



DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

CORPORATE GOVERNANCE PRINCIPLES

COMPLIANCE REPORT

MAY 2006

CORPORATE GOVERNANCE

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1. DECLARATION OF COMPLIANCE WITH PRINCIPLES OF CORPORATE GOVERNANCE

Doğan Holding has embraced the concepts of fairness, transparency, accountability and responsibility and aims 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 and is set to be completed within the year 2006.

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, 2005 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 except those that 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 capital markets 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 2006.

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. More than 500 requests for information and inquiries coming in directly or indirectly from shareholders or investment firms were answered to in 2005. Pertinent information and documents that were not confidential and did not constitute trade secrets were provided to shareholders without any discrimination.

Adopting a proactive approach in its dealings with shareholders, the Shareholder Relations Unit issues, in addition to public announcements and material disclosures, messages from management and information on corporate strategies to shareholders at regular meetings organized with brokerage houses. Over 30 meetings with brokerage houses have so far been organized at Doğan Holding headquarters.

In order to provide information to institutional investors who are domiciled abroad, visits were organized in 2005 to London and New York, both cities such investors are concentrated. At the same time, in October, an information meeting was organized in Göcek which provided an opportunity for participating foreign institutional investors to meet company management face to face.

In addition, the CEO informs the public of the Company's operational results through a yearly message published both in the Annual Report and on the Company's website.

Moreover, the Investors Relations Department, using the website address www.doganholding.com.tr, regularly provides shareholders with updated information about the Company, both in English and Turkish.

- 2.5.** Utmost care is taken to meet requests and comply with the law and the Articles of Association. No written or oral complaint has reached the Company in 2005 with respect to the exercise of shareholders rights, nor has there been, to our knowledge, any administrative or legal proceedings initiated against the Company.

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 in 2005.

3.3. Financial information, news and presentations are published on the Company's Web site. 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 2004 was held on August 11, 2005. 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 in Istanbul 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 2004 Annual Report, internal audits and the Board of Directors' actions regarding 2004 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. It was reported that a note of dissent concerning the donations made by the Company in 2004 was presented at the Ordinary General Meeting and this note was entered into the minutes of the General Meeting in accordance with applicable legislation.
- 4.10. Voting at General Meetings was made by open ballot.
- 4.11. General Meeting decisions require the presence of shareholders or their proxies representing at least half of the Company's capital. 59% of the capital was present at the Ordinary General Meeting.
- 4.12. Minutes of the General Meeting were made available at Company headquarters and were faxed to shareholders upon request.
- 4.13. General Meetings were attended by shareholders, Company employees and independent auditors, but not by other stakeholders or the media.
- 4.14. There is no provision in the Company's Articles of Association that requires decisions on matters such as spin-offs or the sale, purchase or leasing of material assets to be taken by 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 proxy voting.
- 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 with 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. The Company's dividend policy for 2006 and subsequent years has been defined as follows:

"Profit shall be distributed in cash and/or as bonus shares in a way that will optimize the Company's financial position within the context of the legislation it is required to comply with, its growth strategy, investment and financing needs in the industry, as well as conditions in the national and international economy." This has been announced to the public in accordance with CMB Decision No. 4/67 dated January 27, 2006, disclosed in the Annual Report and communicated to shareholders at the Ordinary General Meeting for the year 2005.

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 a trade secret and undisclosed information to the public.

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 President	(216) 556 93 44	akaracahisarli@doganholding.com.tr
Cem Kölemenöđlu	Budgeting and Finance Division Head	(216) 556 93 44	cemk@doganholding.com.tr
Hande Özer	Financial Control Division Manager	(216) 556 92 59	handeo@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 with the utmost care.

8.4. An extensive statement on Company's Information Policy will be announced to the public in 2005.

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

8.6. The consolidated financial statements and notes for 2005 are in conformity with International Financial Reporting Standards and have been prepared in accordance with Decision No. 1604 of the CMB dated December 10, 2004. They are also audited by an independent auditor in accordance with International Auditing Standards and accordingly disclosed to the public.

8.7. The 2005 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 54 material disclosures in 2005.

The CMB and the ISE have asked for five additional disclosures with respect to the material disclosures made by the Company.

All material disclosures were made within the relevant timeframe.

9.3. The Company has determined and announced the individuals authorized to issue special announcements and these are made under their signature.

9.4. The Company is under no other obligation 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 ceoffice@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, 2005 was as follows:

Stakeholders	Share Capital (YTL)	Share (%)
Adilbey Holding A.Ş. *	382,349,868	52.00%
Free Float	252,131,806	34.29%
Aydın Doğan	56,694,341	7.71%
Işıl Doğan	12,092,273	1.64%
Aydın Doğan Vakfı	1,404,264	0.20%
Arzuhan Yalçındağ	7,653,914	1.04%
Vuslat D. Sabancı	7,653,914	1.04%
Hanzade V. Doğan	7,653,914	1.04%
Y. Begümhan D. Faralyalı	7,653,914	1.04%
Total Share Capital	<u>735,288,208</u>	<u>100%</u>

The shareholder structure of the Company's main shareholder, Adilbey Holding A.Ş., as of Dec. 31, 2005 was as follows:

Stakeholders	Share Capital (YTL)	Share (%)
Aydın Doğan	72.800.000	26.0%
Işıl Doğan	41.440.000	14.8%
Arzuhan Yalçındağ	41.440.000	14.8%
Vuslat D. Sabancı	41.440.000	14.8%
Hanzade V. Doğan	41.440.000	14.8%
Y.Begümhan D. Faralyalı	41.440.000	14.8%
Total Share Capital	<u>280.000.000</u>	<u>100%</u>

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 Plenipotentiarity and CEO

Arzuhan Yalçındađ

Member

Vuslat Dođan Sabancı

Member

Hanzade Dođan

Member

Mehmet Ali Yalçındađ

Member

Refik Aras

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

Yener Őenok

Head of Fiscal Division

Cem Kölemenođlu

Head of Budgeting and Finance Division

Selma Uyguç

Head of Legal Division

İpek İlter

Corporate Relations, Communications and Human Resources Group President

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 Karakadıođlu

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 and 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. There is no regulation that provides for 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 and an open door policy is employed at all times.
- 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 employee.

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 the region 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 under the aegis of Doğan Holding. The Company encourages and promotes volunteerism and social responsibility.

17.4. In addition, the activities of the Aydın Doğan Foundation support the development of Turkey in several areas:

a) The Aydın Doğan Foundation was established in 1996 to undertake investments, engage in activities and support work conducive to the creation of a strong, modern and respected society in Turkey, to help people administer to their needs and solve their own problems, to provide the basic tools and give them the opportunity to access impartial and accurate information, and to develop the country's educational and cultural level. In order to achieve these aims, the Foundation contributes to development and improvement of education, culture, art, health, sports, science and the economy. It supports and invests in projects in these fields.

b) Aware that eliminating the problems of education in Turkey is crucial to the achievement of the above goals, the Aydın Doğan Foundation engages in several educational investments in various regions of the country. Toward this end, the Foundation builds schools, vocational schools, sports facilities and research centers and provides many schools with educational materials and supplies such as computers and books.

Some of the education projects of the Aydın Doğan Foundation were the Sema İşil Doğan Elementary School in Gümüşhane, the Atatürk University Elementary School in Erzurum, the Aydın Doğan Elementary School in Istanbul, The İrfani-Yaşar Doğan Multi-program Boarding High School in Kelkit, the Milliyet Anatolian Teacher's High School in Erzincan, the Hürriyet Anatolian Hotel Administration Vocational School in

Erzincan, the Aydın Doğan Communications School in Istanbul and the Atatürk University Kelkit Aydın Doğan Vocational College in Kelkit.

The Atatürk University Kelkit Aydın Doğan Vocational College, besides offering courses in accounting, electricity, electronics and computer programming, is Turkey's first and only school providing education in organic agriculture. The school's educational program cooperates with the Doğan Organic Facilities which engages in production in the region.

In 2005, the Aydın Doğan Foundation donated 1600 computers to elementary schools in Gümüşhane, Bayburt, Erzincan and Tunceli as part of the "Full Support to Education" project organized by the Ministry of Education.

The foundation spends 80% of its core budget on education. In this context, the Board of Directors decided in 2005 to build five women's dormitories in the districts of Kürtün, Köse and Kelkit in the provinces of Erzurum, Erzincan and Gümüşhane, respectively. Efforts to implement these decisions have been initiated.

The foundation believes in the importance of language instruction and in this context, English language instruction conducted by native-speakers is available at the Kelkit Aydın Doğan Vocational College and at the Aydın Doğan Communications School.

The foundation also contributes to the development of gifted students through the Afyon Aydın Doğan Science and Arts Center.

- c) The Aydın Doğan Foundation also provides financial support to the construction of sports facilities. A large sports complex has been built in Gümüşhane, and its administration turned over to the Youth and Sports General Directorate (Gümüşhane Aydın Doğan Sports Hall).
- d) Some other facilities contributed by the Aydın Doğan Foundation for the benefit of the public are Galatasaray University Aydın Doğan Auditorium (Istanbul), Sports Writers' Association of Turkey Aydın Doğan Training Center (Istanbul), the Journalists Association Aydın Doğan Culture and Arts Gallery (Ankara), Ankara University Medical School Aydın Doğan Geriatrics Clinic (Ankara) and Kalender Metin Doğan Soup Kitchen (Kelkit).
- e) As part of its social and cultural activities, the Aydın Doğan Foundation organizes national and international competitions such as the "Young Communicators Award", the "Aydın Doğan Awards," and the "Aydın Doğan International Cartoon Contest."
- f) The foundation also organizes national and international conferences, congresses and seminars in an effort to find solutions for economic, social, cultural and scientific issues. It encourages research in these areas, publishing research results as well as books on media work.

17.5. Doğan Holding is one of the founders of the Corporate Governance Association of Turkey (TKYD), an organization that works to create high-performance, competitive, well-managed corporations that generate maximum shareholder value. Closely interested in designing small-scale projects focusing on "people" and creating repeatable models, the foundation is also a member of the World Business Council for Sustainable Development, an organization that aims to contribute to growth in the least-developed regions of Turkey.

CHAPTER IV - BOARD OF DIRECTORS

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

18.1. There are eight non-executive, one independent and two 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	Non-executive
Tufan DARBAZ	Member Plenipotentiarity,CEO	Executive
Arzuhan YALÇINDAĞ	Member	Non-executive
Vuslat SABANCI	Member	Non-executive
Hanzade DOĞAN	Member	Non-executive
Mehmet Ali YALÇINDAĞ	Member	Executive
Refik ARAS	Member	Non-executive
Taylan BİLGEL	Member	Independent
Ertuğrul Feyzi TUNCER	Member	Non-executive

18.3. The duties of Chairman of the Board of Directors and CEO are executed by 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 website 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 a high level of competence and 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 website.

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 control is performed by the Auditing Group Presidency which reports to the CEO.

The main duty of the Auditing Group Presidency is to protect the rights and interests of Doğan Şirketler Grubu Holding A.Ş., its subsidiaries and shareholders, by developing suggestions to reduce internal and external administrative risks, to inspect and audit operations and procedures to ensure compliance with Board decisions, plans, budgets, regulations, procedures, instructions, legislation and generally-accepted accounting principles.

The Auditing Group Presidency performs its auditing duties in accordance with the "International Auditing Standards" and the Internal Control Framework published by the Committee of Sponsoring Organizations (COSO).

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 presidents 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:

- a)** Determining the Company's institutional philosophy and mission;
- b)** Approval of the Company's vision, targets and strategies;
- c)** Exiting a certain sector and entering others;
- d)** Establishment of and participation in companies as well as their purchase, sale, merging or closing down; participation in and withdrawal from partnerships;
- e)** Buying and selling of real estate;
- f)** Approval of salary and bonus policies;
- g)** Approval of dividend distribution policies;
- h)** Allocation, increase or reduction of capital;
- i)** Approval of borrowing policy;
- j)** Approval of rules of ethics governing companies and employees;
- k)** Approval of communication and information policies;
- l)** Formation of administrative units and termination of their activities;
- m)** Ensuring the performance of administrative and financial auditing;
- n)** Approval of administrative activity procedures;
- o)** Approval of a consolidated budget;
- p)** Approval of subsidiaries' budgets and the monitoring and assessment of their performance;
- q)** Definition of authority and its delegation;
- r)** Election of the CEO and assessment of his or her performance;
- s)** Determination of the annual business plan and the approval of staff and budget and all other kinds of decisions impacting those;
- t)** 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;
- u)** Ensuring that period activities of the Company are in compliance with Company bylaws, internal rules and policies implemented;
- v)** Ensuring that financial statements comply with relevant legislation and international accounting standards; as well as ensuring their accuracy.
- w)** Determination of the Company's approach to stakeholders and to public relations; playing a leadership role to solve potential problems among stakeholders;
- x)** Calling the General Meeting and ensuring those meetings are held in accordance with the law and the bylaws;
- y)** Determination of the annual activity reports that are presented to the General Meeting;
- z)** Monitoring and auditing implementation of General Meeting decisions; and
- ab)** 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 physical presence of the members of the Board of Directors are called upon 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 because they are in constant contact, 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 in 2006.

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.

26.7. Work is underway for the formation of a Corporate Governance Committee.

27. Financial Rights Accorded the Board of Directors

27.1. According to the Company bylaws 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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