, a voluntary initiative that encourages a sustainable and socially responsible approach to business.

The United Nations Global Compact is a voluntary initiative established in to form a common platform in the business world based on universally accepted principles. This platform is also an information network that facilitates communication between organizations and other stakeholders so they may learn from each other and share experiences. Akfen Holding, which supports sustainable development and good corporate citizenship practices in the activities carried out by the whole company and its subsidiaries, signed the UN Global Compact in on 2 July 2002. As a result, Akfen Holding was the first company signatory to the Global Compact in Turkey.

The Global Compact requires participating companies to work in close cooperation with the United Nations by adopting 10 principles related to the issues of human rights, labor standards, the environment and anti-corruption. These 10 principles are as follows:

Human Rights

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2. Businesses make sure that they are not complicit in human rights abuses.

Labor Standards

Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4. Businesses should eliminate all forms of forced and compulsory labour.

Principle 5. Businesses should abolish child labour.

Principle 6. Businesses should eliminate discrimination in respect of employment and occupation.

Environment

Principle 7. Businesses should support a precautionary approach to environmental challenges.

Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10. Businesses should work against corruption in all of its forms, including extortion and bribery.

There are no enquiries, lawsuits or similar legal disputes or sanctions imposed against the Company or its subsidiaries regarding the aforementioned issues.

SECTION IV – BOARD OF DIRECTORS

15. Structure and Formation of the Board of Directors

The formation and election of the Board of Directors is carried out in accordance with the Corporate Governance Principles and relevant provisions are stated in the Company's Articles of Association. Accordingly:

Pursuant to the provisions of the Turkish Commercial Code, the management of the Company, representation and binding thereof to third parties belongs to a Board of Directors comprising six (6) members, the majority of which is non-executive, elected by the General Assembly and who fulfill the requirement criteria stated in the Turkish Commercial Code and Capital Market Law. The Board of Directors elects from among its members a Chairman and a Vice Chairman to preside over the Board in the Chairman's absence. A sufficient number of independent Board members is elected by the General Assembly within the framework of principles pertaining to the independence of Board members as stipulated in the Capital Markets Board's Corporate Governance Principles. The presence of independent Board members is stated in the annual activity report of the Board of Directors.

Names, surnames and the classification of members as executive, non-executive and independent are given below. The Board members and resumes of Senior Management and their term of office are stated in Annex 1.

Mr. Hamdi Akın, Chairman of the Board of Directors, Non-Executive Member
Mr. İrfan Erciyas, Board Member/ Executive Director, Executive Member
Ms. Pelin Akın, Board Member, Non-Executive Member
Mr. Selim Akın, Board Member, Non-Executive Member
Mr. Şaban Erdikler, Independent Board Member, Independent Member
Mr. Nusret Cömert, Independent Board Member, Independent Member

Five out of the six members of the Board of Directors (more than half) are non-executive members, and one member is an executive member. The Chairman of the Board and the Chairman of the Executive Committee are different individuals. There is no Board member authorized to represent and bind the Company individually.

Board Members Mr. Şaban Erdikler and Mr. Nusret Cömert have independent member status in accordance with Independence Criteria of CMB's Corporate Governance Principles. During the activity period of the Board members, no circumstance which might annul their independence has occurred.

Independent Board members have to present the Board with an independence statement and to immediately inform the Board in case their independence is annulled. Any person who has served as a Board member for a total of seven years cannot be appointed as an independent Board member.

The Company does not impose any rules or restrictions on Board members for assuming an additional duty or duties outside of the Company. The duties of Board members outside the Company are described in their resumes in Annex 1.

With the resolution adopted at the Company's General Assembly held on 31 May 2012, the article stating that the Board of Directors consist of seven (7) members selected by the General Assembly has been amended as a Board of Directors consisting of at least six (6) members, the majority of whom are non-executive. In addition, the article stating the presence of two independent members in the Board of Directors has been amended as sufficient number of independent Board members is designated by the General Assembly in accordance with CMB's Corporate Governance Principles.

Qualification Criteria of the Board Members

All individuals nominated and elected to the Board of Directors possess the required qualifications listed in CMB's Corporate Governance Principles.

The Board of Directors is structured to ensure maximum impact and efficiency. The relevant provisions are outlined in Article 9 of the Articles of Association. Board members must be elected among persons who have knowledge of all legal principles that regulate the operations and procedures in the field of activity of the Company, trained and experienced in corporate management, capable of reviewing financial statements and reports, and preferably holding a higher education diploma.

16. Operating Principles of the Board of Directors

It is ensured that Board members access all necessary information in a timely fashion to fulfill their duties.

A Secretariat was established under the Board of Directors to serve all Board members and to keep regular records of Board meetings.

Since the Company's Board meetings are planned and held in an effective and efficient manner, the Board convenes whenever necessitated by the Company's operations and transactions. However, the Board has to convene at least four times a year.

- The Board of Directors may be called by the Chairman, Vice Chairman or any Board member in accordance with the provisions of the TCC and Capital Market Law. All such meeting invitations are delivered by fax, provided that a copy must also be either delivered by courier or registered mail and a written receipt must be obtained.
- The agenda of Board meetings is set by the Chairman of the Board; amendments may be made to the agenda through resolution of the Board.
- The Board of Directors can adopt a resolution without convening, according to Article 330/2 or any other equivalent article of the Turkish Commercial Code.
- Board members receive a reasonable monthly or annual salary, or a payment for each meeting, as determined by the General Assembly.
- The Board of Directors convenes with at least more than half of the total number of members.
- The Board of Directors makes its resolutions with the majority of attending members.
- Each member has one vote at the meetings, and voting is exercised in person. Unless one of the members demands a meeting, a resolution related to a proposal by one member can also be made through other members if they disclose their consent in writing.
- Reasonable and detailed vote rationale related to questions asked by Board members and subjects to which a different opinion was voiced are included in the resolution record.
- The number of Board meetings held within the period totaled 40.

Restriction on Doing Business or Competing with the Company

The authorization of the Board's Chairman and members to take actions as stipulated in Articles 334 and 335 of the Turkish Commercial Code on doing business or competing with the Company, was approved by the shareholders at the General Assembly held on 20 April 2010.

Authorities and Duties of the Board Members and Managers

Authorities and duties of the Board are defined in a consistent and concrete fashion, clearly distinct and separate from those of the General Assembly. Board members exercise their authorities in reference to the circular of signature.

Each shareholder is under the obligation to safeguard any trade secret of the Company that he/she has learned through any capacity, even after the shareholding right is terminated. In case of any possible damages incurred due to failure in fulfilling this obligation, the concerned shareholder is held accountable to the Company for damages. However, the provisions of this article do not cover information obligatorily disclosed as stipulated under the Capital Market Law.

17. The Number, Structure and Independence of Board Committees

The Board of Directors establishes committees as required for the sound performance of its duties and responsibilities and they operate under the Board of Directors, in line with the Capital Market Board regulations and applicable legislation. The field of duty, operating principles and membership composition are defined and disclosed to the public by the Board of Directors.

The Board of Directors may establish committees or commissions as it deems necessary among its members related to various areas such as to monitor the operation of the business, to prepare for issues which have been submitted to itself, to decide upon the preparation of the balance sheet for all material events and to oversee implementation of the resolutions that have been made.

Committees are convened at the frequency as stipulated by legal requirements and the prevailing circumstances.

Corporate Governance Committee

The Corporate Governance Committee reports directly to the Board of Directors and helps the Board devise and develop any necessary mechanisms and practices for the Company's management, and coordinate the remuneration, development and career plans of senior executives in accordance with internationally accepted Corporate Governance Principles.

The Corporate Governance Committee supports the Board of Directors in ensuring the Holding's compliance with Corporate Governance Principles, identifying Board members and senior executives, assessing remuneration, awards and performance, conducting career planning, investor relations and public disclosure practices through its studies. The Corporate Governance Committee consists of five members appointed from among the Board membership. The Chairman of the Corporate Governance Committee is appointed by the Board of Directors.

The Corporate Governance Committee is responsible for the Company's adoption of the Corporate Governance Principles, and the following activities:

- Investigating the extent to which the Corporate Governance Principles are implemented at the Company, and in case of failure to comply with the principles, determining the reasons and any negative results, and proposing corrective measures,
- Determining methods to ensure transparency in the identification of candidates to the Board of Directors,

- Conducting studies on the optimal number of Board members and managers, and formulating proposals,
- Developing recommendations on the principles and procedures for the performance assessment and remuneration of the Board members and managers and monitoring the implementations.

The Chairman of Corporate Governance Committee is Independent Board Member Nusret Cömert and the members are as follows:

Chairman of Corporate Governance Committee:

Mr. Nusret Cömert, Independent Board Member - Akfen Holding A.Ş., Independent Committee Member

Corporate Governance Committee Members:

Ms. Pelin Akın, Board Member - Akfen Holding A.Ş., Non-Executive Committee Member

Mr. Selim Akın, Board Member - Akfen Holding A.Ş., Non-Executive Committee Member

Mr. Şaban Erdikler, Independent Board Member - Akfen Holding A.Ş., Independent Committee Member

Ms. Sıla Cılız İnanç, Assistant General Manager - Akfen Holding A.Ş., Executive Committee Member

Corporate Governance Committee also carries out duties of the Nomination Committee and Remuneration Committee within the framework of the Corporate Governance Principles and the Company's Articles of Association.

With the resolution of the Board of Directors dated 19 March 2013, the Company has decided to carry out the duties of the Early Determination of Risk Committee, that had previously been performed by the Corporate Governance Committee, by forming a separate committee pursuant to Communiqué Serial: IV No: 63 of the Capital Markets Board which amended the Communiqué Serial: IV No: 56 and to appoint Mr. Nusret Cömert as Chairman, and Ms. Pelin Akın and Mr. Selim Akın as members of the Early Determination of Risk Committee.

Audit Committee

The Audit Committee supports the Board of Directors in ensuring and supervising the audit of the accounting system, the public disclosure of financial statements, and the functionality and effectiveness of the internal control system of the Holding. The Audit Committee consists of two members appointed from among the Board members. One member of the Audit Committee is an independent Board member, who also chairs the Audit Committee.

Members of the Audit Committee and Corporate Governance Committee are appointed by the Board of Directors in accordance with the Articles of Association; their duties and authorities are determined by the Board of Directors.

The Audit Committee is responsible for taking any necessary measures and fulfilling any duty as stipulated by the Capital Market Law in order to ensure the adequacy and transparency of any internal or independent external audit.

Members of the Audit Committee are listed below:

Chairman of the Audit Committee:

Mr. Şaban Erdikler, Independent Board Member - Akfen Holding A.Ş.

Audit Committee Members:

Mr. Nusret Cömert, Independent Board Member - Akfen Holding A.Ş.

Both independent members of the Board of Directors are included in both the Corporate Governance Committee and Audit Committee in order to ensure participation of minority rights holders and stakeholders.

18. Risk Management and Internal Control Mechanism

Risk Management:

In December 2012, implementation of the Risk Management Guide Book, finalized as a result of the efforts of the Corporate Governance Committee, which also carries out the duties of the Nomination Committee, Early Determination of Risk Committee and Wage Committee, within the framework of Early Determination of Risk was approved by the Board of Directors of the Company.

Risk Management activities are performed by the Budget, Planning and Risk Management Coordinatorship, an affiliate of the Financial Affairs Assistant General Management Department.

In 2012, in order to make corporate risk management activities systematic and to establish a risk management culture within the Group, the Holding purchased risk management consultancy services.

The Company formed risk inventories within the Holding and its subsidiaries. In addition, the Company defined risk maps to comprise all processes in the Holding and its subsidiaries Akfen Construction, Akfen Energy, Akfen HEPP and Akfen REIT companies and control activities related to the processes as well as the actions required to be taken. Implementation of such actions has been initiated and this process is ongoing.

Internal Control Mechanism:

With the formation of the Audit Committee, the Internal Control Mechanism performs duties delegated to it by the Board efficiently, under the umbrella of the Audit Committee. The Independent Board Member Mr. Şaban Erdikler serves as Chairman of the Audit Committee.

19. Strategic Goals of the Company

Goal

To be in a sector leading position by undertaking large-scale and profitable projects in all areas that it operates at home and overseas.

Strategic Outlook

With a successful history of obtaining and managing concessions in Turkey, Akfen Holding will continue in its main fields of operation by building additional strategic partnerships. The main focus of Akfen Holding's investments is on concessions and sectors with high growth potential, monopolistic market structures and long-term minimum income guarantee agreements. Thanks to its strength in entering new sectors and generating, structuring and implementing projects Akfen has positioned itself as a business development company. Akfen Holding acts as an "investment platform" thanks to its success in forming strategic partnerships and its focus on shareholder value and effective exit strategies.

Corporate Policy

To take advantage of the know-how, managerial expertise and technology acquired since our inception using the driving force created by highly qualified human resources and specialized teamwork.

Our Principles

To work with well-trained and experienced personnel, to prioritize quality in production, execution and business management, to complete contracted work on time and with premium quality.

The Board of Directors determines the strategic goals for relevant periods by through discussions with the Executive Director and Senior Management. The Board of Directors also reviews the extent to which the Company achieves its goals, activities and the past performance of the Company under the end of year performance evaluation process.

20. Financial Rights

The attendance fee provided to Board members is decided at the General Assembly and disclosed to the public through minutes of the meeting. The payments made to senior managers are released to the public in the notes to the financial statement.

Transactions such as extending loans, supplying credit or providing monetary assurance to Board members or managers by the Company are strictly forbidden.

ANNEX 1: Board Members and Senior Management Resumes

Hamdi Akın – Chairman of the Board of Directors

Hamdi Akın graduated from Gazi University, Department of Mechanical Engineering and founded Akfen Holding, active in the construction, tourism, trade and service sectors, in 1976.

In addition to serving as the Chairman of the Board of Directors at Akfen Holding, in 2005, he also became Chairman of TAV Airports Holding of which he is a founder and a shareholder. Mr. Akın also took his dynamism and hard work in business to volunteer efforts and non-governmental organizations as a manager and founder of many societies, foundations, chambers of commerce. He has served as Vice President of Fenerbahçe Sports Club (2000-2002), MESS-Metal Industrialists' Union President of Ankara Regional Representatives Council (1992-2004), President of TÜGİAD-Turkish Young Businessmen's Association (1998-2000), on the Board of Directors of TİSK-Turkish Confederation of Employers' Associations (1995-2001), the Board of Directors of TÜSİAD-Turkish Industrialists' and Businessmen's Association and has also served as the President of the Information Society and New Technologies Commission (2008-2009).

Mr. Akın, together with Akfen Holding, is a founder of the Contemporary Turkish Studies Chair at the London School of Economics. He is also the Founding Member and Honorary President of the Turkey Human Resources Foundation (TİKAV), founded in 1999 to provide Turkey with well-trained human resources. He is also the Vice Chairman of the Board of Trustees at Abdullah Gül University Support Foundation.

İrfan Erciyas – Board Member/Executive Director

İrfan Erciyas graduated from Gazi University, Department of Economics and Public Finance in 1977 and began his professional career at Türkiye Vakıflar Bankası (Vakıfbank). After serving as Auditor and Branch Manager, he was appointed Assistant General Manager in 1996 and General Manager in 2002-2003. Mr. Erciyas, who joined Akfen Holding in 2003 as Vice Chairman of the Board of Directors, undertook significant duties in areas that included the privatization of Vehicle Inspection Stations, Mersin International Port and İDO in particular, founding and investment processes of Akfen GYO and Akfen Enerji, public offering of Akfen Holding and Akfen GYO, sale of shares from subsidiaries and long-term financing. Since March 2010, he has served as Executive Director at Akfen Holding and as Chairman of the Board of Directors, Vice Chairman of the Board of Directors and Board member in many affiliated companies and subsidiaries of Akfen Holding.

Selim Akın Board Member/Vice Chairman of the Board of Directors

Selim Akın graduated from Surrey University, Business Administration Department in the United Kingdom and served as Turkish Association President during his years in university; he later became a member of the Turkish Young Businessmen's Association when he returned to Turkey. He is also a member of Execution Board of DEİK Turkish-Russian Business Council and DEİK Turkish-Iraqi Business Council. Mr. Akın started his professional career in the Akfen Holding Accounting Department and later served in the Project Development and Finance Departments. The main projects in which he participated are the privatization and financing of Vehicle Inspection Stations, the privatization and financing of Mersin Port and Akfen Holding's public offering and bond issue. Mr. Akın currently serves as Vice Chairman of the Board of Directors at Akfen Holding and Board member at subsidiaries of Akfen Holding.

Pelin Akın – Board Member

Pelin Akın graduated from the Business Administration in Spanish Department of Surrey University in the United Kingdom in 2010; she started her professional career in the Strategy section of Deutsche Bank Finance Department in Madrid. After returning to Turkey, she started working for TAV Airports and was included in the Management Trainee Program to be trained as a future director. Ms. Akın, who undertook activity and organization

responsibility at DEİK Spanish Business Council and participated in various working groups at DEİK British Business Council, is also actively serving as a Board of Trustees and Board of Directors member in TİKAV (Turkish Human Resources Training and Health Foundation) that was founded in 1999 under the leadership of Mr. Hamdi Akın. Ms. Akın, who is also the Vice Chairman of International Youth Reward Association which Akfen Holding supports as the main sponsor, represents the Association in international platforms as the International Affairs Officer of the organization. She also represents Akfen as Permanent Member of Advisory Board in Contemporary Turkish Studies Chair at the London School of Economics and has been the Head of the Chair since 2010. Ms. Akın, who is a member of GYİAD, serves as Board Member at Akfen Holding.

Şaban Erdikler – Independent Board Member

After graduating from Ankara University, Department of Political Science, Şaban Erdikler served in the public sector for six years as a Public Finance Ministry Inspector and later joined Arthur Andersen as a Tax Manager. In 1992, he became the Chairman of the Board of Directors and General Manager at Arthur Andersen Turkey; in 1994, he assumed responsibility over the Balkan countries. Mr. Erdikler, who organized the Turkish section of Andersen Organization, which expanded overseas . In 2001, under the umbrella of Ernst & Young, he chaired the Board of Directors at Ernst & Young Turkey for approximately two years. Mr. Erdikler left this position in January 2004 and founded Erdikler Yeminli Mali Müşavirlik Limited Şirketi (Erdikler Public Accountancy). Mr. Erdikler has been an Independent Board Member of Akfen Holding since 2010.

Nusret Cömert – Independent Board Member

Mr. Cömert graduated from the Mechanical Engineering Department of Çukurova University in 1982 and received his MA in Business Administration from Istanbul University in 1983. In 1984, he started his professional career at Samsun Regional Directorate of Shell Company of Turkey Ltd.; he continued to serve as Mersin Regional Manager in 1986, Planning and Economy Assistant and Planning and Economy Manager and Fuels Manager in 1989, Aegean and Mediterranean Region Manager in 1994, Sales Manager in 1995 and in 1996 became London Business Development Manager in Shell International Gas and Power Ltd. In 1998, he started to work as Shell EP and Gas Turkey BV General Manager while being responsible to abroad, In 2002 he was appointed the Executive Director of the same company and is still serving as the Chairman of Board of Directors of Shell Enerji A.Ş. that he founded after his previous position. In addition to his work in Turkey, he carried out duties related to oil and natural gas exploration in the Middle East and Central Asia and production business development activities as well as supply of additional natural gas to Europe. He was also responsible for the Central and Eastern Europe region for a period of time. He enabled Royal Dutch Shell to begin deep sea exploration in the Mediterranean Sea and oil and natural gas exploration in Southeast Anatolia in Turkey by paving the way for the signing of mutual exploration agreements with TPAO in November 2011, led the liberalization process of the natural gas sector in Turkey and founded the first private natural gas import and wholesale company in Turkey and started its operations at the end of 2007. Mr. Cömert, who received leadership training at Lausanne IMD Business School in 2006, has served as an Advance Leadership Academy Member at Harvard University in Boston since the beginning of 2012.

İbrahim Süha Güçsav - General Manager

İbrahim Süha Güçsav graduated from Istanbul University, Department of Economics in 1992 and later received his MA from Gazi University, Institute of Social Sciences, Department of Business Administration. Beginning his professional career in 1992 at Alexander &

Alexander Insurance Brokerage Co., Mr. Güçsav joined Akfen Holding in 1994 where he served as Financial Group President and CEO. He undertook significant duties in areas such as the privatization of Vehicle Inspection Stations, Mersin International Port and İDO in particular, founding and investment processes of Akfen GYO and Akfen Enerji, public offering of Akfen Holding and Akfen GYO, sale of shares from subsidiaries and long-term financing. From 2003 to 2010, he served as Vice Chairman of the Board of Directors at Akfen Holding. Mr. Güçsav, who was a Board Member of Akfen Holding from March 2010 to May 2012, he has been Akfen Holding CEO since March 2010. In addition to this position, he continues to serve as Chairman of Akfen GYO and Akfen Water Management Board and as Board Member at TAV Havalimanları Holding A.Ş., Mersin Uluslararası Liman İşletmeciliği A.Ş. and Akfen Enerji Yatırımları Holding A.Ş. subsidiaries.

Sıla Cılız İnanç – Assistant General Manager – Legal Coordinator

Sıla Cılız İnanç graduated from Marmara University, Faculty of Law in 1995 and joined Akfen Holding in 1997 following the completion of her law internship in 1996. Ms. İnanç, who worked on Public Private Partnership projects in Turkey, took part in mergers and acquisitions, competition law procedures and the secondary legislation studies of the Public Tender Law. Ms. İnanç worked at every stage of the build-operate-transfer projects and privatizations in which Akfen and its subsidiaries participated, including tenders, finalization of transfers, establishment of financial and share structures and signing of credit contracts. Ms. İnanç's work concentrates on administrative law, concessions and transfer of rights, construction contracts, FIDIC contracts, energy law with special emphasis on renewable energy and the electricity market and corporate law. She also continues to serve as Board member of various Akfen Holding subsidiaries.

Hüseyin Kadri Samsunlu - Assistant General Manager - Financial Affairs

Mr. Samsunlu graduated from Boğaziçi University, Department of Economics in 1991 and went on to complete his MBA at the University of Missouri in the USA in 1993. He became a Certified Public Accountant registered in the state of Missouri the same year. Mr. Samsunlu began his professional career as a Financial Analyst at Türkiye Sınai Kalkınma Bankası (Turkish Industrial Development Bank) and served in various positions between 1995 and 2006 as General Manager and a Board Member at Global Holding and its subsidiaries. Before joining Akfen Holding at the beginning of 2009, he spent three years in Romania and Turkey as an investment and corporate finance advisor. Mr. Samsunlu serves as Assistant General Manager at Akfen Holding and Board member at various subsidiaries.

ANNEX 2: ARTICLES OF ASSOCIATION AMENDMENT TEXT

New texts of articles 14 and 18 of the Company's Articles of Association, which have been decided to be amended in order to ensure compliance with the Turkish Commercial Code and Capital Market Law in force on 27 March 2013, are as follows:

ARTICLE 14- GENERAL ASSEMBLY

The following procedures are implemented at General Assembly meetings.

Form of Invitation: The General Assembly convenes as Ordinary General Assembly and Extraordinary General Assembly.

Ordinary General Assembly meetings are held for each accounting period in order to have discussions and make resolutions regarding the selection of Company bodies, financial

statements, annual activity report of the Board of Directors, distribution of the profit, determination of profit to be distributed and dividend share rates, release of Board members and other subjects deemed necessary that are related to operation periods.

Extraordinary General Assembly meetings are held when they are required for the Company or in case compulsory and immediate reasons arise and agenda of which, is comprised of reasons that required the meeting to be held. Announcements and notifications regarding Ordinary and Extraordinary General Assembly meetings are made at least three weeks prior to the date of the meeting via all types of communication, including electronic communication, which ensures reaching as many shareholders as possible, and as stipulated by applicable legislation.

General Assemblies are notified to concerned parties in accordance with the provisions of the Capital Market Law and the Turkish Commercial Code; the Company also works to fully comply with the regulations of Capital Market Board.

Time of Meeting: The Ordinary General Assembly is convened at least once a year within the first three months following the end of the accounting period of the Company, whereas the Extraordinary General Assembly convenes in cases and at times the business of the Company requires.

Place of Meeting: The General Assembly convenes at the headquarters building or a location determined by the Board of Directors within the provincial borders of Ankara or Istanbul.

The Chairman of the meeting is appointed in the General Assembly among Meeting Chairman shareholders authorized to chair the discussions; at least one (1) member authorized to collect votes and Minutes Clerk are assigned from among the shareholders or from outside.

Assignment of Proxy: At the General Assembly meetings, shareholders may be represented by other shareholders or outside proxies. The proxies that are shareholders of the Company are authorized to exercise the votes of the shareholders they represent in addition to their own votes. The form of the proxy authorization document is determined by the Board of Directors in accordance with Capital Markets Board regulations. The proxy letter has to be in writing. The proxy must exercise the vote in accordance with the desire of the vote transferor, provided that it is specified in the proxy letter of the shareholder that transferred the authority. The regulations of Capital Markets Board regarding the subject abided by during vote by proxy.

Number of Vote: At ordinary and extraordinary General Assembly meetings, Group A shareholders have three votes for one share, and Group B shareholders have one vote for one share.

Discussions and Quorum: All ordinary and extraordinary General Assembly meetings and quorums at such meetings are subject to the provisions of Turkish Commercial Code. However, the provisions of Capital Market Law that modify the quorums stated in relevant articles of Turkish Commercial Code are reserved.

Participation in General Assembly Meeting in Electronic Environment: Shareholders that have the right to participate in the General Assembly meetings of the Company may also take part in these meetings in an electronic environment as per Article 1.527 of the Turkish

Commercial Code. In accordance with the provisions of the “Regulation regarding General Assemblies to be Held in Electronic Environment in Corporations,” the Company may install an electronic General Assembly system which enables shareholders to participate in General Assembly meetings, to disclose their opinions, to make suggestions and to vote in electronic environment, or it can also purchase services from systems designed for this purpose. In accordance with this provision of the Articles of Association, in all General Assembly meetings to be held, it is ensured that using the installed system, shareholders and their representatives are able to exercise their rights as stipulated in the provisions of the aforementioned Regulation.

All subject areas related the General Assembly are regulated in accordance with the Capital Market Law.

In the General Assembly meetings, in case a resolution should be reached regarding operations that are considered significant in terms of implementation of Corporate Governance Principles and all kinds of associated party transactions and transactions related to providing assurance, collateral and security in the favor of third parties, the Company adheres to regulations of the Capital Markets Board concerning corporate governance on number of votes and resolution quorum and other related issues.

ARTICLE 18 – DISTRIBUTION OF PROFIT

The profit of the company is determined in accordance with the Turkish Commercial Code, Capital Market Law and generally accepted accounting principles.

After the amounts that must be paid or reserved by the Company such as general costs of the Company and miscellaneous depreciation, and taxes that must be paid by the legal entity of the Company are deducted from the revenues determined at the end of the accounting period; the remaining net profit on the annual balance sheet is calculated in the following manner, respectively, after loss from previous year, if any, is subtracted.

General Legal Reserve:

1. 5% of total is set aside as legal reserve until reaching 20% of the paid capital as per the Turkish Commercial Code.

First Dividend:

2. Any donation during the year is added to the remainder, and of this sum, the first dividend is calculated according to the rate and amount determined by the Capital Markets Board.
3. After the deduction of the abovementioned amounts, the General Assembly has the right to decide on the distribution of a dividend to Board Members, officers and employees of the Company.
4. After the first dividend for shareholders is allocated, 1% of the remaining profit is transferred to the Turkish Human Resources Foundation.

Second Dividend:

5. After the deduction of the abovementioned amounts from the net profit, the General Assembly is entitled to allocate the remaining amount partially or completely as the second dividend or as legal reserves in accordance with Article 521 of the Turkish Commercial Code.

Unless the legal reserves required to be allocated as per statutory provision are reserved, and the first dividend for shareholders specified in the Articles of Association is distributed in cash and/or as shares, the Company cannot allocate other reserves, or decide to transfer profits to the following year, distribute dividends, or give profit shares to Board members, officers and employees of the Company, foundations established for various purposes, and persons / institutions with similar purposes.

The dividend of the accounting period is distributed evenly to all existing shares, regardless of their issue and acquisition dates. There is no privilege among share groups with respect to dividend distribution.

The distribution method and time of the distributable profit is determined by the General Assembly upon the proposal of the Board of Directors. The provisions of the Capital Market Law apply.