

DUTIES OF AND RULES OF PROCEDURES FOR THE CORPORATE GOVERNANCE COMMITTEE OF EMLAK KONUT REAL ESTATE INVESTMENT INCORPORATED COMPANY

I. PURPOSE, SCOPE AND LEGAL BASIS

Article 1: The Purpose and the Scope

The purpose of this regulation is to identify the duties of and rules and procedures for the Corporate Governance Committee (“the Committee”) which was established within Emlak Konut Real Estate Investment Incorporated Company (“the Company”).

The Committee shall support and assist to the Board of Directors by means of undertaking works on the issues of the compliance of the Company with corporate governance principles under the “Communication on Identification and Implementation of Corporate Governance Principles” of the Capital Markets Board numbered Serial: IV, No:56, researching the reasons in the case that these principles are not implemented within the Company and taking remedial measures by identification of incompatibilities arise as a result of not fully implementation; investor relations and public disclosure. The Committee will review, assess and makes recommendations on the systems and procedures the Company has established or will establish in realization of Company performance increasing methods. In addition, The duties of Naminating Committee, Early Risk Identification Committee and Wages Committee foreseen by the Corporate Governance Principles will be carried by the Committee as well.

Article 2: The Legal Basis

The Committee was established within the framework of regulations, provisions and principles under Capital Markets Legislation, article 17 of the Articles of Partnership and the “Communication on Identification and Implementation of Corporate Governance” of the Capital Markets Board numbered Serial: IV No: 56.

II. STRUCTURE OF THE COMMITTEE

Article 3: Establishment

The Committee is established and authorized by the Board of Directors of the Company. The Committee is re-established at the first meeting of the Board of Directors that is to be held after the annual ordinary General Meeting. By this way, the working period of the Committee becomes parallel with working period of Board of Directors and the Committee is re-established after the pre-defined adaptation process of the new board of directors has been completed.

The Committee is authorized to receive information by inviting representatives of persons and institutions in relation to the Company, internal and external auditors and experts on

one's subject to its meetings and to receive external professional legal and consultancy services when it needs to.

The Committee may initiate special reviews if it finds necessary and may appoint experts on one's subject as consultants to assist on these reviews.

The Committee operates under its own authority and responsibility and makes recommendations for the Board of Directors, however the responsibility of final decision always belongs to the Board of Directors.

Article 4: Membership

The Committee is composed of at least two members chosen in accordance with the Articles of Partnership by the Board of Directors. If the Committee is composed of two members, then both of them; if it is composed of more members, then the majority of them are chosen among the members of the Board of Directors who do not have executive roles. Within the framework of this limitation, experts on one's subject may be assigned within the Board of Directors when needed. In any case, the Chairman of the Committee is chosen among the independent members of the Board of Directors. The Chief Executive Officer or the General Manager cannot have membership within the Committee.

Article 5-Committee Meetings

The Committee convenes upon the participation of one more than half of the number of members, takes decisions with majority.

Excluding force majeure, The Committee in principle convenes at least once in every month and every time when it is needed at the company headquarters upon the invitation made by the Chairman of the Committee. The Chairman of the Committee may change the day, time and venue of the meeting on the condition that it is previously announced to Committee members. All the works undertaken by the Committee and decisions taken at Committee meetings are put in writing, signed by Committee members and kept in an organized manner. The accounts of the works and decisions in question are kept.

The Committee may invite any managers whom it considers necessary to its meetings and may take their opinions. The Committee may benefit from independent experts' opinions that it requires on issues with respect to its activities.

The Committee further presents its reports covering information on its works and meeting results to the Board of Directors.

III. DUTIES AND RESPONSIBILITIES

Article 6: General

The Committee is responsible for monitoring the compliance of the Company to the Corporate Governance Principles, and has the duty to particularly research to what extent the Corporate Governance Principles are implemented within the Company, to identify the reasons in the case that these principles are not implemented and making remedial recommendations for the Board of Directors by identifying the problems and clashes of interests arise as a result of not fully implementing them.

Furthermore, The Committee will assist to the Board of Directors by means of carrying works on the issues of wages, bonus and performance valuation, carrier planning, investor relations and public disclosure.

Article 7: Compliance to Corporate Governance Principles

The Committee makes recommendation for the Board of Directors on the issues that the infrastructure for managerial applications aiming to increase the Company performance operates in a sound manner, is understood and accepted by the employees, and is supported by the management.

The Committee detects whether the Corporate Governance Principles are implemented, the reason why if it is not implemented and clashes of interests that occur because of not fully complying with these principles and makes remedial recommendations for the Board of Directors.

Article 8: Early Risk Identification

The Committee will serve as the Early Risk Identification Committee as foreseen by the Corporate Governance Principles. In this regard, the Committee undertakes operations with the purpose of early identification of risks that would endanger the presence, development and maintenance of the Company, and implementation of necessary measures with regard to identified risks, and managing the risk. It takes opinions of the management and related parties on the identification of areas that may constitute managerial risks and vulnerabilities and plans on the issue of overcoming the deficiencies.

The Committee revises the risk management systems of the Company at least once a year.

The Committee examines important complaints received by the partnership on management; ensures their closure and ensures the submission of the notifications of the employees on this issue to the management within the principle of confidentiality.

Article 9: Public Disclosure

The Committee, by reviewing the activity report to be disclosed, revises whether the information exists therein are accurate and consistent compared to the information that the Committee has.

The Committee develops recommendations to ensure the disclosures are to be made in accordance with particularly laws and regulations and the “Information Policy” of the Company.

Article 10: Compliance with Internal Regulations

The Committee ensures the putting internal regulations in writing and develops measures for ensuring for them to reach all employees, and assesses whether the internal regulations and acceptable behavior patterns are transferred to employees through an appropriate communication method by the Company management.

The Committee supervises the compliance to internal regulations which prevent clash of interests that may arise among members of the Board of Directors, managers and other employees, and of misuse of information with the capacity of business secrets.

Article 11: Nomination

The Committee will serve as the Nominating Committee as foreseen by the Corporate Governance Principles. In this regard, the Committee undertakes operations on the issues of establishing a system on identification, evaluation and training of suitable nominees for the Board of Directors and senior management, and of developing policies and strategies on this matter. It makes regular evaluations about the structure and efficiency of the Board of Directors and makes recommendations for the Board of Directors on applicable changes in these issues.

The Committee develops recommendations about the number of members of Board of Directors and managers.

Article 12: Investor Relations

The Committee supervises the works of “Stake Holders Relations Unit” (the “Unit”) established under its body, acts in cooperation with the Board of Directors in keeping the effective communication between the Company and stake holders, and elimination and resolution of disputes.

The Unit is established under the body of the Committee, as reporting to the Chairman of the Committee, in order to monitor all relations between partners and investors and to fully meet their requirements for right to information.

The Unit is composed of enough number of expert personnel.

The name, surname and contact information of the manager of the Stake Holders Relations Unit and any changes occurred in these information is notified to the stock exchange to be announced onto the stock bulletin within the framework of regulations of the Capital Markets Board concerning material disclosure.

The Unit;

- a) Responds the information requests of stake holders and investors within the framework of legislation, articles of partnership, corporate governance principles and information policy, excluding information that are non-disclosed, confidential and having the characteristics of a business secret.
- b) Organizes periodic investor contact meetings at home and abroad within the framework of corporate governance principles and information policy, and participates organized meetings.
- c) Carries necessary works for turning the company website into an active communication platform for domestic and foreign investors.
- d) Supervises and monitors the process with regard to public disclosure is realized in accordance with the legislation.
- e) Ensures sound, reliable and up-to date keeping of the records concerning stake holders.
- f) Ensures the preparation of activity reports in the form that the legislation and Corporate Governance Principles foresee.
- g) Follows up General Assembly are conducted in accordance with the legislation, articles of partnership and other internal Company regulations and practices.
- h) Prepares the documents which will be presented to stake holders in General Assembly, keeps the records of voting results, and ensures reports about the results reach to stake holders.
- i) Undertakes necessary works to make sure that minutes of meetings are recorded properly.

Article 13: Identification of Wage Policy

The Committee will serve as the Wages Committee as foreseen by the Corporate Governance Principles. In this context, the Committee, taking the long term goals of the Company into consideration, identifies recommendations concerning waging terms of members of Board of Directors and senior executives and criteria that can be used for waging in relation to the performance of the Company and the member. It submits its recommendations concerning

wages to be paid to members of the Board of Directors and senior executives, taking the degree of meeting these criteria into consideration.

The Committee and the Board of Directors cannot use stock options or payment schedules based on Company performance in waging the independent members of the Board of Directors and keeping the wages of the independent members of the Board of Directors in question at a level to secure their independency is provided.

Article 14: Other Responsibilities

The Committee submits its work and recommendations on the issues lay under its authorization and responsibility areas to the Board of Directors in writing.

The Committee undertakes other activities requested by the Board of Directors that would be considered within the scope of corporate governance.

The Committee follows the developments in the field of corporate governance and researches their effects on the Company management.

IV. BUDGET

Article 14: The Budget

Any sort of resources and support that is needed for the Committee to effectively and efficiently carry its duty and its activities are provided by the Board of Directors. To this end, the Committee shall have an annual budget that is approved by the Board of Directors.

V. ENFORCEMENT

Article 15- Enforcement

Duties of and rules of procedures for the Committee and hereby amendments come into force with Board of Directors' decision.