



**Corporate
Governance**

Hürriyet Gazetecilik ve Matbaacılık A.Ş. Corporate Governance Principles Compliance Report 2004

1. Corporate Governance Principles

Hürriyet is focusing on the full adoption of the Corporate Governance Principles published by the Capital Markets Board in July 2003 and will continue to conduct business in conformity with these principles.

The Company considers the document entitled, Corporate Governance Principles, published by Capital Markets Board in July 2003 to be a set of rules that should be followed in full. Thus, important steps were initiated in 2003 to comply with the Corporate Governance Principles mentioned within the document.

The Company's main achievements regarding corporate governance and in line with the CMB document during year 2004 are as follows:

- The Company has constituted a unit to oversee investor relationships. Two lawyers and one Investor Relations Director are currently in charge in this unit. This unit is operating currently under the Chief Executive Officer; following relevant resolutions by the Board of Directors, it will operate under the Chairperson of the newly formed Corporate Governance Committee.
- Every three months, the Company announces its operational results to the public. Following this announcement, the Investor Relations Unit meets with the investors and answers questions and provides the necessary explanations.
- The Company has created a corporate website at www.hurriyetkurumsal.com to assure that shareholders are able to get detailed, regular and continuous information on the activities of the Company and be able to access any data concerning the Company. The goal is the fulfillment of the responsibilities that a public company must carry to provide public disclosure and to achieve transparency.
- The Company took the necessary steps to achieve compliance regarding Part IV of the CMB document that specifies the ratio of independent Board members; it accordingly assigned two independent members to the Board of Directors.
- An Audit Committee, under the Board of Directors, has been established; studies to establish other committees mentioned in the CMB document have been initiated.

The corporate website, one of the Company's most important corporate governance activities in 2004, is currently available only in Turkish. The website is being designed to increase investor relations and so that it will be able to meet future requirements.

The CMB Principles that could not be achieved completely have been stated in the Compliance Report in full detail; it is believed that they will not lead to a conflict of interest.

Deputy Chairman of the Board of Directors
Mehmet Ali Yalçındağ



Member of the Board of Directors
Vuslat Doğan Sabancı



PART I - SHAREHOLDERS

2. Investor Relations Unit

2.1. Provisions of relevant legislation, the Articles of Association and other Company policies are being followed in the use of shareholders' rights; every precaution is taken to ensure the free exercise of these rights.

2.1.1. With regard to harmonization efforts, an Investors Relations Unit was established under the control of the CEO to observe all relationships between the Company and the shareholders. It also serves to guarantee that shareholders' information rights are fully met. The main duties of this Unit are as follows:

- To ascertain that shareholder records are secure, properly kept and updated,
- To meet written information requests by the shareholders, within the scope of relevant legislation,
- To observe that the Board of Directors meetings are held regularly,
- To prepare documents submitted to the shareholders at General Shareholder Meetings,
- To take the necessary precautions to assure that the minutes of the meetings are kept properly,
- To observe and assure that all matters concerning public disclosures take place pursuant to legal provisions.

The Investor Relations Unit pays particular attention to utilizing electronic communication means and the Company's website during its efforts.

2.1.2. Under the umbrella of the Company's Investor Relations Unit, Corporate Governance – Investor Relations Director İnci Şencan, Doğan Yayın Holding A.Ş. Capital Market and Corporate Governance Coordinator Murat Doğu, Doğan Yayın Holding A.Ş. Legal Coordinator Erem Yücel, Doğan Yayın Holding A.Ş. Investor Relations Coordinator Alpay Güler and the Financial Affairs Director Halil Özkan and his personnel cooperate closely to achieve best practices.

2.1.3. Forty percent the Company's stock is listed and traded on the Stock Market, 85% of which is owned by foreign investors. The Company is among the leaders in the Stock Market with regard to foreign ownership of stock. Owing to its position, the Company frequently hosts and attends meetings by foreign corporate investors.

2.1.4. In year 2004, more than 30 shareholder inquiries were responded to in a timely manner conforming to legislation by the Capital Markets Board.

2.1.5. During 2004, requests on old stocks and coupons were met without delay.

2.1.6. Maximum attention is paid to meeting inquiries while abiding by legislation and the Articles of Association. Within the Company's knowledge, no written/verbal complaints concerning the exercise of shareholder rights were received and there were no official investigations against the Company during 2004.

3. Use of Rights to Obtain Information by Shareholders

3.1. There is no discrimination among the shareholders in their use of the rights to obtain and examine information.

3.1.1. All the necessary information and documents to ensure the proper use of shareholders' rights are submitted impartially via the corporate website at for the use of shareholders.

3.1.2. In 2004, numerous verbal information inquiries from shareholders were responded to without delay.

3.1.3. The Articles of Association do not contain any provision about an individual right to appoint a "special auditor".

3.2. In pursuit of the enlargement of shareholders' rights to obtain information, any information that might possibly affect the use of rights is submitted to shareholders instantly in electronic media.

4. Information about the General Assembly Meetings

4.1. All Company stocks are registered. The transfer and change of the stocks is subject to Item 14 of the Articles of Association.

4.2. In the Articles of Association, no particular period is specified for the recording of the Registered Shareholders in the stock ledger in pursuit of their participation in the General Assembly Meeting.

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4.3. Prior to the General Assembly Meeting, an information document on the agenda is prepared and announced to the public.

- 4.3.1. Along with legislative provisions, an announcement about the General Assembly Meeting at least two weeks in advance is made on the website and in newspapers to achieve maximum participation by the shareholders.
- 4.3.2. In all announcements, CMB Principles are being followed.
- 4.3.3. Following the announcement of the General Assembly Meeting, in addition to the Annual Report, financial statements and reports, dividend distribution proposals, the information document on the agenda of the General Assembly Meeting, any documents supporting the agenda, the recent version of the Articles of Association, as well as amendment texts and their rationale are made accessible for the shareholders at the Company's Head Office and at the branches.
- 4.3.4. No important changes in the Company's management or operational organization have been made or planned either in the previous accounting period or for the upcoming period. In such a case, it will be announced to the public pursuant to the legislative provisions.
- 4.3.5. Prior to the General Assembly Meeting, proxy statement forms are announced for those wishing to be represented by proxy.
- 4.3.6. Prior to the meeting, the voting procedure is announced to shareholders via the website and in newspapers.
- 4.3.7. In 2004, no requests from shareholders to append/amend an item to the agenda were obtained.

4.4. The meeting procedures for the General Assembly Meeting ensure the maximum participation of the shareholders.

- 4.4.1. General Assembly Meetings are held so as to prevent any inequalities among the shareholders and in a way to lessen the cost to them.
- 4.4.2. General Assembly Meetings may be held at the Company's Head Office or subject to prior announcement, in another location in Istanbul as specified by the Board of Directors.
- 4.4.3. The venue where the General Assembly Meeting is held shall be in proper condition as to ensure the participation of all shareholders.
- 4.4.4. Ordinary General Assembly Meetings are held within the legal time limit following their announcement. The Ordinary General Assembly Meeting to discuss 2003 activities was held on March 31, 2004 within the legal time period after announcement. This year, financial statements were announced at the end of the 12th week following the end of the accounting period. The Ordinary General Assembly Meeting to discuss 2004 activities is scheduled for April 11, 2005. In this regard, this implementation is in accordance with the Capital Market Legislation and hence with the Principles.

4.5. At the General Assembly, subjects on the agenda are stated in an impartial and detailed manner; a proper environment for discussion is created providing equal conditions for the shareholders to express their opinions and to make suggestions.

- 4.5.1. Minutes of the General Assembly are available on the website .
- 4.5.2. It has been observed that a small number of shareholders have attended the General Assembly Meetings in previous years; two General Assembly Meetings were held in 2004. In the 2003 Ordinary General Assembly Meeting which was held on March 31, 2004, out of the 245,142,682,411 stocks that represented the Company's total share capital, 170,916,305,512 stocks (69.72%) were represented. During the meeting, no new suggestions or questions on agenda items were added by the shareholders. In the Extraordinary General Assembly Meeting held on July 21, 2004, the subject of assigning a second Independent Member to the Board of Directors regarding the Corporate Governance Principles, was discussed; out of 245,142,682,411 stocks representing the Company's total share capital, 178,404,536,686 stocks (72.82%) were represented. With a majority of the votes, it was decided that Kai Diekmann will be appointed as an Independent Member to Board of Directors; 173,105,849,158 affirmative votes were used against the 5,298,687,528 abstaining votes.
- 4.6. The Articles of Association do not contain any provisions about the adoption of resolutions by the General Assembly regarding important issues as the split-off or the sale, purchase or leasing of substantial amounts of corporate assets. However, on resolutions regarding the sale or purchase of substantial amounts of corporate assets, the resolution of the Board of Directors, as well as, the confirmation of the Chairperson is required. The amendment of the Articles of Association is planned to be completed as soon as possible.

5. Voting Right and Minority Rights

- 5.1. Within the Company, any actions that may complicate the use of voting rights are avoided. Each shareholder is provided with the opportunity to exercise his/her voting right in the most appropriate and convenient way.
- 5.2. Neither minority rights, nor group differentiation exists within the Company.
- 5.3. Within the Company, every share is granted one voting right.
- 5.4. Within the Company, no provisions are adopted which would postpone the right to vote for a given period following the acquisition of a share.
- 5.5. Within the Articles of Association, there is no provision that may prevent voting by proxy by a non-shareholder.
- 5.6. No cross shareholdings exist within the Company's capital structure.
- 5.7. Minority rights have been granted to the shareholders representing 1/10th of the capital in accordance with the Turkish Commercial Code.
- 5.8. Utmost care is given to exercising minority rights within the Company. Neither any criticism nor any complaint has been expressed to the Company in this regard during 2004.
- 5.9. Cumulative voting practice is not adopted in the Articles of Association.

6. Dividend Distribution Policy and Dividend Distribution Time

- 6.1. The Company's dividend distribution policy is constituted in accordance with Capital Market Legislation and the provisions of the Articles of Association.
- 6.2. Distribution of dividends should be performed within the period prescribed by the legislation and as soon as possible after each General Assembly Meeting.
- 6.3. According to the Company's Articles of Association; the Board of Directors is entitled to distribute dividends in advance, provided that the Board of Directors is authorized by the General Assembly in this regard and that it complies with Article 15 of the Capital Market Law and the regulations issued by the Capital Markets Board. The authorization granted by the General Assembly to the Board of Directors to distribute dividends in advance is restricted to the corresponding year it was authorized by the Board. Until dividends paid in advance in the previous year is not fully settled, another dividend in advance cannot be granted nor can dividend distribution decisions be taken.
- 6.4. With the special circumstances disclosure on September 29, 2003, the Company's main shareholder, Doğan Yayın Holding A.Ş., has announced the dividend distribution policy of its affiliates to the public, whose shares are traded on the Stock Exchange.
Accordingly;
 - A long-term cash dividend distribution policy is targeted,
 - At least 50% of the distributable net profit of the corresponding accounting period shall be subject to distribution,
 - The dividend distribution quotient is determined in accordance to the financial positions of the affiliates,
 - This dividend distribution policy shall be maintained if no extraordinary developments take place in the economy.
- 6.5. The Company's dividend distribution policy is stated in the annual report and is announced to the public through the website.

7. Transfer of Shares

The Articles of Association does not contain any provisions to impede the free transfer of shares by the shareholders.

PART II – PUBLIC DISCLOSURE AND TRANSPARENCY

8. Disclosure Policy of the Company

- 8.1. The information policy regarding public disclosure was established and announced on the website; the "Disclosure Policy" is accessible through the website.

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- 8.2. The Corporate Governance – Investor Relations Unit has been assigned to monitor and supervise all issues pertaining to public disclosure. Questions originating from outside the Company are answered by the CEO, the CFO depending on the content of question or by the Corporate Governance – Investor Relations Director acting within their knowledge and limits of authorization. When answering queries, care is taken to avoid any violation of the rules of equal rights to obtain information.
- 8.3. Apart from those specified by the relevant legislation, data distribution companies and the website are effectively employed in making public disclosures.
- 8.4. Forward looking information is disclosed together with underlying statistical data and evidence associated with the Company's financial position and operational results. Within the Company, only the Chief Executive Officer and the Chief Financial Officer are entitled to make disclosures of such nature.
- 8.5. In accordance with Capital Market Legislation, Members of the Board of Directors, executives and shareholders, who directly or indirectly own 5% of the Company's capital, are required to disclose all transactions they have performed on the Company's capital market instruments.
- 8.5.1. The dates of special circumstance disclosures made in 2004 in this regard were as follows; February 26, November 9, November 11, December 23 and December 24.
- 8.5.2. Since special circumstance disclosures have been made in this regard, the related information is not included in the website. However, in the coming period, such information will be included in the website.
- 8.5.3. The Company does not have any derivative instruments based on its stock.
- 8.6. **Members of the Board of Directors, executives and shareholders, who directly or indirectly own at least 5% of the Company's capital, must immediately disclose information about the purchase and/or sale of capital market instruments of other Group Companies or any other company with whom they maintain a material commercial relationship.**
- 8.7. In 2004, no commercial and/or non-commercial transactions took place between the Company and other companies in which 5% or more of their capital is owned by, or which, without taking into consideration the aforementioned amount, are controlled by, or in which the management is affected by the Members of the Board of Directors, the executives and the shareholders, who directly or indirectly own 5% of the capital.
- 8.8. The 2004 financial statements and notes to financial statements are prepared on a consolidated basis and in accordance with International Financial Reporting Standards (IFRS), audited by independent auditors pursuant to International Auditing Standards (IAS) and disclosed to the public.
- 8.9. The 2004 annual report is prepared in accordance with capital market legislation and provisions and principles thereof.

9. Special Circumstances Disclosures

- 9.1. **The Company abides by the capital market legislation, provisions and principles thereof in making public disclosures.**
- 9.1.1. In 2004, a total of 63 special circumstance disclosures were made. Regarding public disclosures in 2004, no notifications, amendments or requests for additional special circumstance disclosures were raised by the Capital Markets Board and/or the Stock Exchange Administration.
- 9.1.2. Special circumstance disclosures made to the Stock Exchange are signed by the Chief Executive Officer and the Chief Financial Officer. Disclosures made to the public are prepared in close cooperation with the Audit Committee.
- 9.2. **No additional disclosures were made, since the Company's capital market instruments are not listed and/or traded on foreign exchanges.**

10. The Company Website and its Content

- 10.1. **In accordance with the CMB Principles, the Company's website at is actively used as a means of public disclosure.**
- 10.1.1. The content and layout of the website have been designed in accordance with CMB Principles in Turkish; the English version will be created as soon as possible.
- 10.1.2. Developments on the website are ongoing.

11. Public Disclosure of Ultimate Controlling Individual Shareholder/Shareholders

- 11.1. Changes in the Company's capital structure and/or management control are disclosed to the public in accordance with capital market legislation and Capital Markets Board regulations.
- 11.2. The names of the ultimate controlling individual shareholder/shareholders are disclosed to the public in a table format in an effort to allow them to be stated independent of indirect shareholding relationships, on the website and the annual report.
- 11.3. According to information available, shareholders have not entered into any agreements to have a controlling vote on the management of the Company.

12. The Disclosure of People in a Position to Obtain Insider Information

In order to deter insider trading, all the necessary measures and precautions have been taken. The list of executives who potentially possess price-sensitive information within year 2004 is prepared and submitted to the CMB. Names and positions of individuals with access to information of a sensitive nature regarding trade secrets are stated below:

Aydın Doğan	Chairperson
Mehmet Ali Yalçındağ	Deputy Chairman
Vuslat Doğan Sabancı	Member of Board of Directors/Chief Executive Officer
Ertuğrul Özkök	Member of Board of Directors/Member of Executive Committee
Soner Gedik	Member of Board of Directors/Member of Audit Committee
İmre Barmanbek	Member of Board of Directors/Chief Auditing Officer
Cem Kozlu	Member of Board of Directors
Kai Diekmann	Member of Board of Directors
Ahmet Toksoy	Chief Financial Officer/Member of Executive Committee
Ayşe Sözeri Cemal	Chief Advertising Officer/Member of Executive Committee
Sinan Köksal	Chief Marketing Officer/Member of Executive Committee
M. Ogan Balibaşa	Vice President - Financial Affairs
Temuçin Tüzecan	Corporate Communications Coordinator
Halil Özkan	Financial Affairs Manager
Cem Baykara	Finance Manager
Şükran Yiğit	Budget Manager
İnci Şencan	Financial Control/Investor Relations Manager
Sancak Basa	Human Resources Manager
Fuat Arslan	Audit Manager
Mehmet Yörük	Member of Audit Board
Cansen Başaran Symes	Independent Auditor
Gökhan Yüksel	Independent Auditor
Mustafa Aydemir	Independent Auditor
Çiğdem Havalı	Independent Auditor
Cansel Ekmekçi	Independent Auditor
Sabire Dağlı	Independent Auditor
Affan Yıldırım	Independent Auditor
Savaş Bekar	Certified Public Accountant
Özer Koçak	Certified Public Accountant
Hüseyin Küçük	Independent Public Accountant

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PART III – STAKEHOLDERS

13. Disclosure to the Stakeholders

As described in detail in Section I of the report, shareholders and investors are informed in accordance with capital market legislation, provisions and principles thereof and through other specified means. The management is encouraged to join different social organizations formed by the shareholders. Effective participation in such endeavors together with the advertisers helps to understand their needs and to ensure sustainable growth and financial strength.

14. Stakeholders' Participation in the Company Management

Any information received from the shareholders mentioned above is evaluated by the Board of Directors, Management Committees and the Executive Committee at their periodic meetings; proposals and policies for solutions are developed.

15. Human Resources Policy

- 15.1. Within the Company, the human resources policy has been documented in written format. Employees of the Company are knowledgeable and competent, they easily learn the Company's culture and possess a highly developed sense of business ethics, are honest, coherent, open to changes and integrate the Company's future with their personal future.
- 15.2. In accordance to the human resource policies, the principle of providing equal employment opportunities to individuals who have similar backgrounds and conditions is considered during recruitment and career planning.
 - 15.2.1. The recruitment criteria are documented in written format and are applied in practice.
 - 15.2.2. Each employee is treated on equal grounds with regard to education and promotion; training is designed to enhance knowledge, skills and attitude of employees.
- 15.3. Decisions or developments within the Company that may affect employees are shared in electric format through the Intranet to enhance communications between them.
- 15.4. Studies regarding job specifications and definitions and performance-based award mechanisms are continuing and are near completion.
- 15.5. Working conditions within the Company have been designed extremely safe and secure to achieve highest possible efficiency.
- 15.6. There are no trade union personnel within the Company.
- 15.7. There is no discrimination among the employees and they are all treated on an equal basis. No complaint in this regard has been received by the Board of Directors and/or the Management Committees.
- 15.8. Within the Company, employee relations are managed by the Human Resources Director, Sancak Basa.

16. Customer and Supplier Relations

Hürriyet, the pioneer in the field of print media, believes that satisfying readers and advertisers is of great importance. For this reason, quality publishing and social responsibilities are taken very seriously. With this objective, Doğan Yayın Holding's Core Principles and Hürriyet's Editorial Principles, which are also announced on the website, are being enforced at the highest level.

The Company's most important raw material used during production is paper. The paper is provided by Doğan Dış Ticaret ve Müessesilik A.Ş., a subsidiary of Doğan Holding.

The newspapers and supplements are printed in the Company-owned Doğan Printing Centers located in Istanbul, Ankara, Izmir, Adana, Antalya and Trabzon.

The printing of supplements on first quality pulp paper is subcontracted to Doğan Ofset A.Ş., also a subsidiary of the Group.

The distribution in Turkey is facilitated by Doğan Dağıtım A.Ş.

An important part of the Company's income is constituted by advertisement revenue. Every effort is being made to guarantee advertiser satisfaction. Advertisements, which for any reason were not published according to the customer's wishes is compensated for as soon as possible.

17. Social Responsibility

Believing that it has a vital stake in Turkey's modernization efforts, Hürriyet responds to social issues as part of its principles.

In the history of Hürriyet, there are many examples of its campaigning efforts that were facilitated by this philosophy. The campaign for the 96 victims of the mine fire disaster in 1983 in Kozlu, Zonguldak, helped alleviate the sorrows of the victims' families. The campaign "You Add a Brick, too" was initiated to help heal the wounds of the earthquake on August 17, 1999; this was the most comprehensive aid campaign ever organized in Turkey.

Finally, the earthquake in Bingöl on May 1, 2003, which resulted in the deaths of 82 children and revealed again the necessity to take concrete steps to assure that building codes are followed to the letter in Turkey, a country with a long history of seismic activity.

Following the Bingöl earthquake, Hürriyet cooperated with National Education Foundation and several universities and initiated the "Let Our Schools Not Be Destroyed" campaign to take measures against the destruction of schools in future earthquakes. This campaign was also created to keep the subject in the public eye. Within the scope of this campaign, fortification projects at 130 schools located in the primary earthquake-prone regions of Turkey have been carried out.

"Stop Domestic Violence!" campaign, initiated in the final quarter of 2004, targets an issue that is one of the most important social problems worldwide; it aims to create suggestions that will lead to a solution. Believing in the importance of cooperation with non-governmental agencies in such projects, Hürriyet is continuing the campaign together with the Contemporary Education Foundation. A specially outfitted bus has traveled around four districts in Istanbul to provide special training sessions by psychologists, experts in the field of problem solving without causing tension in the family. These sessions also deal with mutual expectations from the marriage and the rights of victims of domestic violence. About 1,500 people have participated during this first phase and a comprehensive report has provided important clues on the direction of this project for 2005 and the coming years.

Hürriyet is continuing its studies to take the "Stop Domestic Violence!" campaign to European countries as well.

In this period, no suits have been brought against the Company with regard to harming the environment.

PART IV – THE BOARD OF DIRECTORS

18. Structure, Composition and Independent Members of the Board of Directors

18.1. The composition and election of the Board of Directors are subject to the Turkish Commercial Code; relevant provisions are stated in the Articles of Association. In order to harmonize with the principles of the Capital Markets Board, some arrangements have been made in enforcement.

Accordingly;

18.1.1. The Company is governed and represented by the Board of Directors which consists of eight members elected from among the shareholders at the General Assembly Meeting.

18.1.2. There are two Independent Members among the Board of Directors; more than half of the members of the Board of Directors have no executive powers in the Company.

18.2. Members of the Board of Directors and their positions are stated below:

Aydın Doğan	Chairman	Non-Executive
Mehmet Ali Yalçındağ	Deputy Chairman	Non-Executive
Vuslat Doğan Sabancı	Board Member	Executive
Ertuğrul Özkök	Member	Executive
Soner Gedik	Board Member	Non-Executive
Emre Barmanbek	Board Member	Non-Executive
Cem Kozlu	Board Member	Independent
Kai Diekmann	Board Member	Independent

18.2.1. Twenty-five percent of the Board of Directors is made up of independent members. Even though there are two independent members, this number is below the one third ratio stated in the Principles. Efforts are continuing to raise the number of independent members to three.

18.2.2. The Chairman and the Chief Executive Officer of the Company are different individuals.

18.2.3. More than half of the Board of Directors is made up of Non-Executive Members.

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18.2.4. Cem Kozlu, who has been assigned as an Independent Board Member, serves as the Chairman for Central Europe, Asia and Middle East of the Coca Cola® Company. Previously, Kozlu served as a Member of Parliament for four years and as the Chairman of Turkish Airlines. Kozlu has written four books on economics and business; one is a university text book on International Marketing. The second Independent Board Member, Kai Diekmann, is the Editor-in-Chief of the German newspaper Bild. He served as manager and during the two years when he was in charge, turned his newspaper into Europe's leading, most profit-making and effective publication.

18.2.5. Regarding employment of the Board Members outside the Company, there are no set rules and/or restrictions.

18.3. Since it is clear to the Board of Directors that the Independent Members fulfill the criteria outlined in the principles of the Capital Markets Board, no further written statements have been requested. To date, no condition has arisen leading the Members of the Board of Directors to lose their independent nature.

19. The Qualifications of the Members of the Board of Directors

19.1. The Board of Directors is formed in a manner to ensure effectiveness at the highest level. While the provisions stipulated under the principles of the Capital Markets Board are being adhered to in this regard, these have not yet been included in the Articles of Association.

Accordingly, in principle;

19.1.1. The Members of the Board of Directors shall be elected from those individuals having basic knowledge of the legal environment regarding operations and transactions of the Company's line of business, who are professional and experienced in management and have the ability to strengthen the financial statements, preferentially with university degrees.

19.1.2. In order to meet its obligations and duties, every year, the Board of Directors may designate members responsible for financial, monetary and legal issues; at the same it may delegate part of its duties by assigning executive directors who shall oversee the implementation of the Board's resolutions.

20. Mission and Vision of the Company and Strategic Objectives

The mission, vision and values of the Company as well as its strategy are announced to the general public via the website.

The Company's mission is to provide Turkish-speaking people throughout the world with correct news and information with straightforward commentary and assessments. The principal task of the Company's executives is to manage the Company and the newspaper in such a way so as to ensure and protect independence and to create the highest value for the shareholders.

Its vision is to continue to produce high quality publishing, while ascribing high value to its employees, supporting its social responsibilities and maintaining its pioneering role in the public arena.

Its strategy includes providing customer-oriented service, developing reader-oriented specialty products, producing content via traditional brands, closely following the changes in technology, diversifying and enlarging content distribution channels using creative methods, tailoring information and educational products and tools to individuals while cooperating with the world's leading media enterprises.

The Board of Directors and the Management are constantly reviewing the Company's position in line with its strategic objectives. In regular and frequent meetings, the Company's market position is reviewed and new targets and strategies are developed by the Board.

21. Risk Management and Internal Control Mechanism

Financial risk is managed by Financial Affairs, Accounting, Budget and Financial Control Departments under the authority and responsibility of the Group's Financial Presidency. Along with the financial risk, the observation and reporting of the operational risk in the affiliated companies is under the management of the Group's Financial Presidency. The Audit Committee also reports its observations of problems concerning the risk management and internal control mechanism, when necessary.

22. Duties and Responsibilities of Members of the Board and the Executives

The duties and responsibilities of the Members of the Board of Directors and the Executives are explicitly separate and distinct; these have been listed in the annual report and announced to the general public.

23. Activities of the Board of Directors

- 23.1. In order for the Members of the Board of Directors to fulfill their duties, they are provided with the right information at the right time.
- 23.2. The Board of Directors takes separate decisions for the approval of the financial statements and notes to financial statements, the independent audit report, the corporate governance compliance report and the annual report.
- 23.3. Board meetings are organized by the Chairman, the Deputy Chairman and the Chief Executive Officer who is also a member of the Board. Communication among Board members is facilitated by the Board of Directors' Secretariat.
- 23.4. In 2004, six meetings of the Board of Directors took place; resolutions were approved unanimously without opposition.
- 23.5. The meetings of the Board of Directors are planned and facilitated effectively and efficiently.

Accordingly;

- 23.5.1. The Board of Directors meets when a requirement arises, but at least once every month.
- 23.5.2. As a rule, the Board of Directors meets when requested by the Chairman, the Deputy Chairman or the CEO, who is also a member of the Board of Directors. The meeting date can be decided upon by the Board of Directors. In case the Chairman or Deputy Chairman does not call for a meeting upon the request of one of the Board Members, then the Members shall have the right to call for a Board meeting.
- 23.5.3. Calls for meetings include the agenda and all relevant information and documents.
- 23.5.4. As a rule, the Board of Directors meetings take place at the Corporate Headquarters. However, upon a decision by the Board of Directors, the meetings can be held in a different location.
- 23.5.5. Generally, members of the Board are required to meet in person, however, it is also possible to participate via remote access. Written opinions of the members who cannot attend the meetings in person are conveyed to other members.
- 23.6. A Board of Directors' Secretariat reporting to the Chairman has been established to serve all members of the Board and to properly document the Board meetings.
- 23.7. The meeting/travel expenses of the Board of Directors, special study requests concerning duties and related similar expenses are covered by the general budget without any restriction.
- 23.8. According to the Articles of Association, the members of the Board of Directors do not hold weighted voting and/or veto rights.

24. Restrictions on Conducting Business and Competing with the Company

In the ordinary General Assembly Meeting in 2004, the members of the Board of Directors were delegated with the authority to conduct business with and compete against the Company.

In 2004, no Board Member, Executive or controlling shareholder including those who may have access to insider information have conducted business on behalf of their own names in the Company's line of business.

25. Ethical Rules

The Company follows Editorial Principles decided upon and announced to the public by DYH. In addition to these principles, the Code of Conduct for the DYH personnel, decided upon and announced to the public by DYH, has been adopted. These principles and rules have been placed on the website of DYH.

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

26.1. In line with the Company's current position and requirements, an Audit Committee has been established to ensure that the Board of Directors properly fulfills its duties and responsibilities. The Corporate Governance Committee is still under establishment.

26.2. Information regarding the Audit Committee is stated below:

26.2.1. Information regarding the members of the Committee is stated below:

Name	Title	Explanation
İmre Barmanbek	Chairperson	Board Member / Non-Executive
Soner Gedik	Member	Board Member / Non-Executive

26.2.2. The Chairperson of the Audit Committee is not an Independent Member of the Board of Directors. However, because she is a Non-Executive Member, Capital Markets Board Regulations are being followed.

26.2.3. All members of the Audit Committee are Non-Executive Members of the Board of Directors.

26.2.4. In its actions, the Audit Committee follows the provisions stipulated under the principles of the Capital Markets Board, as well as the Corporate Governance Principles. In this scope, in 2004;

- The Company's financial statements and their notes as well as the independent audit report for the past year were reviewed prior to their public disclosure and a meeting was held with the Independent Audit Company.
- The Company's independent audit contract was revised.

26.3. Information regarding the Corporate Governance Committee is stated below:

26.3.1. The Corporate Governance Committee is still under establishment. The information regarding the members submitted to the Board of Directors for approval is:

Name	Title	Explanation
Cem Kozlu	Chairman	Independent Board Member / Non-Executive
Murat Doğu	Member	Non-Executive
İnci Şencan	Member	Financial Control and Investor Relations Director, Non-Executive

26.3.2. Murat Doğu, Member of the Corporate Governance Committee, is also the Chairman of the DYH Corporate Governance Committee.

27. Financial Benefits Granted to the Board of Directors

27.1. The Chairman, the Deputy Chairman and the Members of the Board of Directors are granted remuneration as decided upon by the General Assembly. In concluding on this remuneration, along with the CEO's salary, the time that Board Members will spend in the meetings, as well as the time covering pre- and post-meeting preparations and duties assumed are taken into consideration. Moreover, the attendance fee to be paid to the Board Members for each meeting is also decided upon by the General Assembly.

27.2. In the ordinary General Assembly Meeting held in 2004, the following net monthly salaries have been agreed upon: Chairman, YTL 5,000; Deputy Chairman, YTL 4,000; and Board Members, YTL 3,000. There is no other performance-based reward mechanism for the Board Members.

No other loans or credits have been granted by the Company to any of the Board Members or Executives, whether directly or indirectly.

TOP MANAGEMENT

Vuslat Doğan Sabancı
Chief Executive Officer

Ertuğrul Özkök
Editor-in-Chief

Ahmet Toksoy
Chief Financial Officer

Ayşe Sözeri Cemal
Chief Advertising Officer

Sinan Köksal
Chief Marketing Officer

Temuçin Tüzecan
Corporate Communications Coordinator

Ahmet Dalman
IT Systems Coordinator

Halil Özkan
Financial Affairs Director

İnci Şencan
Financial Control and Investor
Relations Coordinator

Sancak Basa
Human Resources Director

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Doğan News Agency
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Doğan Books
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Doğan Ofset
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