



## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2012

### 1. Declaration of Compliance with Corporate Governance Principles

Following the issuance of the Capital Markets Board's (CMB) Corporate Governance Principles ("Principles") in 2003, Hürriyet Gazetecilik ve Matbaacılık A.Ş. ("Hürriyet," "Hürriyet Gazetecilik" or "The Company") continued its efforts to comply with the Principles and developed its organization accordingly. To this end, Hürriyet made amendments to its Articles of Association to keep abreast of the recent changes made in the Capital Market Law. The amendments stipulate for: at least one-third of the Board of Directors to be Independent Members; the establishment of Board of Directors committees along with the specification of their duties, responsibilities and organizational structures; laying down the principles relating to the Executive Committee; Board members' transactions with or in competition with the Company be contingent upon a three-fourths majority ratification by the General Assembly; and specification of minority rights as 5%. With these amendments, Hürriyet joined other companies that have aligned their Articles of Association with the Corporate Governance Principles described in the appendix of CMB's Communiqué on the "Principles Regarding Determination and Application of Corporate Governance Principles," Series: IV, No: 56.

Hürriyet Gazetecilik has a deeply ingrained corporate culture, such that an evaluation of managerial practices by independent organizations has become the order of the day. The world's leading corporate governance rating company, ISS Corporate Services Inc. (RiskMetrics Group), evaluates Hürriyet's corporate governance practices according to more than 530 criteria. ISS revised Hürriyet's corporate governance rating on 24 September 2012 and confirmed it as 9,09 (90,90%) on a scale of 10. Furthermore, ISS granted a high rating of 9,39 out of 10 to Hürriyet's practices in the "Public Disclosure and Transparency" subcategory. As a result, in 2012, Hürriyet maintained its position in the Corporate Governance Index of BIST (formerly, Istanbul Stock Exchange).

The Articles of Association currently do not recognize requests for the assignment of a special auditor as an individual right. However, depending on legislative developments in the upcoming period, this right might be incorporated into the Articles of Association. Meanwhile, no special auditors were appointed for the Company during the reporting period. Our Company's Corporate Governance Rating and Corporate Governance Principles Compliance Report can be accessed on the corporate website ([www.hurriyetcorporate.com](http://www.hurriyetcorporate.com)).

In the accounting period ending on 31 December 2012, Hürriyet's management analyzed in detail the issues in which the Company does not fully comply with CMB's Communiqué and relevant resolutions, and concluded that under the current circumstances these issues do not lead to a significant conflict of interest.

**Vuslat Doğan SABANCI**  
Chairwoman

**Ahmet Nafi DALMAN**  
Board Member



## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2012

### SECTION I - SHAREHOLDERS

#### 2. Investor Relations Unit

All provisions of applicable legislation, the Articles of Association and other Company policies relating to the exercise of shareholders' rights are being complied with and every precaution is taken to ensure the exercise of these rights.

The main duties of the Investor Relations Unit are:

- To ensure that shareholder records are kept accurate, safe, and up-to-date,
- To respond to written requests for information by all shareholders about the Company in accordance with the Capital Market Law,
- To observe that General Meetings of Shareholders are held in compliance with relevant procedures,
- To prepare the documents to be submitted to shareholders at General Meetings,
- To take the necessary precautions to ensure that the minutes of the meetings are kept properly, and
- To ensure and monitor that all public disclosures are made in compliance with relevant regulations.

The Investor Relations Unit uses electronic means of communication, as well as the Company's website, while carrying out its activities.

The Investor Relations Unit is headed by Ms. İnci Tarı, Financial Control and Investor Relations Manager; all written and verbal enquiries received from shareholders during 2012 were responded to in accordance with the principles of public disclosure and transparency.

Contact information for the Investor Relations Unit is as follows:

#### Hürriyet Gazetecilik ve Matbaacılık A.Ş. (Headquarters)

Hürriyet Dünyası 100. Yıl Mahallesi,  
Matbaacılar Caddesi No: 78 34204 Bağcılar,  
İstanbul/Turkey  
Phone: +90 212 677 00 00  
Fax: +90 212 677 01 82  
<http://www.hurriyetcorporate.com>

#### İnci Tarı

Financial Control and Investor Relations  
Manager  
Phone: +90 212 449 65 54  
Fax: +90 212 677 08 92  
E-mail: [ir@hurriyet.com.tr](mailto:ir@hurriyet.com.tr)

#### Gamze Kaygısız

Financial Control and Investor Relations  
Assistant Manager  
Phone: +90 212 449 61 73  
Fax: +90 212 677 08 92  
E-mail: [ir@hurriyet.com.tr](mailto:ir@hurriyet.com.tr)

The Investor Relations Unit responded to all verbal and written (via e-mail) requests for information; responded to all meeting requests from Hürriyet analysts as much as their schedule allowed for; attended the Global Media Conference organized by Bank of America Merrill Lynch on 29-31 May in London, on behalf of Doğan Yayın Holding A.Ş.; held four teleconferences to discuss the Company's quarterly financial reports, of which the results are announced on the following day.

While meeting shareholders' requests, maximum care is exerted to ensure compliance with applicable legislation and the Company's Articles of Association; no written or verbal complaints reached the Company in 2012 related to the exercise of shareholder rights, nor is the Company aware of any legal proceedings initiated against it in this regard.

#### 3. Exercise of Shareholders' Right to Information

The Company does not discriminate against different groups of shareholders in terms of their rights to information. All necessary information and documents are made available on the Company's website ([www.hurriyetcorporate.com](http://www.hurriyetcorporate.com)) to ensure the proper and equal exercise of shareholders' rights. All written and verbal requests for information received from shareholders in 2012 were responded to without delay, under the supervision of the Investor Relations Unit and in accordance with the Capital Market Law.

The Articles of Association currently do not recognize requests for the assignment of a special auditor as an individual right. However, depending on legislative developments in the upcoming period, this right might be incorporated into the Articles of Association. Meanwhile, no special auditors were appointed for the Company during the reporting period. In order to expand shareholders' rights to access information, all information that might affect the exercise of these rights is made available to shareholders in an up-to-date manner on the Company's website.

#### 4. General Meetings of Shareholders

Procedures related to General Meetings of Shareholders are stipulated in the Company's Articles of Association, which are publicly disclosed and accessible on the corporate website.

In accordance with the relevant amendment to the Articles of Association, a document containing agenda items is prepared and disclosed to the public prior to the General Meeting of Shareholders.

In line with the amendment to the Articles of Association and to comply with the procedures stipulated by applicable legislation, invitations to General Meetings are announced on the Company's website ([www.hurriyetcorporate.com](http://www.hurriyetcorporate.com)) and advertisements are published in Hürriyet and Posta newspapers at least three weeks prior to the meeting to ensure maximum participation by shareholders. All announcements are made in compliance with CMB Principles.

Starting from the date of the announcement of the General Meeting of Shareholders, the following documents are made available for the review of shareholders at the Company's headquarters, branches or other locations as well as through online media, to ensure easy access: The Annual Report, financial statements and reports, dividend distribution proposal, the information document containing the General Meeting agenda items and other documents related to the agenda items, the most recent version of the Articles of Association, texts and justifications of any proposed amendments to the Articles of Association, information about Board Member candidates, and any other information that must be disclosed

to the public pursuant to the Turkish Commercial Code, CMB Communiqués and Resolutions.

No significant changes occurred in the Company's management or operational organization during the previous accounting period and no changes are expected in the coming periods. Any such changes that may arise will be disclosed to the public in accordance with applicable legislation.

Sample proxy statements are provided on the Company website prior to the General Meeting for those who want to be represented by proxy.

Prior to the General Meeting of Shareholders, the voting procedure is announced to shareholders on the Company's website and through ads published in newspapers. In 2012, the Company did not receive any requests from shareholders about adding items to the agenda. The meeting procedure for the General Meeting of Shareholders facilitates maximum participation by shareholders. General Meetings are carried out with the simplest possible procedures, at the lowest possible cost for shareholders and in a manner that does not create any inequality among shareholders.

In 2012, shareholders exercised their right to pose questions at the General Meeting; as no questions were left unanswered, there was no need to respond to questions in writing.

The Ordinary General Meeting, where 2011 operations were discussed, was held at Doğan Şirketler Grubu Holding A.Ş. headquarters as the Company moved to a new address and the meeting hall was under construction at the time. An amendment made to the Articles of Association allows for the meetings to be held in another location in the city where the majority of shareholders reside. Any future request to this effect will be duly taken into consideration.

The venue of General Meetings of Shareholders facilitates maximum participation of shareholders. Ordinary General Meetings of Shareholders are held within the statutory timeframes following their announcement. The Ordinary General Meeting of Shareholders to discuss 2011 operations was held on 26 June 2012, within the statutory timeframe. 2011 financial statements were disclosed at the end of the 13th week (31 March 2012) following the end of the accounting period. In general terms, this practice is in compliance with the Capital Market Law as well as with the spirit of the Principles.

According to the Articles of Association, unless there is a General Meeting resolution to the contrary, meetings are open to all interested parties and the media. However, participants without an entry card proving shareholder or proxy status may neither speak, nor vote at the meeting.

At the General Meeting of Shareholders, agenda items are presented in an objective, detailed, clear and comprehensible manner, and shareholders are given equal opportunity to voice their opinions and ask questions, thus creating an environment that is conducive to healthy discussion. Minutes of General Meetings are made available on the Company's website, [www.hurriyetcorporate.com](http://www.hurriyetcorporate.com).

One Ordinary General Meeting was held in 2012. At the Ordinary General Meeting held on 26 June 2012, where 2011 operations were discussed, out of the 552.000.000 shares representing the Company's total capital, 355.616.430 shares (or 65,83%) were represented, such that 355.500.075 shares were represented in person, and 116.355 shares were represented by proxy. Thereby, the minimum quorum required by law and the Articles of Association was achieved. No new suggestions or questions on agenda items were raised by the shareholders attending the meeting in person or by proxy.

At the Ordinary General Meeting held on 26 June 2012, shareholders were informed about donations totaling TL 1.280.080 made by the Company to foundations, associations, public agencies and institutions during the period 1 January 2012 – 31 December 2012.

### 5. Voting Rights and Minority Rights

The Company avoids practices that make it difficult to exercise voting rights. All shareholders are given the opportunity to exercise their voting rights in the easiest and most convenient manner. There are no preferred stocks or different classes of shares in the Company. Each share is entitled to one vote in the Company. There is no Company regulation that restricts the exercise of shareholders' voting rights for a certain period of time following the acquisition date of their shares.

The Articles of Association do not contain any provisions that prevent a non-shareholder from voting as proxy as a representative of a shareholder.

According to the Articles of Association, in the event that the beneficial interests and rights of disposal of a share belong to different persons, they may have themselves represented as they deem fit, upon mutual

agreement. However, if they fail to agree, the right to attend and vote at the General Meeting of Shareholders shall be given to the beneficial owner.

The Company's share capital does not involve any cross-shareholdings. Minority rights are granted to shareholders collectively holding 5% of the share capital (Article 32 of the Articles of Association).

The Company takes the utmost care to ensure the exercise of minority rights. During 2012, the Company did not receive any criticism or complaint in this regard. The Articles of Association do not provide for cumulative voting. The advantages and disadvantages of this method are being assessed within the framework of legislative developments.

### 6. Dividend Right

The Company makes decisions on profit distribution with due consideration of the provisions of the Capital Market Law as well as the Articles of Association.

Dividends are distributed within the timeframe set forth by applicable legislation and as soon as possible after the General Meeting of Shareholders.

At the 2011 Ordinary General Meeting held on 26 June 2012, the Board of Directors' profit distribution proposal for the accounting period 1 January 2011 – 31 December 2011 was read to the shareholders by Board Member Mr. Ahmet Toksoy. The proposal was as follows: "According to our Company's consolidated financial statements drawn up in accordance with International Accounting and Financial Reporting Standards, a "Consolidated Net Period Loss" of TL 235.684.263 materializes after the deduction of "Tax Expenses for the Period," "Deferred Tax Expenses," and "Minority Shares." Further, according to our financial records kept in accordance with the Turkish Commercial Code and Tax Procedure Law, the loss for the period is determined as TL 44.136.777; thereby, there can be no dividend distribution for the accounting period 1 January 2011 – 31 December 2011 as per CMB's regulations on profit distribution." The Board's proposal was unanimously approved.

No special privileges are granted to shareholders with regard to participation in the Company's profits.

According to the Articles of Association, the Board of Directors may decide to make advance dividend payments, provided that it is authorized by the General Assembly to do so and that such action complies with the



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relevant regulations of the Capital Markets Board. The authority granted by the General Assembly to the Board of Directors to make advance dividend payments is limited to the year it was granted. Unless and until all of the advance dividends for the previous year have been fully offset, it may not be decided to make additional advance dividend payments or distribute dividends.

The Company makes decisions on profit distribution with due consideration of the provisions of the Turkish Commercial Code, Capital Market Law, the Capital Markets Board's regulations and resolutions, tax laws, and other applicable legislation, as well as the Articles of Association.

As per the Company's dividend distribution policy:

In principle, a minimum of 50% of the "Net Distributable Profit for the Period," calculated as stipulated by the Capital Market Law and with due consideration to the financial statements prepared in accordance with International Financial Reporting Standards (IFRS), is distributed.

In the event that profit distribution between 50% and 100% of the calculated "Net Distributable Profit for the Period" is foreseen, the percentage to be distributed is decided with due consideration of the Company's financial structure and budget.

The dividend distribution proposal is publicly disclosed within the legally prescribed timeframe and in accordance with the Capital Market Law and CMB's regulations and resolutions.

In the event that no Net Distributable Profit for the Period exists according to the financial statements prepared as stipulated by the Turkish Commercial Code and tax laws, no profit distribution shall be made even if a Net Distributable Profit for the Period has been calculated in accordance with the Capital Market Law and International Financial Reporting Standards.

In the event that the Net Distributable Profit for the Period remains below 5% of the Company's issued capital, it may be decided not to make any dividend distribution.

Investments made to increase the value of

the Company, which necessitate substantial fund outflow, issues that may affect the Company's financial structure, the existence of uncertainty or adverse developments in the economy or market conditions are taken into consideration when making profit distribution.

In accordance with CMB's decision dated 27 January 2006, the dividend policy of the Company was revised to be valid from 2006 onwards. Information about this policy was presented at the General Meeting of Shareholders and was also publicly disclosed. The Company's dividend policy is stated in its Annual Report and publicly disclosed on the corporate website.

### 7. Transfer of Shares

According to Article 10 of the Company's Articles of Association, shareholders can freely transfer their shares pursuant to the provisions of the Turkish Commercial Code. Transfer of shares can be made in compliance with the provisions of the Turkish Commercial Code, Capital Market Law, the Capital Markets Board's regulations, other applicable legislation, the rules of the Central Registry Agency, and applicable regulations related to the registration of shares.

The Articles of Association do not contain any provisions that restrict the free transfer of shares by shareholders.

## SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

### 8. Disclosure Policy of the Company

A Disclosure Policy relating to the Company's disclosures to the public has been drawn up and posted on the Company's website at [www.hurriyetcorporate.com](http://www.hurriyetcorporate.com).

The Company Disclosure Policy has been approved by the Board of Directors and presented to the shareholders at the General Meeting. The Board of Directors is in charge of monitoring, reviewing and improving the Disclosure Policy. The Corporate Governance Committee informs and makes recommendations to the Board of Directors, Executive Committee, Audit Committee and the CFO on issues related to the Disclosure Policy.

The Investor Relations Unit is authorized to

oversee and monitor any issues related to public disclosure. Enquiries received from outside the Company are responded to either by the Chief Executive Officer, Chief Financial Officer, or the Financial Control and Investor Relations Manager, within the knowledge of and authorization limits set by the CEO and CFO, depending on the content of the query. In responding to queries, utmost care is taken to avoid any violation of the equal rights of stakeholders to obtain information.

Except where applicable legislation requires otherwise, information distribution companies and the website of the Company are used effectively for public disclosures. Principles governing the disclosure of information on future prospects are defined in the Company's Disclosure Policy. In public announcements, information on future prospects is disclosed together with the justifications and the statistical data underlying the forecasts and is associated with the Company's financial position and operational results. Only the Chief Executive Officer and the Chief Financial Officer are authorized to make such announcements.

Board Members, executives and shareholders who directly or indirectly own 5% of the Company's capital are required to disclose all their dealings in the Company's securities, in accordance with the Capital Market Law. There were no transactions or public disclosure in 2012 related to this issue. Since all public disclosures are posted on the corporate website, the public disclosures mentioned above were also posted automatically on the website.

The Company does not have any stock-based derivative products. In 2012, no commercial and/or non-commercial transactions took place between Hürriyet and other companies in which Board Members, executives or shareholders who directly or indirectly own at least 5% or more of Hürriyet's capital, hold at least a 5% stake or have management control irrespective of the amount of shares they hold.

The financial statements and footnotes for

the year 2012 were prepared on a consolidated basis in accordance with International Financial Reporting Standards (IFRS), and were audited by independent auditors pursuant to International Auditing Standards (IAS) and were publicly disclosed. The 2012 Annual Report was prepared in accordance with the Capital Market Law, CMB regulations and principles.

### 9. The Company's Website and Its Contents

In accordance with the CMB Principles, the Company's website at [www.hurriyetcorporate.com](http://www.hurriyetcorporate.com) is actively used for public disclosures.

The Company complies with the Capital Market Law, CMB regulations and principles, and BIST (Istanbul Stock Exchange) regulations. The Company's website is available in both Turkish and English; its content and format were revised to comply with the requirements described in CMB's Principles. The Company regularly improves its website. The Company letterhead clearly indicates the address of its corporate website. The principles related to the administration of the Company's website are stipulated in the Disclosure Policy.

In addition to the mandatory information requirements prescribed by relevant legislation, the Company's website also contains: information related to its trade registry; the latest shareholding and management structure; detailed information on preferred shares; the dates and issues of the trade registry gazette in which changes have been published; the latest version of the Articles of Association; public disclosures; financial statements and annual reports; registration statements; circulars related to initial public offerings; agendas of general meetings; attendance charts and minutes of general meetings; proxy voting form; mandatory information forms prepared for the call for the collection of shares and proxies; the Company's policy regarding acquisition of its own shares, if any; profit distribution policy; disclosure policy; information on related-party transactions; the Company's code of ethics; and requests for information, questions and notices received by the Company and responses given to these, under the frequently asked questions section. Information and records on the website date back at least five years.

In 2012, the Company made 31 public disclosures. The Capital Markets Board and the Stock Exchange did not issue any notifications and/or requests for additional public disclosures related to the public disclosures the Company made in 2012. All public disclosures made to the Stock Exchange are signed by the Chief Financial and Administrative Officer and Financial Control and Investor Relations Manager. The shares of Trader Media East Ltd. (TME), the Company's subsidiary, are traded on the secondary market of the London Stock Exchange; therefore, TME complies with all reporting requirements imposed by the London Stock Exchange on companies with this status.

### 10. Annual Report

The Company's Board of Directors prepares annual and quarterly interim reports to disclose the Company's financial position and operational results in the most accurate and realistic manner, in accordance with the Turkish Commercial Code, Capital Market Law, Corporate Governance Principles, and the principle of Public Disclosure and Transparency. These reports are issued in Turkish and English, and posted on the website.

## SECTION III - STAKEHOLDERS

### 11. Informing Stakeholders

Information is disclosed to stakeholders via the Public Disclosure Platform, the Company's website, annual reports and other means as stipulated, in accordance with Capital Market Law, CMB regulations and the Principles.

### 12. Stakeholder Participation in Management

The Company is in constant contact with stakeholders through written and verbal requests and responses. All feedback received from stakeholders is first evaluated and handled by the Financial Control and Investor Relations Department; resolutions are sought with the support of relevant managers and departments, if and when required, in accordance with applicable regulations. Occasionally, some issues are brought to the attention of the Senior Management for solution proposals and policies.

In important decisions that may have significant consequences for stakeholders, the Company acknowledges the principle of seeking stakeholders' opinions, however there have not been any such cases, to date.

### 13. Human Resources Policy

The Company offers equal opportunity to persons with the same qualifications in recruitment and career planning. Succession plans are put in place in order to prevent operational impediments if/when a manager resigns.

All recruitment criteria have been detailed in writing and are efficiently implemented. All employees are treated equally with regard to their rights. Training programs are organized and training policies are developed to enhance the knowledge, skills, and conduct of personnel.

Meetings are organized for personnel to give them information and share opinions about the Company's financial position, compensation, career planning, training, health and similar topics.

Job descriptions, distribution of duties, performance and rewarding criteria are shared with employees. In determining compensation and other benefits offered to personnel, the Company takes productivity measures into account. The Company may choose to develop employee stock ownership plans.

The Company does not discriminate among its employees in terms of their race, religious belief, language or gender, and takes all precautions to protect employees against all kinds of physical, emotional or spiritual abuse.

### 14. Code of Ethics and Social Responsibility

The Company conducts its operations in accordance with its Code of Ethics which is disclosed to the public on the corporate website.

The Company acts in a socially responsible manner, adheres to ethical rules and regulations related to the environment, consumers and public health. The Company respects and supports fundamental principles of human rights, and fights against all types of corruption, including extortion and bribery.



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### SECTION IV - BOARD OF DIRECTORS

#### 15. The Structure and Formation of the Board of Directors

Members of the Board of Directors and their status are as follows:

Name/Last Name	Title	Status
Vuslat Doğan Sabancı	Chairwoman	Non-executive
Hanzade Vasfiye Doğan Boyner	Vice Chairwoman	Non-Executive
Ahmet Nafi Dalman	Board Member	Executive
Enis Berberoğlu	Board Member	Executive
Yahya Üzdiyem	Board Member	Non-Executive
Hakkı Hasan Yılmaz	Board Member	Non-Executive
Kai Diekmann	Board Member	Non-Executive
Ahmet Burak	Independent Board Member	Non-Executive
Béatrice de Clermont Tonnerre	Independent Board Member	Non-Executive

The Members of the Board of Directors were unanimously elected to serve until the date of the General Meeting of Shareholders, where the activities for the fiscal year 2012 will be discussed.

On 31 May 2012, Mr. Ahmet Burak and Ms. Béatrice de Clermont Tonnerre submitted their applications and statements of independence for Independent Board Membership, and on 1 June 2012, the Board of Directors resolved to disclose their applications to the public and did so on the same date.

The Company complies with the Turkish Commercial Code, Capital Market Law, relevant CMB communiqués and resolutions while forming and electing its Board of Directors; in addition, related provisions are set forth in the Articles of Association.

Accordingly;

- The Company is managed and represented by a Board of Directors that consists of at least six and at most nine members elected by the shareholders at the General Meeting.
- A certain number or percentage of Board Members are required to be independent members, as defined by the Capital Markets Board. The determination, nomination, number and qualifications, selection, dismissal and/or resignation of Independent Board Members are carried out in compliance with the Capital Market Law, CMB regulations, and other applicable legislation.

- No more than half the Board Members can assume an executive role in the Company. This rule is taken into account especially in determining the duties of the Board Members.
- The Company's Board of Directors consists of two Independent Members. As per CMB's Communiqué Series: IV, No: 56, which took effect on 30 December 2011, the Company falls into "Category 3" companies as its market capitalization is below TL 1 billion, and the total value of its outstanding shares is below TL 0,25 billion. Therefore, the Company meets the requirement of having two independent members on its Board.

The Company fully complies with all mandatory Corporate Governance Principles of the Capital Markets Board, and at the same time endeavors to comply with the non-mandatory principles. However, if the Company fails to fully comply with the referenced principles, then the reasons and the consequences of noncompliance are explained in the annual report and disclosed to the public. Transactions and Board of Directors' resolutions that do not comply with mandatory principles are deemed invalid and contradictory with the Articles of Association. The Company strictly adheres to

the provisions of the Capital Market Law, CMB regulations, and other applicable legislation with regard to significant transactions described in the Corporate Governance Principles, the Company's transactions with related parties, and for providing collateral, surety or lien in favor of third parties.

The consent of a majority of independent members is sought in Board of Directors' resolutions regarding the Company's transactions with related parties and for providing collateral, surety or lien in favor of third parties. In the event that the majority of independent members do not approve the action, then it is disclosed to the public with all related information about the action, and submitted to the General Meeting of Shareholders for approval.

- The shareholders, with the exception of related parties in the transaction, are given the opportunity to participate in such decisions through voting at the related General Meeting. Quorum is not sought at the General Meetings that convene to resolve the issues described in this clause.
- Resolutions require an absolute majority.
- The Chairman of the Board of Directors and the Chairman of the Executive Committee are not the same person.
- More than half of the members of the Board of Directors are non-executive members.
- The resumes of the Company's Board Members are presented below:

#### **Vuslat DOĞAN SABANCI** **Chairwoman**

A graduate of Bilkent University's Department of Economics, Vuslat Doğan Sabancı went on to attend Columbia University in New York for her graduate studies in International Media and Communications. Ms. Doğan Sabancı currently chairs the Board of Directors at Hürriyet, and has held this post since May 26, 2010.

During her tenure as CEO between 2004 and 2010, Ms. Doğan Sabancı transformed Hürriyet from a leading paper in Turkey into an international powerhouse through

her acquisition of Trader Media East (TME) in 2007 in a move that represented the largest ever foreign procurement executed by a Turkish company. TME is an online and printed media advertising company operating in Russia, Ukraine, Belarus, Kazakhstan, Hungary, Croatia and Slovenia. Among TME's most important brands are Iz Ruk v Ruki, one of the most well-known media brands in Russia, and Irr.ru, that country's leading online classifieds provider.

Ms. Doğan Sabancı ensured Hürriyet's position as a major player within Turkey's emerging new media industry by investing in digital publishing and services. These prudent investments resulted in the launch of Hurriyet.com.tr as one of the highest trafficked websites across Europe. Hürriyet currently offers classified advertising services through its affiliated family of sites including hurriyetemlak.com, hurriyetoto.com, yenibiris.com, in addition to yakala.co, a deal finder website, and yenicarsim.com, an e-trading portal.

Vuslat Doğan Sabancı has also evolved into a strong voice for human rights and especially issues related to gender equality in Turkey, by investing in such topics through Hürriyet. A law was enacted on domestic violence following an eight-year effort on her part through the "No! To Domestic Violence" campaign that she had initiated. Ms. Doğan Sabancı also established the "Rightful Women Platform" to gather all NGOs formed around issues concerning women under the same roof, and function as a pressure lobby to ensure more women could be voted into Parliament, prior to the General Elections in 2011. As a result of this effort, the number of female MPs rose to 78 after the 2011 elections, up from 48. In addition, Ms. Doğan Sabancı carries on with a multitude of activities in the name of giving women their rightful place both within society in general and within the economy in particular. A microloan project for women is one of such social responsibility projects.

Ms. Doğan Sabancı joined Hürriyet in 1996 as Vice President in charge of Advertising, before her promotion to the post of Marketing Group President three years later. Her responsibilities at Hürriyet included marketing, sales, human resources and information technologies (IT).

Before joining Hürriyet, Ms. Doğan Sabancı worked in the editorial department of The New York Times for a year, and later at The Wall Street Journal, where she was instrumental in the formation of the Asian Business World News Channel and the paper's Latin America edition.

Born in 1971, Vuslat Doğan Sabancı is married with two children. Ms. Doğan Sabancı speaks English.

Ms. Doğan Sabancı is a lifetime honorary member of the International Press Institute (IPI), where she served an eight-year term as a Board Member.

Endeavor, a New York based international NGO, where Ms. Doğan Sabancı has served as Board Member since its inception, commenced its operations in Turkey in 2006. Endeavor Turkey furthers its efforts in the country through the support provided by its Board, Members of the Advisory Council, as well as Endeavor Mentors; the organization identifies Endeavor Entrepreneurs and supports them.

Vuslat Doğan Sabancı has also been a member of TUSIAD since 2003.

#### **Hanzade DOĞAN BOYNER** **Vice Chairwoman**

Hanzade Doğan Boyner is the leading personality in Turkey's online and digital world. As one of the pioneers of e-commerce in Turkey, she founded and led Hepsiburada.com to become the biggest online retailer in the region.

As a member of a family that has extensive media interests in Turkey and abroad, she has a wide range of vision from energy to media, online businesses to social initiatives. She is currently the Chairwoman of Doğan Online and Doğan Gazetecilik - which includes Posta - the highest selling daily newspaper in Turkey. She also serves as the Vice Chairwoman of Hürriyet Newspaper, Doğan Burda and Doğan Holding.

Mrs. Doğan Boyner is actively involved in various non-profit, business and trade organizations. She is the founding member and Vice Chairwoman of Global Relations Forum and serves as the Vice President of World Association of Newspapers. She is also an active participant in several think tanks including the Brookings Institute International Advisory Council, European Council on Foreign Relations, Foreign Economic Relations Board, Association of Turkish Businessmen and Industrialists, Young Presidents' Organization and Association of Woman Entrepreneurs.

A philanthropist, Mrs. Doğan Boyner established and still enthusiastically leads the "Daddy Send Me To School" campaign that aims to remove economic and cultural barriers in young female education in Turkey. The campaign already granted 10,500 scholarships and built 33 girls' dormitories across Turkey.

Mrs. Doğan Boyner is a graduate of London School of Economics, has received her MBA from Columbia University and serves on the Columbia Business School Board of Overseers.

#### **Ahmet Nafi DALMAN** **Board Member**

**Vice Chairman of the Executive Committee**  
Born in 1964, Ahmet Dalman graduated from Boğaziçi University, Department of Electrical-Electronics Engineering in 1986. He began his professional career in the media sector as an IT Specialist; subsequently, he co-founded and managed a company that provided technology solutions to enterprises in media as well as various other industries. During this period, Mr. Dalman contributed to the digitalization and technology implementation processes of numerous media concerns.

Mr. Dalman joined Hürriyet Newspaper in 1994 as IT Manager; between 1999 and 2000, he served as Technology Director at e-kolay.net, an internet service provider company within Doğan Group. In 2001, he was appointed Information Systems Coordinator at Hürriyet Newspaper, Executive Committee Member at Hürriyet Newspaper in 2008, Group President of Internet and Information Technologies at Hürriyet in 2010, and finally Vice Chairman of the Executive Committee in 2012.

He is leading the Convergence project aimed at changing the landscape of business model at Hürriyet.

Mr. Dalman is married with two children, and he is fluent in English.

#### **Enis BERBEROĞLU** **Board Member** **Editor-in-Chief**

Born in 1956 in Istanbul, Enis Berberoğlu graduated from the St. Georg Austrian High School and then from Boğaziçi University, Faculty of Administrative Sciences, Department of Economics. He obtained his post-graduate degree from Istanbul University, Faculty of Economics, Department of Econometrics in 1980.



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Currently serving as the Editor-in-Chief of Hürriyet, Mr. Berberoğlu started his journalism career at Dünya Newspaper in 1980 and then served as reporter for Hürriyet, Cumhuriyet, Güneş and Radikal newspapers; CNN Türk news channel in Istanbul, Ankara and Bonn, as Ankara Office Representative, Bonn Representative, Baghdad War reporter, Economy Department Manager and columnist, respectively.

Mr. Berberoğlu is fluent in English and German and is the author of three books: "20 Yıllık Domino Oyunu: Susurluk (The Domino Game of 20 Years Susurluk)," "Yüksekova" and "Öbür Türkler (The Other Turks)."

He has been married to a journalist for 28 years and has one daughter.

### **Yahya ÜZDİYEN** **Board Member**

Born in 1957, Yahya Üzdiyen graduated from Middle East Technical University, Department of Business Administration in 1980. From 1980 to 1996, he worked as trade and investment specialist and manager in several privately owned companies in Turkey and abroad.

He joined Doğan Group in 1997 and served as President of the Strategy Group at Doğan Holding until 2011; on January 18, 2011, he was appointed Vice Chairman of the Board of Directors. He played a significant role in the acquisition, partnership and sales processes of the Group's affiliates, including POAŞ, Ray Sigorta and Star TV.

Mr. Üzdiyen currently serves as a Board Member at various Group companies and was appointed the CEO of Doğan Holding as of January 24, 2012.

He is married with two children.

### **H. Hasan YILMAZ** **Board Member**

He was born in Ankara in 1957. After secondary education at TED Ankara College in 1979, graduated from Middle East Technical University, Department of Industrial Engineering. He started his professional life as an industrial engineer in "PRESİZ HOUSEHOLD APPLIANCES. Between 1981 and 1984, first of all he worked in Ankara TAKSAN MACHINE TOOLS INC., as the market analyst, and then in the

"STATE PLANNING ORGANIZATION (SPO)" and acted as the Capital Goods Expert. He joined to "UNILEVER TURKEY" in 1984, as the "Product Manager Assistant Intern". In the following years, he was raised rapidly in the organization of the Unilever - Turkey; after acting as the "Area Sales Manager" in İzmit in 1986, as the "Detergents Marketing Manager" in 1987, and as the "Sales Director" in 1988, he was appointed as the Chairman of the Board and CEO to LEVER (for cleaning and cosmetic products) & ELIDA COSMETICS COMPANIES.

At the end of 3 years through which the Companies showed excellent performance despite P&G, entering into the Turkish market as a competitor and the market share and profitability were folded, he was appointed as the "Regional Leader" and worked in London head office responsible for Unilever's detergents business in East Asia Pacific Region covering 14 countries such as China, South Korea, Japan, Taiwan, HongKong, Vietnam, Thailand, Singapore, Malaysia, Philippines, Indonesia, Australia and New Zealand. He returned to Turkey in 1995 and for a period of one year, he acted as Chairman and Managing director of UZAY GIDA, a Pepsi Co subsidiary manufacturing and marketing salty snacks. In 1996, he was re-appointed as Chairman of the Board and the CEO of UNILEVER TURKEY and acted as Chairman and CEO of all legal entities with Unilever majority shareholding in Turkey. (ie. Unilever AS, Lever AS, Elida Kozmetik AS, Dosan AS, Unikom AS, Unilever Holding, G&A Baker, Aymar AS); and, it took 4 years of achieving the designated objectives of growth and profitability. In 2000, with the desire to operate in different areas, he resigned and joined to the KOC UNIVERSITY as a part time faculty in fall 2000; started teaching "Competitive Business Strategy" to senior undergraduate students and "Leadership & Change management" to MBA & Executive MBA class. In 2002, he was appointed as the President in KOÇ HOLDING, FOOD, RETAILING & TOURISM GROUP. He was responsible for Retailing (Migros Turk, Ramenka Rus, Rambutya, Ram Azb., Ram Blg., KOÇTAŞ Home Improvement) Foods (TAT, Maret, Pastavilla, SEK, TAT Seeds, KOÇATASANCAK) and Tourism (SETUR, Setur Marinas, DIVAN Hotels & Restaurants, SET AIR, AVIS etc.) activities of KOÇ Holding.

During this period, he acted as Chairman and Vice Chairman of 21 KOÇ Companies with approximately 12,000 people and with a turnover of 3 billion US Dollars; assumed responsibility of 20% work in Koç Group. Since 2005, he has been serving as the "Adj. Prof. / Distinguished Executive in Residence in the KOÇ UNIVERSITY and teaching different courses; giving support to MBA and EMBA programs in the university. Between 2010 - 2012 he was appointed as CEO-Chief Executive Officer in HURRIYET GAZETECİLİK & MATBAACILIK A.Ş.; and he acted as CEO of all Hürriyet entities including off-line (Hürriyet, Radikal, Hürriyet Daily News) and on line (9 companies-portals including hürriyet.com.tr, hürriyet emlak, hürriyet oto, yenibiriş, tipeez, yeni çarşım etc) businesses. And, he still acts as the independent Board member of the same company. By June 2012, he acts as an Independent Board Member of MIGROS TIC. A.Ş. . He also acts as Advisory Board Member in MUDO. Besides, he is a member of TUSIAD since 1992. Mr. Yılmaz is the CEO of Fenerbahçe Sports Club.

### **Kai DIEKMANN** **Board Member**

Kai Diekmann was born in 1964 in Ravensburg, Germany. After finishing school, he voluntarily served for two years in the German army. In 1985 he started a two-year journalistic training at Axel Springer AG which brought him to Hamburg, Bonn and New York. In 1987 he became parliamentary correspondent for BILD and BILD am SONNTAG in Bonn. In 1989 he became "Bunte"-Magazine as executive reporter, 1991 deputy editor of B.Z. and 1992 deputy editor and head of the politics department of BILD. In 1998 he became editor-in-chief of WELT am SONNTAG. In January 2001 he entered his current position as editor-in-chief of BILD and publisher of both BILD and BILD am SONNTAG. In 2007 he was also appointed executive director of BILD.de and in 2008 publisher of the BILD-group. In 2012 and 2013 he spent 10 months in Silicon Valley, USA (as editor-in-chief of BILD) to investigate digital projects and business models on behalf of Axel Springer. Kai Diekmann is independent member of the Hürriyet board of directors since 2004 and was appointed non-executive director of the Times Newspapers Holdings Limited in 2011. In addition to his journalistic duties, Diekmann is publisher of a variety of books.

### Ahmet BURAK Independent Board Member

Born in 1954 in Istanbul, Ahmet Burak graduated from FMV Işık High School and then from Middle East Technical University, Department of Business Administration. Subsequently, he received his BSBA and MBA degrees in Finance from the University of Denver. After working at the Istanbul and London offices of Arthur Andersen, he joined Coca-Cola as the Manager of Financial and Administrative Affairs in 1986. Mr. Burak assumed the duties of General Manager of Bottling Operations in Turkey in 1991 and became Assistant to the Chairman of the Executive Committee of Coca-Cola Canada in 1992.

He returned to Turkey in 1993 to initiate Coca-Cola operations in Central Asia and Caucasia, where no Coca-Cola products had been sold prior to that time. During this period, Coca-Cola established factories in eight countries, and became the biggest soft drink company in the region. After serving as General Manager for eight years, he became the President of Coca-Cola Turkey in 2001. The Turkey Region reached the highest profitability and market share in its history within eight years, and the Company moved up to 13th place among 200 countries with Coca-Cola operations. Mr. Burak retired from the Coca-Cola Company in 2009 and he is currently serving as a Member of the Board of Trustees of Coca-Cola Life Plus Foundation, of which he is a founder. He also serves as a Board Member at and a consultant to various FMCG companies. Mr. Burak has been on the Board of Hürriyet since 2010.

### Béatrice de CLERMONT TONNERRE Independent Board Member

Béatrice de Clermont Tonnerre received her bachelor's degree in Political Science from Institut d'Etudes Politiques de Paris, and her master's degree in Business Administration from Ecole Supérieure des Sciences Economiques et Commerciales.

Ms. Tonnerre began her professional career as a radio journalist at Radio France Internationale Latin America and Europe 1; in 1995, she started working as an analyst at the Technology Unit of the Strategy Department of Lagardere, where she was promoted to Manager of the Media Unit in 1998. In 2001, Ms. Tonnerre was appointed Group President of Interactive Television at CanalSatellite, and subsequently became the Co-President of Programming in 2003.

Ms. Tonnerre has served as Senior Vice President of Business Development at French media group Lagardère since September 2008. Ms. Tonnerre lives in Paris and during her career she has assumed important duties in a range of areas, from pay TV and broadcasting to sports rights, from book publishing to acquisition projects in digital media and the internet. Having experience also in organic growth and product launches, Ms. Tonnerre currently serves as Board Member at LaCie, a French listed company producing harddrives and operating in cloud computing.

Name/Last Name	Most Recent Position within the Group	Most Recent Position outside the Group
Vuslat Doğan Sabancı	Chairwoman and Vice Chairwoman at various subsidiaries and affiliates of Doğan Şirketler Grubu Holding A.Ş.	-
Hanzade V. Doğan Boyner	Chairwoman and Board Member at various subsidiaries and affiliates of Doğan Şirketler Grubu Holding A.Ş.	-
Ahmet Nafi Dalman	Board Member at various Group companies	-
Enis Berberoğlu	-	-
Hakkı Hasan Yılmaz	-	Chairman of the Executive Committee of Fenerbahçe Futbol A.Ş.
Kai Diekmann	-	Editor-in-Chief of Bild Newspaper
Yahya Üzdiyen	Chairman and Board Member at various subsidiaries and affiliates of Doğan Şirketler Grubu Holding A.Ş.	-
Ahmet Burak	-	Independent Board Member at Mutlu Akü ve Malzemeleri Sanayii A.Ş.
Béatrice de Clermont Tonnerre	-	Senior Vice President of Business Development at Lagardère Group

### 16. Operating Principles of the Board of Directors

- The Board of Directors convenes as required for the Company's business, but not less than once a month. Board Members are promptly provided all information they may need to adequately perform their duties.
- Each Board Member is entitled to one vote.
- The Board of Directors makes a separate decision for the approval of the financial statements and footnotes and the Independent Audit Report, Corporate Governance Compliance Report and the Annual Report.
- Board meetings are organized by the Chairwoman, Vice Chairwoman or the CEO, who is also a Board Member. The Secretariat of the Board of Directors is responsible for keeping all documents related to the Board meetings and reports to the Chairwoman of the Board, as stated in the Articles of Association. The duties and responsibilities of the Secretariat of the Board of Directors are defined in the Articles of Association.
- In 2012, 68 Board meetings/decisions were held/made, and the decisions at Board meetings were made with the unanimous vote of the participants present, and no dissenting votes were cast.
- Board of Directors meetings are planned and held in an effective and efficient manner. As stipulated in the Company's Articles of Association:
- The Board of Directors convenes as required for the Company's business, but not less than once a month. As a rule, the Board convenes at the invitation of the Chairwoman or the Vice Chairwoman. The Board of Directors may decide the meeting date as well. The Board must be invited for a meeting at the request of at least three Board Members. Additionally, any of the Company's Statutory Auditors can invite the Board of Directors to a meeting and set the agenda for the meeting.
- Meeting agendas are determined in line with requests from various departments within the Company. The invitations to Board meetings include the agenda and are sent out at least seven days before the day of the meeting; all information and documents related to the agenda items are attached to the meeting invitation. There have been no instances of dissenting votes at Board meetings of the Company to date.



## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2012

- As a rule, Board meetings take place at the Company's headquarters. However, upon a decision of the Board of Directors, meetings may be held in a different location in the same city or in another city.
- In-person participation of Board Members at the meetings is the general rule. Meetings may also be attended using any technology that provides remote access to the meeting. The opinions of those members who do not attend the meeting but submit their opinions in writing are conveyed to the other members.
- All documents related to Board meetings are kept and regularly archived by the Board of Directors Secretariat. Detailed reasons for the dissenting votes of Independent Board Members are disclosed to the public.
- The quorum for Board of Directors meetings is the absolute majority of its members and decisions require a simple majority of members present at the meeting. In the event of a tie vote, the issue voted upon is transferred to the next meeting's agenda. In the event that a majority is not reached at the next meeting, the proposal is deemed rejected. Each Board Member is entitled to one vote irrespective of his/her position and area of responsibility.
- Pursuant to the 4<sup>th</sup> paragraph of Article 390 of the Turkish Commercial Code, the Board may reach a resolution on a written proposal of one of the members by obtaining the written consent of the other members. However, this method does not apply to decisions on matters that require in-person participation of Board members at the meetings, as stipulated by the Principles. On the other hand, all Board Members attend meetings in person if/when important matters related to the Company's operations shall be discussed.
- Travel and meeting expenses of the Board of Directors, as well as the expenses for the special tasks related to the Board's activities and similar expenses are paid out of the Company's general budget without any restrictions.
- According to the Articles of Association, Board Members do not have weighted voting and/or veto rights.

### 17. Number, Structure and Independence of the Committees Formed by the Board of Directors

In line with the Company's current position and needs, an Executive Committee (Executive Board), Audit Committee, Corporate Governance Committee, and an Early Detection of Risk Committee have been established to ensure that the Board of Directors properly fulfills its duties and responsibilities.

In 2012, the position of Chairman of the Executive Committee was not filled at the Company. Vice Chairman of the Executive Committee, Mr. Ahmet Nafi Dalman currently fulfills this position and does not serve on other committees other than the Executive Committee.

#### Executive Committee (Executive Board)

The Executive Committee (Executive Board) has been established pursuant to Article 19 of the Articles of Association, which states:

"The Board of Directors shall form and appoint an Executive Committee comprised of a sufficient number of members in order to ensure that the Company's activities and transactions are performed in accordance with the business plan and budget it has determined. The scope and limits of the authorities of the Executive Committee shall be specified in detail in the charter."

Name/Last Name	Title
Ahmet Nafi Dalman	Vice Chairman of the Executive Committee
Ayşe Sözeri Cemal	Executive Committee Member/Head of Advertising Group
Dursun Ali Yılmaz	Executive Committee Member/Chief Financial Officer
Enis Berberoğlu	Executive Committee Member/Editor-in-Chief
Tuba Köseoğlu Okçu	Executive Committee Member/Human Resources Director

Ms. Tijen Mergen, Executive Committee Member in charge of Marketing, resigned from her duties on 31 December 2012.

The Executive Committee has been established in accordance with Article 19 of the Company's Articles of Association. In principle, the Committee convenes once a week.

#### Corporate Governance Committee

Name/Last Name	Title	Status
Ahmet Burak	Chairman	Independent Member of the Board of Directors, Non-Executive
Yahya Üzdiyem	Member	Board Member/ Non-Executive
Dr. Murat Doğu	Member	Non-Executive

As per the Board of Directors' resolution dated 26 July 2012, No: 2012/52, it was decided that the below mentioned executives be assigned as Chairman and members of the Corporate Governance Committee;

None of the members of the Corporate Governance Committee have executive duties; Chairman Mr. Ahmet Burak is an Independent Member of the Board of Directors.

Since its inception, the Committee has conducted its activities in an ongoing manner. Specifically, the Committee:

- Carried out corporate governance rating studies,
- Reviewed the "Corporate Governance Compliance Reports" prepared by the Company,

- Reviewed the Annual Report prepared by the Company,
- Ensured that the Ordinary General Meeting of Shareholders, where the activities of 2011 were discussed, was held in compliance with relevant legislation and Principles,
- Ensured that relations with shareholders and investors are pursued in compliance with relevant legislation and Principles,
- Reviewed the public disclosures made by the Company,
- Oversaw that the website was regularly updated and improved.

#### Audit Committee

Name/Last Name	Title	Status
Ahmet Burak	Chairman	Independent Member of the Board of Directors, Non-Executive
Béatrice de Clermont Tonnerre	Member	Independent Member of the Board of Directors, Non-Executive

In 2012, the Audit Committee:

- Reviewed the Company's annual and interim financial statements and footnotes, as well as the independent audit reports prior to their public disclosure, and held meetings with the independent audit firm,
- Reviewed the Company's independent audit contract,
- Reviewed the results of the internal controls performed by the Internal Control Department and the measures taken,
- Focused its efforts on risk management activities.

The Audit Committee held four meetings in 2012.

The Company's committees act within their authority and responsibility and make recommendations to the Board of Directors. All final decisions are made by the Board of Directors.

All managers of technical and administrative departments in the Company prepare monthly workflow reports on what was planned and achieved, and submit them to their Group Heads. These reports are then presented to the Executive Board for review and approval.

Penalties to be applied in cases of losses arising from the failure or underperformance of managers serving in the technical and administrative organization are specified in the Personnel Regulations.

#### Early Detection of Risk Committee

Pursuant to Article 378 of the Turkish Commercial Code, and as per the Board of Directors' resolution dated 26 July 2012, an Early Detection and Management of Risk Committee was established. Subsequently, and in accordance with the Board of Directors' resolution dated 18 March 2013, the structure of the Committee was changed, its chairman and members were reappointed, and the Committee assumed the duties described in CMB's Communiqué Series: IV, No: 56.

The Board of Directors appointed the below executives as chairman and members of the Early Detection of Risk Committee:

Name/Last Name	Title
Ahmet Burak	Chairman
Erem Turgut Yücel	Member
Tolga Babalı	Member
Dursun Ali Yılmaz	Member

#### 18. Risk Management and Internal Control Mechanism

The Company's Board of Directors has retained various consultancy firms to establish the risk management system at the Company. To that end, a risk inventory has been drawn up after consulting with the Financial Control and Investor Relations Department as well as all key managers. The purpose of the risk inventory is to identify, prioritize and assess high-level risks that the Company may be exposed to; to establish the mechanisms and methods for managing such risks; and to achieve more effective risk management by documenting such risks. In addition, the Board of Directors appointed a new chairman and members to the Early Detection of Risk Committee, which was established pursuant to the Board of Directors' resolution dated 26 July 2012, No: 2012/52 and in accordance with Article 378 of the Turkish Commercial Code, in order to comply with CMB Communiqué Series: IV, No: 56 on the "Principles Regarding Determination and Application of Corporate Governance Principles." The newly formed Early Detection of Risk Committee has already made the necessary preparations to submit its reports to the Board of Directors on a bimonthly basis.

#### 19. The Company's Strategic Objectives

The Company holds regular Board meetings in order to determine its strategic objectives. The Executive Committee, which convenes weekly to make operational and financial decisions, is in charge of overseeing and monitoring the progress in achieving the objectives set at Board meetings.

In 2012, the Company revised its vision to: "Becoming a leading global media brand that offers exclusive news stories, content and services that engage readers and customers in active dialogue and add value to their lives across all channels 24/7."

To that end, the Company plans to extend its market power and leadership in print media to online platforms; in addition, the Company aims to generate 30% of its income from online media in the medium-term, and reach 10 million readers and viewers daily.

#### 20. Remuneration

The remuneration to be paid to the Chairman, Vice Chairman and Members of the Board of Directors is determined at the General Meeting of Shareholders. The decision for the remuneration amount is based on the time Board Members spend for meetings, the time involved in pre- and post-meeting preparations and the duties assumed, as well as the CEO's salary. The attendance fee to be paid to Board Members for each meeting is also determined at the General Meeting of Shareholders.

Whether the chairmen and members of the committees are to be paid any fees and the amounts and conditions of such fees, if any, are determined by the Board of Directors in the resolution related to the establishment of the particular committee. In the event that the chairman and members of a committee are at the same time the Chairman or Members of the Board of Directors, the General Assembly of Shareholders decides whether they are to be paid any fees and the amounts and conditions of such fees, if any.

At the Ordinary General Meeting held on 26 June 2012, it was unanimously resolved that the Chairwoman of the Board of Directors be paid a monthly net fee of TL 10.000, the Vice Chairwoman a monthly net fee of TL 8.500, Board Members Kai Georg Diekmann and Béatrice de Clermont Tonnerre a monthly net fee of USD 5.000 each, and other Board Members a monthly net fee of TL 5.000 each. There is no additional bonus mechanism based on performance for the Members of the Board of Directors.



## SUMMARY OF THE AUDITORS' REPORT

### AUDIT REPORT

#### TO THE PRESIDENCY OF THE GENERAL ASSEMBLY OF HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

The results of the Company's internal audit activities for the fiscal year 2012 are hereby presented for your review.

It was observed that the books, files and records were duly kept in accordance with the nature and importance of the enterprise, and that book keeping was in compliance with applicable laws, accounting procedures and principles, the Articles of Association, and the provisions of the Turkish Commercial Code.

It was observed that the figures in the Company's financial statements are in accordance with the book records, and these statements have been prepared in compliance with the provisions of the Articles of Association, and the provisions of the Turkish Commercial Code. It was seen that the financial statements submitted to the General Assembly by the Board of Directors have been drawn up in compliance with the principles of the Turkish Commercial Code and accurately reflect the official book records.

It was observed that the resolutions related to Company Management were recorded in the resolution ledger as prescribed by applicable procedures.

As a result, we hereby submit the Company activities and relevant financial statements as summarized in the report issued by the Board of Directors for the approval of the General Assembly.

**Fuad ARSLAN**  
Auditor

**Mehmet YÖRÜK**  
Auditor



## RESOLUTION ON THE CORPORATE GOVERNANCE COMPLIANCE REPORT

### HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

#### RESOLUTION OF THE CORPORATE GOVERNANCE COMMITTEE

**DATE :** 21 March 2013

**SUBJECT :** The Annual Report and Corporate Governance Principles Compliance Report for the Accounting Period 1 January 2012 - 31 December 2012

We have examined the 2012 Annual Report, prepared in accordance with Capital Markets Board's (CMB) Communiqué Series: XI, No: 29 on the "Principles of Financial Reporting In Capital Markets" and the "Regulation on the Determination of Minimal Content of Annual Reports" issued by the Turkish Ministry of Customs and Trade, and the 2012 Corporate Governance Compliance Report prepared in the form specified by and announced to the public via CMB's Weekly Bulletin dated 1 February 2013, No: 2013/4 (CMB Resolution dated 1 February 2013, No: 4/88), by obtaining the comments of the executives in charge of preparing the referenced reports.

Within the framework of the information conveyed and known to us, we shared our views on the 2012 Annual Report and the 2012 Corporate Governance Compliance Report with the executives in charge of preparing the reports. In our opinion, the referenced reports accurately reflect the Company's position, contain no significant deficiency that may result in misrepresentation, and comply with relevant regulations.

**Ahmet BURAK**

Chairman of the Corporate Governance  
Committee

**Yahya ÜZDİYEN**

Member of the Corporate Governance  
Committee

**Dr. Murat DOĞU**

Member of the Corporate Governance  
Committee



## RESOLUTION OF THE AUDIT COMMITTEE

### HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

#### RESOLUTION OF THE AUDIT COMMITTEE

**DATE :** 21 March 2013

**SUBJECT:** Financial Statements for the Accounting Period 1 January 2012 - 31 December 2012

We have examined the Company's consolidated financial statements and footnotes for the accounting period 1 January 2012 - 31 December 2012, prepared in accordance with Capital Markets Board's (CMB) Communiqué Series: XI, No: 29 and in keeping with International Financial Reporting Standards, presented in the form specified by CMB Resolutions and independently audited, by obtaining the comments of the executives in charge of preparing the Company's financial reports.

Within the framework of the information conveyed and known to us, we shared our views on the referenced financial statements and footnotes with the executives in charge of preparing the financial reports. In our opinion, the referenced financial statements and footnotes accurately reflect the operational results of our Company, contain no significant deficiency that may result in misrepresentation, and comply with CMB regulatory requirements.

**Ahmet BURAK**  
Chairman of the Audit Committee

**Béatrice de CLERMONT TONNERRE**  
Member of the Audit Committee



## STATEMENT OF RESPONSIBILITY

**COMPANY NAME :** HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

**BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL OF THE FINANCIAL STATEMENTS AND ANNUAL REPORTS**

**RESOLUTION DATE :** 4 April 2013

**RESOLUTION NO :** 2013/10

### STATEMENT OF RESPONSIBILITY PURSUANT TO

#### ARTICLE 9, SECTION 3 OF CAPITAL MARKETS BOARD'S COMMUNIQUÉ SERIES: XI, NO: 29

We have examined the consolidated financial statements and the annual report of Hürriyet Gazetecilik ve Matbaacılık A.Ş. for the accounting period 1 January 2012 - 31 December 2012, duly inspected by independent auditors, prepared in accordance with Capital Markets Board's (CMB) Communiqué Series: XI, No: 29 and in keeping with International Financial Reporting Standards, and presented in the form specified by CMB Regulations and Resolutions. We hereby declare that insofar as our duties and responsibilities are concerned and within the framework of the information known to us:

- The financial statements and the annual report do not contain any misrepresentation of the facts on major issues or any deficiency that may be construed as misleading information as of the date of the disclosure;
- The financial statements prepared in accordance with the applicable financial reporting standards, together with the consolidated statements, correctly reflect our Company's assets, liabilities, financial condition, and profit and loss. The annual report truthfully reflects the progress and the performance of the business, and the financial condition of and the risks and uncertainties faced by the Company along with those in the scope of consolidation.

**Dursun Ali YILMAZ**  
Executive Committee Member  
Chief Financial Officer

**İnci TARI**  
Financial Control and Investor  
Relations Manager



## BOARD OF DIRECTORS' RESOLUTION ON THE APPROVAL OF THE FINANCIAL REPORT, ANNUAL REPORT AND THE CORPORATE GOVERNANCE COMPLIANCE REPORT

### HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

#### BOARD OF DIRECTORS' RESOLUTION

**RESOLUTION DATE :** 4 April 2013

**RESOLUTION NO :** 2013/10

**SIGNED BY:** Vuslat DOĞAN SABANCI (Chairwoman)  
Hanzade V. DOĞAN BOYNER (Vice Chairwoman)  
Yahya ÜZDİYEN (Member)  
Ahmet Nafi DALMAN (Member)  
Hakkı Hasan YILMAZ (Member)  
Enis BERBEROĞLU (Member)  
Kai Georg DIEKMANN (Member)  
Ahmet BURAK (Member)  
Béatrice de Clermont TONNERRE (Member)

This resolution is hereby signed by Board Members as stipulated by Article 390/IV of the Turkish Commercial Code. Accordingly, it was resolved that:

- The consolidated financial statements for the fiscal year 1 January 2012 - 31 December 2012, prepared in a comparative format with the previous year, in compliance with International Accounting and Financial Reporting Standards and Capital Markets Board's (CMB) Communiqué Series: XI, No: 29, presented in the form specified by CMB Regulations and Resolutions, audited independently, and submitted to the Board of Directors for approval in line with the recommended corrections of and upon the assent of the Audit Committee, be approved and submitted to the General Assembly for approval;
- The attached 2012 Annual Report and the 2012 Corporate Governance Principles Compliance Report, submitted to the Board of Directors for approval and upon the assent of the Corporate Governance Committee and other relevant executives, be approved and presented to the shareholders.

**Vuslat DOĞAN SABANCI**  
(Chairwoman)

**Hanzade V. DOĞAN BOYNER**  
(Vice Chairwoman)

**Yahya ÜZDİYEN**  
(Board Member)

**Ahmet N. DALMAN**  
(Board Member)

**Hakkı Hasan YILMAZ**  
(Board Member)

**Enis BERBEROĞLU**  
(Board Member)

**Kai Georg DIEKMANN**  
(Board Member)

**Ahmet BURAK**  
(Independent Board Member)

**Béatrice de Clermont TONNERRE**  
(Independent Board Member)



## BOARD OF DIRECTORS' RESOLUTION ON THE PROFIT DISTRIBUTION TABLE

### HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

#### BOARD OF DIRECTORS' RESOLUTION

**RESOLUTION DATE:** 4 April 2013

**RESOLUTION NO:** 2013/11

**SIGNED BY:** Vuslat DOĞAN SABANCI (Chairwoman)  
Hanzade V. DOĞAN BOYNER (Vice Chairwoman)  
Yahya ÜZDİYEN (Member)  
Ahmet Nafi DALMAN (Member)  
Hakkı Hasan YILMAZ (Member)  
Enis BERBEROĞLU (Member)  
Kai Georg DIEKMANN (Member)  
Ahmet BURAK (Member)  
Béatrice de Clermont TONNERRE (Member)

This resolution is hereby signed by Board Members as stipulated by Article 390/IV of the Turkish Commercial Code.

In due consideration of the "Profit Distribution Policy" disclosed to the public, the Turkish Commercial Code, Capital Market Law, Capital Markets Board's (CMB) Regulations, Corporate Tax Code, Income Tax Code and other applicable legislation as well as the relevant provisions of the Articles of Association, it was decided that:

- According to the Company' financial statements for the accounting period 1 January 2012 - 31 December 2012, which are kept in compliance with CMB's Communiqué Series: XI No: 29, drawn up in accordance with International Financial Reporting Standards (IFRS), presented in line with the principles set forth by the relevant resolutions of the CMB, and independently audited, the Company's "Consolidated Net Profit for the Period" is calculated as TL 150.662.628 after the deduction of "Tax Expenses for the Period," "Deferred Tax Income" and "Minority Shares"; and yet, as per CMB's regulations on profit distribution, no profit will be distributed for the 2012 accounting period since the result is a "Net Loss for the Period" of TL 172.729.483 after the deduction of TL 190.353.127 for "Losses from Previous Years," TL 6.803.998 for First Legal Reserves as per Article 519 of the Turkish Commercial Code, and the profit from property sales amounting to TL 126.234.986 (75% of the total profit from property sales) as calculated according to the Turkish Commercial Code / Tax Procedures Code and will be not distributed as profit for the accounting period 1 January 2012 - 31 December 2012 but rather kept in a "Special Fund Account" as per the Board of Directors' resolutions dated 14 February 2012 and numbered 2012/08, and dated 28 November 2012 and numbered 2012/64, so as to benefit from the exemption set forth in the Corporate Tax Code Article 5-1/e, pursuant to Tax Legislation, the Capital Market Law, and other applicable legislation, and the shareholders will be informed of this issue at the General Assembly;



## BOARD OF DIRECTORS' RESOLUTION ON THE PROFIT DISTRIBUTION TABLE

- Further, according to the financial records kept in compliance with the Turkish Commercial Code/Tax Procedures Code, the Company posted a "Net Profit for the Period" of TL 180.216.737 for the accounting period from 1 January 2012 - 31 December 2012; however, after the deduction of TL 16.334.288 for "Taxes Payable," TL 44,136,777 for "Losses from Previous Years," TL 6.803.998 for First Legal Reserves as per Article 519 of the Turkish Commercial Code, and the profit from property sales amounting to TL 126.234.986 (75% of the total profit from property sales) as calculated according to the Turkish Commercial Code/Tax Procedures Code and will be not distributed as profit for the accounting period 1 January 2012 - 31 December 2012 but rather kept in a "Special Fund Account" as per the Board of Directors' resolutions dated 14 February 2012 and numbered 2012/08, and dated 28 November 2012 and numbered 2012/64, so as to benefit from the exemption set forth in Corporate Tax Code Article 5-1/e, pursuant to Tax Legislation, the Capital Market Law, and other applicable legislation, the result is a "Net Distributable Profit for the Period" of TL 3.040.976, which shall be transferred to "Extraordinary Reserves," and the TL 44.136.777 in "Losses from Previous Years" shall be entirely entered into the "Losses from Previous Years" account after deducting the amounts for "Taxes Payable," "First Legal Reserves," and "Special Fund Account" from the "Profit for the Period," and this decision shall be submitted to the General Assembly for approval.

**Vuslat DOĞAN SABANCI**  
(Chairwoman)

**Hanzade V. DOĞAN BOYNER**  
(Vice Chairwoman)

**Yahya ÜZDİYEN**  
(Board Member)

**Ahmet N. DALMAN**  
(Board Member)

**Hakkı Hasan YILMAZ**  
(Board Member)

**Enis BERBEROĞLU**  
(Board Member)

**Kai Georg DIEKMANN**  
(Board Member)

**Ahmet BURAK**  
(Independent Board Member)

**Béatrice de Clermont TONNERRE**  
(Independent Board Member)



## PROFIT DISTRIBUTION TABLE

<b>Hürriyet Gazetecilik ve Matbaacılık A.Ş.</b>			
<b>PROFIT DISTRIBUTION TABLE FOR 2012 (TL)</b>			
1	Issued Capital	552.000.000	
2	Total Legal Reserve Fund (According to Legal Records)	32.480.098	
If there is a privilege according to the Article of Incorporation, information related to the privilege.			
		<b>According to CMB</b>	
		<b>According to Legal Records</b>	
3	Profit of the Period	168.781.500	196.551.025
4	Taxes Payable (-) <sup>(1)</sup>	-20.923.404	-16.334.288
	Non-Controlling interests <sup>(2)</sup>	-2.804.532	0
5	Net Profit/Loss of the Period	150.662.628	180.216.737
6	Previous Years Losses (-)	-190.353.127	-44.136.777
7	Primary Reserve (-)	-6.803.998	-6.803.998
	Real Estate Sales Profit which is not subject to distribution and booked in "Special Fund Account" (according to legal registration) (-) <sup>(2)</sup>	-126.234.986	-126.234.986
8	NET DISTRIBUTABLE PROFIT/LOSS FOR THE PERIOD	-172.729,483	3,040,976
9	The Donations made in the Year (+)	931.289	
10	The Net Distributable Profit/Loss (-) to be calculated for the first profit sharing, including the donations <sup>(3)</sup>	-171.798.194	
11	First Profit Sharing to the Partners (20%)	0	
	Cash	0	
	Gratis	0	
	Total	0	
12	The Profit Sharing to the Holders of Preferred Shares	0	
13	The Profit Sharing to the Members of the Board of Directors, workers etc.	0	
14	The Profit Sharing to the Holders of Redeemed Shares	0	
15	The Second Profit Sharing to the Partners	0	
16	Secondary Reserve	0	
17	The Statutory Reserves	0	0
18	The Special Reserves	0	0
19	EXTRAORDINARY RESERVES	0	0
20	Other Resources to be Distributed	0	0
	The Previous Year Profit	0	0
	The Extraordinary Reserves	0	0
	The Other Reserves Distributable According to the Law and Articles of Association	0	0

<sup>(1)</sup> In accordance with CMB, Taxes in the amount of 20.923.404.-TL in total contains tax expense of the period in the amount of [(-) 24.771.325.-TL] and deferred tax income in the amount of [(+) 3.847.921.-TL].

<sup>(2)</sup> With the decision taken by the Group management, the real estate profit occurred in statutory records in 2012 from the sale of Hürriyet headquarter and a land located in Esenyurt amounting to TL 126.234.986 that benefits from the exemption (75%) referred to in Article 5-1/e of the Corporate Tax Law will not be involved in allocation of profits for periods 1 January 2012 - 31 December 2012 in compliance with the Tax Legislation, Capital Market Legislation and any other fiscal legislations, and will be deposited in a special fund account in liabilities.

<sup>(3)</sup> There is no distributable period income.

THE PROFIT SHARING PER SHARE INFORMATION	GROUP	TOTAL PROFIT SHARING (TL)	FOR THE SHARE HAVING A TL 1 NOMINAL VALUE	
			TOTAL (TL)	RATIO (%)
GROSS	-	0	0	0
NET	-	0	0	0
THE RATIO OF THE DISTRIBUTED PROFIT SHARING TO THE NET DISTRIBUTABLE PERIOD PROFIT WITH THE ADDITION OF THE DONATIONS DIVIDEND DISTRIBUTED TO THE PARTNERS(TL)			0	0



## RESOLUTION ON THE EARLY DETECTION OF RISK COMMITTEE

### HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.

#### BOARD OF DIRECTORS' RESOLUTION

<b>MEETING DATE:</b>	18 March 2013
<b>Meeting No:</b>	2013/05
<b>Attended by:</b>	Vuslat DOĞAN SABANCI (Chairwoman) Hanzade V. DOĞAN BOYNER (Vice Chairwoman) Yahya ÜZDİYEN (Board Member) Ahmet Nafi DALMAN (Board Member) Hakkı Hasan YILMAZ (Board Member) Enis BERBEROĞLU (Board Member)

The Board of Directors of Hürriyet Gazetecilik ve Matbaacılık A.Ş. convened on the date stated above.

Pursuant to Capital Markets Board's (CMB) Communiqué Series: IV, No: 56 on the "Principles Regarding Determination and Application of Corporate Governance Principles" and as per the Board of Directors' resolution dated 26 July 2012, No: 2012/52, it was decided that the Corporate Governance Committee would undertake the duties of the "Early Detection of Risk Committee"; subsequently, as per Capital Markets Board's (CMB) Communiqué Series: IV, No: 63 Amending the Communiqué Series: IV, No: 56 on the "Principles Regarding Determination and Application of Corporate Governance Principles" (published in the Official Gazette, dated 22 February 2013, Issue: 28567), it became mandatory to establish a separate Early Detection of Risk Committee. Accordingly, the Board of Directors unanimously resolved to:

- Appoint the below mentioned executives as the new Chairman and Members of the Early Detection of Risk Committee, which had been established as per the Board of Directors' resolution dated 26 July 2012, No: 2012/52, and in accordance with Article 378 of the Turkish Commercial Code and Capital Markets Board's (CMB) Communiqué Series: IV, No: 56 on the "Principles Regarding Determination and Application of Corporate Governance Principles"; and to relieve the Corporate Governance Committee of its duties related to the Early Detection of Risks.

#### Early Detection of Risk Committee:

Name/Last Name	Title
Ahmet Burak	Chairman
Erem Turgut Yücel	Member
Tolga Babalı	Member
Dursun Ali Yılmaz	Member

**Vuslat DOĞAN SABANCI**  
(Chairwoman)

**Hanzade V. DOĞAN BOYNER**  
(Vice Chairwoman)

**Yahya ÜZDİYEN**  
(Board Member)

**Ahmet N. DALMAN**  
(Board Member)

**Hakkı Hasan YILMAZ**  
(Board Member)

**Enis BERBEROĞLU**  
(Board Member)