

Corporate Governance Principles Compliance Report

TAV Airports (“the Company”) makes every effort to comply with the Capital Markets Board’s (CMB) Corporate Governance Principles (“Corporate Governance Principles”). The Company has embraced the principles of equality, transparency, accountability and responsibility of the Corporate Governance Principles published by the Capital Markets Board (“CMB”).

The Corporate Governance Principles, which were adopted pursuant to resolution no. 35/835 of the Capital Markets Board (“CMB”) dated July 4, 2003, announced publicly for the first time in July 2003, revised in May 2005, and finally reformulated as of October 11, 2011, are also embraced by the Company and these universal principles are implemented by TAV Airports.

The Company’s Corporate Governance Rating score, which was 90.96 (9.09 out of 10) as of August 26, 2011, was revised upwards to 92.40 (9.24 out of 10) as of August 24, 2012 taking into consideration the continuous development and improvement of the Company’s activities.

The Company’s Corporate Governance Ratings by subcategory are presented in the table below.

The Company’s Corporate Governance Committee continues to carry out initiatives geared toward improving the corporate governance practices. The principles that are not being implemented as of yet did not cause any conflicts of interest among stakeholders to date.

At the Ordinary General Assembly meeting held on May 11, 2012, the General Assembly accepted and ratified a number of changes including making the Articles of Association compliant with the new Corporate Governance Principles, re-determining the number of Independent Members of the Board of Directors, revising the information disclosure policy, and formulating a remuneration policy as well as all principles set forth by the new Corporate Governance Principles (Communiqué Series: VIII, No: 54) published by the CMB that the Company is obligated to implement.

SHAREHOLDERS

Facilitating the Exercise of Shareholder Rights

Pursuant to its Information Disclosure Policy, it is the Company’s principle to treat all shareholders, potential investors and analysts equally with respect to the exercise of the right to obtain and analyze information, as well as to make all information disclosures to everyone simultaneously and with identical content. All information sharing is undertaken within the scope of information that has previously been disclosed to the public. As part of the information sharing effort, all information of interest to shareholders and market participants is announced via material disclosures; the English translations of these disclosures are transmitted electronically to all people and entities who share their e-mail

addresses with the Company, and past material disclosures are posted on the Company's website in both Turkish and English.

The Investors Relations Department operates for the purpose of presenting accurate, timely and coherent information to existing and potential investors about TAV Airports, increasing the recognition and credibility of the Company, positioning the Company among the publicly-traded airport operation companies in the world, lowering the Company's cost of capital by implementing the Corporate Governance Principles, and establishing communication between the Board of Directors and capital markets participants. In line with these objectives, the Company strives to maintain close communication with its shareholders and investors and conducts an active investor relations program.

Subcategories	Weight	Score
Shareholders	0.25	90,98
Public Disclosure and Transparency	0.35	96,26
Stakeholders	0.15	94,53
Board of Directors	0.25	87,29
Total	1.00	92,44

TAV Investor Relations Department

Name/Surname	Title	Phone	E-Mail
Nursel İlgen	Head of IR	212 463 3000 / 2122	nursel.ilgen@tav.aero
Ali Özgü Caneri	Assistant Manager	212 463 3000 / 2124	ali.caneri@tav.aero
Besim Meriç	Assistant Manager	212 463 3000 / 2123	besim.meric@tav.aero

The Company complies with the legislation, Articles of Association and other Company regulations on the matter of exercise of shareholder rights and takes necessary measures to facilitate the exercise of these rights.

The Right to Obtain and Analyze Information

Questions directed to the Investor Relations Department are responded to, aside from confidential information and trade secrets, via telephone or in writing after consulting with the most authorized person in the subject matter.

The Articles of Association do not currently recognize the request for assignment of a special auditor as an individual shareholder right. The Company did not receive any requests for the appointment of special auditors. However, Article 20.1 of the Company's Articles of Association authorizes shareholders to direct the attention of the statutory auditors to doubtful matters and request necessary explanations.

In addition, the activities of the Company are audited periodically by an Independent External Auditor and Statutory Auditors assigned by the General Assembly.

The Right to Attend the General Assembly

The General Assembly Information Document and the General Assembly meeting announcements posted on the Company website included the meeting date and time, meeting location, agenda, the fact that the invitation was being extended by the Board of Directors and the procedures for the shareholders to attend the General Assembly. Since the Company does not have any registered shares, no accommodations were made to facilitate the participation of this class of shareholders in the General Assembly meetings.

In addition, total number of shares and voting rights reflecting the Company's ownership structure; number of shares and voting rights representing each class of preferred shares, if there are preferred shares in the Company's capital; changes in the management or activities of the Company or its major subsidiaries or affiliates that transpired in the previous reporting period or are planned for the upcoming period which may have a significant impact on the Company's operations, the justifications for these changes, and the annual reports and annual financial statements for the last two fiscal years of all entities that are a party to such changes; the justification for discharge or change as well as information on the persons who will be nominated for a seat on the Board of Directors, if the General Assembly meeting agenda includes the discharge, change or election of the Members of the Board of Directors; the resolution of the Board of Directors regarding the amendment to the Articles of Association included in the agenda as well as the former and current versions of the Articles of Association amendments; backgrounds of the persons to be nominated for a seat on the Board of Directors, positions they held during the last 10 years and the reasons for leaving those posts, nature and materiality level of their relationship with the Company and the Company's affiliated parties, whether they meet the criteria for being an independent Board member, and information on other related matters that have the potential to impact the Company's operations if these persons were to be elected as Members of the Board of Directors were announced publicly within one week of the date of the publication of the announcement for the General Assembly meeting.

The Company formulates its donation and charitable contribution policy and submits it for the approval of the General Assembly. Information is presented to the shareholders at the General Assembly meeting as a separate agenda item regarding the amount of all donations and charitable contributions made during the year in light of the policy approved by the General Assembly and the beneficiaries of these donations and charitable contributions as well as policy changes.

As of the date of the announcement inviting shareholders to the General Assembly meeting, financial statements and reports and the General Assembly agenda items were made available for examination at locations easily accessible by shareholders as well as on the Company website.

The Ordinary General Assembly Meeting of shareholders regarding the Company's 2011 activities was held on Friday May 11, 2012, at 10 a.m. at the TAV Academy (A) Hall, located at the Atatürk Airport International Terminal Gate A – Next to VIP, TAV Administration Center, Yeşilköy-Istanbul. The announcement for the Ordinary General Assembly, including the necessary information about the meeting date and time, meeting location, agenda items, procedures for the attendance of shareholders at the meeting, proxy forms and arrangement procedures were published on pages 201-205 of the Turkish Trade Registry Gazette, issue no. 8053, dated April 20, 2012. The announcement was also published in the daily Radikal and Dünya Newspapers, dated April 20, 2012. Of the 363,281,250 shares

representing the Company's share capital as of the date of the meeting, 210,771,706 shares, or 58% of the total, were represented at the Ordinary General Assembly meeting. In addition to the procedures stipulated by the legislation, the General Assembly meeting announcement was also made available at the Company Headquarters and on the Company website (ir.tav.aero) 21 days prior to the meeting in an attempt to reach the maximum number of shareholders possible.

During the General Assembly meeting, agenda items are presented in an objective, detailed, clear and comprehensible manner and shareholders are given equal opportunity to voice their opinions and ask questions. The questions posed by shareholders, audience and meeting attendees during the course of the General Assembly meeting are responded to via appropriate explanations by the Chief Executive Officer and Senior Executives.

The Articles of Association addresses the matter regarding "material transactions" stipulated within the scope of Article 1.3.10 of the Corporate Governance Principles.

Even though it is not provided for in the Articles of Association, the Company's General Assembly meetings are open to the public including stakeholders and media, but without the right to voice their opinions. In light of the new Turkish Commercial Code, the Company is continuing to undertake efforts to increase the effectiveness of the general assembly meetings in accordance with the other principles set forth in the Corporate Governance Principles, including electronic voting starting in 2013.

The Right to Vote

The Company avoids practices that make it difficult to exercise voting rights. All shareholders are given the opportunity to exercise their voting rights in the easiest and most convenient manner possible. Each share is entitled to one vote in the Company. According to the Company's Articles of Association, there are no privileges associated with voting rights. Therefore, there are no preferred stocks or different classes of shares in the Company. There is no Company regulation that restricts the exercise of shareholders' voting rights for a certain time period following the acquisition date of the shares. The Company's Articles of Association do not contain any provision that prevents non-shareholders from voting in proxy as a representative of a shareholder. The share capital of the Company does not involve any cross-shareholdings.

Minority Rights

The Company's Articles of Association contain a provision which stipulates that minority rights shall be exercised by shareholders collectively holding at least 5% of the share capital. Exercise of minority rights in the Company is subject to the Turkish Commercial Code, the Capital Markets Law and related regulations, and the communiqués and resolutions of the Capital Markets Board.

The Right to Dividends

There are no privileges with respect to participation in the Company's profit. The Company makes its dividend distribution decisions taking into account the Turkish Commercial Code, Capital Markets Law, Capital Markets Board Communiqués and Resolutions, the Tax Laws and the provisions of other related laws and regulations, as well as the Company's Articles of Association. Accordingly, pursuant to CMB's resolution No. 02/51 dated January 27, 2010,

publicly-listed joint stock companies are not obligated to pay any dividends from the profits they made from their activities in and after 2009 (there was a 20% minimum threshold for 2008.) The corporations that resolve to distribute profits may make dividend payments based on the resolution of their general assemblies, either in cash or as gratis shares issued by adding that amount to the Company's paid-in capital, or a combination of the two.

This dividend policy adopted by the Company's Board of Directors can also be found in the annual report and on the Investor Relations website. It is among the Company's primary goals to adhere to this dividend policy, except for special circumstances when investments and other funds are required for the long-term growth prospects of the Company or its subsidiaries and affiliates, as well as for extraordinarily unfavorable developments in the economy. As per item 5 of the Agenda of the Company's Ordinary General Assembly Meeting held on May 11, 2012, as a result of the Company's activities executed between January 1, 2011 and December 31, 2011 and based on the Company's statutory accounts as of the end of the 2011 accounting year, the following has been submitted to the General Assembly for approval, approved, included in the annual report, and posted on the Company's website:

- The Company's profit according to the independently-audited consolidated financial statements prepared in accordance with the provisions of the Capital Markets Board's "Communiqué on the Principles of Financial Reporting in Capital Markets" Series: XI, No: 29 is TL 122,638,960, and its commercial profit calculated within the framework of the provisions of the Turkish Commercial Code and Tax Procedure Law is TL 159,568,042,
- Of the TL 122,638,960 after-tax profit based on consolidated financial statements, TL 122,638,960 of profit is subject to profit distribution pursuant to the Capital Markets Board's "Communiqué Series: IV No: 27,
- Article 466 of the Turkish Commercial Code obligates the Company to set aside primary legal reserve until one-fifth of the paid-in capital is reached. Accordingly, TL 7,561,303 shall be set aside as primary legal reserve for 2011,
- Adding TL 155,587 of donations made during the year to the 2011's distributable profit of TL 115,077,657 according to consolidated financial statements yields TL 115,233,244, which is determined as the first dividend basis amount,
- TL 23,046,649, which corresponds to 20% of the TL 115,233,244 that is taken as the first dividend basis in accordance with the Capital Markets Board's "Communiqué Series: IV No: 27, shall be distributed as first cash dividend, and TL 67,773,663 shall be paid as second cash dividend,
 - a. The entirety of the TL 90,820,312 that will be paid in cash shall be distributed from the profit for the period,
 - b. Consequently, the Company shall pay a gross dividend of TL 0.25 to each share with a nominal value of TL 1 for a total dividend distribution to shareholders of TL 90,820,312 and TL 24,257,345 shall be set aside as extraordinary reserve.

Transfer of Shares

The Company's Articles of Association do not contain any provisions that make it difficult for the shareholders to freely transfer their shares.

PUBLIC DISCLOSURE AND TRANSPARENCY

The Disclosure Policy of the Company, prepared pursuant to the Capital Markets Board's Corporate Governance Principles, was produced as a written declaration and is posted on the <http://ir.tav.aero> website. TAV Airports Holding's New Disclosure Policy that was drafted in light of the New Corporate Governance Principles was approved by the Ordinary General Assembly meeting for the Company's 2011 activities. The Company is in direct and effective communication with its shareholders through the e-Governance portal of the Central Registry Agency of Turkey (MKK).

The Board of Directors is responsible for overseeing, reviewing and improving the Disclosure Policy. The Investor Relations Department is charged with overseeing and monitoring all matters regarding public disclosures. The Disclosure Policy aims to establish active and transparent communication by sharing the past performance and future outlook of the Company with shareholders, investors and capital markets experts (capital markets participants) equally within the framework of generally-accepted accounting principles and the provisions of the Capital Markets Law, in a complete, fair, accurate, timely and comprehensible manner.

Public Disclosure Principles and Tools

The information to be disclosed to the public is disseminated in a prompt, accurate, complete, comprehensible and easy to interpret manner. Attention is also focused on easy and equal access to information, with little cost, that will assist persons and companies who will benefit from the disclosure in their decision making. TAV Airports complies with the Capital Markets legislation and Istanbul Stock Exchange regulations in all of its public disclosure practices. Information about the public disclosure principles and tools adopted by the Company are presented below:

- The Investor Relations Department is responsible for overseeing and monitoring all matters related to public disclosures. Questions received from outside the Company are responded to in the shortest amount of time possible by the Chief Executive Officer (CEO), the Finance Director (CFO), or within the knowledge of and authorization limits set by the CEO and the CFO, by the Investor Relations Department. The Company keeps a record of all questions received in writing and the responses provided by the Company. All correspondence and meetings with capital markets participants are carried out by the Investor Relations Department.
- In addition to the channels stipulated by legislation, other public disclosure tools and methods such as press releases, electronic data distribution channels, e-mail messages, meetings with shareholders and potential investors, social media platforms, as well as announcements posted on the Company website, are also used actively in the Company's public disclosures.
- The Code of Ethics stipulated within TAV Airports spells out the principles and rules that all managers and employees are required to comply with. These rules of conduct are posted on the Company website as public information.
- Without prejudice to any of the provisions in the related regulations, the Company informs the public when a material change occurs, or is expected to occur in the near future, in the financial position and/or activities of the Company.
- The Company continually updates and publicly announces any changes or developments that arise regarding public announcements made by the Company.

- With the assistance of companies retained for monitoring the media, TAV Airports follows all the news reported by the prominent national media outlets. Within this framework, TAV Airports Holding's senior management team, Investor Relations Department and Corporate Communications Department are informed each morning of the related news published or broadcast. If non-factual news reports are identified, the Investor Relations Department assesses the situation and makes the necessary announcements in accordance with the TAV Airports Information Disclosure Policy, in response to an announcement request from the Istanbul Stock Exchange or from the CMB, or in some cases, without waiting for such a request for information.

Periodic Financial Statements and Reports and Independent Audit in Public Disclosures

The Company's financial statements and accompanying notes are prepared on a consolidated basis in accordance with CMB Communiqué Series: XI, No. 29, as well as the International Financial Reporting Standards (IFRS); independently audited in accordance with the International Audit Standards (IAS); and are announced to the public.

Website

All publicly disclosed information by the Company is also available on the Company website. The Company letterhead clearly indicates the address of its website. The Investor Relations section of the Company's website can be reached directly at <http://ir.tav.aero>. Of the information stipulated in the Capital Markets Board Corporate Governance Principles, all items applicable to the Company are posted and updated on the website. With the activities conducted throughout 2010 and 2011, the content of the Investor Relations website has been enhanced, the website was redesigned to provide an interactive experience that enables easy access to information and data, the mobile site application was launched and it was made compatible with the iPad. Organized to address four different groups of users, General Users, Institutional Investors, Individual Investors, and Analysts, the content of the Company's website differs depending on the choice the user makes among the categories appearing on the main page.

Thanks to the new features added to the Company's website, investors can submit all types of questions to the TAV Investor Relations Department and establish active communication with the Company's management by sending messages to the Company's Board of Directors. By joining the Company's e-mail distribution list, users can have regular access to the reports and information related to the Company; institutional investors can send meeting requests through the related section of the website. In addition, analysts issuing reports on the Company can also access the website and post their reports, major financial and operational forecasts regarding the Company, and their expectations of the macroeconomic outlook for the coming years by using the personal user IDs and passwords provided to them.

The website includes the contents below:

- Company history
- Current management and ownership structure
- Summary balance sheet, income statement and cash flow statement
- Summary operational data
- Company's Corporate Governance Guidelines

- Company's Code of Ethics
- Board of Directors and Board Committees
- Most recent version of the Articles of Association and the dates and issue numbers of the Trade Registry Gazette in which the amendments were published
- Prospectuses and public offering circulars
- Trade registry information
- General Assembly meeting agenda, General Assembly information document, proxy voting form, meeting minutes
- Corporate Governance Principles Compliance Report
- List of people who have access to insider information
- Disclosure policy
- Annual reports
- Periodic financial statements and reports
- Financial calendar
- Material disclosures
- Presentations
- Data and charts on stock price and performance
- News updated by the data provider company
- Frequently asked questions
- Analyst contact information
- Company contact information
- Communication with the Board of Directors
- Distribution list registration
- Meeting requests
- Report requests
- Investor feedback form

Annual Report

The Company's Board of Directors prepares the Annual Report in order for the public at large to reach complete and accurate information on the Company's activities.

In addition to the matters stipulated in legislation and in the other sections of the Corporate Governance Principles, annual reports contain:

- a) Information on the positions held by the Members of the Board of Directors and managers outside of the Company and the declaration of independence by the Members of the Board of Directors,
- b) Operating principles of the Board of Directors Committees including committee members, meeting frequency and the activities they carry out as well as the Board of Directors' assessment on the effectiveness of the committees,
- c) The number of meetings the Board of Directors held during the year and attendance of the Members of the Board of Directors in these meetings,
- d) Information about the material administrative sanctions and penalties, if any, imposed on the Company or the Members of the Board of Directors due to breach of legislative provisions,
- e) Information on legislative and regulatory changes that may have a material impact on the Company's activities,
- f) Information on major lawsuits filed against the Company and potential outcomes,

- g) Information on the conflicts of interest that arise between the Company and the companies it procures service from such as investment advisory or rating, and the measures taken by the Company to prevent such conflicts of interest,
- h) Information on cross-shareholdings that exceed 5%,
- i) Information on fringe benefits and professional development of employees as well as other corporate social responsibility activities regarding the Company's operations that have social and environmental impacts,
- j) Information stipulated in section 1.3.7 of the Corporate Governance Principles.

STAKEHOLDERS

Company's Policy regarding the Stakeholders

The Company's corporate governance practices and code of ethics safeguard the rights of stakeholders as stipulated in laws and regulations as well as in mutual agreements. Stakeholders are continually kept informed within the framework of the Company's Information Disclosure Policy, established with respect to governing legislation and the Company's code of ethics. In addition, the Company strives to provide information to all stakeholders via press releases, annual reports, the Company website and other practices within the framework of the Company's transparency-oriented Information Disclosure Policy. For the Company's employees, the intranet, which is the intra-Company information sharing platform, is used actively and the "NEWSPORT" magazine is published quarterly and "Gate" magazine is published monthly. The Company's employees are expected to fulfill their responsibilities and hold the Company's interests above their own interests and the interests of their families or acquaintances while performing their jobs. Employees shall avoid any conduct that may be construed as pursuing their own or acquaintances' interests. Foreseeable conflict of interest situations as well as situations defined by the Company management in such manner are shared with the employees and Company management takes necessary measures when required.

The Company offers an effective and quick damage compensation opportunity in case of breach of stakeholders' rights protected by laws and regulations as well as by mutual agreements. The Company acts meticulously in ensuring the presence of clear provisions regarding damages in all of its contracts and takes into consideration every request and feedback provided by stakeholders. While TAV Holding does not have a formal "damages" policy documented in writing, matters regarding the severance pay of employees are handled within the requirements of Labor Law No. 4857. Some exceptional situations that need to be addressed explicitly due to the scope or nature of the job are stipulated as additional damages clause in employment contracts executed with the personnel and are shared with the employees.

Encouraging Stakeholder Participation in Management

The Company does not have a formal model or mechanism for the participation of stakeholders in management. However, the independent members of the Board of Directors allow the representation of all stakeholders, as well as the Company and the shareholders, in management. The Company heeds the opinions and suggestions of its employees, suppliers, various non-governmental organizations and all other stakeholders as well as customer satisfaction surveys.

Human Resources Policy

TAV Airports embraces the principle of providing equal opportunity to people in equal positions when formulating its recruiting policies and undertaking its career planning. The Company makes succession planning in determining the managers to be appointed in situations where changes in managerial positions may have a foreseeable effect in the Company's operations.

- The criteria for hiring employees are documented in writing and the Company's complies with these criteria.
- The Company treats all of its employees with fairness and justice in terms of the benefits provided to them; conducts training programs to enhance the employees' knowledge, skills and manners; and formulates training policies.
- Information meetings are organized for the employees regarding the Company's financial position, compensation, career, training and health and opinions are exchanged.
- Since the employees of the TAV Group companies are generally not unionized, the matter of resorting to the opinion of the trade unions in decisions about the employees and collective bargaining agreements stipulated in the human resources policy is not applicable. However, the constitutional provisions regarding the right of association stipulated in the Constitution of the Republic of Turkey remain; in addition, as a member of the International Labor Organization (ILO), pursuant to the Freedom of Association and Protection of the Right to Organize Convention (convention 87) and Right to Organize and Collective Bargaining Convention (convention 98), the Company shall abide by its related commitments regarding associations that may transpire in the future and the Company respects the free will of its employees on every platform.
- Job descriptions and distribution of the Company's employees as well as performance and rewarding criteria are announced to the employees. Productivity is a major criterion in determining the salary and other benefits provided to the employees. The Company may create stock acquisition plans for its employees.
- The Company takes measures to prevent discrimination between employees on the basis of race, religion, language and gender and to protect its employees against physical, mental and emotional abuse within the Company.

As of December 31, 2012, TAV Airports, including all of its subsidiaries, has a total of 22,704 employees. No complaints related to discrimination were received from employees.

Relations with Customers and Suppliers

The Company takes all necessary measures to ensure customer satisfaction in marketing and sales of its products and services. Customer demands regarding the products and services they purchased are addressed expeditiously while delays are communicated to the customers before the expiration of the response period. The Company complies with quality standards of products and services and strives to maintain the standards. To this end, the Company provides a certain level of quality guarantee. Information on customers and suppliers is kept confidential as part of the Company's treatment of trade secrets.

Code of Ethics and Social Responsibility

The Company's social responsibility activities are conducted in accordance with its code of ethics, which is made available to the public on its website. The Company expends maximum effort to be sensitive to its social responsibilities in its operations. It complies with all regulations regarding the environment, consumers and public health, as well as ethics rules, and directs and supports its subsidiaries to behave in the same manner. The Company's terminal operating subsidiaries conduct their operations in compliance with environmental regulations and the directives and guidelines of international aviation organizations such as the ICAO, ECAC, EUROCONTROL and IATA, as well as the Equator Principles of the World Bank.

Due to the nature of their operations, the Company and its subsidiaries are not legally required, within the scope of Environment Law and its related regulations, to produce environmental impact assessment reports. Nevertheless, the Company's related subsidiaries have prepared environmental reports and environmental management plans during both the construction and operation phases of terminals and they comply with updated environmental management plans.

The Company's subsidiaries have international quality control plans for their operation areas and quality control audits are conducted in compliance with international standards. "TAV Airports Sustainability Report", which was published in 2010 and revised in 2011, can be reached at <http://ir.tav.aero>.

BOARD OF DIRECTORS

Function of the Board of Directors

TAV Airports Board of Directors governs and represents the Company by taking strategic decisions, maintaining an optimal balance between risk, growth and return, pursuing a rational and prudent risk management approach, and giving priority to the Company's long-term plans. The Board of Directors determines the human capital and financial resources the Company will need in light of its strategic objectives and oversees the management's performance. The Board of Directors is responsible for overseeing the compliance of the Company's activities with laws and regulations, the Articles of Association, Company's internal regulations and policies.

Operating Principles of the Board of Directors

The Board of Directors conducts its activities in a transparent, accountable, fair and responsible manner. The Board of Directors' annual report contains information on the effectiveness of the risk management and internal control systems.

The Board of Directors creates the Company's internal control systems encompassing information systems and processes as well as risk management systems that will minimize the impacts of the risks which have the potential to affect the Company's stakeholders, particularly its shareholders, by also resorting to the opinion of the related Board of Directors Committees.

10 of the 11 members of the Board of Directors are non-executive members. While not stipulated in the Articles of Association, the Company's Chairman of the Board of Directors has never been the same person as its Chief Executive Officer since the day it was founded. Nobody in the Company has unlimited decision-making authority.

The Board of Directors has a pioneering role in maintaining effective communication between the Company and its shareholders, and eliminating and resolving potential conflicts. To this end, the Board of Directors works in close cooperation with the Corporate Governance Committee and the Investor Relations Department.

Structure of the Board of Directors

The constitution and election of the Board of Directors are conducted in compliance with the Corporate Governance Principles and the principles governing this process are stipulated in the Company's Articles of Association. As set forth in the Company's Articles of Association, one-third of the Board of Directors is made up of independent members as defined in the Corporate Governance Principles.

The names and surnames of the Members of the Board of Directors are presented below as per the Company's Articles of Association. In compliance with the Corporate Governance Principles, majority of the Members of the Board of Directors are non-executive members.

Tayfun Bayazit, Necmi Bozantı, Jérôme Paul Jacques Marie Calvet and Sevdil Yıldırım meet the independence criteria of the Corporate Governance Principles and they are Independent Members of the Board of Directors. In compliance with the Corporate Governance Principles, Ms. Sevdil Yıldırım is a "female director" on the Board of Directors. No situation arose in the reporting period that would cease the independent status of the independent members of the Company's Board of Directors.

The Nominating Committee evaluates the proposed candidates, including the management and shareholders, for independent Board members based on whether the candidates meet the criteria for independence and presents its assessment in a report to the Board of Directors for approval.

Within the framework of the Nominating Committee's report, the Board of Directors is responsible for preparing the independent member nominees list and sending it prior to the General Assembly meeting within the time period specified by the CMB.

Board of Directors

Hamdi Akın	Chairman of the Board of Directors (Non-executive)
Pierre Graff	Vice Chairman of the Board of Directors (Non-Executive)
Ali Haydar Kurt darcan	Member of the Board of Directors (Non-executive)
Mustafa Sani Şener	Member of the Board of Directors and President & CEO
Abdullah Atalar	Member of the Board of Directors (Non-executive)
Francois Rubichon*	Member of the Board of Directors (Non-executive)
Laurent Galzy	Member of the Board of Directors (Non-executive)
Tayfun Bayazıt	Member of the Board of Directors (Independent)
Necmi Bozantı	Member of the Board of Directors (Independent)
Jérôme Calvet	Member of the Board of Directors (Independent)
Sevdil Yıldırım	Member of the Board of Directors (Independent)

- Mr. Augustin de Romanet was appointed instead of Mr. Francois Rubichon who resigned as of 24.01.2013.

Independent members of the Board of Directors are required to submit a written statement of independence to the Board of Directors and immediately inform the Board of Directors when their independent status ceases.

As a matter of principles, the Member of Board of Directors who loses his or her independent status resigns. In order to re-establish the minimum number of Independent Members of the Board of Directors, the Nominating Committee performs an evaluation to elect independent members to the vacated seats on the Board of Directors to serve until the earliest General Assembly meeting and presents the result of its evaluation in writing to the Board of Directors.

The Form of Board of Directors Meetings

TAV Airports Board of Directors convenes as frequently as necessary to execute their duties effectively. Information and documents regarding the items on the Board of Directors meeting agenda are made available to the Members of the Board of Directors for their examination sufficiently before the meeting within the principle of equal information flow.

A member of the Board of Directors may propose a change in the agenda to the Chairman of the Board of Directors prior to the meeting. The opinions of members who cannot attend the meeting but present their opinions to the Board of Directors in writing are provided to the other members. Each member is entitled to one vote in the Board of Directors.

The form of the Board of Directors meetings was documented in writing as internal regulations of the Company. The Board of Directors meets at least six times a year. The agenda and the report of the Board of Directors are made available to the members for examination one week prior to the meeting. Agenda items are deliberated openly and from many angles at the Board of Directors meetings. The Chairman of the Board of Directors expends maximum effort to ensure active participation of non-executive members in the Board of Directors meetings. Alternative opinions expressed and opposing votes cast by

members of the Board of Directors at the Board meetings are also recorded in the resolution book with their reasonable and detailed justifications.

The Board of Directors resolutions regarding all kinds of related party transactions of the Company as well as issuing guarantees, pledges and mortgages in favor of third parties comply with the Corporate Governance Principles of the Capital Markets Board. The Articles of Association have provisions addressing these matters.

The Articles of Association stipulate the Board of Directors meeting and resolution quorums. The quorum for resolutions at the Ordinary and Extraordinary General Assembly meetings are subject to the provisions of the Turkish Commercial Code and Capital Markets Legislation.

The Members of the Board of Directors spend an adequate amount of time for their tasks at the Company. The Members of the Board of Directors who hold positions in other companies do not create a conflict of interest and do not hinder their jobs at the Company. The Members of the Board of Directors' assumption of duties in other companies is not subjected to certain rules or restricted. Shareholders are informed about the positions a Member of the Board of Directors holds outside of the Company and the justification for them, with a distinction between duties within the Group and outside the group, at the General Assembly meeting the election is discussed.

Committees Formed under the Board of Directors

In accordance with the provisions of the Capital Markets Board's Communiqué on the Determination and Implementation of Corporate Governance Principles, the Company's Board of Directors reviewed the structure and activities of the existing committees and resolved to constitute them as follows:

Audit Committee	Corporate Governance Committee
Audit Committee Chairman	Corporate Governance Committee Chairman
Necmi Rıza Bozantı	Tayfun Bayazit
Audit Committee Member	Corporate Governance Committee Members
Tayfun Bayazit	D. Sevdil Yıldırım
	Pierre Graff
	Francois Rubichon*
	Ali Haydar Kurtđarcan
	Pelin Akın
Nominating Committee	Early Risk Detection Committee
Nominating Committee Chairman	Early Risk Detection Committee Chairman
D. Sevdil Yıldırım	Jerome Calvet
Nominating Committee Members	Early Risk Detection Committee Members
Tayfun Bayazit	Necmi Rıza Bozantı
Pierre Graff**	Pierre Graff**
Laurent Galzy	Laurent Galzy
Hamdi Akın	Ali Haydar Kurtđarcan
Ali Haydar Kurtđarcan	Selim Akın

* Mr. Augustin de Romanet was appointed as of January 24, 2013 to fill the seat vacated by the resignation of Mr. François Rubichon.

** Mr. Augustin de Romanet was appointed as of January 24, 2013 to fill the seat vacated by the resignation of Mr. Pierre Graff from the Nominating and Early Risk Detection Committees.

The areas of activity and operating principles of the committees were determined by the Board of Directors and disclosed publicly. Committee chairmen were elected from among independent Members of the Board of Directors. All members of the Audit Committee are independent Members of the Board of Directors.

The Chief Executive Officer is not a member of any committee. A number of the Members of the Board of Directors serve on multiple committees due to the Company's ownership structure.

Committees document all of their work in writing and keep a record of it. The committees convene as frequently as required for the effectiveness of their activities stipulated in operating principle. They present the reports about their activities and meeting results to the Board of Directors.

The Corporate Governance Committee was established for overseeing the Company's compliance with corporate governance principles, undertaking improvement efforts, and making recommendations to the Board Directors. The majority of the members of the Corporate Governance Committee are non-executive Members of the Board of Directors.

The Board of Directors has created a risk management and internal control mechanism.

TAV Airports' risk management approach is structured along the lines of "integrated risk management." Under the coordination of TAV Airports' Risk Management Department, all service companies and airport operations under the TAV Group are encompassed by this risk management approach. In contrast to the conventional risk management method which evaluates the risks in various business units separately, the Company aims to operationalize a risk management function that can oversee the general risks of the entire Company, puts the general interest of the Company before that of the business unit the risk is stemming from, and that functions in a continuous manner.

Principles governing the duties and operating principles of the committees are determined in compliance with the Corporate Governance Principles and can be reached at ir.tav.aero.

Strategic Goals of the Company

The Company's vision and strategic goals are overseen and reviewed regularly by the members at the Board of Directors meetings held at least every 2 (two) months. They can be revised and determined again as needed. The Board of Directors may resolve to delegate the task of formulating and overseeing strategic goals to the Senior Management or to a Department.

Financial Benefits Provided to Members of the Board of Directors and Senior Executives

The remuneration principles of the members of the Board of Directors and senior executives were documented in writing, presented for the information of the shareholders as a separate agenda item at the General Assembly meeting, and the shareholders were given the opportunity to voice their opinions on this subject. The Company's remuneration policy is available on the Company's website.

The Board of Directors has not established a Compensation Committee. The duties of the Compensation Committee as stipulated in the CMB Corporate Governance Principles are executed by the Corporate Governance Committee in compliance with the CMB principles. Within the framework of the Capital Markets Board's Corporate Governance Principles, the Company pays a salary of USD 50,000 per year to each independent member of the Board of Directors commensurate with the time investment and efforts necessary for executing the duties of serving on the Board of Directors. However, it was resolved by the General Assembly that the Company shall not pay any salary or attendance fee to the other members of the Board of Directors or the statutory auditors.

Financial benefits provided to members of the board of directors and senior executives (TL thousand)

	2012	2011
Short term benefits (salaries and bonuses)	39.219	29.628
	39.219	29.628

As of December 31, 2012 and 2011, the Group does not owe any money to the directors or senior executives.