



DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CORPORATE GOVERNANCE PRINCIPLES

COMPLIANCE REPORT

MAY 2005

CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE

1. DECLARATION OF COMPLIANCE WITH PRINCIPLES OF CORPORATE GOVERNANCE

Doğan Holding has embraced the concepts of fairness, transparency, accountability and responsibility and intends to fully adhere to these Principles of Corporate Governance. The completion of ongoing pursuits regarding the Principles of Corporate Governance, the rules of ethical conduct and company bylaws is in progress.

No conflict of interest has arisen among interest holders due to principles that have yet to be implemented.

Details on the implementation of these principles in the operating cycle ending Dec. 31, 2004 are included in the appendix.

Tufan Darbaz

Member Plenipotentiary and CEO

CHAPTER I - STAKEHOLDERS

2. Stakeholder Relations Unit

2.1. Shareholding rights are exercised in accordance with the relevant legislation, Company bylaws and other inter-company rules. All necessary steps have been taken to ensure the ability to exercise these rights.

2.2. The Stakeholder Relations Unit has been introduced to monitor relations between stakeholders and the Company and to ensure that stakeholders receive information on the company. The unit is tasked with the following:

- a)** Ensuring the clarity, security and timeliness of stakeholder records;
- b)** Responding to stakeholder questions concerning the Company while ensuring that information released does not constitute a trade secret or privileged information;
- c)** Ensuring that General Meetings are held in accordance with relevant legislation, company bylaws and other inter-company rules;
- d)** Preparing documents for use by stakeholders at General Meetings;
- e)** Maintaining records of votes and disclosing such results to stakeholders;
- f)** Monitoring a wide range of issues including legislation as well as determining the Company's Information Policy;
- g)** Ensuring that financial activities are carried out; and
- h)** Ensuring that investor relations activities are conducted.

The Stakeholder Relations Unit will be linked functionally to the Corporate Governance Committee and administratively to the CFO in 2005.

2.3. Representatives from the Financial Affairs, Legal and Budgeting and Finance divisions operate under the CFO's oversight within the Stakeholder Relations Unit.

2.4. The Unit responded to over 500 requests for information and questions originating directly or indirectly with stakeholders in 2004. All questions were answered with the exception of information identified as trade secrets. The relevant documents and information were delivered to stakeholders in line with the principle of fairness.

Moreover, employing a proactive approach with stakeholders, the Stakeholder Relations Unit communicates administrative messages and strategies to stakeholders through regular meetings. Accordingly, two informational meetings were held with investors and representatives of organizations reporting on Company activities in financial markets.

In order to inform institutional investors domiciled overseas, three visits were paid to investors in the institutional investment centers of London and New York, enabling institutional investors to meet with Company administrators face-to-face.

Moreover, the CEO informs the public of annual and six-month results in the Company's annual reports and on its Web sites.

Stakeholders are provided Company information in English and Turkish at www.doganholding.com.tr in the Investor Relations section.

2.5. In 2004 stakeholders' demands vis-à-vis shares were fulfilled without delay.

2.6. In meeting such demands, compliance with the law and Company bylaws is strictly maintained. No written or verbal complaints or administrative or legal investigations involving the utilization of shareholder's rights were recorded against the Company in 2004.

3. Exercise of the Right to Information by Shareholders

3.1. No distinction is made among stakeholders as regards the exercise of the right to information.

3.2. Over 500 requests for information were received either directly or indirectly from stakeholders in 2004 primarily concerning financial and strategic developments announced by the Company. All information requests from stakeholders were fulfilled without delay.

3.3. Financial information, news and presentations are published on the Company's Web sites. Stakeholders submitting requests for information are directed to the Company Web site where information and documentation are equally presented for the use of stakeholders.

3.4. Although not stipulated by Company bylaws, a special auditor can be assigned to conduct audits only upon the request of stakeholders holding more than a 5 percent stake in the Company. However, no demand for a special auditor has been submitted to the Company.

4. General Meeting Information

4.1. The Company's ordinary General Meeting for 2003 was held on July 9, 2004, and an extraordinary General Meeting on amendments to Company bylaws was held on Dec. 21, 2004. Invitations to the meetings were published, as stipulated by the bylaws, in Milliyet newspaper and in the Turkish Trade Registry Gazette. In addition, invitations from the Board of Directors were delivered to stakeholders holding registered shares in accordance with Turkish commercial law within the time stipulated.

4.2. The method of holding general meetings ensure maximum stakeholder attendance.

4.3. General Meetings are conducted in line with the principle of fairness so as to cause the least uncertainty and cost for participants.

- 4.4.** The ordinary General Meeting was held at a downtown Istanbul hotel to facilitate the attendance of stakeholders.
- 4.5.** Shareholders are not required to register their names on shareholders' lists within any specific time frame prior to attendance at meetings.
- 4.6.** Documents prepared for the ordinary General Meeting, the 2003 Annual Report, internal audits and the Board of Directors' actions regarding 2003 activities were made available to stakeholders 15 days prior to the meeting. The Stakeholder Relations Unit responded to questions from stakeholders following the issuance of invitations.
- 4.7.** The agenda is presented in a clear and concise manner so as to be easily understood by stakeholders, with the opportunity to voice their opinions and ask questions.
- 4.8.** The Board responded to stakeholders' questions on agenda issues at the ordinary and extraordinary General Meetings.
- 4.9.** Although stakeholders put forward no proposals at the ordinary General Meetings, the minutes indicate dissent over the Board of Directors' authorization of choice of auditor, choice of an independent auditing institution, bonds, the determination of export conditions and the establishment of joint ventures with companies conducting similar types of business. These opposing comments were all entered into the General Meeting minutes.
- 4.10.** At the extraordinary General Meeting, dissent voiced over an increase of the upper limit of the Company's registered capital and over amendments to the bylaws was entered into the General Meeting minutes.
- 4.11.** A system of open voting was employed at General Meetings.
- 4.12.** The quorum at General Meetings requires the attendance of shareholders together holding at least 50 percent of the Company's capital. Attendees at the ordinary General Meeting held 66.7 percent of capital and those at the extraordinary General Meeting held 67 percent.
- 4.13.** General Meeting minutes are held at Company headquarters and were delivered via fax to stakeholders upon demand.
- 4.14.** While the General Meeting was attended by Company staff, shareholders and an independent auditing firm, other interest holders and the media were not in attendance.
- 4.15.** There are no articles in the Company bylaws stipulating that decisions concerning Company reorganization or the purchase, sale or rental of a significant amount of property should be made at the General Meeting.

5. Voting Rights and Minority Rights

- 5.1.** In an attempt to avoid difficulties in the exercising of the right to vote, the Company seeks to facilitate the exercise of this right in the easiest, simplest and most appropriate way.
- 5.2.** There is no privilege accorded to any share.
- 5.3.** Every share carries the right to one vote in the Company.

- 5.4.** Regulations do not allow the stakeholder to vote at a specified time following the date of acquisition.
- 5.5.** No article in the Company bylaws prohibits an individual from voting as the representative of a stakeholder, even though the individual himself does not own any shares.
- 5.6.** The stakeholders made no proposals demanding representation of minority shares in Company administration.
- 5.7.** Cumulative voting is not addressed in the bylaws.
- 5.8.** Since no two Company stakeholders are involved in a mutual partnership, a vote has not been held at the General Meeting on the issue of partnerships.
- 5.9.** Although the bylaws permit the trading of dividend shares, there is no instance of the issuance of any dividend shares.

6. Distribution of Dividends and Timing of Distribution

- 6.1.** No advantage accrues to any individual in the distribution of dividends.
- 6.2.** The Doğan Group of Companies Inc. engages in dividend distribution in accordance with the Turkish Commercial Law and rates determined by the Capital Markets Board (CMB) and the General Meeting within the specified time period.

Accordingly:

Net profit can be calculated by deducting all Company expenditures, amortization, paid premiums and bonuses that have been paid or are to be realized, and accrued taxes along with other financial obligations from total income.

After the losses (if any) from previous years and the amounts determined by the Capital Markets Board are deducted from net income, reserves set at 5% by the Turkish Commercial Law and other relevant regulations and the principle revenue share at the rate and amount determined by the Capital Markets Board are allocated.

The General Meeting is authorized to determine, in accordance with the dividend distribution policy of the Company, whether the remainder is to be considered money held in reserve or distributed.

One-tenth of the amount obtained by reducing the 5 percent of capital from the funds to be distributed among shareholders and other persons having a share in profits will be considered money in reserve as determined by Paragraph 3 of the second section of Article 466 of the Turkish Commercial Law.

According to the law, unless the required amount of funds is reserved, or unless the primary profit share to be distributed to the shareholders in the form of cash and/or shares is distributed, no decision on transferring profits to the next year or paying dividends to preferred shareholders or to other shareholders, members of the board or employees can be made.

- 6.3.** Although the Company has no dividend distribution policy other than that published in the bylaws, the Board of Directors will bear in mind the sensitive balance between the growth of the Company and the expectations of the stakeholders.

6.4. It is also explained in independent auditor's reports and financial statements sent to the Istanbul Stock Exchange (ISE) that the distribution of dividends is carried out in accordance with the Turkish Trade Law and Capital Markets Board legislation.

7. Transfer of Shares

7.1. The Company bylaws contain no article limiting the transfer of shares.

7.2. The stock registry is of fundamental importance in the determination of the holders of registered shares. Stock registry recordings are carried out by decision of the Board of Directors.

7.3. All stakeholders including minority and foreigner shareholders are treated equally.

CHAPTER II - TRANSPARENCY AND PUBLICATION OF INFORMATION

8. Company Information Policy

8.1. The aim of the Company's Information Policy is to ensure the fast, accurate and reliable disclosure of financial and non-financial information related to the Company with the exception of information that is classified as trade secrets.

8.2. In order to fulfill this goal, the Company holds informational meetings in addition to issuing Special Announcements. The meetings are held with the participation of investors, analysts and the media.

In conjunction with this, the CEO and members of the Board of Directors and other top executives of the Holding attend these meetings to make presentations. In addition, Company reports are published on the Company's Web site.

8.3. The Financial Affairs Group is tasked with informing the public and monitoring all related issues associated with this task. Those authorized to disseminate the Company's Information Policy are:

Name	Title	Tel	E-mail
Ahmet İ. Karacahisarlı	Financial Affairs Group Head	(216) 556 93 44	akaracahisarli@doganholding.com.tr
Cem Kölemenoglu	Budgeting and Finance Division Head	(216) 556 93 44	cemk@doganholding.com.tr
Cengaver Yıldızgöz	Budgeting and Finance Specialist	(216) 556 92 73	cengavery@doganholding.com.tr

In responding to questions from various interest holders the balance of equal opportunity is maintained considered to be of the utmost importance.

8.4. Members of the Board of Directors, administrators and stakeholders holding 5 percent of capital either directly or indirectly must disclose transactions made on the financial instruments of the Company in accordance with Capital Markets legislation.

8.5. Consolidated financial statements for 2004 and accompanying footnotes in accordance with the IFRS are independently audited in accordance with international auditing standards and are then published.

8.6. The 2004 Annual Report was prepared in compliance with Capital Markets legislation and Capital Markets Board regulations and principles.

9. Special Announcements

9.1. The Company abides by Capital Markets legislation, CMB and ISE regulations, and CMB principles.

9.2. The Company issued 40 special announcements in 2004.

No additional statements were required by the CMB or the ISE in addition to statements already issued by the Company. The Company did not issue any delayed special announcements.

9.3. The Company has determined and announced the individuals authorized to issue special announcements.

9.4. The Company has no further responsibility to inform the public since the Company has no shares listed on foreign stock exchanges.

10. Company Web Site and Content

10.1. The Company's Web site, www.doganholding.com.tr, has actively been instrumental in informing the public.

10.2. Periodic financial statements, independent auditor's reports and annual reports have been published on the Web site as required by the applicable CMB legislation, Number XI, 25.

10.3. An English-language version of the documents and information is also available for the convenience of foreign investors.

10.4. Information provided on the Web site is as follows:

a) Institutional

- Organizational structure
- Board of Directors (Board of Directors, auditing committee, executives)
- Mission statement (mission and fundamental values)
- Corporate Governance (Declaration of Compliance with the Principles of Corporate Governance)
- Shareholder structure
- Access (communication and transportation information)

b) Sectors

- Affiliates and subsidiaries
- Group company Web sites

c) News

- Press reports
- Interviews

d) Human Resources

- Mission
- Online CVs
- Employment statistics

e) Investor Relations

- Stock profile (Performance of the Holding and its publicly traded subsidiaries and the corporate structure of the Holding, affiliates and subsidiary shares)
- Financials (Audited financial statements and independent auditor's reports)

- Presentations and reports (Financial performance and strategy presentations and reports published by intermediaries)
 - Annual reports: (Current and past annual reports)
 - List of analysts (Names of analysts responsible for the Company in intermediary institutions)
 - Communication (Contact numbers for the Stakeholder Relations Unit)
- f) Activities**
- Social responsibilities
 - Aydın Doğan Foundation
- g) Customer Relations**
- CEO's office, 24/7 access information

10.5.Information not included on the Web site and the reasons for its exclusion are as follows:

- a)** Information related to privileged shares; there are no privileged stakeholders.
- b)** Commercial registry information, Company bylaws, special announcements, explanatory statements and public offering circulars, the proxy form, General Meeting agendas, statements reflecting increases in the Company's capital, dividend statements, minutes of Board of Directors' meetings that could influence the value of financial instruments, buy and sell transactions carried out by members of the Board of Directors and other administrators, codes of ethics. Documentation regarding these items is currently being drafted and will be released upon completion of the necessary procedures.
- c)** Although there is no "Frequently Asked Questions" section on the Web site, those wanting to obtain more information can contact the CEO of the company 24 hours a day by e-mail at ceooffice@doganholding.com.tr in the Customer Relations section. Responses are provided to all questions submitted to the addresses provided by questioners in accordance with the principle of equality.

10.6.The Web site is listed on the Company's letterhead stationery.

11. Real Persons Holding Shares

11.1. Amendments to the capital structure and/or administration of the Company are announced to the public in accordance with Capital Markets legislation and CMB regulations.

11.2. The shareholder structure of the Company as of Dec. 31, 2004 was as follows:

Stakeholders	Share Capital (YTL)	Share %
Adilbey Holding A.Ş. *	382,349,868	52.00%
İMKB	252,131,806	34.29%
Aydın Doğan	86,106,341	11.71%
Işıl Doğan	12,092,273	1.64%
Aydın Doğan Vakfi	1,404,264	0.20%
Arzuhan Yalçındağ	300,914	0.04%
Vuslat D. Sabancı	300,914	0.04%
Hanzade V. Doğan	300,914	0.04%
Y. Begümhan D. Faralyalı	300,914	0.04%
Total Share Capital	735,288,208	100%

The shareholder structure of the company's main shareholder, Adilbey Holding A.Ş., as of Dec. 31, 2004 was as follows:

Stakeholders	Share Capital (YTL)	Share %
Aydın Doğan	70,720,000	26.0%
Işıl Doğan	40,256,000	14.8%
Arzuhan Yalçındağ	40,256,000	14.8%
Vuslat D. Sabancı	40,256,000	14.8%
Hanzade V. Doğan	40,256,000	14.8%
Y. Begümhan D. Faralyalı	40,256,000	14.8%
Total Share Capital	272,000,000	100%

11.3.It is to the knowledge of the Company that stakeholders have not entered into any contractual voting agreement on matters pertaining to the Company.

12. Individuals with Access to Inside Information

12.1. The chairman of the Board of Directors and its members, auditors, the Stakeholder Relations Unit, top executives of the holdings and other persons who have access to inside information are prohibited from revealing knowledge that could be used to the advantage of third parties.

12.2. Persons with access to inside information:

Aydın Dođan

Chairman

İmre Barmanbek

Deputy Chairperson

Vural Akışık

Deputy Chairperson

Tufan Darbaz

Member Plenipotentiary and CEO

Arzuhan Yalçındađ

Member

Vuslat Dođan Sabancı

Member

Hanzade Dođan

Member

Mehmet Ali Yalçındađ

Member

Tayfun Bayazıt

Member

Taylan Bilgel

Member

Ertuđrul Tuncer

Member

Sema Dođan

Tourism Group President

Yahya Üzdiyen

Strategy Group President

Reha Müstecaplıođlu

Audit Group President

Ahmet İzzet Karacahisarlı

Financial Affairs Group President

Ahmet Çađlar

Industry Group President

Cem Kölemenöđlu

Head of Budgeting and Finance Division

Yener Şenok

Head of Fiscal Division

Selma Uyguç

Head of Legal Division

İpek İlter

Head of Corporate Communications and Human Resources

Ali Rıza Karakullukçu

Audit Group Manager

Alper Altıok

Accounting and Administrative Affairs Manager

Hande Özer

Financial Control Manager

Cengaver Yıldızgöz

Budgeting and Finance Specialist

Memduh Çoşkuner

Company Auditor

Cem Soylu

Company Auditor

Mustafa İbişaođlu

Certified Financial Consultant

Bayram Ali Karakan

Certified Financial Consultant

Arzu Karakadiođlu

Secretary of the Board of Directors

Esra Dinleriz

Secretary of the Board of Directors

Elvan Ataol Çiftçi

Secretary of the Board of Directors

Hülya Yaatası

Secretary of the Board of Directors

Binnur Tunçözcan

Secretary to the Financial Affairs Group President

Independent Auditors

Auditors and authorized Individuals

CHAPTER III – BENEFICIARIES

13. Keeping Beneficiaries Informed

13.1. As is explained in detail in the first chapter of this report, stakeholders and investors are kept informed in accordance with Capital Markets legislation and CMB regulations.

13.2. The beneficiaries of the Company—shareholders, investors, financial institutions and suppliers—can access Company information via the Web site along with presentations and details of informational meetings.

13.3. The Company also has an intranet site that is only accessible by employees.

14. Beneficiaries' Participation in Administration

14.1. A continuous communication between the Company and its beneficiaries is maintained to assess demands conveyed to the Company and to find solutions to problems.

14.2. No regulation addresses the participation of beneficiaries in the Company's administration..

14.3. Employees are kept apprised of the general activities of the Company, and their suggestions are evaluated via the intranet Web site.

15. Human Resources Policy

15.1. The basic principles of the Company's human resources policy can be summarized as follows:

a) There is no discrimination based on race, ethnic origin, nationality or sex in the Company's human resources policy. People, who are regarded as equal, are afforded equal opportunity under equal working conditions. Remuneration is based on employee performance.

b) Company administrators are selected from among candidates proven to possess the necessary professional qualifications.

c) Employees are given the opportunity to work in a healthy and secure work environment and are afforded career advancement opportunities.

15.2. The human resources unit of the Company has been carrying out its work in accordance with the principles mentioned above. The details of the Company's human resources policy will be included in the ethics rules that are to be published.

15.3. The Company maintains its relations with its employees through its Human Resources Division. A system of appointing employee representatives to conduct employee relations with the Company does not exist.

15.4. No complaints of discrimination have been filed by employees of the Company.

16. Customer and Supplier Relations

16.1. The actual activity of the Company is to invest in and form partnerships in its main areas of involvement of finance, media, energy, telecommunications, tourism, industry and commerce. The Group also provides finance, project development, organization, marketing, administrative consulting and internal auditing services to its subsidiaries. Since the Company is a holding, its customers and suppliers generally consist of business partners.

16.2. In addition to meeting the needs of our business partners, the services provided them are designed to create value for the Group's companies. Services are provided to business partners in accordance with market prices.

17. Social Responsibility

17.1. The Company is determined to protect natural resources and prevent pollution of the environment while carrying out its various activities.

17.2. Within the context of corporate social responsibility, the Company has invested in Doğan Organic Products in Gümüşhane, which has been recognized for its contributions to and pioneering activities in organic agriculture. The project, friendly to natural resources and highly observant of environmental principles and animal rights, contributes significantly to the development of the region with its "contractual farming" project. This investment is considered to be a leading regional development project in Turkey.

17.3. Doğan Holding, cognizant of its social responsibilities, participates in joint projects with nongovernmental organizations either through its subsidiaries or by means of organizations operating within the Holding. The Company encourages and promotes volunteerism and social responsibility.

17.4. The Holding provides support for the development of our country through the activities of the Aydın Doğan Foundation:

- a) The Aydın Doğan Foundation was established in April 1996 as a tax-exempt non-profit organization. The Foundation mainly concentrates on developments and improvements in education, public health, scientific research, sports and economy. It is also dedicated to supporting media activities, encouraging technological development and promoting cultural and social advancement.
- b) The main concern of the Aydın Doğan Foundation is education. As a reflection of this, the Foundation has concentrated on the building of schools as well as on providing support for universities and research centers. Thus far, the Foundation has donated six elementary schools to the Ministry of Education: Sema Işıl Doğan Elementary School (Gümüşhane); Kelkit İrfani-Yaşar Doğan High School (Gümüşhane); Milliyet High School (Erzincan); Hürriyet Tourism & Hotel Management High School (Erzincan); Aydın Doğan Communications High School (İstanbul); and the Aydın Doğan Science and Art Center (Afyon).

The Foundation built a vocational college in Kelkit and in September 2003 transferred it to Erzurum Atatürk University on September 28, 2003. This vocational college has the distinction to be the first such institution in Turkey to offer courses and internships in organic agriculture as well as more mainstream courses like accounting, electric- electronic and software programming. Graduates of the school will be able to find internships and permanent work at the Doğan Organic Farming Project.

The Foundations is well aware of the need for foreign language education and in both the Vocational College and Aydın Doğan Communications High School, students are taught English.

The Foundation also supports education for the gifted through Afyon Aydın Doğan Science and Arts Center.

- c) The Foundation also finances the construction of sports complexes. A sports complex in Gümüşhane, namely Gümüşhane Aydın Doğan Sports Hall, was built and turned over to the Directorate for Youth and Sports in 2002.
- d) Galatasaray University Aydın Doğan Auditorium (Istanbul), the Turkish Sport Columnists Association's Aydın Doğan Education Center (Istanbul), the Journalists' Association's Aydın Doğan Culture and Art Gallery (Ankara), the Ankara University Medical School's Aydın Doğan Geriatrics Clinic (Ankara) and the Kalender Metin Doğan Food Center (Kelkit) are among the assets created for society at large by the Aydın Doğan Foundation.
- e) As part of its social and cultural activities, the Aydın Doğan Foundation sponsors national and international competitions and contests such as the Young Communicators Award, the Aydın Doğan Awards and the Aydın Doğan International Cartoon Competition.
- f) The Foundation is also well known as an organizer of national and international conferences, conventions, seminars and public forums. These activities attempt to find solutions to problems in the economic, social, cultural and scientific realms, while the results are used to initiate new research projects and publications in these areas. Books on media activities are published by the Foundation as well. The Foundation also provides educational materials (books, computers, and the like) for various educational institutions in Turkey.

The Aydın Doğan Foundation was named the Most Successful Foundation of the Year in 2001.

17.5. Doğan Holding is among the founders of the Corporate Governance Association (KYD), which fosters the achievement of high performance and competitiveness in Turkish companies and promotes the creation of added value for stakeholders. It is also a member of the Business Council for Sustainable Development-Turkey (TBCSD), which devises models focusing on the individual in regions of the country that are in need of development. Moreover, it aims to contribute to civil society by means of the Private Sector Volunteers Association, of which it is a member.

CHAPTER IV - BOARD OF DIRECTORS

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

18.1. There are eight non-executive, two independent and one executive members on the Board of Directors.

18.2. Members of the Company's Board of Directors:

Member	Position	Executive/Non-Executive/Independent
Aydın Doğan	Chairman	Non-executive
İmre BARMANBEK	Deputy Chairperson	Non-executive
Vural AKIŞIK	Deputy Chairperson li	Independent
Tufan DARBAZ	Member Plenipotentiary-CEO	Executive
Arzuhan YALÇINDAĞ	Member	Non-executive
Vuslat SABANCI	Member	Non-executive
Hanzade DOĞAN	Member	Non-executive
Mehmet Ali YALÇINDAĞ	Member	Non-executive
Tayfun BAYAZIT	Member	Non-executive
Taylan BİLGEL	Member	Independent
Ali Rıza TEMUROĞLU(*)	Member	Non-executive

(*) Resigned his membership on 04/01/2005 and was replaced by Ertuğrul Tuncer.

18.3. The duties of Chairman of the Board of Directors and CEO are accorded to two separate persons in this Company.

18.4. Company bylaws stipulate that members of the Board of Directors be limited to a three-year term in office. Members are elected at the annual General Meeting.

18.5. Some of the members of the Board of Directors also sit on the Board of Directors of subsidiary companies.

18.6. Brief biographies of the members of the Board of Directors are published on the Company's Web site and Annual Report.

19. Qualifications for Members of the Board of Directors

19.1. The qualifications of the Members of the Board of Directors are in compliance with the Capital Market Board's Principles of Corporate Governance as enumerated in Articles 3.1.1., 3.1.2. and 3.1.5. of Chapter IV.

19.2. Although there are no articles specifying qualifications for members of the Board of Directors, the Company strives to ensure that Board members:

- a)** Hold a college degree;
- b)** Possess competence and a high level of knowledge;
- c)** Are experienced and informed in the fields in which the Company is active;
- d)** Are sufficiently competent to read and analyze financial statements and reports;
- e)** Are knowledgeable regarding the legal regulations to which the Company is subject;
- f)** Have never been convicted of violating regulations; and
- g)** Are able to attend board meetings.

20. Mission, Vision and Strategic Goals of the Company

20.1. Our mission is to create value for our stakeholders, business partners, employees and country through transforming new opportunities into successes. Balanced and sustainable growth along with satisfactory profit are the cornerstones of this mission. The mission of the Company has been published on its Web site.

20.2. The strategic goals determined by the top management of the Company in accordance with the plans of the Company are presented to the approval of the Board of Directors prior to authorization.

20.3. The Board of Directors, through monthly meetings, assesses whether the Company has reached previously determined goals. The results of Company activities and its performance are evaluated in detailed reports.

21. Risk Management and the Internal Audit Mechanism

21.1. The task of internal auditing is currently being carried out by the Audit Group, which operates under the CEO.

The main task of the Audit Group is to protect the interests and rights of stakeholders in the Doğan Group of Companies Holding Inc. and its subsidiaries by taking measures against risks within and without the Company. It is also tasked with investigating and auditing activities and transactions carried out in accordance with decisions made by the Board of Directors for compliance with the plans, budget, regulations and directions and with legislation and accounting principles.

The Audit Group carries out its tasks in accordance with International Auditing Standards.

21.2. The Audit Group identifies risks inherent in the activities of the Holding and its subsidiaries in an effort to contribute to the development of risk management and control systems and monitors the efficiency of the organizations' risk management.

The Audit Group submits reports on financial and operational risks to the Board of Directors from data gathered through its audits. The Board of Directors also assesses risk and takes appropriate measures.

21.3. Since it is a holding company, the primary risks involve financial matters and the fiscal performance of its business partners. The management of financial risk is performed by the Financial Affairs Group. In addition to the financial risks of business partners, operational risks are also monitored by group divisions and the CEO.

21.4. In addition, regulations which form a significant part of the internal audit system have been drafted and put into effect.

22. Responsibilities and Authority of Board Members and Other Administrators

22.1. According to the Company bylaws, the Board of Directors manages and represents the company. The limit of authority of those authorized to represent the company and to collect its revenues is published in the appropriate forums by the Board of Directors.

22.2. The authority to perform management tasks and representative authority can be assigned wholly or partially to individual members of the Board of Directors by the mandates of the General Meeting or by the Board of Directors.

22.3. The Board of Directors can appoint a CEO to carry out the management of the Company whose duration on the job may exceed theirs.

22.4. The tasks of Board of Directors are as follows:

- aa)** Determining the Company's institutional philosophy and mission;
- ab)** Approval of the Company's vision, targets and strategies;
- ac)** Exiting a certain sector and entering others;
- ad)** Establishment of and participation in companies as well as their purchase, sale, merging or closing down; participation in and withdrawal from partnerships;
- ae)** Buying and selling of real estate;
- af)** Approval of salary and bonus policies;
- ag)** Approval of dividend distribution policies;
- ah)** Allocation, increase or reduction of capital;
- ai)** Approval of borrowing policy;
- aj)** Approval of rules of ethics governing companies and employees;
- ak)** Approval of communication and information policies;
- al)** Formation of administrative units and termination of their activities;
- am)** Ensuring the performance of administrative and financial auditing;
- an)** Approval of administrative activity procedures;
- ao)** Approval of a consolidated budget;
- ap)** Approval of subsidiaries' budgets and the monitoring and assessment of their performance;
- aq)** Definition of authority and its delegation;
- ar)** Election of the CEO and assessment of his or her performance;

- as)** Determination of the annual business plan and the approval of staff and budget and decisions impacting them;
- at)** Monitoring the Company's past performance and activities to determine whether or not the Company met its goals and taking measures to prevent a reoccurrence of past problems;
- au)** Ensuring that activities of the Company are in compliance with Company bylaws, internal rules and policies implemented;
- av)** Ensuring that financial statements comply with relevant legislation and international accounting standards;
- aw)** Determination of the Company's approach to stakeholders and to public relations; playing a leadership role to solve potential problems among stakeholders;
- ax)** Calling the General Meeting and ensuring those meetings are held in accordance with the law and the bylaws;
- ay)** Determination of the annual activity reports that are presented to the General Meeting;
- az)** Monitoring of implementation of General Meeting decisions; and
- ba)** Determination of executive and consultative committees to be formed within the Company structure.

23. Board of Directors' Activities

23.1. The Board of Directors convenes when necessary, but is required to hold monthly meetings.

23.2. All decisions made by the Board of Directors are recorded in the registry book.

23.3. In accordance with Article 2.17.4 of Chapter IV of the CMB Principles of Corporate Governance, the members of the Board of Directors are called upon to attend meetings on the following topics:

- a)** Determination of fields of activity and approval of business and financial plans;
- b)** The call for a General Meeting and organization of the meeting;
- c)** Determination of the annual report that will be disclosed at the General Meeting;
- d)** Election of the Chairman and Deputy Chairperson of the Board of Directors and the appointment of new members;
- e)** Formation of administrative units or termination of their activities;
- f)** Appointing or removing a CEO from the office;
- g)** Formation of committees;
- h)** Merging, divesting and restructuring of the Company;
- i)** Determination of dividend policy and determination of dividends to be paid; and
- j)** Determination of increases and reductions in capital.

23.4. The Board customarily meets at Company headquarters but can convene in another venue upon a decision of the Board of Directors.

23.5. The members of the Board of Directors are assured to access any type of information to carry out their tasks. Issues to be discussed at Board meetings are conveyed to members prior to each meeting along with the agenda.

23.6. The ordinary agenda of the Board of Directors is as follows:

- a)** Reading of the minutes of the previous meeting;
- b)** Information on actions taken at the previous meeting;
- c)** Economic developments;
- d)** Legal developments;
- e)** Company performance;

- f) Financial condition of the Company; and
- g) General assessment.

Moreover, in the presence of the circumstances described below, such issues will also be on the Board's agenda:

- a) Developments in investment projects;
- b) Approval or rejection of investments;
- c) Changes in the market value of assets;
- d) Personnel salary policy;
- e) Evaluation of audits;
- f) Discussions of the annual budget and business plan;
- g) Determining fiscal policy; and
- h) Determining dividend distribution policy.

23.7. The Legal Affairs Division serves as Secretariat to the Board of Directors.

23.8. Since all decisions made by the Board of Directors have been the result of a unanimous vote, there has been no need to vote on differing proposals offered by members at the meetings. In addition, no questions were raised by members that required note in the registry.

23.9. The members of the Board of Directors have no privileged voting rights including the right to veto.

23.10. Board of Directors' travel/meeting costs, special demands of their work and similar expenses are funded by the general budget without limitation.

24. Conducting Transactions for the Company and the Ban on Competition

The required permission is granted by the General Meeting for members of the Board of Directors to carry out transactions specified in Articles 334 and 335 of the Turkish Commercial Law, except for the those expressly prohibited by the same law.

25. Ethics Rules

The Company has formulated its code of ethics and it will be published.

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

26.1. The Company has established an Audit Committee to ensure that the Board of Directors successfully performs its tasks in accordance with Capital Markets Board legislation.

26.2. Members of the Audit Group Division:

Taylan Bilgel: Member of the Board of Directors, independent member

Ertuğrul Tuncer: Member of the Board of Directors, non-executive member

26.3. Audit Committee members possess qualifications enabling them to perform their duties and were selected from among the non-executive members of the Board who are not also members plenipotentiary.

26.4. The Audit Committee conducts its activities regularly in accordance with Capital Markets legislation and the Capital Market Board's Principles of Corporate Governance. In conjunction with this, in 2004:

- a)** The Company's annual/interim financial statement and footnotes and independent auditor's reports were all examined prior to public release; and
- b)** Independent auditor's contracts with the Company and its subsidiaries and on shares to be publicly traded on the Istanbul Stock Exchange were all examined.

26.5. The Audit Committee holds meetings at least four times a year and presents its decisions to the Board of Directors in written format.

26.6. The Audit Committee is acting within the limits of its authority and responsibilities and advises the Board of Directors. However, final decisions are made by the Board of Directors.

27. Financial Rights Accorded the Board of Directors

27.1. According to the Company bylaws, financial remuneration to be paid the Board of Directors as compensation for their services is to be determined at the General Meeting.

27.2. The performance of the Company is taken into consideration in determining the financial rights to be accorded to Board of Directors.

27.3 Members of the Board of Directors do not receive loans from the Company either in cash or in any other form. They are also not authorized to offer any guarantee in favor of or co-sign along with any member.

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