

# TAV AIRPORTS HOLDING Co.

## 2009 CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

### 1. Statement of Compliance with the Corporate Governance Principles

TAV Airports Holding (“the Company”) makes every effort to comply with the Capital Markets Board Corporate Governance Principles (“Corporate Governance Principles”,) originally published in July 2003 and later revised in February 2005 by the Capital Markets Board (“CMB”). To this end, the Company continually strives to reach the highest corporate governance standards and is working towards implementing some of the stipulations specified as recommendations in the Principles. TAV Airports Holding considers ethics rules, as well as principles of transparency, equality, responsibility and accountability to be part of the Company’s culture.

Our studies regarding the Corporate Governance Principles are presented by the “Corporate Governance Rating Report” done by RiskMetrics Group - Institutional Shareholder Services (ISS), a global risk rating company which received official authorization in 2009 to do risk rating in accordance with the Capital Markets Board (SPK) Corporate Governance principles in Turkey. Our company received a total average grade of 83.3 (8.5) as per the Corporate Governance Rating Report.

During the Corporate Governance rating done by ISS, inspections and various interviews were carried out. Final grades are determined by the separate weighting of four sub-categories within the frame of the related resolution of SPK. Within this context, the breakdown of corporate governance grades is stated below.

<b>Sub-Categories</b>	<b>Weight</b>	<b>Grade</b>	<b>Grade Assigned</b>
Shareholders	0.25	8.11	8
Public Disclosure and Transparency	0.35	8.69	8.5
Stakeholders	0.15	8.88	9
Management Committee	0.25	7.78	8
<b>Total</b>	<b>1</b>	<b>8.33</b>	<b>8.5</b>

Pursuant to the importance the Company attaches to compliance with the Capital Markets Board Corporate Governance Principles (“Principles”), the Company’s Articles of Association were amended to comply with the Principles. Amendment to some articles in and the addition of some articles to the Articles of Association regarding the Company’s adoption of a registered capital system were discussed and resolved at the Extraordinary General Assembly Meeting held on December 5, 2008. The amendment to the Articles of Association was published in the Turkish Trade Registry Gazette issue no. 7208, dated December 17, 2008.

In summary, the amendments to the Articles of Association stipulated:

- That an individual who serves on the Board of Directors for a total of seven years cannot be appointed an independent member and the qualifications members of the board of directors shall possess;
- That the relevant authorities shall be notified of general assembly meetings 15 days before the meeting date and the requirement that a Ministry of Industry and Commerce Officer

attend the meetings;

- That the newspapers where the Company announcements will be published shall be posted on the company website 15 days before, as well as the announcements themselves;
- The formation, determination of duties and responsibilities, election of members, and operating principles of the board of directors committees;
- The principles regarding the Audit Committee;
- The principles regarding the Corporate Governance Committee;
- That the Corporate Governance Principles shall be complied with, and that information on this issue shall be presented in the annual report.

The information disclosure policy of the Company, prepared pursuant to the Capital Markets Board Corporate Governance Principles, was discussed and approved at the Board of Directors meeting dated December 19, 2008. The information disclosure policy was also produced as a written declaration and posted on the <http://ir.tav.aero> website.

Pursuant to the resolution of the Board of Directors dated January 27, 2009, the membership of the Audit Committee was reconstituted to comply with the Corporate Governance Principles, and independent member of the Board of Directors, Pierre de Champfleury was elected as an Audit Committee member.

The Investor Relations Department, which used to report to the Finance Director as a Corporate Governance Committee Member, now reports directly to the CEO, who is the highest executive manager in the Company. As of the reporting period ending December 31, 2009, the Company complies with and implements the Principles with the exception of matters stipulated in sections 18.3.4 (“Using a cumulative voting system in the election of members of the Board of Directors”) and 26.5.2 (“The number, structure and independence of the Board committees” - “committee chairmen are elected from among independent members of the board of directors”) of the Report. These aforementioned issues are not believed to cause any significant conflict of interest as of the present situation. While the exercise of minority rights were made possible via the two independent members on the Company’s Board of Directors, the Company will assess the advantages and disadvantages of using the cumulative voting system in the election of the members of the Board of Directors. The two independent members of the Board of Directors of the Company, Mehmet Cem Kozlu and Pierre de Champfleury, also serve as Corporate Governance Committee Chairman and Audit Committee member, respectively.

The Board of Directors, senior management and all employees of TAV Airports Holding have always supported the adoption of the Corporate Governance Principles within the Company at every stage. Following the adoption of the Corporate Governance Principles, the Report on Compliance with the Corporate Governance Principles was announced to the public, where the Company declares that all activities shall be undertaken in line with the principles of equality, transparency, accountability and responsibility.

## **SECTION I - SHAREHOLDERS**

### **2. Investor Relations Department**

The Company complies with the legislation, Articles of Association and other Company regulations on the issue of exercise of shareholder rights and takes necessary measures to facilitate the exercise of shareholder rights. In order to oversee all relations with shareholders, and establish channels of communication between the Company and its shareholders, the Investor Relations Department was established within the Company in September 2006, before the initial public offering in February 2007. The Investors Relations Department operates for the purpose of presenting accurate, timely and consistent information to existing and potential investors about TAV Airports Holding; increasing the recognition and credibility of the Company; positioning the Company among the publicly

traded airport operation companies in the world; reducing the Company's cost of capital by implementing the corporate governance principles; and establishing communications between the Board of Directors and capital markets participants. In line with this objective, the Company strives to maintain close communication with its shareholders and investors and undertakes an active investor relations program.

TAV Airports Holding won first prize in "The Best Investor Relations Web Site" category and TAV Airports Holding Investor Relations Manager Nursel İlgen ranked second in "Best Investor Relations Officer" category in the "Investor Relations Awards" event, organized for the first time in 2009 with the cooperation of Thomson Reuters and Acclaro.

Per the organization of the Company, the Investor Relations Department reports directly to the Chief Executive Officer (CEO), who is also an Executive Member of the Board of Directors. The Investor Relations Department Manager attends Board of Directors meetings in order to establish communication between the Board of Directors and shareholders.

Primary responsibilities of the Investor Relations Department, which serves as the communication bridge between the Board of Directors and the financial world, include:

- Ensuring that shareholder records are kept accurately, reliably and up-to-date;
- Responding to written or verbal information requests from shareholders, potential investors, stock analysts, legal bodies (Capital Markets Board, İstanbul Stock Exchange, Central Registry Agency, etc.) and financial publication houses about the Company, unless the requested information is publicly unavailable, confidential or a trade secret; ensuring that information is simultaneously made available to everyone in a consistent manner and updating existing information;
- Preparing and sending material disclosures to the İstanbul Stock Exchange in both Turkish and English simultaneously;
- Reviewing all Company announcements and preparing the announcements about financial results in both Turkish and English simultaneously;
- Updating the Investor Relations Section on the Company website in order to transmit information to shareholders and potential investors via electronic communication;
- Creating a database of domestic and foreign institutional investors and equity and sector analysts;
- Representing the Company in investor relations meetings with existing and potential investors and analysts in Turkey and abroad;
- Examining and monitoring analyst reports;
- Monitoring significant developments and statistics about the sector;
- Taking necessary measures to ensure that the General Assembly meetings are held in compliance with legislation in force, the Company's Articles of Association and other Company regulations;
- Preparing documents that will be beneficial to shareholders for General Assembly meetings;
- Ensuring that meeting minutes are sent to shareholders,
- Monitoring and overseeing every aspect of the public disclosure process for compliance with legislation.

The Investor Relations Department expends its best efforts to use electronic communication and the Company website in all its endeavors. Contact information for the Investor Relations Department is posted on the <http://ir.tav.aero> website and published in the working reports. The Investor Relations Department can be reached at [investorrelations@tav.aero](mailto:investorrelations@tav.aero) for all requests and questions.

Transactions of the Investors Relations Department are carried out by Nursel İlgen, CFA,

who holds CMB Advanced Level and Corporate Governance Rating Licences; Besim Meriç, CFA; who holds the CMB Advanced Level and Corporate Governance Rating Licences, and Burcu Günhar.

Persons who are working at the Investor Relations Department are listed below:

<b>TAV Airports Holding Co. Investor Relations Department</b>			
<b>Name-Surname</b>	<b>Title</b>	<b>Telephone</b>	<b>E-Mail</b>
Nursel İlgen	Investor Relations Coordinator	0 212 465 55555 / 2122	nursel.ilgen@tav.aero
Burcu Günhar	Investor Relations Specialist	0 212 465 55555 / 2124	burcu.gunhar@tav.aero
Besim Meriç	Investor Relations Specialist	0 212 465 55555 / 2123	besim.meric@tav.aero

As of April 2010, 44% of the Company's outstanding shares are publicly held, approximately 74% of which reside in the portfolios of foreign investors. In 2009, the Investor Relations Department attended five investment conferences abroad and one conference in Turkey that were organized to provide information to shareholders and investors. 94 face-to-face meetings were held with investors, shareholders and analysts about the Company's operating results, performance and other developments. In addition, pursuant to Capital Markets Law, 49 material disclosures were made in 2009; these material disclosures were also posted on the Company web site. The Department responded to inquiries from many investors and analysts via telephone and e-mail during 2009, while detailed presentations were prepared about the Company's financial results during financial reporting periods.

### **3. Exercise of Shareholder's Right to Obtain Information**

It is the Company's principle to treat all shareholders, potential investors and analysts equally with respect to 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 performed within the scope of the content previously 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 give their e-mail addresses to the Company, and past material disclosures are posted on the Company's website both in Turkish and in English.

Many written and verbal information requests from shareholders are responded on an expedited basis under the supervision of the Investor Relations Department and in compliance with the Capital Markets Law. In order to enhance shareholders' rights to obtain information, all necessary information in the clause 1.11.5 of the Second Part of the Corporate Governance Principles that can impact the exercise of rights is presented to shareholders in an up-to-date form on the Company website. All information on the Company website is presented in Turkish, as well as in English, in order to treat all shareholders, domestic and foreign, equally.

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

#### **4. Information on General Assembly**

The Ordinary General Assembly meeting regarding 2008 activities was held on May 25, 2009, at 10 a.m. at the Akfen Meeting Hall which is located in Atatürk Airport International Terminal, Yeşiköy/ İstanbul. 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 was published on page 486 of the Turkish Trade Registry Gazette, issue no. 7309, dated May 12, 2009. The announcement was also published in the daily newspapers Radikal and Dünya dated May 9, 2009. Of the 363,281,500 shares representing the Company's capital as of the date of the meeting, 198,059,216 shares (54,51%) were represented at the Ordinary General Assembly meeting. In addition to procedures stipulated by legislation, the General Assembly Meeting announcement was also made available at the Company Headquarters and on the Company website (<http://ir.tav.aero>) 21 days prior to the meeting in an attempt to reach the maximum number of shareholders possible.

The General Assembly meeting announcement 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 attendance of shareholders. 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. 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.

There have been no major changes in the management or operational organization of the Company during the previous reporting period, nor are any such changes being planned for subsequent periods. The Company did not receive any requests from shareholders for adding items to the agenda of the General Assembly meetings held during the year. The meeting procedure of the General Assembly facilitates maximum participation by shareholders. General Assembly Meetings are carried out with the simplest possible procedures, at the lowest possible cost for the shareholders and in a manner that does not create any inequality between shareholders. The Akfen Meeting Hall at the Company Headquarters, where the General Assembly Meeting took place, can accommodate all shareholders. The Company's General Assembly meetings are open to the public and are held under the supervision of a Ministry of Industry and Commerce Government Official. During the General Assembly Meeting, agenda items were presented in an objective, detailed, clear and comprehensible manner, and the language and expressions used did not allow for different interpretations. Shareholders were given equal opportunity to voice their opinions and ask questions, thus creating a healthy environment for discussion; however, shareholders did not exercise this right during the General Assembly Meeting regarding 2008 activities, or during the Extraordinary General Assembly Meeting. Minutes of the General Assembly Meeting are available on the Company website (<http://ir.tav.aero>).

According to a provision in the Company's Articles of Association, the Board of Directors, without prejudice to the resolutions of the General Assembly, is authorized to take and give motions of waiver at the land registries on behalf of the Company regarding the purchase and sale of immovable property and assets, qualified as immovable pursuant to the Turkish Civil Code and associated rights. Furthermore, the Board may establish mortgages in favor of third parties on such immovable property and real assets, and associated rights for short, medium and long term borrowings by presenting them as collateral and accept all mortgages granted by third parties in favor of the Company at any level and grade at the land register office. It may also sign documents associated with such transactions and terminate such mortgages as necessary. Conversely, without prejudice to the provisions of the Turkish Commercial Code with respect to the non-transferrable powers of the General Assembly,

there are no provisions in the Company's Articles of Association requiring a General Assembly resolution for important decisions such as the purchase, sale or leasing of significant amounts of property. In fact, we are of the opinion that if the General Assembly resolutions were required for the above mentioned or other similarly significant decisions, the Company's activities would be significantly impeded and the management's ability to react to dynamic and fluid business opportunities would be reduced, thus harming partners of the Company.

## **5. Voting Rights and Minority Rights**

### **Voting Rights**

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 nonshareholders 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 legislation, and communiqués and resolutions of the Capital Markets Board; the Company's Articles of Association do not contain any provisions in addition to the provisions mentioned above. The Company facilitates the exercise of minority rights in accordance with the relevant legislation and, if necessary, by the Independent Board Members. The Company's Articles of Association do not (yet) provide for cumulative voting. However, within the scope of legislative developments, the Company will assess the advantages and disadvantages of this method.

### **Principle of Equal Treatment of Shareholders**

All shareholders, including minority and foreign shareholders, are treated equally.

## **6. Dividend Policy and Timing of Distribution**

There are no privileges with respect to participation in the Company's profit. The Company makes its dividend distribution determinations taking into account the Turkish Commercial Code, Capital Markets Law, Capital Markets Board communiqués and resolutions, the Tax Laws and the provisions of other relevant legislation, as well as the Company's Articles of Association.

Accordingly, as per the decision of CMB no. 02/51 dated 27th January 2010, at least 20% of the "distributable net profit for the period," calculated based on financial statements prepared within the scope of the Capital Markets Law, and in compliance with the International Financial Reporting Standards (IFRS), is distributed, based on the General Assembly resolution, either in cash or as gratis shares issued by adding that amount to the Company's capital. It is among the Company's primary goals to adhere to this dividend policy except for special circumstances when investment and other funds are required for the long term growth prospects of the Company or its subsidiaries and affiliates, as well as for extraordinarily unfavourable developments in the economy.

As a result of the Company showing a net period loss as of the end of the 2008 fiscal year,

the General Assembly at its meeting held on May 25, 2009, resolved not to make a dividend payment to shareholders for the 2008 fiscal year.

## **7. 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.

## **SECTION II-PUBLIC DISCLOSURE AND TRANSPARENCY**

### **8. Disclosure Policy of the Company**

The information disclosure policy of the Company, prepared pursuant to the Capital Markets Board Corporate Governance Principles, was discussed and approved at the Board of Directors meeting dated December 19, 2008. The information disclosure policy was also produced as a written declaration and posted on the <http://ir.tav.aero> website.

The Board of Directors is responsible for monitoring, reviewing and improving the Information Disclosure Policy. The Corporate Governance Committee provides information and recommendations to the Board of Directors, the Audit Committee and the Investor Relations Department on matters regarding the "Information Disclosure Policy." The Investor Relations Department is charged with overseeing and monitoring all matters regarding public disclosures. The public 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 Capital Markets Law provisions, 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 Holding complies with the Capital Markets legislation and İstanbul 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 issues related to public disclosures. Questions received from outside the Company are responded to by the CEO, the CFO, or within the knowledge of and authorization limits set by the CEO and the CFO, by the Investor Relations Department. All correspondence and meetings with capital markets participants are carried out by the Investor Relations Department.
- Except for channels stipulated by legislation, other public disclosure tools and methods such as press bulletins, electronic data distribution channels, e-mails, meetings with shareholders and potential investors, as well as announcements posted on the Company website, are effectively utilized.
- The Code of Ethics stipulated within TAV Airports Holding, spells out the principles and rules that all managers and employees are obligated to comply with. These rules of conduct are posted on the Company website for public information.
- Without prejudice to any of the provisions in the relevant 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 continuously updates and publicly announces any changes or developments that arise regarding public announcements made by the Company.

## **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. 25, as well as the International Financial Reporting Standards (IFRS); independently audited in accordance with the International Audit Standards (IAS), and announced to the public.

### **9. Material Disclosures**

Developments that have the potential to impact the value of the Company's capital markets instruments are announced to the public on an expedited basis within the timeframe stipulated by legislation. The Company made 59 material disclosures during 2009, none of them were additional disclosures requested by the CMB or the Istanbul Stock Exchange. The Company has no additional disclosure obligations since the Company does not have any capital markets instruments listed on foreign exchanges.

### **10. The Company Website and its Contents**

As stipulated by CMB Principles, the Company website is actively used in public disclosures. All matters related to the Investors Relations Department are on the <http://ir.tav.aero> website. In addition to Turkish, all information on the Company website is presented in English for the benefit of foreign investors.

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 following information is posted on the <http://ir.tav.aero> website:

- Company history
- Current management and shareholding structure
- Summary balance sheet, income statement and cash flow statement
- Summary operational data
- Corporate governance guidelines
- 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 where the amendments were published
- Prospectuses and public offering circulars
- Trade registry information
- General Assembly Meeting agenda, proxy voting form, meeting minutes
- Corporate Governance Principles Compliance Report
- List of people with insider information
- Annual reports
- Periodic financial statements and reports
- Financial calendar
- Material disclosures
- Presentations
- Share information
- News updated by the data provider company
- Frequently asked questions
- Analyst contact information
- Company contact information

As can be seen, of the types of information listed in Article 1.11.5 of Section II of the Capital Markets Board Corporate Governance Principles, the ones applicable to the Company are posted and updated on the Company website.

### **11. Disclosure of Ultimate Controlling Shareholder(s)**

There is no individual in the Company with ultimate controlling shares.



## 12. Public Disclosure of Insiders

Pursuant to the relevant legislation, as well as the employment contracts entered into with Company employees, persons who hold key positions and fall within this category are listed below:

ABDULLAH ATALAR	BOARD MEMBER
ALİ HAYDAR KURTDARCAN	VICE CHAIRMAN OF THE BOARD, CHAIRMAN OF AUDIT COMMITTEE
ALİ SAİD YAVUZ	INTERNAL AUDIT MANAGER (IT)
ALPER TOPÇU	CORPORATE COMMUNICATIONS SENIOR SPECIALIST
ALTUĞ KORALTAN	INTERNAL AUDIT DIRECTOR
ASAF KİRAZOĞLU	BUDGETING AND PLANNING SPECIALIST
ASLIHAN ÇÖRTÜK	MARKETING MANAGER
ASLIHAN MANAS	ASSISTANT TO THE BOARD
AYTEKİN BEKTAŞ	ACCOUNTING MANAGER- TAV ISTANBUL
AZİZ MURAT ULUĞ	CFO, MEMBER OF THE CORPORATE GOVERNANCE COMMITTEE, BOARD MEMBER
BANU PEKTAŞ	HEAD LEGAL ADVISOR
BENGİ VARGÜL	CORPORATE COMMUNICATIONS COORDINATOR
BERK KAYSERLİ	INVESTOR RELATIONS SPECIALIST
BESİM MERİÇ	CORPORATE COMMUNICATIONS ASSISTANT
BİLDE BİLEN	LEGAL ADVISOR
BİNNUR ONARAN	BİNNUR ONARAN
BURAK BİRHEKİMOĞLU	BURAK BİRHEKİMOĞLU
BURCU GERİŞ	BURCU GERİŞ
BURCU GÜNHAR	BURCU GÜNHAR
BURCU SARIOĞLU	BURCU SARIOĞLU
BURCU YAR GÜRHAN	BURCU YAR GÜRHAN
BÜLENT ÖZÜTÜRK	BÜLENT ÖZÜTÜRK
CENK LAÇIN	ACCOUNTING ASSISTANT MANAGER, TAV AIRPORTS HOLDING
CEYDA AKBAL	LEGAL ADVISOR
DEFNE SERTEL	TRANSLATOR
DEMET SÖZMEN	TAX MANAGER
DENİZ AYDIN	FINANCIAL AFFAIRS COORDINATOR
DİDEM DİREL	PROJECT AND STRUCTURED FINANCE SPECIALIST
EDA BİLDİRİCİOĞLU	GENERAL MANAGER- TAV OPERATION SERVICES
ERSAGUN YÜCEL	BOARD MEMBER, GENERAL SECRETARY
ERSAN ARCAN	GENERAL MANAGER- ATU
ERSEL GÖRAL	GENERAL MANAGER- TAV TUNISIE
ESİN RODOPLU	RISK MANAGEMENT AND RESEARCH SENIOR SPECIALIST
FATİH ÖMÜR	BUSINESS DEVELOPMENT SPECIALIST
FIRAT ERKAN BALCI	GENERAL MANAGER- TAV IZMIR
GAMZE ŞEN	REPORTING SPECIALIST
GİRAY ÇOLPAN	BUSINESS DEVELOPMENT SPECIALIST
GÖKER KÖSE	PROJECT AND STRUCTURED FINANCE ASSISTANT MANAGER
GÖKHAN AYGÖR	BUDGETING AND PLANNING MANAGER
GÖKHAN DOĞAN	STRATEGIC ANALYSIS AND REPORTING MANAGER

GÜÇLÜ BATKIN	BUSINESS DEVELOPMENT COORDINATOR
GÜLÇİN BULAN	TAX SPECIALIST
HALUK BİLGİ	TAV TUNISIE COUNTRY DIRECTOR, BUSINESS DEVELOPMENT DIRECTOR(SUBSIDIARY)
HAMDİ AKIN	CHAIRMAN OF THE BOARD
HASAN YEŞİLYURT	CORPORATE COMMUNICATIONS SPECIALIST
HİLAL DOĞRU	ADMINISTRATIVE OFFICER
HUSEYİN KADRİ SAMSUNLU	BOARD MEMBER, MEMBER OF AUDIT COMMITTEE
HÜSEYİN ULUKANLI	STEERING COMMITTEE CONSULTANT
İBRAHİM SÜHA GÜÇSAV	BOARD MEMBER
İPEK BAYLAM	CORPORATE COMMUNICATIONS SPECIALIST
İSMAİL VARLI	REPORTING SPECIALIST
KAAN SERTCAN	BUDGETING AND PLANNING MANAGER
KEMAL ÜNLÜ	GENERAL MANAGER- TAV ISTANBUL
KEREM ARAN	BUDGETING AND PLANNING SPECIALIST
LEVENT GÜLER	DEPUTY GENERAL MANAGER, TAV SECURITY
MAHMUT MİRAÇ PEKMEZCİ	REPORTING ASSISTANT MANAGER
MEHMET CEM KOZLU	BOARD MEMBER, CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE
MEHMET ERDOĞAN	BOARD MEMBER, EXTERNAL AFFAIRS COORDINATOR
MEHMET SİNA AVŞAR	PROCESS DEVELOPMENT AND REPORTING COORDINATOR
MELEK TAN	BOARD OFFICE MANAGER
MELİS ERKUN	LEGAL ADVISOR
METE ERKAL	DEPUTY OF GENERAL MANAGER, TAV GEORGIA
METİN KİBAR	FINANCIAL AFFAIRS AND FINANCE MANAGER- TAV ANATOLIA
MUJDAT YÜCEL	GENERAL MANAGER- HAVAS
MURAT ALTIKARDEŞLER	BUDGETING AND PLANNING COORDINATOR
MURAT CEVHER	TAX ASSISTANT MANAGER
MURAT ÖRNEKOL	OPERATIONS DIRECTOR
MUSTAFA AYVAZ	ACCOUNTING CHIEF- TAV İZMİR
MUSTAFA SANİ ŞENER	PRESIDENT AND CEO
NAZIM YAPRAK	FINANCE MANAGER
NAZMİ HUGÜL	SYSTEM ANALYSIS COORDINATOR
NEŞE KERİMOĞLU	RISK MANAGEMENT AND RESEARCH COORDINATOR
NİHAT AKKAYA	ADMINISTRATIVE OFFICE CHIEF
NURAY DEMİRER	GENERAL MANAGER- TAV ANATOLIA
NURSEL İLGEN	INVESTOR RELATIONS COORDINATOR
ONUR AYGÜNEŞ	BUSINESS DEVELOPMENT ASSISTANT SPECIALIST
ÖNDER SEZGİ	BOARD MEMBER, MEMBER OF THE AUDIT COMMITTEE
ÖZLEM TEKAY	HUMAN RESOURCES DIRECTOR, MEMBER OF THE CORPORATE GOVERNANCE COMMITTEE
PIERRE DE CHAMPFLEURY	BOARD MEMBER, MEMBER OF THE AUDIT COMMITTEE
PINAR TANILKAN	LEGAL ADVISOR
SADETTİN CESUR	GENERAL MANAGER,BTA
SERTAY SARGIN	BUDGETING AND PLANNING SPECIALIST
SILA USTA	CORPORATE COMMUNICATIONS SENIOR SPECIALIST
SİBEL ARI	REPORTING SPECIALIST

SÜLEYMAN SON	BOARD MEMBER
ŞAFAK ÖZBAY	REPORTING SPECIALIST
ŞAZİYE ÇEVİK	ADMINISTRATIVE OFFICE MANAGER
ŞEREF EREN	BOARD MEMBER, TAV ACADEMY CONSULTANT
UMUT ERCEVAHİR	REPORTING MANAGER
VAHAP KAYGUSUZ	ACCOUNTING MANAGER- TAV IT
VEHBİ SERKAN KAPTAN	BUSINESS DEVELOPMENT DIRECTOR, BOARD MEMBER
WALEED AHMED YOUSSEF	STRATEGY DIRECTOR
YAŞAR KEREM GÖKYER	TAX SENIOR SPECIALIST

All employment contracts contain the clause:

“The employee knows that ‘insider trading’ transactions are prohibited (“Insider trading” means stock trading in violation of competition and honesty, using information on the financial position of a publicly traded company or any other information that can affect the share price of the company before other investors can learn of it). Therefore, the employee accepts and commits to not using any information or documents on the Company’s financial position, or any other information that can affect the value of the Company’s publicly traded shares, acquired as a result of managerial position, or any other position in the Company, or through other means in or outside of stock market trading for the purpose of making a profit on his/her own behalf or on behalf of another person.”

Pursuant to the Corporate Governance Principles, whenever the list of insiders is modified, the latest version of the list is announced on the Company website.

## **SECTION III-STAKEHOLDERS**

### **13. Informing the Stakeholders**

The Company’s corporate governance practices and code of ethics ensure the protection of the rights of stakeholders as stipulated in legislation or mutual agreements. Stakeholders are continually kept informed within the framework of the Company’s public disclosure policy, established with respect to governing legislation and the Company’s code of ethics. In addition, the Company aims to provide information to all stakeholders via press bulletins, annual report, 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 area, is used actively, and the “Newspost” magazine is published quarterly.

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. The 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.

### **14. Participation of Stakeholders in Management**

The Company does not have a formal model or mechanism for the participation of stakeholders in management. However, independent Board Members allow the representation of all stakeholders, as well as the Company and the shareholders, in management.

### **15. Human Resources Policy**

- TAV Airports Holding human resources practices are determined by the “Human Resources Policy and Fundamental Principles”.
- The Company has adopted the principle of offering equal opportunities in recruitment,

training and development, remuneration and career planning.

- Recruitment criteria are documented in writing and are followed in practice.
- The Company treats its employees equally in development and promotion opportunities and devises development policies and plans for the employees to enhance their skills and experience.
- Decisions and developments concerning the employees are transmitted via the Corporate Intranet and the Corporate Magazine, which were established to enhance and accelerate communication among employees.
- Job descriptions, performance evaluation and rewarding criteria of the employees are determined by the managers and shared with the employees.
- Relations with employees are carried out by the Human Resources Directorate. The Company does not discriminate between its employees. No complaints related to discrimination were received from employees.

#### **16. Information about Relations with Customers and Suppliers**

Since the Company is a holding company, it is not directly involved in any operation. Therefore, it does not have any direct relationships with customers or suppliers.

As a holding company, TAV Airports Holding determines the general policies in arrangements and practices that are geared toward achieving the satisfaction of the customers of its subsidiaries. It provides maximum support to its subsidiaries and in some circumstances enters into contracts with third parties in these matters, continuously undertaking efforts to enhance customer satisfaction. Within this framework, surveys are conducted for quality control as well as enhanced customer satisfaction. Customers are provided with opportunities to easily communicate their demands, and complaints are responded to and resolved as soon as possible.

#### **17. Social Responsibility**

The Company expends maximum effort to be sensitive to its social responsibilities in its operations. It complies with all regulations regarding the environment, consumer 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 legislation, 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 obligated, within the scope of Environment Law and its related legislation, to produce environmental impact assessment reports. Nevertheless, the Company's relevant subsidiaries prepare environmental reports and environmental management plans during both the construction and operation phases of terminals and comply with updated environmental management plans.

Furthermore, the Company's subsidiaries have international quality control plans for their operation areas and quality control audits are conducted in compliance with international standards.

There is currently no investigation, lawsuit, other legal controversy or sanction against the Company or its subsidiaries related to the matters mentioned above.

### **SECTION IV-BOARD OF DIRECTORS**

#### **18. The Structure and Formation of the Board of Directors and Independent Members**

The formation and election of the Board of Directors conforms to the Corporate Governance Principles and the procedures regarding this issue are set forth in the Company's Articles of Association. Accordingly;

- The Company is managed by a Board of Directors comprised of at least 15 members

elected by the General Assembly from among shareholders. As stipulated in the Company's Articles of Association, two Board Members are required to be independent members as defined by the Capital Markets Board's Corporate Governance Principles. The names of the Board Members appointed in accordance with the Company's Articles of Association are presented below:

<b>TAV Airports Holding Co. Board of Directors</b>	
Hamdi Akın	Chairman of the Board of Directors
Ali Haydar Kurtdarcan	Vice Chairman of the Board of Directors
Mustafa Sani Şener	Board Member, President and CEO
Mehmet Cem Kozlu	Board Member
Pierre de Champfleury	Board Member
Ahmet Ersagun Yücel	Board Member, General Secretary
Vehbi Serkan Kaptan	Board Member
Aziz Murat Uluğ	Board Member
Abdullah Atalar	Board Member
İbrahim Süha Güçsav	Board Member
Önder Sezgi	Board Member
Hüseyin Kadri Samsunlu	Board Member
Şeref Eren	Board Member
Mehmet Erdoğan	Board Member
Süleyman Son	Board Member

Non-executive members comprise 13 of the 15 Board Members (more than half of the Board of Directors), the remaining two being executive members. The Chairman is not the same person as the President and CEO. Six Board Members are empowered to represent and bind the Company.

Of the Board Members, Mr. Mehmet Cem Kozlu and Mr. Pierre de Champfleury qualify as independent members according to the independence criteria stipulated in the CMB Corporate Governance Principles. No situation arose in the reporting period that would cease the independent status of the Company's independent Board Members.

Independent Board Members are obligated to submit a written statement of independence to the Board of Directors and immediately inform the Board of Directors when their independent status ceases. An individual who serves a total of seven years on the Company's Board of Directors cannot be appointed independent Board Member.

The Company does not impose any rules or restrictions on its Board Members for assuming additional duties outside of the Company.

#### **19. Qualifications of Board Members**

All of the nominated and appointed members of the Company's Board of Directors possess the qualifications stipulated in Articles 3.1.1, 3.1.2 and 3.1.5 of Section IV of the CMB's Corporate Governance Principles.

The Board of Directors is structured to ensure maximum influence and effectiveness. Article 13 of the Company's Articles of Association stipulates the principles of this issue. It is the Company's principle to appoint Board Members who possess the fundamental knowledge regarding legal principles governing the Company's transactions and business, are qualified and experienced in corporate management, possess the capability of examining financial statements and reports, and preferably have graduate degrees.

## **20. Mission, Vision and Strategic Goals of the Company**

### **Our Mission**

To create the highest value for all stakeholders in airport operations with a customer-oriented management approach.

### **Our Vision**

To become the leader and the pioneer airport operating company in our targeted regions (Europe, Russia and the Commonwealth of Independent States, the Middle East, Africa and India).

### **Our Strategic Goals**

The Company's general strategic goals are specified below:

- To achieve long term, sustainable and profitable growth,
- To maintain our leadership in the domestic market and to become the leader, or one of the leaders, at the international level in the near future.

The Board of Directors sets strategic goals for relevant periods through discussions with the Managing Director (CEO) and the Group Directors.

## **21. Risk Management and Internal Control Mechanism**

Internal Audit provides assistance to the Holding Audit Committee in the Committee's supervision role. The mission of the Holding Audit Directorate is to assist the Holding Board of Directors and Management in their management and operation responsibilities by identifying and reporting deficiencies in internal audit, risk management and governance processes, as well as practices that are causing inefficiencies and waste of resources.

The Internal Audit Director reports to the CEO hierarchically.

Internal audit plans are prepared by taking into account risk analyses, as well as matters highlighted by the Audit Committee and management. Risk analyses are performed regularly to identify both existing and newly emerging risks. Officially, risk analyses are performed annually; however, they may be performed more frequently if deemed necessary.

## **22. Authorities and Responsibilities of the Board Members and Executives**

The authorities and responsibilities of the Board of Directors are defined in the Company's Articles of Association in a manner that is consistent with the Board's functions, that does not leave room for any doubt and that is clearly distinguishable and identifiable from the authorities and responsibilities of the General Assembly.

All partners are obligated to keep confidential the Company secrets forever, regardless of how they learned those secrets, even after losing their shareholding rights. The partners who fail to meet this obligation are liable to the Company for the damages this may cause. However, the provisions of this article are not applicable for information that needs to be disclosed pursuant to the Capital Markets Law.

## **23. Operating Principles of the Board of Directors**

Board Members are provided with timely access to any information they need to fully execute their duties. The Board of Directors issues a separate resolution for approval of financial statements and accompanying notes, the independent audit report, the corporate governance compliance report and the annual report. According to the Company's Articles of

Association, a quorum for the meetings is the majority of the Board of Directors. A Board of Directors Secretariat, which serves all Board Members and reports to the Chairman, has been formed to properly maintain documents related to Board meetings.

Board of Directors meetings are planned and held in an effective and efficient manner. As stipulated in the Company's Articles of Association;

- The Board of Directors shall meet as the business and transactions of the Company require. However, the Board of Directors expends its best efforts to meet at least once every three months. Four Board of Directors meetings were held during 2009.
- The Chairman, Vice Chairman or any Board Member has the right to call the Board of Directors for a meeting and/or include any subject in the agenda that he/she wants discussed by making an invitation to all Board Members at least seven days in advance.
- Such meeting invitations shall be made via facsimile. However, Board Members may waive these meeting formalities in writing.
- All meetings of the Board of Directors in 2009 were held at the Company Headquarters, as it was not decided otherwise by the Board of Directors.
- Every Board Member is entitled to one vote. Board Members do not have weighted voting rights or affirmative/negative veto rights.

The Board of Directors executes the duties stipulated in the Articles of Association and the relevant legislation.

#### **24. Prohibited Dealings and Competition with the Company**

At the General Assembly meeting that took place on May 25, 2009, the proposal that was presented for shareholder approval to authorize the Chairman and the Board Members to perform the transactions stipulated in articles 334 and 335 of the Turkish Commercial Code regarding the ban on doing business and competing with the Company was approved by the General Assembly.

#### **25. Code of Ethics**

TAV Airports Holding's Code of Ethics sets out the rules and principles that all executives and employees are obligated to comply with in order to contribute financial value to its shareholders and to enhance its corporate value. The Company has publicly announced the Code of Ethics on the Company website within the framework of its disclosure policy, published it on the Company's Intranet, and shared it with its employees through workplace programs. The Code of Ethics is designed to ensure that the conduct of TAV executives and employees is of the highest standard, and that they are aware of the impact of their conduct and attitudes on the Company. Furthermore, the Code ensures that ethics of the highest standards are displayed and the best actions are employed regarding Company activities and shareholders.

#### **26. The Number, Structure and Independence of Board Committees**

In line with the Capital Markets Board Corporate Governance Principles, a Corporate Governance Committee and an Audit Committee, which report to the Board of Directors, were formed within the Company. General principles regarding the Corporate Governance Committee and the Audit Committee were stipulated in Article 34 A of the Company's Articles of Association that was published in the Turkish Trade Registry Gazette, dated December 17, 2008.

#### **Corporate Governance Committee**

Directly reporting to the Board, the role of the Corporate Governance Committee is to advise and make recommendations to the Board with respect to corporate governance principles and practices; to maintain TAV's compliance with internationally recognized corporate governance principles, establish relevant mechanism and practices for the effective

corporate governance and set out the principles of remuneration, professional development and career planning of the top executives. The duties and responsibilities of the Corporate Governance Committee are stipulated in the Company's Articles of Association. The Corporate Governance Committee is responsible for overseeing the Company's compliance with corporate governance principles, and its primary duties include:

- Overseeing the implementation of corporate governance principles by the Company, identifying the reasons if they are not being fully implemented and the consequences of inadequate implementation, and recommending measures for improvement,
- Determining methods that ensure transparency in the process of identifying candidates for the Board of Directors membership,
- Elaborating on the number of Board members and executives and making recommendations
- Developing and overseeing the principles and practices regarding performance evaluation and remuneration of Board members and executives.

Mehmet Cem Kozlu is the Chairman of the Corporate Governance Committee and was elected from among independent Board members.

Members of the Corporate Governance Committee are listed below:

<b>TAV Airports Holding Co. Corporate Governance Committee</b>	
<b>Chairman of the Corporate Governance Committee</b>	
<b>Mehmet Cem Kozlu</b>	Board Member, TAV Airports Holding Co.
<b>Members of the Corporate Governance Committee</b>	
<b>Özlem Tekay</b>	Human Resources Director, TAV Airports Holding Co.
<b>Murat Uluğ</b>	Finance Director, TAV Airports Holding Co.

### **Audit Committee**

Reporting directly to the Board of Directors, the Audit Committee assists the Board of Directors in ensuring that Company practices are in compliance with domestic and international laws, contributing to the improvement of business processes through their audits and coordinating activities to be undertaken for ensuring information transparency. The Audit Committee is responsible for taking all measures to ensure the adequacy and transparency of all internal and independent external audit activities and executing the duties stipulated in the Capital Markets Law. Its primary duties and responsibilities include:

- Auditing and approving the compliance of financial statements and footnotes to be publicly reported in accordance with current legislation and international accounting standards;
- Overseeing the operation and effectiveness of the Company's accounting system, public disclosure of financial information, independent audit, and internal control and risk management systems;
- Examining and resolving complaints about the Company's accounting, internal control system and independent audit;
- Preventing conflicts of interest that may arise among Board members, executives and other employees, and identifying regulations that may prevent the abuse of the Company's commercial secrets.

The Company's Articles of Association stipulate that the Audit Committee shall meet at least once every three months upon the invitation of the Committee Chairman. Senior executives responsible for Financial Affairs are not allowed to be Audit Committee members. Pierre de Champfleury, one of the members of the Audit Committee, is also an independent Board Member.



Members of the Audit Committee are listed below:

<b>TAV Airports Holding Co. Audit Committee</b>	
<b>Chairman of the Audit Committee</b>	
<b>Ali Haydar Kurtdarcan</b>	Vice Chairman of the Board of Directors, TAV Airports Holding Co.
<b>Members of the Audit Committee</b>	
<b>Önder Sezgi</b>	Financial Affairs and Audit Director, Bilkent Holding Co.
<b>Hüseyin Kadri Samsunlu</b>	Board Member, TAV Airports Holding Co.
<b>Pierre de Champfleury</b>	Board Member, TAV Airports Holding Co.

## **27. Remuneration of the Board of Directors**

Within the framework of the Capital Markets Board's Corporate Governance Principles, the Company pays a salary to each Independent Board Member commensurate with the time investment and efforts necessary for Board Membership. However, it was resolved by the General Assembly that the Company shall not pay any salary or attendance fee to the other Board Members, or the statutory auditors.