

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

With a strengthened corporate and organizational structure, Bizim Toptan, looks to the future with confidence

SECTION I - DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

Since its foundation, Bizim Toptan has always recognized the importance of embracing and applying the Corporate Governance Principles of the Capital Market Boards of Turkey (CMB). In recent years these efforts have been intensified, and thanks to the corporate identity it has built for itself the company has become a leader amongst its peers.

Based on Article 17 of the Capital Markets Board of Turkey (CMB) law number 6362, published on December 6, 2012, and the CMB's "II-17.1 Communiqué on Corporate Governance" published on January 3, 2014, the said communiqué and some of its corporate governance principles have become mandatory for companies that trade on the BIST.

Accordingly, our company has adopted the mandatory provisions as set forth by the CMB.

To ensure compliance with the Corporate Governance Principles, the company has:

- Created "Investor Relations Directorate,"
- Created its BoD by determining, declaring to the public, and sharing the resumes of independent Board Member nominees in a number specified in Communiqué on Corporate Governance Principles,
- Created the Corporate Governance Committee, Audit Committee, and Early Risk Detection Committee, all of which report to the BoD,
- Published the rules of procedures of the Committees on its website and Public Disclosure Platform (PDP),
- Appointed independent Board Members to chair the Committees and ensured that the number of independent members in these Committees was higher than other members,
- Submitted the disclosure documents, meeting agenda, annual report, resumes of Board Members and other required data and information for the investors' and shareholders' information three weeks before the General Assembly,
- Submitted the related party transactions for the Board's information (it has been resolved, with the approval from the independent audit committee members, that such transactions can be continued),
- Prepared for the E-General Assembly, created a related internal directive, and began to hold

E-General Assemblies from 2012,

- Created a report on common and continuous transactions, which is then published at the PDP with the Board's resolution,
- Included the Investor Relations Manager in the Corporate Governance Committee to ensure the compliance of the Committee members with the Communiqué on Corporate Governance,
- The introduction of insider trading regulations,
- Elected a female member to the Board,
- Modified its website according to the legislation,
- Took the necessary steps to make sure its Articles of Association (AoA) comply with Corporate Governance Principles.

Although the exceptional principles, which have not yet been implemented, have not caused any conflict of interest between the stakeholders, the company plans to implement them through a process.

The Reasons for not Implementing some of the Corporate Governance Principles:

- A model or mechanism concerning the participation of the stakeholders has not yet been created. However, the existence of independent members at the Board makes it possible that all stakeholders can be represented in management in addition to the Company and shareholders. The company always takes into consideration the opinions and insights of its employees, suppliers, non-profit organizations, and all other stakeholders.
- There is no indemnity policy concerning employees that should exist in accordance with Article 3.1.2 of the Corporate Governance Principles, and work is in progress.
- Some Board Members serve on multiple committees. In accordance with Article 4.6.5 of the Corporate Governance Policies, the salaries given and benefits offered to Board Members as well as the senior executives are declared to the public in the annual report. However, such a declaration is not based on individuals.
- The AoA do not contain any clause saying that the shareholders can individually request a special audit from the General Assembly. The TCC and CMB regulations concerning the appointment of a special auditor are considered to be sufficient. In accordance with the conditions imposed by the Turkish Commercial Code (TCC) numbered 6102, which came into force on July 1, 2012, the stakeholders' right to

request a special audit is protected. Although the exceptional principles, which have not yet been implemented, have not caused any conflict of interest between the stakeholders, the company plans to implement them through a process. Although we seek to fully comply with the non-mandatory Corporate Governance Principles, this has not yet been achieved due to such reasons as the challenges in implementing some of the principles and misalignment of some principles with the company's current structure. Work on the principles that have not yet been implemented is in progress and it is planned to implement these principles after the administrative, legal, and technical infrastructure works are completed in a manner to contribute to the effective administration of our company.

Our Corporate Governance Principles Compliance Report below is available in the Investor Relations sections of our website at www.biziminvestorrelations.com.

SECTION II - SHAREHOLDERS

2.1. Investor Relations Department

The Investor Relations Department, which directly reports to Group CFO Ziya Kayacan, is responsible for managing relations with shareholders. The department is managed by Işıl Bük, who possesses both a Capital Market Activities Advanced Level license and Corporate Governance Rating Specialist License. In addition to providing written, verbal and Internet responses to inquiries from current and potential shareholders, the department regularly participates in investor conferences, meets domestic and foreign corporate investors both in Turkey and abroad. In 2015 the Investor Relations Department attended eight conferences, organized road shows in two countries, and held 201 meetings with current and potential shareholders.

Investor Relations Department contact information:

Ziya Kayacan (Group CFO)

Işıl Bük (Investor Relations Manager and Corporate Governance Committee Member)
Phone: +90 (216) 524 34 55
Email: ir@bizimtoptan.com.tr

The department is responsible for managing the communications with the BIST, CMB and CRA, as well as preparing the disclosures to inform these institutions. In addition to the ordinary and extraordinary shareholders' meetings, various other meetings are also held with the shareholders based on the projects or on request.

2.2. Exercise of Shareholders' Rights to Information

All written and verbal information requests from the shareholders during the period were answered, with the exception of those related to trade secrets or undisclosed information. All the information that is required for the shareholders to exercise their rights properly is provided to them in the quarterly and annual reports, in material disclosures, and in response to personal requests. This information is also available at www.bizimtoptan.com.tr and www.biziminvestorrelations.com

Whereas the company's audit principles and procedures have been provided in article 13 of the AoA, no requests were received for the appointment of a special auditor in 2014.

2.3. General Assemblies

Article 1527 of the TCC number 6102, which was published on January 13, 2011, stipulates that online participation (attending, recommending, expressing opinions and voting) in the Ordinary General Assembly of joint-stock companies has the same legal effects of physical participation. Additionally, it is mandatory for companies that trade in the stock exchange to implement a system allowing online participation and voting. Based on these provisions, our company holds both the online and the physical Ordinary General Assembly on the same date and in parallel.

The 2014 Ordinary General Assembly, with an attendance of approximately 60 percent of shareholders representing paid capital of 40 million Turkish lira, was held at Kuşbakış Cad No.19 Altunizade, Üsküdar/İstanbul on March 31, 2015. Neither stakeholders nor the press attended the meeting. As stipulated in the law and the AoA, the invitation to the meeting was made within the required time by announcing the meeting date and agenda: in the Turkish Trade Registry Gazette No. 8773 on March 6, 2015; daily Dünya Newspaper on March 11, 2015; and by publishing it on the company website at www.bizimtoptan.com.tr as well as the PDP.

As of the date of announcement for the invitation to the Ordinary General Assembly, the following documents are made available at our company headquarters and branches for the review of our shareholders: financial tables and reports (including the annual activity report); dividend distribution proposal; informative document on the agenda items and other documents that form the basis of the agenda items; and the latest version of the AoA.

Prior to the General Assembly, the company shared with the shareholders: the meeting agenda; a sample proxy form; registration document; AoA amendment proposal; balance sheet, profit-loss statements; independent auditor's report and footnotes; auditor's report; BoD' resolution on dividend distribution, the annual report, and the resolution on the selection of an independent audit company. These were made available via the company's website, www.biziminvestorrelations.com.

At the General Assembly, the agenda items were expressed in an objective, detailed, clear and understandable manner. Shareholders were provided with equal opportunity to express their opinions and ask questions to create a proper discussion environment.

Shareholders did not any present questions or suggestions outside of the agenda items during the 2014 General Assembly. Minutes and agenda items from the General Assembly were published at www.biziminvestorrelations.com.

Information about the 2014 General Assembly:

- The matter of considering the 2014 Annual Report as read was accepted unanimously.

- Prepared by the DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with the Capital Markets Board's Communiqué on Principles Regarding Financial Reporting in Capital Markets, the Independent Auditor's Report, which contains the consolidated financial statements for the 2014 accounting period and the related operating results, was considered read unanimously. The Independent External Audit Report was discussed; no one requested to take the floor.

- The 2014 balance sheet and profit/loss statement, which accurately reflect the accounting principles and standards that are specified in the Capital Markets Board's Communiqué on Principles Regarding Financial Reporting in Capital Markets, were accepted as read unanimously and were discussed. The balance sheet and profit/loss statements were accepted anonymously as a result of the voting.

- Members of the BoD did not exercise their voting rights during their individual discharges from liability for 2014, but rather they were discharged per the unanimous votes of other shareholders.

- As per the Board resolution on March 2, 2015, it was unanimously decided to pay cash dividends in the amount of 2,070,000 Turkish lira from the distributable net profit of 4,129,189 Turkish lira for the 2014 period in accordance with the current Dividend Distribution Policy, beginning as of May 25, 2015.

- The selection of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as the independent external auditing firm for the 2015 accounting period was approved by majority vote of 24,036,433.84 Yes votes against 143,766 No votes.

- Upon the CMB authorization No. 29833736-110.03.02-429 dated February 25, 2015 and the Ministry of Customs and Trade authorization No. 6448853/43L.02 dated March 9, 2015, the shareholders submitted the amendment proposals to amend the AoA, titled "The Purpose and Subject of the Company" and it was decided unanimously to approve them.

- The General Assembly was informed that the company made donations made in the amount of 1,008 Turkish lira in 2014.

- The General Assembly was provided with information regarding the Collaterals, Pledges, and Liens that the company gave in 2014.

- The General Assembly was briefed about the transactions with the "Related Parties" that are stated in balance sheet footnote No. 23 of the independently audited financial statements, which were prepared pursuant to CMB's Corporate Governance Principles and other regulations.

- With the majority of 24,146,032.84 Yes votes against 34,167 No votes, the members of the BoD (BoD) were granted the authority for the activities they will carry out for the company as per Articles 395 and 396 of the TCC.

2.4. Voting Rights and Minority Rights

Each share has one right to vote pursuant to our AoA.

Shareholders who are entitled to attend the company's General Assemblies may choose to do so by electronic means as stated in article 1527 of the Turkish Commercial Code. Pursuant to the "Regulation on the Ordinary General Assembly of Joint Stock Companies to be Held via Electronic Media," the company shall either implement an electronic participation and voting system, or procure a system developed for this purpose. This will be so that the shareholders are able to participate, recommend, express opinions and vote via electronic means. In accordance with this provision of the Company's AoA, all General Assemblies to be held, it is ensured that the shareholders and their proxies use their rights over the system that has been set up as per the said Regulation.

The AoA do not contain any provisions prohibiting proxy voting by those who are not shareholders of the company. There is no reciprocal shareholding between our company and any of its shareholders.

Share groups or shares do not have any privileges in our company's capital. Cumulative voting is not practiced in the company.

2.5. Dividend Rights

The company's Dividend Distribution Policy was formed as a result of the profit distribution decision made by the Board during their meeting on March 11, 2011. The AoA does not offer any privileges in dividend distribution among shares/shareholders. The company's "Dividend Distribution Policy" has been disclosed to the public through annual reports and the corporate website. The aforementioned policy is described below:

"Subsequent to approval by the General Assembly, the company may distribute dividends in cash, bonus shares, or as both cash and bonus shares, in an amount determined by the BoD in accordance with the CMB communiqués and regulations within the scope of the long-term growth strategies, and in consideration of investment and financing plans as well as profitability. As long as the related legislation and investment needs allow, it has been defined as our company's dividend policy to distribute 50 percent of payable net profit to the shareholders as cash profit, and it was decided unanimously by the BoD that this policy will be submitted for the approval of the General Assembly. Any future changes to this policy will be publicly disclosed."

- Per the Board resolution on March 2, 2015, it was unanimously decided to pay gross dividends in the amount of 2,070,000 Turkish lira, which is 50 percent of distributable net profit of the period in accordance with the current Dividend Distribution Policy, from the distributable net profit of 4,129,189 Turkish lira for the 2014 period. It was also decided to pay the dividends in cash beginning as of May 25, 2015. The dividend distribution was completed on May 27, 2015.

2.6. Transfer of Shares

Article 6 of the AoA addresses the subject of transfer of shares. Accordingly, there are no restrictions on transfer of shares without prejudice to the provisions of the TCC, the CMB and the AoA.

SECTION III - PUBLIC DISCLOSURE AND TRANSPARENCY

3.1. Corporate Website and Content

Our corporate website is available both in Turkish and English at www.bizimtoptan.com.tr. Following information is provided on the corporate website for the shareholders;

- Information about Bizim Töptan
- Investor Relations
- Campaigns
- Products
- Customer applications
- Vision and Mission
- Advantages offered to our suppliers
- Areas of activity
- Our contribution to Turkey's economy
- Articles of Association
- Organizational structure
- Financial Reports
- Financial calendar
- Material event disclosures
- Minutes of the General Assembly
- Prospectus and circular for public offering
- List of corporate insiders
- Investor Presentations
- Analyst Information
- Shareholder Structure
- Disclosure and Dividend Distribution Policies
- Information about Executive Management
- Information Society Services

The corporate website address is provided on the company letterhead in accordance with the CMB Communiqué on Corporate Governance Principles.

3.2. Annual Report

The company's Annual Report is prepared in sufficient detail so as to ensure that the shareholders and the public have access to complete and accurate information regarding the company activities and in compliance with the principles set forth in the CMB's "II-17.1 Communiqué on Corporate Governance" and other legislation.

All necessary measures have been taken to prevent the use of insider information. Related institutions are provided information regarding the company executives and other persons/institutions with access to information that can affect the value of capital market instruments belonging to the company. In accordance with current legislation this information is also published on corporate website. Listed below are the company executives and other persons/institutions with access to information that can affect the value of capital market instruments, which are included in our annual report.

FULL NAME	TITLE	FULL NAME	TITLE
MURAT ÜLKER	BOARD MEMBER	BAHAR ERBENGİ	CORPORATE COMMUNICATIONS GENERAL MANAGER
MUSTAFA YAŞAR SERDENGEÇTİ	VICE CHAIRMAN OF THE BOARD OF DIRECTORS	ZUHAL ŞEKER TUCKER	CORPORATE COMMUNICATIONS GENERAL MANAGER
ALİ ÜLKER	BOARD MEMBER	LEYLA ŞEN	CORPORATE COMMUNICATIONS DIRECTOR
HAFİZE NURTAÇ AFRİDİ	BOARD MEMBER	SENEM ERDİL	CORPORATE COMMUNICATIONS MANAGER
TAHSİN PAMİR	BOARD MEMBER	PINAR ULUTAŞ	CORPORATE COMMUNICATION ASSISTANT SPECIALIST
BENDEVİ PALANDÖKEN	INDEPENDENT BOARD MEMBER	CEM KÜTÜK	BUSINESS DEVELOPMENT MANAGER
CENGİZ SOLAKOĞLU	CHAIRMAN	TANLA DAĞTEKİN	BUSINESS DEVELOPMENT DIRECTOR
ERSİN TARANOĞLU	INDEPENDENT BOARD MEMBER	MESUT EMRE YALÇIN	BUSINESS DEVELOPMENT MANAGER
HALİL CEM KARAKAŞ	BOARD MEMBER	BERKSU KAHRAMAN	BUSINESS DEVELOPMENT EXECUTIVE
UĞUR DEMİREL	VICE PRESIDENT	BARIŞ MEHMETOĞLU	BUSINESS DEVELOPMENT EXECUTIVE
BAYRAM ALİ YILDIRIM	CEO	NAGİHAN ŞENGÜL KARPUZ	FINANCIAL AFFAIRS GENERAL MANAGER
ZİYA KAYACAN	GROUP CFO	İLTERR OKTAY	TAX MANAGER
İŞİL BÜK	INVESTOR RELATIONS MANAGER	ÜMİT GÜLER	TAX SPECIALIST
ÖMER KILIÇ	ASSISTANT TO THE CEO	BURCU ATEŞ	TAX SPECIALIST
SADULLAH AYDIN	FINANCIAL AND ADMINISTRATIVE AFFAIRS DIRECTOR	ÇİHAĞIR ÇİMENİOĞLU	TAX SPECIALIST
İSA ÇELİK	FINANCE AND BUDGET GROUP MANAGER	EMRE ŞEHİSUVAROĞLU	HEAD OF INTERNAL AUDIT
CEMAL TEKBAN	ACCOUNTING MANAGER	DUYGU AKBAŞ	INTERNAL AUDIT DIRECTOR
İSMAİL SUCAKLI	CHIEF ACCOUNTANT	HASAN ONAR	IT AUDIT DIRECTOR
ŞENOL YAŞA	ACCOUNTING AND ADMINISTRATIVE AFFAIRS MANAGER	GÖKHAN DENİZ	INTERNAL AUDIT DIRECTOR
MUHSİN METİN	INFORMATION TECHNOLOGY MANAGER	DAĞHAN ALPMAN	INTERNAL AUDIT DIRECTOR
KADİR KANLI	PROFIT PLANNING AND CONTROL EXECUTIVE	A. ERDEM TOPÇU	SENIOR INTERNAL AUDITOR
ALİ LEVENT PEHLİVAN	CHANNEL SALES GROUP MANAGER	BURCU ERTÜRK	INTERNAL AUDITOR
FATİH YILDIZ	HUMAN RESOURCES MANAGER	ERSİN EREN	SENIOR INTERNAL AUDITOR
HAKAN HANCIOĞLU	CHIEF ACCOUNTANT	KONSTANTİN LOGONIU	SENIOR INTERNAL AUDITOR
MURAT İLER	ACCOUNTING SPECIALIST	JEFF SZYMCAK	IT AUDIT MANAGER
YUNUS ÖZKAN	INTERNAL AUDIT MANAGER	MERT CANOL	ASSISTANT AUDITOR
ADNAN ADİL	REGIONAL SALES DIRECTOR	OZAN EKİN YAMEN	ASSISTANT AUDITOR
NAZİF KOCA	REGIONAL SALES DIRECTOR	BUĞRA AYDAR	ASSISTANT AUDITOR
TEKİN AKKUŞ	REGIONAL SALES DIRECTOR	MEHMET DAİM DURSUN	IT AUDIT MANAGER
MUSTAFA TOPUZ	CONS. AND TECH. PURC. MAN. AND WORK SAFETY GROUP MAN.	ERDEM SARI	IT AUDITOR
MURAT YANIK	SALES OPERATIONS MANAGER	LEVENT TAŞÇI	CORPORATE TRANSACTIONS MANAGER
AZİZ BÜLENT EKER	DIRECTOR OF TRADE	MUSTAFA TERCAN	FINANCIAL AFFAIRS PRESIDENT
MURAT ŞENTÜRK	PURCHASING GROUP MANAGER	EMİR ERÇEL	FINANCIAL STANDARDS MANAGER
HAMİDULLAH TURAN	SOFTWARE AND SYSTEM DEVELOPMENT EXECUTIVE	MELİS EĞERYILMAZ	CONSOLIDATION SPECIALIST
ADNAN DEMİRCİ	COMMERCIAL MARKETING GROUP MANAGER	YİĞİT SOYLU	CONSOLIDATION SPECIALIST
NECMETTİN KARATAŞ	FRANCHISING DIRECTOR	ERİM KARGACI	CONSOLIDATION SPECIALIST
ELİF KOCAOĞLU	BUDGET REPORTING EXECUTIVE	MURAT KILIÇ	CONSOLIDATION SPECIALIST
SEMİH DİNÇ	BUDGET REPORTING EXECUTIVE	AYŞE ERTÜRKÖĞLU	FINANCIAL CONTROL SPECIALIST
CAN AKAN	BUDGET CONTROL AND REPORTING MANAGER	GÜLNUR CANAN BAŞARAN	FINANCIAL CONTROL SPECIALIST
M. MUSTAFA BOLVER	BUDGET REPORTING EXECUTIVE	SERKAN KARADAĞ	PRINCIPAL'S OFFICE-DIRECTOR
EMİN BİRSEL	VICE PRESIDENT	OSMAN TALHA TAŞÇI	PRINCIPAL'S OFFICE-DIRECTOR
NİLHAN GÜLBAHÇE	MARKETING DIRECTOR	YASEMİN HOCAOĞLU	PRINCIPLE CLERK
HASAN HAKAN AKIŞ	PROJECT MANAGER	SELDA ŞENKUL	EXECUTIVE ASSISTANT
ÖZLEM DÜZALAN	ASSISTANT TO VICE PRESIDENT	CAN İNCİ	EXECUTIVE ASSISTANT
HÜSEYİN AVNİ METİNKALE	GENERAL MANAGER	HİLAL MERTER	GENERAL MANAGER
YUSUF GÜMÜŞ	LEGAL DIRECTOR	FÜLYA KORKAN	EXECUTIVE ASSISTANT
BARIŞ ÖNER	LEGAL DIRECTOR	BURÇ SEVEN	PARTNER - INDEPENDENT AUDIT
AYŞEGÜL ÖZFINDIK	LEGAL COUNSEL	ÖMER YÜKSEL	INDEPENDENT AUDIT COMPANY MANAGER
BURÇE BEKASLAN	EXPERT LAWYER	DİNÇER UĞUR KOÇ	INDEPENDENT AUDIT COMPANY PERSONNEL
İBRAHİM TAŞKIN	HEAD OF LEGAL AFFAIRS		

SECTION IV - STAKEHOLDERS

4.1. Informing Stakeholders

The company's Disclosure Policy is carried out in accordance with the rules stipulated by legislative regulations, CMB legislations and the issued directives. The company prepared a written policy addressing public disclosure, which was announced to the shareholders and the public on the company website following the approval of the BoD.

The authority to constitute the disclosure policy and to amend it lies with the BoD. Upon the approval of the BoD, the Disclosure Policy and any amendments thereof, are published on the company website and presented to shareholders during the first General Assembly. The Investor Relations Department is responsible for the execution of the Disclosure Policy.

As a basic principle, in the event of a related request all publicly disclosed information shall be sent to the relevant person as soon as possible. In the event of an information request from shareholders, written or verbal information is provided. Throughout the year, the company issues material event disclosures promptly for any major development that may require public disclosure. The company's Annual Report is prepared in sufficient detail so as to ensure that the shareholders and the public have access to complete and accurate information regarding the company activities.

Material Event Disclosures

From January to December 2015, the company released 10 material event disclosures in accordance with CMB regulations. These disclosures are available at both the PDP and on the corporate website. There are no material disclosures that the Company have failed to announce in due time. The CMB has not requested any clarifications or additional information about the company's material event disclosures.

In the event the rights of the stakeholders are not regulated by legislation or a contract, the company protects their interests in good faith and within means available to the company, with due consideration given to the reputation of the company.

In addition, all employees have access to internal circulars and bulletins through the company's intranet, and receive certain important announcements immediately through email.

The company does not restrict stakeholders from contacting the Corporate Governance Committee or the Audit Committee about any company transaction that they deem either unethical or contrary to regulations. Stakeholders may contact these committees by any communication means they prefer.

4.2. Stakeholders' Participation in Management

Pursuant to the AoA the BoD consists of at least five members who are elected by the General Assembly upon nomination by shareholders of different share classes. The company's BoD is composed of nine members, three of whom are independent members. The company does not have any practices related to stakeholders' participation in management.

4.3. Human Resources Policy

The fundamental policy of human resources is to create a high performance team by building on previous achievements; improving and developing the human capital. The human resources policy adopted by the company is fundamentally that of Yildiz Holding's, and is available at www.bizimtoptan.com.tr.

The Human Resources Department is responsible for managing relations between the company and its employees. To this date, no discrimination complaints have been made regarding the company's human resources policy. The company believes that an emphasis on training and quality are key to achieving long-term success. Therefore, the company has embraced continuous development of its employees as one of its core principles. The Human Resources Department is responsible for communicating job descriptions and distribution of duties as well as performance and reward criteria to the employees.

Our Human Resources Policy is built on:

- Contributing to the organization's strategies by understanding the corporate environment's opportunities and developments,
- Helping it accomplish its strategic targets by identifying the organization's current and future needs, putting processes in place to find the most suitable people to meet these needs,
- Growing Bizim Tiptan into one of the most desired companies to work for by raising standards in all areas of activity (retail/Cash & Carry), focusing strategies on customer satisfaction, sustainable quality, respectability and sector leadership,
- An understanding that it is individuals who make the difference in a competitive environment. Recognizing that improving employee satisfaction, motivation, and encouraging employee loyalty and collaboration are all key,
- Maintaining a belief in "Happy Employees, Happy Customers."

14. Code of Conduct and Social Responsibility

The company's Code of Conduct is available on the corporate website. Since its foundation, Bizim Tiptan has striven to develop the management principles it has gone on to embrace. We are respectful to our employees and we work to protect the rights of partners, shareholders, suppliers and customers alike. We are mindful of social values and social responsibilities, and we work to promote the utmost affinity, respect and collaboration between our managers, employees, suppliers and customers. We endeavor to ensure high performance in work and instill honesty, consistency, trust and responsibility in everything we do.

Furthermore, the company takes pains to implement policies to respect and support the environment, sports, education and public health.

SECTION V – BOARD OF DIRECTORS

5.1. Structure and Organization of the BoD

The company's BoD is composed of nine members, three of whom are independent members. Executive as well as non-executive members serve in the BoD. The BoD is made up of mostly non-executive members. Non-executive Board Members include independent members who possess all of the criteria stipulated by the CMB regulations, who are able to carry out their duties without prejudice, who can follow up on the company activities, and who can perform the requirements of the job properly.

The positions of the Chairman of the Board of Directors and the company CEO are always held by different people. Bayram Ali Yıldırım is the company CEO. The three independent members of the board are Cengiz Solakoğlu, Ersin Taranoğlu and Bendeve Palandöken.

One of our Board Members, Ahmet Özokur, resigned in 2015 and Hafize Nurtaç Afridi's election was submitted for approval at the first General Assembly to replace Mr. Özokur by the end of his initial term of office. This development was declared to the public with a material disclosure at the PDP.

Information about the BoD as of December 31, 2015, is as follows:

Full Name	Duty	Date of Appointment	Term of Office	Executive Function
Cengiz Solakoğlu	Chairman/Independent Board Member	3.25.2014	3 years	Non-Executive
Mustafa Yaşar Serdengeçti	Vice Chairman of the Board of Directors	3.25.2014	3 years	Executive
Murat Ülker	Board Member	3.25.2014	3 years	Non-Executive
Ali Ülker	Board Member	3.25.2014	3 years	Non-Executive
Hafize Nurtaç Afridi	Board Member	12.15.2015	1 year and 3 months	Non-Executive
Tahsin Pamir	Board Member	3.25.2014	3 years	Non-Executive
Halil Cem Karakaş	Board Member	3.25.2014	3 years	Executive
Ersin Taranoğlu	Independent Board Member	3.25.2014	3 years	Non-Executive
Bendeve Palandöken	Independent Board Member	3.25.2014	3 years	Non-Executive

Executive Management

Full Name	Duty	Tenure in the Company	Professional Experience
Bayram Ali Yıldırım	CEO	10 years	18 years
Ziya Kayacan	Group CFO	5 years	26 years

Short biographies of our Board Members are provided below.

Cengiz Solakoğlu – Chairman of the Board of Directors/Independent Board Member

Following his graduation from the Istanbul Academy of Economic and Business Studies in 1964, Cengiz Solakoğlu began his professional career as a salesperson at Beko Ticaret A.Ş. in 1967 and became the General Manager of the company in 1977. Solakoğlu remained the General Manager until 1983 when he was appointed General Manager of Atılım Company, also within the Koç Group. During his eight-year tenure, he led the "Restructuring and Empowering Arçelik Authorized Dealership System" project. Solakoğlu was appointed as the Vice Chairman of Koç Holding Consumer Goods Group in 1991, then as Chairman in 1994. Also serving as

a member of the Executive Committee of the Koç Group between 1996 and 1998, he was appointed as the Chairman of the Koç Holding Consumer Durables Group in 2002. After 38 years of continuous service, Solakoğlu retired from the Koç Group in 2004, due to the Group's policy of mandatory retirement at age 60. Selected as the 2003 Leader of Civil Society by the Ekonomist magazine, Solakoğlu is among the founding members of the 1907 Fenerbahçe Association and the Education Volunteers Foundation. He still serves as TEGV Chairman of the Board.

Mustafa Yaşar Serdengeçti - Vice Chairman of the Board of Directors

In 1982 Mustafa Yaşar Serdengeçti graduated from the İstanbul University Faculty of Economics and began working in the Financial Controlling Department of Deva Holding in the same year. Following the completion of his military service, he started working at Yıldız Holding in 1985. He held the role of Assistant General Manager at İstanbul Gıda Dış Ticaret A.Ş. between 1992 and 1998, and of General Manager between 1998 and 2004. He greatly contributed to establishing a foreign trade company under Ülker Group and expanding its export operations to 106 countries in 12 years, achieving \$180 million in exports. Between 2004 and 2006, Serdengeçti led the project for merging

and outsourcing the transportation and storage operations of Ülker Group companies. Between 2005 and 2010, as the Vice Chairman of the Board, he took part in the restructuring of Bizim Tiptan Satış Mağazaları A.Ş. By implementing the company's new vision, he transformed the wholesaler into one of the most prominent businesses in the industry. Having consolidated Ülker Group's modern channel sales between 2008 and 2010, he founded Pasifik Tüketim Ürünleri A.Ş. Serving as the General Manager of the Retail Group since 2010, Serdengeçti is also Vice Chairman of the Board of Bizim Tiptan Satış Mağazaları A.Ş.

Murat Ülker - Board Member

Murat Ülker was born in 1959. He received his Bachelor's Degree from the Faculty of Business Management at Boğaziçi University.

He started his career in 1982 and traveled abroad to participate in various vocational training courses including American Institute of Baking (AIB) and Zentralfachschule der Deutschen Süßwarenwirtschaft (ZDS). He completed his internship at the US-based Continental Baking Company. He researched and investigated approximately 60 biscuit and chocolate producing factories and manufacturing facilities on-site in the US and Europe. In addition to this, he took part in various International Executive Service Corps (IESC) projects.

Ali Ülker - Board Member

Born in 1969, Ali Ülker attended the Faculty of Economics and Business Management at Boğaziçi University. He has attended a number of training programs at the IMD and Harvard universities. He was involved in the In-company Kaizen Studies (1992) as well as the IESC Sales System Development and In-company Organization Project (1997) at De Boccard & Yorke Consultancy Company.

He began his career in 1985 as an intern in Ülker Foods A.Ş.'s Quality Control Department. From 1986 to 1998, Ali Ülker worked in the chocolate production facilities at Atlas Gıda Marketing A.Ş., first as a trainee and then as Sales Manager, Sales Coordinator, Product Group Coordinator, and Product Group Manager.

Ersin Taranoğlu - Independent Board Member

Ersin Taranoğlu was born in Konya in 1953. He completed his primary education in İstanbul and Bingöl, secondary education in Bingöl and Konya, and high school education in Konya, İzmir and Sakarya. He received his bachelor's degree in Civil Engineering from the Sakarya State Engineering and Architecture Academy in 1975. After serving in the 6th army corps from 1976 to 1977, he took on executive management roles in the private sector until 1982, before spending five years working

Murat Ülker joined Yıldız Holding as control coordinator in 1984. Over the following years, he served as assistant general manager for enterprises, and later, as general manager. While serving on the company's Executive Committee and as a board member for various Ülker companies, Murat Ülker successfully managed many new investments through vertical integration.

Murat Ülker, became the Chairman of the Executive Board of Yıldız Holding in 2000 and serves as the Chairman of the Board of Directors since 2008.

His interests include traveling with his family, sailing, calligraphy, and modern art. Fluent in English and German, Murat Ülker is married with three children.

In 1998, he became the General Manager of Atlas Gıda Marketing. In 2001, Ali Ülker took on the role of the General Manager of Merkez Gıda Marketing. He was first appointed as Vice Chairman of the Foods Group in 2002, and then as Group Chairman in 2005. Serving as the Vice Chairman of the Yıldız Holding Board of Directors since 2011, Ali Ülker also holds the position of Global Innovation and Quality Group President.

Also serving as member or founding member at many professional associations, Ali Ülker's interests include playing basketball and billiards, fishing, reading and

watching movies. Fluent in English and German, he is married with three children.

independently in business. In 1987 he was elected to the parliament for the first time, serving as the representative of Sakarya in the parliament in the 18th, 19th, 20th and 21st terms. He was the Minister of State in Charge of Sports in the 53rd Government and the Minister of Forestry in the 55th Government. He is the current Secretary General of the Federation of Food and Drink Industry Associations of Turkey. Ersin Taranoğlu is married with two children.

Hafize Nurtaç Afridi - Board Member

Nurtaç Afridi, graduated from Marmara University Business Administration with a double major in marketing and finance in 1993. Nurtaç Afridi obtained her MBA degree in Germany. She started her carrier at Arthur Andersen in 1993. During her 12 years career in Arthur Andersen and Accenture she led several restructuring, strategy and transformation projects for her clients in diverse industries.

She worked as the Head of Strategy & Regulatory Affairs department at Avea between 2005 to 2006. In 2006, Nurtaç Afridi joined Yıldız Holding as the Head of Corporate Strategy. In 2010 she became the Head of M&A and Business Development. Nurtaç Afridi established and led the corporate strategy function in Yıldız Holding.

She played an active role in developing Yıldız Holding's strategy and organizational structures. She also built the Mergers and Acquisitions, Business Development and Investor Relations functions for Yıldız Holding listed companies. Among several merger, acquisition and divestiture projects, she led the IPO of Bizim Tiptan, acquisitions of Şok, Dia, Private Placement of Ülker shares, acquisition of Demets. She led the acquisition of United Biscuits, the largest acquisition of a Turkish company that led Yıldız Holding to become the third largest biscuit player in the world. She also led the sale of the shares of Ak Gıda and soft beverage business of Yıldız Holding to strategic buyers. Nurtaç Afridi is fluent in English and German. She is the board member of British Chamber of Commerce and Turkish Investor Relations Association.

Halil Cem Karakaş - Board Member

Born in 1974, Dr Cem Karakaş received his bachelor's degree from Middle East Technical University, his master's degree from Massachusetts Institute of Technology, and his doctoral degree from Istanbul University. Dr Karakaş began his career at Koç Holding, in the Strategic Planning Group. He became Director of New Business Development at OYAK Group, the largest institutional investor in Turkey, and General Manager at OYAK Real Estate Development. Over the years, he served as board member of some of the largest Turkish corporations. From 2006 to 2010 Dr Karakaş was CFO of Erdemir Group.

He is one of Turkey's leading experts in mergers and acquisitions, with more than 100 operations to his credit.

Dr Karakaş has been the CFO of Yıldız Holding since 2010 and is appointed as the Executive Deputy Chairman, as of October. Dr Karakaş is married, with two children. He enjoys scuba diving and skiing.

Dr. Tahsin Pamir - Board Member

Tahsin Pamir was born in Ordu in 1942. He graduated from the chemistry department at Robert College and received his Ph.D. in physical chemistry from Istanbul University. After serving in various executive positions at Yaşar Holding between 1973 and 1989, he joined Yasaş as General Manager. In 1989, Pamir opened the first Metro Cash & Carry Grossmarket and worked for six years as the Chairman of the Board of Directors and Country Manager of Metro Türkiye. Prior to founding the Pamir Consultancy Company in 1999, he served as Board Member, General Manager, and Coordinator at Fiba Holding and EGS Holding as well as a concept consultant for the restructuring and renovation of Paşabahçe stores. He has also held training programs and seminars at many institutions, covering retail management principles and applications, marketing and

strategic retail management. Organizations have included Retailing Institute, Migros, Tansaş, Turkcell, Ülker, Soysal, and KMG. He has also participated as an academic instructor for MBA programs at Koç, Yeditepe and Galatasaray universities. Pamir is a Turkcell "Development Partner," participating as instructor in the Turquality program. At Pamir Consultancy Company, he offers consultancy and executive training on strategic issues and competitive retail formats. Pamir, who served for one term as the Secretary General of the Malls and Retailers Association, also serves as Advisory Board Member at the World Retail Congress and the Turkish Retailers Federation. In addition, he is a Member of the Board of Trustees at Boğaziçi University.

Bendevi Palandöken - Independent Board Member

He was born in Malatya in 1949. In 1965, he was elected as a member of the Supervisory Board of the Ankara Union of Grocers and Vendors, where he served as Vice President from 1978 to 1984.

Since 1984, he has been the President of the Federation of Grocers and Vendors.

Palandöken is also the President of the Ankara Grocers, Vendors, and Artisans Credit and Surety Cooperative, which he founded in 1978.

In 1996, Palandöken was elected Member of the Board of Directors of the Confederation of Turkish Tradesmen and Craftsmen (TESK). Three years later, he was elected Vice Chairman. Since 2007, he has been TESK Chairman.

Meanwhile, Palandöken performs many other duties in different roles at other institutions. He is the Vice President of the Euro-Mediterranean Partnership

(EUROMED), a member of the Turkey and European Union Joint Consultative Committee (TR&EU JCC), a Board Member of the Foreign Economic Relations Board (DEİK), an Executive Committee Member at the Small and Medium Industry Development Organization (KOSGEB), a Board Member at the Social Security Institution (SGK), a Board member at the Vocational Qualifications Authority (MYK), Term Chairman at the Brussels Office of Turkish Research and Business Organizations established by TESK, TOBB, TÜBİTAK and KOSGEB, and Chairman of the Craftsman's Association.

Moreover, Palandöken has been running a grocery store on Telli Kaya Street in Cebeci, Ankara, continuously since 1962.

The joint "declaration of independence" of the Independent Members of the BoD is presented below:

BAĞIMSIZLIK BEYANI

Bizim Toptan Satış Mağazaları Anonim Şirketi Yönetim Kurulu'nda, mevzuat, Esas Sözleşme ve Sermaye Piyasası Kurulu tarafından ilan edilen Kurumsal Yönetim İlkeleri'nde belirlenen kriterler kapsamında, 25 Mart 2014 tarihli Olağan Genel Kurul Toplantısı'nda "bağımsız üye" sıfatı ile seçilmiş bulunmaktayım. Bu kapsamda;

Şirket, şirketin ilişkili taraflarından biri veya şirket sermayesinde doğrudan veya dolaylı olarak %5 veya daha fazla paya sahip hissedarların yönetim veya sermaye bakımından ilişkili olduğu tüzel kişiler ile kendim, eşim ve üçüncü dereceye kadar kan ve sıhrî hısımlarım arasında, son beş yıl içinde, doğrudan veya dolaylı istihdam, sermaye veya önemli nitelikte ticari ilişki kurulmamış olduğunu,

Son beş yıl içerisinde, başta Şirket'in denetimini, derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde Şirket'in faaliyet ve organizasyonunun tamamını veya belli bir bölümünü yürüten şirketlerde çalışmamış ve yönetim kurulu üyesi olarak görev almamış olduğumu,

Son beş yıl içerisinde, Şirket'e önemli ölçüde hizmet ve ürün sağlayan firmaların herhangi birisinde ortak, çalışan veya Yönetim Kurulu Üyesi olarak görev yapmadığımı,

Sermayede sahip olduğum payın oranının %1'den fazla olmadığını ve bu payların imtiyazlı olmadığını,

Bağımsız Yönetim Kurulu Üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

Kamu kurum ve kuruluşlarında, tam zamanlı çalışmadığımı ve görevim süresince bu niteliğimi koruyacağımı,

Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ortakları arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayırabildiğimi, beyan ederim.

CENGİZ SÖLAKÇI
SE. Kay

BAĞIMSIZLIK BEYANI

Bizim Toptan Satış Mağazaları Anonim Şirketi Yönetim Kurulu'nda, mevzuat, Esas Sözleşme ve Sermaye Piyasası Kurulu tarafından ilan edilen Kurumsal Yönetim İlkeleri'nde belirlenen kriterler kapsamında, 25 Mart 2014 tarihli Olağan Genel Kurul Toplantısı'nda "bağımsız üye" sıfatı ile seçilmiş bulunmaktayım. Bu kapsamda;

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Son beş yıl içerisinde, başta Şirket'in denetimini, derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde Şirket'in faaliyet ve organizasyonunun tamamını veya belli bir bölümünü yürüten şirketlerde çalışmamış ve yönetim kurulu üyesi olarak görev almamış olduğumu,

Son beş yıl içerisinde, Şirket'e önemli ölçüde hizmet ve ürün sağlayan firmaların herhangi birisinde ortak, çalışan veya Yönetim Kurulu Üyesi olarak görev yapmadığımı,

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Şirket faaliyetlerine olumlu katkılarda bulunabilecek, şirket ortakları arasındaki çıkar çatışmalarında tarafsızlığımı koruyabilecek, menfaat sahiplerinin haklarını dikkate alarak özgürce karar verebilecek güçlü etik standartlara, mesleki itibara ve tecrübeye sahip olduğumu,

Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayırabildiğimi, beyan ederim.

Saygılarımla,
Ersin TARANOĞLU



BAĞIMSIZLIK BEYANI

Bizim Toptan Satış Mağazaları Anonim Şirketi Yönetim Kurulu'nda, mevzuat, Esas Sözleşme ve Sermaye Piyasası Kurulu tarafından ilan edilen Kurumsal Yönetim İlkeleri'nde belirlenen kriterler kapsamında, 25 Mart 2014 tarihli Olağan Genel Kurul Toplantısı'nda "bağımsız üye" sıfatı ile seçilmiş bulunmaktayım. Bu kapsamda;

Şirket, şirketin ilişkili taraflarından biri veya şirket sermayesinde doğrudan veya dolaylı olarak %5 veya daha fazla paya sahip hissedarların yönetim veya sermaye bakımından ilişkili olduğu tüzel kişiler ile kendim, eşim ve üçüncü dereceye kadar kan ve sıhrı hısımlarım arasında, son beş yıl içinde, doğrudan veya dolaylı istihdam, sermaye veya önemli nitelikte ticari ilişki kurulmamış olduğumu,

Son beş yıl içerisinde, başta Şirket'in denetimini, derecelendirilmesini ve danışmanlığını yapan şirketler olmak üzere, yapılan anlaşmalar çerçevesinde Şirket'in faaliyet ve organizasyonunun tamamını veya belli bir bölümünü yürüten şirketlerde çalışmamış ve yönetim kurulu üyesi olarak görev almamış olduğumu,

Son beş yıl içerisinde, Şirket'e önemli ölçüde hizmet ve ürün sağlayan firmaların herhangi birisinde ortak, çalışan veya Yönetim Kurulu Üyesi olarak görev yapmadığımı,

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Bağımsız Yönetim Kurulu Üyesi olmam sebebiyle üstleneceğim görevleri gereği gibi yerine getirecek mesleki eğitim, bilgi ve tecrübeye sahip olduğumu,

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Şirket faaliyetlerinin işleyişini takip edebilecek ve üstlendiğim görevlerin gereklerini tam olarak yerine getirebilecek ölçüde Şirket işlerine zaman ayırabildiğimi, beyan ederim.

Burcu Paludolu



5.2. Governance Principles of the BoD

The BoD held 15 meetings between January and December 2015. Due consideration is given when scheduling the meeting to ensure participation from all Board Members.

In accordance with company AoA, the BoD convene when necessitated by the company business. It is required to send written notices, along with the meeting Agenda, to all members at least three calendar days prior to the meeting. Any Board Member may ask the Chairman or Vice Chairman of the Board of Directors to call for a meeting. In this case, the Chairman of the Board of Directors shall be obligated to do so.

In accordance with Article 390/4 of the TCC, BoD' resolutions can be passed without the requirement of a meeting with one more vote than half of the total number of members, provided that the written proposal made by one of the members has been submitted to each Board Member, and that none of the members request a meeting for the proposal.

BoD meetings can take place at the company's administrative headquarters or at a suitable location in a city where the company's administrative headquarters are located. With the agreement of the BoD it may be held in another city. Members of the BoD determine the assignment of duties among themselves.

Board Members are required to attend the meetings in person. The opinions of members who do not attend a meeting, but who send their opinions in writing, are submitted for the information of other members.

It is mandatory for the BoD' discussions and resolutions to be recorded in the meeting minutes and signed by the participants. Board Members who vote no are required to state their reasons and sign the meeting minutes. The BoD meets with participation of at least one more member than half of the total number of members and decisions are made by the majority of the votes of the attending members. In case of equality of votes, the discussion of the topic shall be moved to the next meeting agenda. If the majority is not reached in the second meeting, then the topic shall be considered as rejected. Each member of the BoD holds a single vote regardless of his/her position or duty.

Powers and responsibilities of the executives and the members of the BoD are clearly specified in the AoA which is available on the company website at www.bizimtoptan.com.tr and on the PDP.

While carrying out their responsibilities, the members of the Board Directors are provided with all the information necessary for them to fully perform their duties and act prudently and in good faith. No objection has been raised against any resolution adopted by the BoD during the meetings of the 2014 operating period.

Important decisions concerning issues requiring public disclosure were announced immediately after meetings.

Board of Directors

Full Name	Title	Positions Held Outside the Company
Cengiz Solakoğlu	Chairman	Board Member at Non-Group Companies
Mustafa Yaşar Serdengeçti	Vice Chairman	Board Member at Group Companies
Murat Ülker	Board Member	Chairman at Group Companies
Ali Ülker	Board Member	Board Member at Group Companies
Hafize Nurtaç Afridi	Board Member	Board Member at Group Companies
Halil Cem Karakaş	Board Member	Board Member at Group Companies
Tahsin Pamir	Board Member	Freelance Training and Consultancy
Ersin Taranoğlu	Independent Board Member	Secretary General of the Federation of Food and Drink Industry Associations of Turkey
Bendevis Palandöken	Independent Board Member	President of the Confederation of Turkish Tradesmen and Craftsmen

5.3. Number, Structure, and Independence of Committees Formed by the BoD

Under resolution number 22, the BoD adopted the below decisions unanimously on April 25, 2014. The resolution was reported to the PDP as a Material Event Disclosure on the same day. "The following decisions were passed upon review of our committees pursuant to the provisions of the Corporate Governance Communiqué No:II-14.1 ("Communiqué") of the Capital Markets Board ("CMB"):

- Independent Board Member Cengiz Solakoğlu, Board Member Tahsin Pamir and Işıl Bük (Investor Relations Manager) were selected unanimously to serve in the Corporate Governance Committee and the committee empowered to also perform the duties of both the Nomination Committee and the Compensation Committee.
- Independent Board Member Cengiz Solakoğlu and Independent Board Member Ersin Taranoğlu were elected unanimously as members of the Audit Committee.
- Independent Board Member Cengiz Solakoğlu and Board Member Tahsin Pamir were elected unanimously as members of the Early Detection of Risks Committee. The Board also agreed to publish the working principles of the committees.

The Audit Committee

The Audit Committee is responsible for ensuring that internal and independent audits are executed fully and transparently. It is responsible for carrying out the following duties:

- Conducting research on the selection of an independent auditing firm, and following its pre-approval, the presentation of the findings to the BoD.
- Auditing to ensure that the financial statements and their footnotes to be disclosed to the public are compliant with the legislation and international accounting standards; and approving them.
- Oversight of the operations and effectiveness of the company's accounting system, public disclosure of its financial information, independent audit and internal control systems.
- Reviewing and resolving complaints concerning the company's accounting, internal control system and independent auditing.
- The Audit Committee convenes at least every quarter upon the invitation by the Committee Chairman. The Committee may invite managers and internal or independent auditors to the meetings in order to obtain information. The chairman and members of the Audit Committee are elected from among independent board members.
- Some Board Members serve in several committees due to organizational structure of the BoD and the number of independent members.
- The Audit Committee met four times in 2015.

The following table shows the Audit Committee members as of December 31, 2015.

Audit Committee Members

Full Name	Duty	Eligibility
Cengiz Solakoğlu	Chairman of the Audit Committee	Independent Board Member, Non-Executive
Ersin Taranoğlu	Audit Committee Member	Independent Board Member, Non-Executive

The Corporate Governance Committee

The Corporate Governance Committee is responsible for compliance with the corporate governance principles of the company. It is principally responsible for examining to what extend these principles are applied. If they are not, it is responsible for determining the reasons and, after understanding the negative impacts that arise due to lack of complete implementation, taking the necessary measures for improvement. It is also responsible for providing support to the BoD by carrying out work regarding wages, rewards and performance evaluations, career planning, investor relations and issues of public disclosure.

The Corporate Governance Committee is comprised of at least two (2) members. If necessary, a person who is not a Board Member, but is a specialist in his/her field, may be appointed as a

Corporate Governance Committee member. At least one member of the Corporate Governance Committee is elected from among independent non-executive Board members. The Corporate Governance Committee meets at least once every three months. The Committee met four times in 2015. The following table shows the Corporate Governance Committee members as of December 31, 2015.

The Corporate Governance Committee also acts as and performs the duties of the Nomination Committee and the Compensation Committee per the BoD Resolution No. 22 on April 25, 2014.

Some Board Members serve in several committees due to organizational structure of the BoD and the number of independent members.

Corporate Governance Committee Members

Full Name	Title	Eligibility
Cengiz Solakoğlu	Chairman of the Corporate Governance Committee	Independent Board Member, Non-Executive
Tahsin Pamir	Corporate Governance Committee Member	Independent Board Member, Non-Executive
İşıl Bük	Corporate Governance Committee Member	Investor Relations Manager

Early Detection of Risks Committee

The Early Detection of Risks Committee holds responsibility for: the early detection of risks that may cause danger to the existence, growth, and continuation of the company; for taking the necessary measures against these risks; and for working to manage the risks. The Committee

reviews the risk management systems at least once a year. The Early Detection of Risks Committee met four times in 2015. The following table shows the Early Detection of Risks Committee members as of December 31, 2015.

Members of the Early Detection of Risks Committee

Full Name	Title	Eligibility
Cengiz Solakoğlu	Chairman of the Early Detection of Risks Committee	Independent Board Member, Non-Executive
Tahsin Pamir	Early Detection of Risks Committee Member	Independent Board Member, Non-Executive

Some Board Members serve in several committees due to organizational structure of the BoD and the number of independent members.

5.4. Risk Management and Internal Control Mechanism

The Early Detection of Risks Committee carries out the company's risk management operations. In addition, the Internal Audit Department was formed to serve in our company. Our company is periodically audited by both the audit departments of Yıldız Holding A.Ş., our main partner, and an independent auditor. Their findings are presented to other Board Members, together with the members of the Audit Committee. Work flows, procedures and the powers and responsibilities of the employees are managed within the scope of risk management. They are regularly audited.

5.5. Strategic Objectives of the Company

All companies affiliated with Yıldız Holding were founded with the belief that "no matter where in the world people live, they have the right to a happy childhood." Bizim Tiptan's vision is to be Turkey's number one wholesaler in the fast-moving consumer goods industry, through its widespread, modern and trustworthy concept. Our mission is to be a strategic business partner that provides a competitive advantage to its customers and suppliers by reducing costs and risks. The vision and mission of Yıldız Holding and Bizim Tiptan are disclosed to the public and are available on the company websites at www.yildizholding.com.tr, www.bizimtiptan.com.tr and www.biziminvestorrelations.com.

Based on their review of the company's strategy in 2014, the BoD has decided to implement steps towards sustainable profitable growth in line with the changing market conditions. In 2015, the BoD therefore has met as often as necessary to review the company's performance and will continue to do so.

5.6. Material Rights

The wages of the members of the BoD are determined separately by the General Assembly based on the company's financial status. In 2015, total financial benefits offered to the Board Members and senior executives amounted to 3,430,965 Turkish lira. No loan was extended to any Board Member or executive during the period, nor any personal loan, collateral or bill of guarantee was given on their behalf directly or through a third party. The following is the Remuneration Policy, which establishes the remuneration principles of the BoD and senior executives, as presented to the shareholders at the General Assembly on May 29, 2012. The Remuneration Policy was published on the corporate website and the PDP. The Remuneration Policy intends to manage and implement the rights of the members of the BoD and the senior executives by taking into consideration the long-term targets and performance of the Company in accordance with the regulations of the Capital Market Law and the Turkish Commercial Code. The wages of Board Members are determined as monthly gross wages according to the opinions of the related committee and submitted to the approval of General Assembly. Independent Board Member remuneration shall be kept at a level so as to maintain their independent statuses. Share options or payment plans based on company performance may not be used as part of Independent Board Member remuneration. The salaries and benefits of senior executives are determined according to their duties within the company, as well as their responsibilities, experience levels, and performance indicators, whilst considering equivalent business conditions and company strategies/policies. The salaries and other benefits are declared to the public with the annual report. Beside monthly wages determined according to related policies, senior executives and Board members may also be provided additional benefits and paid performance-based premiums which will help improve their long-term performance. The remuneration policy for the BoD and executives, and the changes to this policy, are first approved by the BoD and then submitted for the information of the General Assembly, as well as being published on the corporate website.