

Alarko Carrier Sanayi ve Ticaret A.Ş. Duties and Principles of the Corporate Governance Committee

PURPOSE:

Article 1. This regulation is issued to define the duties and working principles of the Corporate Governance Committee.

SCOPE:

Article 2. This regulation regulates the implementation procedures and principles of the Corporate Governance Committee of Alarko Carrier Sanayi ve Ticaret A.Ş.

FORMATION and STRUCTURE:

Article 3. The Corporate Governance Committee consists of a minimum two members appointed by the board of directors among its members. At least one of the members of the Committee is elected among the independent members. If the Committee consists of more than two members, majority of the members are elected among Board members who do not have executive duties. The General Manager cannot be a member of the Committee.

Article 4. Members of the Committee are elected for an office term of maximum 3 years. If one of the members resigns, the board of directors will appoint a new member at latest within 3 months.

Article 5. The independent member will chair the Committee. If more than one independent member is elected for the Committee, the one who will chair the Committee will be designated by the board of directors.

Article 6. One of the members of the Committee will carry out the secretarial duties.

WORKING PRINCIPLES

Article 7. The Corporate Governance Committee will meet at least twice in a year. Times of meetings of the Committee will be determined in conformity with the schedule of the meetings of the board of directors as much as possible.

Article 8. Extraordinary meeting may be held when necessary upon the call of the chairman or any member of the Committee or of the chairman of the Board of Directors.

Article 9. The member of the Committee who carries of the secretarial duties will prepare the agenda of the meeting and send it to the members 2 days before the meeting.

Article 10. Members of the Committee may not be represented by proxy by another member of the Committee. The meetings of the Committee will be held by attendance of the members in person or through modern communication means. In the meetings, resolutions taken at the previous meeting and the implementation stage of such resolutions will be reviewed. Minutes will be issued, signed and filed at the end of each meeting.

Article 11. When deemed necessary, the Committee may request attendance of the executives of the company to the meeting and request opinions from them.

Article 12. The Committee will take its resolutions by majority of votes. Counter views can be recorded if requested by the respective member.

Article 13. When the Committee performs its duty, every kind of source and support will be provided by the board of directors. The Committee can use the facilities of the company to the extent necessary for carrying out the secretarial duties of the Committee.

Article 14. After the meeting of the Committee, the chairman of the Committee will submit a written report about the activities of the Committee and report a summary of the meeting of the Committee in writing to the members of the board of directors.

DUTIES AND RESPONSIBILITIES

Article 15. Essential duties of the Corporate Governance Committee are as follows:

a) The Corporate Governance Committee will monitor whether the corporate governance principles are applied by the company or not, and if not, identify the reason thereof, and identify any conflict of interest resulting from failure to comply with these principles, and make recommendations to the board of directors for improvement of the corporate governance practices.

b) The Corporate Governance Committee will oversee the works of the shareholder relations unit.

Article 16. If the other committees referred in the corporate governance principles issued by the Capital Market Board have not been established at the company, the Corporate Governance Committee will carry out the following duties as well:

a) To conduct works to develop a transparent system for addressing of such matters as identification, assessment and training of candidates fit for the board of directors and to establish policies and strategies in this regard.

b) To make regular evaluations regarding the structure and efficiency of the board of directors and give recommendations about changes that can be made in this regard to the board of directors.

c) To establish and monitor the implementation of the approach, principles and practices regarding the performance assessment and career planning of the members of the board of directors and the top executives.

d) To conduct works aimed at early identification of any risks that may endanger the existence, growth and sustenance of the company, taking of the necessary actions regarding such risks and management of such risks.

e) To review the risk management systems at least once a year.

f) To make proposals regarding the principles applicable to the determination of the remunerations to the members of the board of directors and the top executives by taking into account the long term targets of the company.

g) To establish the standards to be used for determination of the remuneration to the members of the board of directors based on the performance of the company and the member her/himself.

h) To submit proposals to the board of directors regarding the remunerations to the members of the board of directors and the top executives by taking into account the extent of attainment of the criteria.

i) To conduct other works required by the relevant regulation.

IMPLEMENTATION:

Article 17. This regulation will come in effect by the resolution of the Board of Directors and be implemented by the Corporate Governance Committee.

ENFORCEMENT:

Article 18. The Board of Directors is responsible for the enforcement of this regulation.