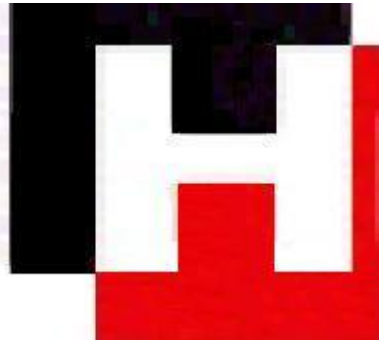


HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.



CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

2014

Board of Directors Activity Report

9 CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT 2014

1. Corporate Governance Principles Compliance Report

In corporate governance practices, our Company pays strict attention to comply with the Capital Market Legislation and the Capital Market Board (CMB) regulations and has adopted the equality, transparency, accountability and responsibility as concepts that constitute the basis of corporate governance.

Our Company's corporate governance applications are subject to corporate governance rating by ISS Corporate Services Inc. (ICS) an international rating company that obtained official authorization to conduct ratings in Turkey in accordance with methodology approved by the CMB.

Our Company is one of the first companies that received corporate governance rating in our country. Our Company was evaluated for the first time in 2007 and received a corporate governance rating "good" with 8.0 over 10. Between 2008 and 2012, our corporate governance rating gradually was raised to 8.32; 8.43; 8.47; 8.56; and 9.09. On the other hand in 2013, we had the same score 9.09. SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş that has a license to carry out rating activities in Turkey in compliance with the regulations and decisions of the Capital Markets Board (CMB) on the issue, determined our corporate governance rating score as 9.30 (92,96) over 10 in the 2014 evaluation. Within the framework of the Principle Decision of CMB on the issue; final rating score is determined by using different weights in four subcategories. Within this scope, the distribution of our corporate governance rating scores in the subcategories is as follows;

Shareholders (weight: 0.25) = 94.77

Public Disclosure and Transparency (weight: 0.25) = 92.08

Stakeholders (weight: 0.15) = 98.09

Board of Directors (weight: 0.35) = 90.09

It is possible to reach the Corporate Governance Rating and Corporate Governance Compliance Reports via our website (www.hurriyetkurumsal.com).

In the accounting period ending on December 31, 2014, the Company complied with the Corporate Governance Principles as required by the CMB Regulations and Resolutions and regarding the issues not included in these Principles where the Company does not fully comply, the Company came to the conclusion that these issues do not lead to a significant conflict of interest.

Vuslat Sabancı

Chairwoman

Ahmet Nafi Dalman

Board Member

SECTION I - SHAREHOLDERS

2. Investor Relations Unit

2.1. All provisions of applicable legislation, the Articles of Association and other Company policies regarding the exercise of shareholders' rights are being complied with and every precaution is being taken to ensure the exercise of these rights.

2.2. The "Shareholder Relations Unit" was established to observe the relations between the shareholders and the Company and to ensure that the requirements for shareholders' right to information are fully satisfied, it carries out its duties in accordance with the Capital Market Legislation, CMB Regulations and the Articles of Association. The main duties of this unit are to:

- Ensure that shareholder records are accurate, safe and up-to-date,
- Respond to written requests for information by shareholders about the Company in accordance with Capital Markets Legislation,
- Observe that General Assembly Meetings are held in compliance with the applicable legislation, the Articles of Incorporation and other Company policies,
- Prepare the documents to be submitted to shareholders at General Assembly meetings,
- Ensure that the voting results are recorded properly and the reports on results are delivered to all shareholders,
- Observe and monitor all issued related with public disclosure, including legislation and the Company's information policy,
- Ensure the execution of Capital Market compliance activities and
- Ensure the performance of investor relations activities.

2.3. Dr. İnci Tari, Investor Relations and Finance manager, is serving as Investor Relations Manager. Her contact details are as follows:

Name	Dr. İnci Tari
Title	Investor Relations and Finance Manager
Licence data	Corporate Management Rating Licence no: 700895 Capital Market Operations Advanced Licence: 206564
Address	Hürriyet Dünyası 100. Yıl Mahallesi, Matbaacılar Caddesi No: 78 34204 Bağcılar / İstanbul
Phone - facsimile	212 449 60 30 – 212 677 01 82
e-mail	itari@hurriyet.com.tr yatirimciiliskileri@hurriyet.com.tr

All Hürriyet shares are included in the Central Registry System (CRS). Formalities related to CRS are managed by the Company internally.

2.4. All requests for information received from investors and shareholders in 2014 were responded to in accordance with the Capital Market Legislation, CMB Regulations and Resolutions; relevant information and documents, excluding those regarded as confidential or holding trade secrets, were delivered to investors and shareholders, observing the principle of equality.

All e-mailed and verbal requests for information were responded to without delay, all meeting requests from Hürriyet analysts were met to the extent permitted by the schedule. On the day after the financial disclosures, made on quarterly basis, four teleconferences were organized to discuss the results of the disclosures.

2.5. Maximum care is taken to reply to inquiries in accordance with applicable legislation and the Articles of Association. To the best of the Company's knowledge, no written or verbal complaints concerning the exercise of shareholders' rights were received in 2013, nor were there any official investigations launched against the Company.

Board of Directors Activity Report

3. Exercise of Shareholders' Right to Information

3.1. The Company does not discriminate against different groups of shareholders, including minority and foreign shareholders, in terms of their rights to information.

3.2. Maximum care is taken to reply to the requests for information received from investors and shareholders in 2014 in accordance with the Capital Market Legislation, CMB Regulations and Resolutions.

3.3. Presentations on developments related with the Company and financial highlights together with all necessary information that would affect the proper exercise of shareholders' rights are updated and available on the Company's website at www.hurriyetkurumsal.com, both in Turkish and English.

3.4. The Articles of Association do not yet provide for an individual's right to appoint a special auditor and no request for appointment of a special auditor was received from shareholders during the year. However, this right might be included in the Articles of Association in the future, depending on changes in relevant legislation.

4. General Assembly Meetings

4.1. The Ordinary General Meeting of Shareholders to discuss the activities of the year 2013 was held on March 29, 2013 at the Company's head office. Pursuant to Article 1527 of the Turkish Commercial Code 6102 dated 13.01.2011, that allows for electronically attendance, suggesting a proposal, expressing opinions and voting at the general assembly meetings of joint stock companies, the Company has provided the opportunity to shareholders who are entitled to attend general assembly meetings, to attend the meetings via electronic means. Besides the methods set forth in the legislation, the General Assembly meeting was announced at the Company's website (www.hurriyetkurumsal.com), advertisements published in Hürriyet and Radikal and via Electronic General Assembly System of the Central Registry Agency (CRA) to ensure maximum participation by shareholders, at least 3 weeks in advance, as set forth in the Company's Articles of Association.

4.2. Regulations on the Company's General Assembly meetings are given in the Articles of Association of Hürriyet Gazetecilik ve Matbaacılık A.Ş. that is announced on the Company's website and is accessible by the public. Information regarding the agenda items is prepared and announced to the public before the General Assembly meeting. Financial statements and reports, including the annual report, dividend distribution proposals, informative document on the agenda items, any documents supporting the agenda and the most recent version of the Articles of Association, any amendments and their reasons are made available to all shareholders for scrutiny at the Company's headquarters, branches and websites following the announcement of the General Assembly Meeting. Prior to the General Assembly Meeting, forms of proxy statements are made available on the website for those desiring to be represented by proxy.

4.3. The meeting procedure for the General Assembly ensures maximum participation of shareholders. "Electronic signatory" shareholders who intend to attend the General Assembly meeting via electronic means obtained the information about the attendance to the meeting electronically from "CRA" and/or CRA's website at www.mkk.com.tr. General Assembly meetings were held in a way not to create any inequality between shareholders, with minimum cost incurred by shareholders and in the least complex manner.

4.4. The voting procedure is announced to shareholders on the website and through announcements in newspapers. Unless otherwise decided by the General Assembly, all General Meetings are open to interested parties and members of the media, pursuant to the Company's Articles of Association. The venue of General Assembly Meetings facilitates maximum participation of shareholders. However, shareholders or proxies who attend a General Assembly Meeting without an entrance card are not entitled to speak and vote at the meeting. At the General Assembly Meetings, agenda items are explained in an unbiased, detailed, clear and understandable manner and shareholders are allowed to explain their views, ask questions and discuss related issues in a democratic environment.

4.5. At the General Assembly Meeting, a total of 440.120.772,582 shares (79,73%) out of 552.000.000 shares of the Company were present, where 1 share attended the meeting personally and 440.120.772,582 were represented by proxy, thus the quorum as set forth by law and the Company's Articles of Association was met.

4.6. Voting rights at General Assembly Meeting are exercised as open votes and by the showing of hands. In 2014, the shareholders exercised their right to pose questions at General Assembly but no written responses were required since all questions were responded to.

4.7. In principle, it is ensured that the Board Member responsible for specific agenda items, other related persons, executives responsible for preparation of financial statements and auditors attend the General Assembly meeting to provide necessary information and to respond to questions posed.

4.8. At the General Assembly meeting held on 29 March, 2014, it was announced that the amount of donations made during the accounting period between January 1 – December 31, 2014 to foundations, associations, state institutions and organizations for social aid purposes amounted to TL 1.124.620.

4.9. It is anticipated that the financial results for 2013 will be announced within 10 weeks after the closing of the accounting period. Accordingly, the practice in this regard does not constitute any contradiction, in general sense, to the Capital Market Legislation and hence to the spirit of Principles.

4.10. Company shareholders, certain Board members, Company's employees and the independent audit company attended the General Assembly meetings, while the media did not.

5. Voting Rights and Minority Rights

5.1. 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.

5.2. There are no preferred stocks or different classes of shares in the Company.

5.3. Each share is entitled to one vote in the Company.

5.4. There exists no provisions that postpone voting rights until a specific date following the acquisition of a share.

5.5. The Articles of Association do not contain any provisions that prevent a non-shareholder from voting as proxy as a representative of a shareholder.

5.6. According to the Articles of Association, in the event that the beneficial interests and rights of disposal of a share belong to different persons, they may have themselves represented as they deem fit, upon mutual agreement. However, if they fail to agree, the right to attend and vote at the General Meeting of Shareholders shall be given to the beneficial owner.

5.7. The Company's share capital does not involve any cross-shareholdings.

5.8. Minority rights are granted to shareholders collectively holding 5% of the share capital (Article 32 of the Articles of Association).

5.8.1. The Company takes the utmost care to ensure the exercise of minority rights. During 2014, the Company did not receive any criticism or complaint in this regard.

5.9. The Articles of Association do not provide for "cumulative voting". The advantages and disadvantages of this method are being assessed within the framework of legislative developments.

6. Dividend Right

The Company determines its dividend policy and realizes dividend distribution in accordance with the relevant provisions of the Turkish Commercial Code, the Capital Market Legislation, Capital Market Board (CMB) Regulations and Resolutions, tax laws, other applicable legislation and its Articles of Association and the resolutions adopted by the Board of Directors.

Board of Directors Activity Report

Accordingly,

- 1- In principle, a minimum 50% of "net distributable profit" calculated in accordance with Capital Market Legislation, CMB Regulations and Resolutions, taking into account the financial statements prepared according to Capital Market Legislation, CMB Regulations and Resolutions are distributed,
- 2- In case of an intention to distribute 50% to 100% of the net distributable profit, the dividend payout ratio is determined considering the financial statements, financial structure and budget of the Company,
- 3- The dividend distribution proposal is made public taking into consideration legal time frames and in line with Capital Market Legislation and CMB Regulations and Resolutions.
- 4- In the event that the net distributable profit based on financial statements prepared in line with the Turkish Commercial Code and Tax Laws is:
 - a. Lower than the amount calculated according to Article 1, the amount calculated within the framework of this article is applied and all distributable amounts is distributed,
 - b. Higher than the amount calculated according to Article 1, Article 2 is the guideline for the action to be taken.
- 5- In case there is no distributable profit based on legal records kept pursuant the Turkish Commercial Code and the Tax Laws, no dividend distribution is made even if a net distributable profit is calculated according to the financial statements prepared in accordance with the Capital Market Legislation and CMB Regulations and Resolutions and pursuant to Capital Market Legislation and CMB Regulations and Resolutions.
- 6- In case the net distributable profit is below 5% of the Company's issued capital, it may be decided not to distribute any dividends.
- 7- The upper limit of aid and donations to be granted by the Company within an accounting period is fixed by the General Assembly within the framework of the rules set forth in the Capital Market Legislation and CMB Regulations and Resolutions.
- 8- Dividend distribution starts as of, and not later than the 30th day after the General Assembly meeting when the resolution on dividend distribution is adopted and in any case as of the end of the accounting period.
- 9- The Company may distribute the dividends in cash and/or as "bonus shares", in advance or by installments, in accordance with the Capital Market Legislation and CMB Regulations and Resolutions and in line with the General Assembly resolution.
- 10- The Company may distribute dividends to non-shareholders, according to the resolution by the General Assembly. In such a case, the provisions of the Turkish Commercial Code, Capital Market Legislation and CMB Regulations and Resolutions and the Articles of Association shall apply.
- 11- The Company may decide on and distribute dividends in advance in accordance with the provisions of the Turkish Commercial Code, Capital Market Legislation, CMB Regulations and Resolutions, tax laws, other legal regulations and the Company's Articles of Association and the General Assembly resolution.
- 12- Investment aiming to increase the Company's value that require considerable cash outflow, material issues that affect the financial structure, important uncertainties that emerge in economy, markets or other fields, beyond the Company's control, are taken into consideration when taking the decisions on dividend distribution.

7. Transfer of Shares

- 7.1. The Articles of Association do not contain any provisions that restrict the free transfer of shares by shareholders.

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Disclosure Policy of the Company

8.1. A disclosure policy to provide necessary information to the public was prepared and announced on the Company's website. This policy is available at www.hurriyetkurumsal.com.

8.2. To this end, informational meetings are organized and/or such meetings are attended further the material disclosures and periodical financial statements and annual reports disclosed to public. Investors, analysts and press members are invited to these meetings. Within this framework, Board Members and senior managers attend these meetings and make presentations.

Additionally, introduction documents, disclosures to data delivery companies, announcements and news published on the Company's website are other instruments used under the disclosure policy.

8.3. The Company Disclosure Policy has been approved by the Board of Directors and presented to the shareholders at the General Meeting. The Board of Directors is in charge of monitoring, reviewing and improving the Disclosure Policy. The Corporate Governance Committee informs and makes recommendations to the Board of Directors, Executive Committee, Audit Committee and the CFO on issues related to the Disclosure Policy.

8.4. The Investor Relations Unit is authorized to oversee and monitor any issues related to public disclosure. Enquiries received from outside the Company are responded to either by the Chief Executive Officer, Chief Financial Officer, or the Investor Relations and Finance Manager, within the knowledge of and authorization limits set by the CEO and CFO, depending on the content of the query. In responding to queries, utmost care is taken to avoid any violation of the equal rights of stakeholders to obtain information.

The individuals authorized to make public disclosure on Borsa Istanbul Public Disclosure Platform under the Company's Disclosure Policy and their contact details are as follows:

Name	Dr. İnci Tari
Title	Investor Relations and Finance Manager
Name	Ediz Haşmet Kökyazıcı
Title	Finance Director (CFO)
Phone-Facsimile	212 449 60 30-212 677 01 82
e-mail	itari@hurriyet.com.tr
	yatirimciiliskileri@hurriyet.com.tr

38 material matter disclosures were made in 2014. Among these disclosures, the disclosure made on the 21st of November 2014 regarding "Extraordinary Price and Quantity Movements" was made as per the 8th Article of the Capital Markets Board's Communiqué (n. II-15.1) on "Material Matters", and the letter (n. BİAŞ-4-GDD-211-02-4005; dated 21.11.2014) of the Stock Exchange Presidency. It was publicly announced that there was no material matter –regarding our Company – that was not publicly disclosed.

There aren't any derivative instruments based on our Company's shares.

In 2014, the Members of the Board of Directors and the executive managers did not make any commercial and/or non-commercial business or transaction with the Company.

The Capital Market Board and/or Management of Borsa Istanbul did not issue any notifications and/or amendments and requests for additional material event disclosures regarding the public disclosures the Company made in 2014.

8.5. Except where applicable legislation requires otherwise, information distribution companies and the website of the Company are used effectively for public disclosures. Principles governing the disclosure of information on future prospects are defined in the Company's Disclosure Policy.

Board of Directors Activity Report

8.6. In public announcements, information on future prospects is disclosed together with the justifications and the statistical data underlying the forecasts and is associated with the Company's financial position and operational results. Only the Chief Executive Officer and the Chief Financial Officer are authorized to make such announcements.

8.7. Board Members, executives and shareholders who directly or indirectly own 5% of the Company's capital are required to disclose all their dealings in the Company's securities, in accordance with the Capital Market Law. There were no transactions or public disclosures in 2014 related to this issue.

8.7.1. All material disclosures are entered into the website both in Turkish and English version, thus the material event disclosures made are automatically announced on the website.

8.7.2. The Company does not have any stock-based derivative products. In 2014, no commercial and/or non-commercial transactions took place between Hürriyet and other companies in which Board Members, executives or shareholders who directly or indirectly own at least 5% or more of Hürriyet's capital, hold at least a 5% stake or have management control irrespective of the amount of shares they hold.

8.8. The financial statements and footnotes of the Company were prepared on a consolidated basis, pursuant to the provisions of the CMB Communiqué II-14.1, in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision 20/670 dated June 7, 2013 and announced in the CMB's Weekly Journal numbered 2013/19 dated June 7, 2013, audited independently in compliance with the Turkish Audit Standards and were publicly disclosed. The Annual Report 2014 is prepared in accordance with the Capital Market Legislation and CMB Regulations and Principles.

9. The Website and Its Contents

9.1. The Company's website is designed in accordance with the Turkish Commercial Code, Capital Market Legislation and CMB Regulations and Resolutions, is accessible at www.hurriyetkurumsal.com and is actively used for public disclosures.

In addition to the mandatory information requirements prescribed by relevant legislation, the Company's website also contains: information related to its trade registry; the latest shareholding and management structure; detailed information on preferred shares; the dates and issues of the trade registry gazette in which changes have been published; the latest version of the Articles of Association; public disclosures; financial statements and annual reports; registration statements; circulars related to initial public offerings; agendas of general meetings; attendance charts and minutes of general meetings; proxy voting form; mandatory information forms prepared for the call for the collection of shares and proxies; the Company's policy regarding acquisition of its own shares, if any; profit distribution policy; disclosure policy; information on related-party transactions; the Company's code of ethics; and requests for information, questions and notices received by the Company and responses given to these, under the frequently asked questions section. Information and records on the website date back at least five years.

9.1.1. The content and layout of the Turkish and English pages of the website were redesigned in accordance with the Turkish Commercial Code, Capital Market Legislation and CMB Regulations and Resolutions.

The Company's website comprises the information below:

a) Corporate

- Company Profile
- Mission, Vision and Strategy
- Shareholding Structure
- Board of Directors
- Committees
- Organization
- Values and Hürriyet Publishing Principles

b) Investor Relations

- Investor Relations Contact Information
- Corporate Information

- Financial Statements
- Annual Reports
- Capital Increase
- Dividend Information
- Significant Decisions of the Board of Directors
- General Assembly Meetings
- Investor Presentations
- Public Disclosures
- Calender
- Analysts
- Share Performance
- Frequently Asked Questions
- Investor Relations Site Map

c) Corporate Governance

- Board of Directors
- Corporate Governance Committee
- Shareholding Structure
- Articles of Association
- Trade Registry Gazettes
- Board of Directors
- Minority Rights and Privileged Shares
- Corporate Governance Principles Compliance Report
- Corporate Governance Rating Report
- Code of Ethics
- Disclosure Policy
- Dividend Distribution Policy
- Remuneration Policy
- Donation and Support Policy
- Compensation Policy

d) Social Responsibility

- No! To Domestic Violence
- Domestic Violence Hotline
- Rightful Women Platform
- Hürriyet Hakkımızdır Treni (Freedom is Our Right Train)
- Van Earthquake and Hürriyet
- Environmental

e) Investments

- Printed Media
- Internet Operations
- Printing Activities
- Foreign Operations

f) Human Resources

- Human Resources Practices
- Human Resources Policy
- Job Application

g) Visual Gallery

- Photographs
- Videos

Board of Directors Activity Report

h) Contact Us

- Contact Information
- Printing Center and Regional Offices
- Address

9.1.2. Studies to improve the website are steadily carried on.

9.1.3. The address of the website is clearly indicated on the Company's letterhead.

9.1.4. Guidelines related to the management of the website are included in the disclosure policy.

9.2. For public disclosures, the Capital Market Legislation, CMB and Stock Exchange Regulations and CMB Principles.

10. Annual Report

Annual Report 2013 as well as the annual report issued quarterly in 2014 are prepared on annual and interim basis both in Turkish and English languages to reflect the economic and financial status and operations of the Company accurately and fairly in accordance with the Turkish Commercial Code and CMB legislation, Corporate Governance Principles, Public Disclosure and Transparency principle and are announced on the Company's website.

SECTION III - STAKEHOLDERS

Advertisers are important stakeholders for the Company since the Company carries on business in the media sector and the advertising revenues have important share among total revenues. The Executive Committee and Advertising Department are responsible for advertising policies and practices. The Company actively participates in and gives support to non-governmental organisations acting in the advertising and media sector. On the other hand, based on the importance of human resources in the media sector, the human resources management is represented at high level and the human resources policies are handled at macro level. General policies as regards to readers and audience of printed and visual/audio media are defined and implemented by the Executive Committee.

11. Disclosures to Stakeholders

As detailed in Section I of the report, disclosures to shareholders and investors are made in accordance with the Capital Markets Legislation and the CMB Regulations and Principles, using tools that are determined in advance. Management is encouraged to join NGOs formed by stakeholders. Participation in such endeavours together with advertisers helps the Company understand their needs and ensures sustainable growth and financial strength. The stakeholders can contact the members of the Corporate Governance Committee or the Audit Committee or persons authorized to provide information under the Company's Disclosure Policy, via e-mail, regarding the Company's actions that are against the legislation and ethically inappropriate.

12. Participation of Stakeholders in Management

The Company is in constant contact with the stakeholders, verbally and in written form. Feedback received from stakeholders is evaluated and submitted to senior management, to assist the development of solutions and policies. There is no provision in the Articles of Association regarding the participation of stakeholders in management. Information to employees about general activities and practices of the Company and obtaining the proposals are provided via the Company's Intranet website.

13. Human Resources Policy

13.1. The Company offers equal opportunity to persons with the same qualifications in recruitment and career planning. Succession plans are put in place in order to prevent operational impediments if/when a manager resigns.

13.2. All recruitment criteria have been detailed in writing and are efficiently implemented.

13.3. All employees are treated equally with regard to their rights. Training programs are organized and training policies are developed to enhance the knowledge, skills, and conduct of personnel.

Meetings are organized for personnel to give them information and share opinions about the Company's financial position, compensation, career planning, training, health and similar topics.

13.4. Job descriptions, distribution of duties, performance and rewarding criteria are shared with employees. In determining compensation and other benefits offered to personnel, the Company takes productivity measures into account. The Company may choose to develop employee stock ownership plans.

13.5. The Company does not discriminate among its employees in terms of their race, religious belief, language or gender, and takes all precautions to protect employees against all kinds of physical, emotional or psychological abuse.

13.6. Safe working environment and conditions are provided for the employees.

14. Code of Ethics and Social Responsibility

14.1. The Company's ethical rules are announced to the public on the corporate website. The ethical rules are continuously reviewed and updated.

14.2. The Company conducts the social responsibility projects backed up by its employees of high social sensitivity, its corporate structure and the synergy created by all corporations within its organization.

14.3. With its "End Domestic Violence" campaign that it has been carrying out for 11 years, our Company worked with the aim of creating awareness in the public opinion; creating social awareness; ensuring behavioral change; contributing to the solution of the problem by the politicians. In 2015, we transferred this to the Federation of Women's Associations of Turkey (TKDF).

14.4. The Company complies with the regulations on environment, consumer and public health as well as ethical rules. The Company supports and respects internationally recognized human rights.

SECTION IV - BOARD OF DIRECTORS

15. Structure and Formation of the Board of Directors

15.1. The composition and election of the Board of Directors are subject to the Turkish Commercial Code, Capital Market Legislation, Law, CMB Regulations and Resolutions. The applicable principles are set forth also in the Articles of Association. Some arrangements have been made to comply with the CMB Principles.

Accordingly,

15.1.1. The Company is managed and represented by a Board of Directors that consists of eight members elected from among the shareholders at the General Meeting of Shareholders.

Board of Directors Activity Report

15.1.2. At least one-third of the Board Members must be independent members who meet the qualifications specified in the CMB's Corporate Governance Principles. Individuals who have served on the Board for more than six years during last decade cannot be elected Independent Board Members.

The Company's Board of Directors consists of two Independent Members. As per CMB's Communiqué Series: IV, No: 56, which took effect on 30 December 2011, the Company falls into "Category 3" companies as its market capitalization is below TL 1 billion, and the total value of its outstanding shares is below TL 0,25 billion. Therefore, the Company meets the requirement of having two independent members on its Board.

The consent of a majority of independent members is sought in Board of Directors' resolutions regarding the Company's transactions with related parties and for providing collateral, surety or lien in favor of third parties. In the event that the majority of independent members do not approve the action, then it is disclosed to the public with all related information about the action, and submitted to the General Meeting of Shareholders for approval. The shareholders, with the exception of related parties in the transaction, are given the opportunity to participate in such decisions through voting at the related General Meeting. Quorum is not sought at the General Meetings that convene to resolve the issues described in this clause. Resolutions require an absolute majority.

Board and General Assembly resolutions that are not adopted according to the principles stated under this paragraph shall not be valid. The Articles of Association comprise provisions in this regard.

15.1.3. The number of executive directors cannot exceed half of the Board of Directors and this point is taken into consideration, especially when defining the duties of Board Members.

15.1.4. The Chairman of the Board of Directors and the Chairman of the Executive Committee is not the same person.

15.2 Members of the Board of Directors and their status are as follows:

Name/Lastname	Title	Note
Vuslat Doğan Sabancı	Chairwoman	Non-Executive
Yahya Üzdiyen	Vice Chairman	Non-Executive
Ahmet Dalman	Board Member	Non-Executive
Dursun Ali Yılmaz	Board Member	Non-Executive
Ayşe Sözeri Cemal	Board Member	Non-Executive
Kai Georg Diekmann	Board Member	Non-Executive
Ahmet Burak	Board Member	Independent Member
Béatrice de Clermont Tonnerre	Board Member	Independent Member

Board Members are unanimously appointed to serve until the General Assembly where the operations and accounts for the accounting year January 1 - December 31, 2014 will be discussed.

On March 29, 2014, the General Assembly resolved to disclose and announced to the public on the same date the application of Ahmet Burak and Béatrice de Clermont Tonnerre to serve as Independent Board Members who presented statement of independence on February 28, 2014. The Statement of Independence of the Independent Members of the Board of Directors are disclosed in the annual report.

Resumes of Board Members are given below.

Vuslat DOĞAN SABANCI**Chairwoman**

A graduate of Bilkent University's Department of Economics, Vuslat Doğan Sabancı went on to attend Columbia University in New York for her graduate studies in International Media and Communications. Ms. Doğan Sabancı currently chairs the Board of Directors at Hürriyet, and has held this post since May 26, 2010.

During her tenure as CEO between 2004 and 2010, Ms. Doğan Sabancı transformed Hürriyet from a leading paper in Turkey into an international powerhouse through her acquisition of Trader Media East (TME) in 2007 in a move that represented the largest ever foreign acquisition executed by a Turkish company. TME is an online and printed media advertising company operating in Russia, Ukraine, Belarus and Kazakhstan as of 2014. Among TME's most important brands are Iz Ruk Ruki, one of the most well-known media brands in Russia, and Irr.ru, that country's leading online classifieds provider.

Ms. Doğan Sabancı ensured Hürriyet's position as a major player within Turkey's emerging new media industry by investing in digital publishing and services. These prudent investments resulted in the launch of hurriyet.com.tr as one of the highest trafficked websites across Europe. Hürriyet currently offers classified advertising services through its affiliated family of sites including hurriyetemlak.com, hurriyetoto.com, yenibiris.com, in addition to yakala.co, a deal finder website, and yenicarsim.com.

Ms. Doğan Sabancı has also evolved into a strong voice for human rights and especially issues related to gender equality in Turkey, by investing in such topics through Hürriyet. A law was enacted on domestic violence following an eight-year effort on her part through the "No! To Domestic Violence" campaign that she had initiated. Ms. Doğan Sabancı also established the "Rightful Women Platform" to gather all NGOs formed around issues concerning women under the same roof, and function as a pressure lobby to ensure more women could be voted into Parliament, prior to the General Elections in 2011. As a result of this effort, the number of female MPs rose to 78 after the 2011 elections, up from 48. In addition, Ms. Doğan Sabancı carries on with a multitude of activities in the name of giving women their rightful place both within society in general and within the economy in particular. A microloan project for women is one of such social responsibility projects.

Ms. Doğan Sabancı joined Hürriyet in 1996 as Vice President in charge of Advertising, before her promotion to the post of Marketing Group President three years later. Her responsibilities at Hürriyet included marketing, sales, human resources and information technologies (IT).

Before joining Hürriyet, Ms. Doğan Sabancı worked in the editorial department of The New York Times for a year, and later at The Wall Street Journal, where she was instrumental in the formation of the Asian Business World News Channel and the paper's Latin America edition.

Born in 1971, Vuslat Doğan Sabancı is married with two children. Ms. Doğan Sabancı speaks English.

Ms. Doğan Sabancı is a lifetime honorary member of the International Press Institute (IPI), where she served an eight-year term as a Board Member.

Endeavor, a New York based international NGO, where Ms. Doğan Sabancı has served as Board Member since its inception, commenced its operations in Turkey in 2006. Endeavor Turkey furthers its efforts in the country through the support provided by its Board, Members of the Advisory Council, as well as Endeavor Mentors; the organization identifies Endeavor Entrepreneurs and supports them.

Ms. Doğan Sabancı has also been a member of TÜSIAD since 2003.

Yahya ÜZDİYEN**Vice Chairman**

Born in 1957, Yahya Üzdiyen graduated from Middle East Technical University, Department of Business Administration in 1980. From 1980 to 1996, he worked as trade and investment specialist and manager in several privately owned companies in Turkey and abroad.

He joined Doğan Group in 1997 and served as President of the Strategy Group at Doğan Holding until 2011; on January 18, 2011, he was appointed Vice Chairman of the Board of Directors. He played a significant role in the acquisition, partnership and sales processes of the Group's affiliates, including POAŞ, Ray Sigorta and Star TV.

Mr. Üzdiyen currently serves as a Board Member at various Group companies and was appointed the CEO of Doğan Holding as of January 24, 2012. Üzdiyen is married with two children.

Board of Directors Activity Report

Ahmet DALMAN

Board Member

Ahmet Dalman was born in 1964 and graduated from Boğaziçi University, Department of Electrical-Electronics Engineering in 1986. Starting his career as an Information Technologies specialist in the media sector, Mr. Dalman carried on his activities as partner and executive of a company producing technological solutions for media and different sectors and made remarkable contributions to the digitalizing and technology application process of many media companies.

In 1994, Dalman joined Hürriyet as Information Systems Manager and served as Technology Director at e-kolay.net Internet Service Provider Company of Doğan Group between 1999 and 2000. He assumed duties as; Hürriyet Newspaper Information Systems Coordinator in 2001, Hürriyet Newspaper Executive Board Member in 2008, the Head of Hürriyet Internet and Information Technologies Group in 2010, and Hürriyet Executive Board Vice Chairman between May 2012 and May 2014. Dalman still continues to serve as a Member of the Board of Directors.

Dalman is married with two children, and he speaks English.

Dursun Ali YILMAZ

Board Member

University, Department of Economics in 1982 and earned his master's degree from Dokuz Eylül University, Department of Business Administration in 1988.

Mr. Yılmaz began his professional career as Operations Manager at Özdemir Çelik Döküm Sanayi A.Ş., and then served in various positions in the Financial Affairs Department of Anadolu Denizcilik A.Ş., Türkiye Şişe ve Cam Fabrikaları A.Ş., and Hacı Ömer Sabancı Holding A.Ş. Subsequently, he worked as Budget and Financial Analysis Manager at Hürriyet from 1993 to 1995. During the next decade, Mr. Yılmaz served as Deputy General Manager at Akın Tekstil A.Ş., and he joined Doğan Yayın Holding in 2005 as Financial and Administrative Coordinator.

Furnished with experience in a variety of fields, including installation and improvement of accounting and basic financial systems, installation and follow up of budget systems, public offerings and fulfilment of responsibilities of public offered companies, business development by data system departments required for corporations, systematization of procurement operations and adopting relevant programs, optimizing the company structuring required for holding companies, management of mergers, conducting corporate governance activities of publicly traded companies, defining loan structure corresponding to the company's financial data and using derivative products for financing, assessment and follow up of real properties, Dursun Ali Yılmaz was appointed as head of Financial and Administrative Affairs Group at Hürriyet Newspaper in 2010 while serving also as the Member of Executive Committee responsible for Financial and Administrative Affairs. Yılmaz has been serving as Board Member at Hürriyet Gazetecilik ve Matbaacılık A.Ş. as from June 20, 2013.

Ayşe SÖZERİ CEMAL

Board Member

Ayşe Sözeri Cemal graduated from Istanbul Boys' High School and then from Istanbul University, Faculty of Economics and completed her post graduate degree at Istanbul University, Faculty of Business Administration.

She served as Market Research Reporter at Cam Pazarlama, Market Research Specialist at the Turkish Glass Works and Advertising Manager at Cumhuriyet Newspaper.

On June 21, 2013, she retired from her office as the Head of Advertising Group and was appointed as a member of Board of Directors. She is a member of I.A.A and is fluent in German and English. Sözeri is married with one child.

Kai DIEKMANN

Board Member

Born on the 27th of June 1964 in Ravensburg, Germany, Kai Diekmann is the Editor in Chief of Bild Newspaper and the publisher of Bild Group.

Growing up in Bielefeld, Kai Diekmann joined the army after his graduation from the secondary school, and voluntarily served in the German Army for two years.

He underwent journalism training at Axel Springer SE for 2 years and worked in Hamburg, Bonn and New York within the scope of this job.

Diekmann worked as a Parliament Correspondent of Bonn Bild and Bild am Sonntag in 1987. He became the News Director of Bunte Magazine in 1989. Two years later, he started working as a Co-Editor for B.Z. published in Berlin. Soon after that, Kai Diekmann moved to Hamburg and served as a Co-Editor and Politics Editor for Bild for five years.

Following a short visit to Central America, he became Editor in Chief of Welt am Sonntag in 1998. Diekmann has been serving as Editor in Chief of Bild and as the publisher of Bild am Sonntag since 2001.

Kai Diekmann was appointed as the publisher of Bild Group in 2008, and since 2013 November, he has been the publisher of B.Z. as well.

In 2012 and 2013 he was charged by Axel Springer AG and spent ten months in the Silicon Valley, located in USA to study digital projects and business models as Chief Editor of BILD. Kai Diekmann has been serving as an Independent member of the Board of Hürriyet Newspaper since 2004 and as a Member of Board of Times Limited since 2011.

Ahmet BURAK

Independent Board Member

Ahmet Burak was born in 1954 in Istanbul and has graduated from FMV Işık High School and then from the School of Business Administration of Middle Eastern Technical University, University of Denver BSBA, and the University of Denver MBA, Finance Departments, respectively. After working at the Istanbul and London offices of Arthur Andersen, in 1986 he began to work as the Manager of Financial and Administrative Affairs for Coca-Cola. He assumed the duties of General Manager of Bottling Operations in Turkey in 1991 and Assistant to Chairman of the Executive Committee of Coca-Cola Canada in 1992. He returned to Turkey in 1993 to initiate Coca-Cola operations in Middle Asia and Caucasia, where no Coca-Cola products had been sold up to that time. During this period, Coca-Cola established factories in eight countries, thus became the biggest soft drink company in the region. After serving as General Manager for eight years, he became the President of Coca-Cola Turkey in 2001. Turkey Region reached the highest profitability and market share in its history within eight years and the Company placed 13th among 200 countries. Mr. Burak retired from the Coca-Cola Company in 2009 and is currently acting as Member of the Board of Trustees of Coca-Cola Life Plus Foundation, of which he is one of the founders. Having established a Management Consulting company in 2010, he has been working as a consultant particularly in the fast moving consumer goods industry since then.

Béatrice de CLERMONT TONNERRE

Independent Board Member

Béatrice de Clermont Tonnerre has been serving as Director of Southern Europe for Joint Project Solutions since May 2013. Tonnerre lives in Paris and has served in various projects, from Pay TV and publishing to sports franchises, from sports franchises to book publishing, digital media and purchasing on internet. She is also well experienced in organic growth and launch of new products.

Ms. Tonnerre started her career as radio correspondent at Radio France Internationale Latin America and Europe 1 and joined Lagardere in 1995 as an analyst in the technology division of the Strategy Department. In 1998 she promoted as director of the Media Department and was appointed as the Head of Interactive Televisions Group of Canal Satellite in 2001, followed by her appointment as Co-Head for Programming in 2003.

Béatrice de Clermont Tonnerre graduated from the Institut d'Etudes Politiques de Paris, Department of Politics and obtained her MBA degree from École Supérieure des Sciences Economiques et Commerciales. In addition, she serves as a Board Member at LACIE, a technology company quoted on the French Stock Exchange.

Written statements of the Independent Members of the Board of Directors regarding that they possess the criteria stipulated in the CMB principles are received. As of the report date, no issues occurred causing the independent Members of the Board of Directors to lose their independency qualifications.

There are no rules and/or restrictions regarding the Members of the Board of Directors of the Company to assume duty/duties outside the Company.

Board of Directors Activity Report

Recently, there is no restriction regarding the Members of the Board of Directors to assume duty/duties in the Company. Information about the positions of the Members of the Board of Directors in the group companies is given below.

Name/lastname	Tasks taken on during last decade	Current tasks assumed outside the Company	Board Member type	Involved and Duty
Vuslat Doğan Sabancı	Board Member, Chairwoman of Executive Committee, Vice Chairwoman of Board	Board Member at Group companies	Not independent member	-
Yahya Üzdiyen	Head of Strategy Group at Doğan Holding	Vice Chairman and Member of Board at Group companies	Not independent member	-
Ahmet Nafi Dalman	Head of Internet and Information Technologies Group	Board Member at Groupcompanies	Not independent member	-
Dursun Ali Yılmaz	Head of Financial Affairs Group	Board Member at Group companies	Not independent member	-
Ayşe Sözeri Cemal	Head of Advertising Group	-	Not independent member	-
Kai Georg Diekmann	Independent Board Member	-	Not independent member	-
Ahmet Burak	Independent Member		Chairman of Audit Committee	Chairman of Corporate Governance Committee
Béatrice de Clermont Tonnerre	Independent Member		Chairman of Audit Committee	Member of Audit Committee

16. Operating Principles of the Board of Directors

16.1. The Board of Directors meets whenever required by the business of the Company and at least once every month. Members of the Board of Directors are promptly provided all information they may need to adequately perform their duties. In 2014, the Board of Directors held/adopted 47 meetings/resolutions where the resolutions were taken unanimously without any opponent Board member.

16.2. The Board resolutions are signed by members and affixed to resolutions book. Any opponent member must sign the minutes by indicating the grounds for opposition. The meeting documents and related correspondence are regularly filed by the Board of Director's Secretariat Office. If the Independent Board Members cast negative vote in cases where their affirmative votes are required, the measures set forth in the Capital Market Law and the Capital Market Board Regulations.

16.3. Meetings of the Board of Directors take place at the Company's Headquarters, but upon a decision of the Board of Directors, meetings can be held in a different location. Members of the Board of Directors primarily attend meetings in person. However, it is also possible to utilize remote access technology. Written opinions of members who cannot attend the meetings in person are conveyed to the other members.

16.4. In order to perform the powers and responsibilities assumed, every year the Board of Directors identifies those from among its members who will be responsible for subjects requiring expertise; and makes duty allocation by designating executive directors who will assume a part of the Board's powers and a certain portion of Company business as well as observing the implementation of the decisions made, if required. Further, the Board carries on studies to delegate its powers, completely or partially, as allowed by the Turkish Commercial Code and the Capital Market Board, to senior managers by determining the methods and principles of assignment in accordance with the Turkish Commercial Code by issuing an internal directive.

16.5. Resumes of the Board Members are published in the Annual Report and on Company's website at www.hurriyetkurumsal.com

16.6. Members of the Board of Directors are promptly provided all information they may need to adequately perform their duties. It is mandatory that the call for a meeting contains the agenda, is made at least 7 days prior the meeting and all information and documents related with the agenda items are attached thereto.

16.7. Members of the Board of Directors shall be elected from among individuals who have basic knowledge of the legal environment in the Company's line of business, are professional and experienced in management, can review financial statements and, preferably, hold relevant university degrees.

16.8. Members of the Board of Directors do not have weighted voting and/or veto rights.

16.9. Board of Directors meetings require the presence of at least one more than half of the full number of members and decisions require a simple majority of members present at the meeting. In case of equality of votes, the subject matter is added to the agenda of the next Board meeting and if it cannot be approved and decided upon by a majority of the votes at the next Board meeting, the relevant motion is deemed to have been disapproved. Each member is entitled to one vote, irrespective of their position and duties in the Board of Directors.

16.10. The Board's Secretariat Office, reporting to the Chairperson, is established to render services to all Board Members with the purpose to keep the documents of the Board meetings. The duties and responsibilities of the Board's Secretariat Office are set forth in the Articles of Association.

16.11. The Board of Directors makes a separate decision for the approval of financial statements and their notes as well as the Independent Audit Report, Corporate Governance Compliance Report and the Annual Report.

16.12. The Board Members may not attend any meeting where any subject involving its own interests as well as those of its spouse and relatives by blood and marriage up to third degree are discussed.

16.13. Meetings and travel expenses of the Board of Directors, special studies it may request in relation to its duties and related expenses are paid out of the general budget without any restriction.

17. Number, Structure and Independence of the Committees Constituted by the Board of Directors

17.1. In line with the Company's current position, legal regulations and needs, four committees have been established to ensure that the Board of Directors properly fulfils its duties and responsibilities: Executive Committee (Executive Board), Audit Committee, Corporate Governance Committee and Early Risk Determination Committee.

17.2. General principles applicable for the committees are given in the Company's Articles of Association.

17.3. Additionally, the charters of the Audit Committee and the Corporate Governance Committee have been approved by the Board of Directors and are available at www.hurriyetkurumsal.com These charters have been carefully designed in light of the Capital Market Legislation, CMB Regulations and Resolutions, the Articles of Association as well as practices in other countries. The committees meet at least on quarterly basis.

17.4. The Committees meet at intervals as required by their activities and upon call by the Chairman. The decisions made are kept in written and in a separate book. All correspondence and information by the Committees are performed by persons or a unit designated by the Board of Directors.

17.5. The Chief Executive does not serve on any committee.

Board of Directors Activity Report

17.6. Executive Committee (Executive Board)

17.6.1. Members of the Executive Committee are appointed to serve until first Board meeting to be held after the Ordinary General Assembly Meeting where the operating results for 2014 will be discussed. As per the Board resolution dated April 30, 2014, the Committee consists of the following members:

Name/Lastname	Title	
Ahmet Özer*	Chairman of Executive Committee	
Sedat Ergin*	Executive Committee Member	Chief Editor
Ediz Haşmet Kökyazıcı	Executive Committee Member	Finance Director
Tuba Köseoğlu Okçu	Executive Committee Member	Human Resources Director
Birim Gönülşen Özyürekli	Executive Committee Member	Marketing
Zeynep Tandoğan	Executive Committee Member	Advertising Director Director
Ahmet Reha Argaç	Executive Committee Member	Information Technologies Director
Kamil Özörnek	Executive Committee Member	E-commerce Director
Özlem Kutluay	Executive Committee Member	Sales and Strategic Planning Director

*Ahmet Özer and Sedat Ergin were appointed to their positions in 2014.

17.7. Corporate Governance Committee

17.7.1. According to Board Decision No. 2014/18 dated April 30, 2014, the Corporate Governance Committee shall consist of the following chairperson and members:

Name/IASName	Title	Note
Ahmet Burak	Chairman	Independent Board Member/Non-Executive
Yahya Üzdiyen	Member	Board Member/Non-Executive
Dr. İnci Tan		Member Investor Relations and Finance Manager/Executive
Dr. Murat Doğu	Member	Non-Executive

Additionally, it was resolved that the Corporate Governance Committee shall perform also the tasks of the "Nomination Committee" and the "Remuneration Committee", as set forth in the Communiqué Series IV, No 6 on the Definition and Implementation of Corporate Governance Principles, announced by the Capital Market Board (CMB).

17.7.2. Dr. İnci Tan who is a Committee Member, is an executive assuming duties as the Investor Relations and Finance Manager. Other Committee Members are non-executives.

The Chairman Ahmet Burak is an independent member of the Board of Directors.

17.7.3. Dr Murat Doğu, Member of Corporate Governance Member, is serving also as a member of the Corporate Governance Committee at DYH.

17.7.4. Since its inception, the Committee has been continuing its activities in a regular manner. Accordingly:

- Corporate governance rating studies were carried out,
- Corporate governance compliance reports prepared by the Company were reviewed,
- Annual reports prepared by the Company were reviewed,
- It was ensured that the Ordinary General Assembly Meeting, where the operations of 2013 were discussed, was held in compliance with related legislation and principles,
- It was ensured that relations with shareholders and investors are pursued in compliance with related legislation and principles,
- Public disclosures of the Company were reviewed,
- The website was regularly updated and improved.
- In September 2014, the revised corporate governance rating score was obtained from ICS, the world's reputable corporate governance rating agency, and disclosed to the public.
- The Corporate Governance Committee held four meetings during 2014.

17.8. Audit Committee

17.8.1. The Board of Directors convened on April 30, 2014 and resolved, taking into consideration the relevant provisions of the Articles of Association, that the Audit Committee shall consist of the following Chairman and Members to serve until the General Assembly Meeting where the operating results will be discussed:

Name/lastname	Title	Note
Ahmet Burak	Chairman	Independent Board Member / Non-Executive
Béatrice de Clermont Tonnerre	Member	Independent Board Member / Non-Executive

17.8.2. The Chairman of the Audit Committee is not an Independent Board member. Furthermore, the members' position complies with the provisions of the Capital Market Board Legislation because they are non-executive members.

17.8.3. The charters of the Audit Committee and the Corporate Governance Committee have been approved by the Board of Directors and are available at www.hurriyetkurumsal.com These charters have been carefully designed in light of the Capital Market Legislation, CMB Regulations and Resolutions, the Articles of Association as well as practices in other countries. Within this framework, in 2014;

- The Company's financial statements and their footnotes, as well as the independent audit report of the previous year were reviewed prior to their public disclosure and meetings were held with the Independent Audit Firm;
- The Company's independent audit contract was revised;
- Results of the internal controls performed by the Internal Control Department and the measures taken have been reviewed.
- Studies on risk management activities were carried out;
- The Audit Committee held four meetings during 2013.

Board of Directors Activity Report

17.9. Early Risk Determination Committee

17.9.1. The Board of Directors convened on April 30, 2014 and resolved, taking into consideration the relevant provisions of the Articles of Association, that the Early Risk Determination Committee shall consist of the following Chairman and Members to serve until the General Assembly Meeting where the operating results will be discussed:

Name/lastname	Title	Note
Ahmet Burak	Chairman	Independent Board Member /Non-Executive
Erem Turgut Yücel	Member	Non-Executive
Tolga Babalı	Member	Non-Executive
Ediz Haşmet Kökyazıcı	Member	Executive

17.9.2. The Early Risk Determination Committee held six meetings during 2013-4.

17.10. The Company's committees act within their authority and responsibility and make recommendations to the Board of Directors. All final decisions are made by the Board of Directors.

17.11. A Board Member is serving at more than one committee, because the Board of Directors has two Independent Board Members.

18. Risk Management and Internal Control Mechanism

The Audit Committee and the Corporate Governance Committee communicate the risk management and internal control mechanism, the problems faced in these areas and their solutions with the Board of Directors, as the occasion arises. During 2014, risk management and reporting as well as restructuring studies were emphasised. The Early Risk Determination Committee, established on March 18, 2013, will make recommendations to the Board of Directors on determination and management of risks.

The Early Risk Determination Committee carries out studies on early determination of risks that would jeopardise the existence, development and continuity of the Company, implementation of necessary measures as regards to risks determined and management of risks. Risk management systems are reviewed at least once a year.

In addition, the Chairman and Members of the Committee, established as per the resolution 2013/25 dated July 3, 2013 and pursuant to Article 378 of the Turkish Commercial Code, were replaced in accordance with the Communiqué Series IV, No 56 on the "Definition and Implementation of Corporate Governance Principles", announced by CMB.

19. Strategic Objectives of the Company

19.1. The Company's mission is to provide news, content and services as a global media brand, on a 24/7 basis, in continuous interaction with its readers and customers, using all channels and in all formats, and to add value to their lives. To accomplish this objective, the main task of the executives of Hürriyet and its subsidiaries is to maintain the independence of both the Company and the newspaper and to manage the Company in a way that will protect its independency, the basis of this objective and to provide maximum value to shareholders.

As regards to Turkey's efforts to attain its modernisation objective, the Company comes to the forefront with its qualified publishing, the value given to its employees and care for its social responsibilities. The support it gives to social benefit and the consistency of its leading role in this field will guide the objectives, as was in the past.

19.2. The vision and mission of the Company are disclosed to public on the corporate website and in the annual report.

19.3. The strategic objectives defined by the managers in line with the Company's plans are submitted to the Board of Directors for approval.

19.4. Whether the objectives are attained is evaluated during monthly meetings organized by the Board, and detailed reports on the Company's operating results and performance are examined and reviewed.

19.5. The Board of Directors and the management continuously review Hürriyet's position in line with its strategic objectives. At regular and frequent Board meetings, the Company reviews its position in the market and devises new targets and strategies responding to changing market conditions.

20. Financial Benefits

20.1. The remuneration to be paid to the Chairman, Vice Chairman and Members of the Board of Directors is determined at the General Meeting of Shareholders. The decision for the remuneration amount is based on the time Board Members spend for meetings, the time involved in pre- and post-meeting preparations and the duties assumed, as well as the CEO's salary. The attendance fee to be paid to Board Members for each meeting is also determined at the General Meeting of Shareholders.

20.2. At the Ordinary General Assembly Meeting held on March 29, 2014, it has been unanimously resolved that the monthly remuneration of the Chairwoman, will be TL 10,000, net, of Kai George Diekmann, Béatrice de Clermont Tonnerre and Ahmet Burak TL equivalent of USD 5.000 each and of other Board Members TL 5.000, net.

20.3. No loans or credits are extended by the Company to any of its Board Members and executives, either directly or indirectly.

21. Current Status of the Company Regarding Corporate Governance Principles Compliance

21.1. Within the activity period between 01.01.2014 and 31.12.2014, apart from the compulsory principles stipulated in the Corporate Governance Communiqué (n. II-17.1) published by the Capital Markets Board, our company paid utmost attention in order to ensure conformity also with the non-compulsory principles.

21.2. Principles that are not implemented, and our evaluations are specified below.

There are no conflicts of interest within the Company arising from such issues.

- **Article 1.5.2.** With the articles of association, minority rights can also be granted to those who possess less than one twentieth of the capital. Making regulation in the articles of association, the scope of the minority rights can be expanded.

Although there is no special provision regarding minority rights in the Articles of Association of the Company, all articles regarding this issue stipulate compliance with CMB, TTK (Turkish Code of Commerce) and all other legislation and regulations.

- **Article 2.1.3.** As per the Capital Markets Legislation, financial statements that must be publicly disclosed (except material matters and footnotes) are publicly announced in Turkish and in English (simultaneously) via Public Disclosure Platform. The English version will be consistent with the Turkish version and will be prepared as a summary that will be correct, complete, direct, comprehensible, and sufficient enough for the persons who will make use of the announcement to make a decision.

As per the relevant legislation, our Company completely fulfills all obligations regarding public announcements on Public Disclosure Platform (KAP). Additionally, there is no practice in "KAP" regarding disclosure of English versions of the financial statements (except material matters and footnotes) that must be publicly announced as per the capital markets legislation. However, depending on the developments in the relevant legislation, public disclosure of English versions of the financial statements (except material matters and footnotes) may be available in the up-coming periods.

Board of Directors Activity Report

- **Article 3.1.2.** In case of any breach of the stakeholders' rights that are protected under the legislation and agreements, effective and fast compensation will be provided. The Company facilitates using mechanisms like compensation provided to the stakeholders with the relevant legislation. Furthermore, the company creates the compensation policy for its employees and publicly announces it via its corporate website.

We do not have yet a compensation policy for the Company employees. However, we act in compliance with the provisions of the Labor Law n. 4857 and Press Business Law n. 5953.

- **Article 3.2.1.** Without disrupting the company activities, models are developed that will support the stakeholders and the company employees, in particular, to participate in the company management. These models, adopted by the company, are included in the internal regulations or Articles of Association of the company.

In the Company's internal regulations and Article of Association, there is no specific model for supporting stakeholders' participation in the Company management.

Company management – established in a manner that will protect the interests of all shareholders – is constituted from among the candidates according to their experience and expertise. Our Company's stakeholders, *composed of shareholders, investors, financial institutions and suppliers*, reach information regarding our Company via organized meetings, presentations, news shared with press and media, and via our Corporate Website, in compliance with the Capital Markets Legislation, Law, CMB regulations/decisions and Company's Information Policy.

- **Article 4.2.8.** Losses incurred in the company by the members of the Board of Directors as a result of their faults during their term of office, are insured with a policy that will have a value exceeding the company capital by 25% and this issue is publicly disclosed on the Public Disclosure Platform ("KAP").

Losses incurred in the company by the members of the Board of Directors as a result of their faults during their term of office, are insured by our Company. Since the insurance value does not exceed 25% of the company capital, this issue was not publicly disclosed on the Public Disclosure Platform. However, depending on the developments in the relevant legislation, the Company may take into consideration the issue of increasing the insurance amount to the level that is equivalent to 25% of the company capital in the next coming periods.

- **Article 4.3.9.** Company determines a target ratio (not less than 25%) and time for the female members in the Board of Directors and creates a policy in order to reach these targets. The Board of Directors annually evaluates the progress in reaching these targets.

There are three female members in the Board of Directors of the Company. Among these members, Vuslat Doğan Sabancı assumes duties as the Chairman of the Board of Directors. In the current situation, the 25% target was exceeded and there is no written policy on this issue.

- **Article 4.5.5.** Company pays attention that the members of the Board of Directors do not assume tasks in more than one committee.

In the Company, except the independent members, none of the members of the Board of Directors assume tasks in more than one committee.

- **Article 4.6.5.** Remunerations and all other benefits granted to the Members of the Board of Directors and the executives with administrative responsibilities are publicly disclosed via annual report. The principle is to make the disclosure on an individual basis.

Financial rights granted to the Members of the Board of Directors and executives managers are collectively disclosed in the Company's annual report. Due to the fact that the payment is not made to the Members of the Board of Directors (except independent members) regarding their memberships, and that the competition benefits are considered, disclosure is not made on individual basis.

10 BOARD OF DIRECTOR'S RESOLUTION ON THE APPROVAL OF THE FINANCIAL STATEMENTS, ANNUAL REPORT AND CORPORATE GOVERNANCE REPORT**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
RESOLUTION OF THE BOARD OF DIRECTORS**

Date of resolution : 06.03.2015
Number : 2014/11
Attending : Vuslat SABANCI (Chairwoman)
Yahya ÜZDİYEN (Vice Chairman)
Ahmet Nafi DALMAN (Member)
Dursun Ali YILMAZ (Member)
Fatma Ayşe CEMAL (Member)
Kai Georg DIEKMANN (Member)
Ahmet BURAK (Independent Member)
Béatrice de CLERMONT TONNERRE (Independent Member)

This Resolution is unanimously signed by the Members of the Board of Directors pursuant to the provision of Article 390/IV of the Turkish Commercial Code.

- To approve and submit for the General Assembly's approval the Company's consolidated financial statements for the accounting year January 1 – December 31, 2014 submitted to the Board with the opinion of appropriateness the Audit Committee's in line with its adjustment recommendations, prepared on a consolidated basis, pursuant to the provisions of the CMB Communiqué II-14.1, in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision 20/670 dated 7 June 2013 and announced in the CMB's Weekly Journal numbered 2013/19 dated 7 June 2013, audited independently in compliance with the Turkish Audit Standards, comparative with the financial statements of the previous year,

Regarding the Annual Report and the Corporate Governance Principles Compliance Report which were presented to the approval of our Board of Directors with the assent (including "amendment" recommendations) of our Corporate Governance Committee;

Our Board of Directors decided;

- to approve the Annual Report pertaining to the accounting period 01.01.2014 - 31.12.2014, that was prepared in conformity with the Turkish Code of Commerce, Ministry of Customs and Trade's Regulation on "Determining the Minimum Content of the Annual Reports of the Companies", and Capital Markets Board's ("CMB") Communiqué (n.II-14.1) on "Principles Regarding Financial Reporting in the Capital Markets", and
- to approve the Corporate Governance Principles Compliance Report (included in the Annual Report) pertaining to the accounting period 01.01.2014 - 31.12.2014, that was prepared in conformity with (i) the CMB's "Corporate Governance Communiqué"n.II-17.1, and (ii) the presentation principles stipulated in the CMB Decision n. 2/35 (date: 27.01.2014); and that was published via CMB's Weekly Bulletin n. 2014/02 (date: 27.01.2014),

Vuslat SABANCI
Chairwoman

Yahya ÜZDİYEN
Vice Chairman

Ahmet Nafi DALMAN
Member

Dursun Ali YILMAZ
Member

F. Ayşe CEMAL
Member

Kai Georg DIEKMANN
Member

Ahmet BURAK
Independent Member

Béatrice de CLERMONT TONNERRE
Independent Member

Board of Directors Activity Report

11. CORPORATE GOVERNANCE COMMITTEE RESOLUTION

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş. RESOLUTION OF THE CORPORATE GOVERNANCE COMMITTEE

Date : 04.03.2015- 2015/01

Subject : Approval of the 1 January, 2014- 31 December, 2014 Accounting Period Annual Report and Corporate Governance Compliance Report

- **The Annual Report** pertaining to the accounting period 01.01.2014 - 31.12.2014, that was prepared in conformity with the Turkish Code of Commerce (TTKn), Ministry of Customs and Trade's ("Ministry") Regulation on "Determining the Minimum Content of the Annual Reports of the Companies", and Capital Markets Board's ("CMB") Communiqué (n.II-14.1) on "Principles Regarding Financial Reporting in the Capital Markets", and

- **The Corporate Governance Principles Compliance Report** (will be included in the Annual Report) pertaining to the accounting period 01.01.2014 - 31.12.2014, that was prepared in conformity with (i) the CMB's "Corporate Governance Communiqué" n.II-17.1, and (ii) the presentation principles stipulated in the CMB Decision n. 2/35 (date: 27.01.2014); and that was published via CMB's Weekly Bulletin n. 2014/02 (date: 27.01.2014),

were examined by getting the opinions of the executives who have responsibilities in preparing the Company's Annual Report and the Corporate Governance Principles Compliance Report.

1- Examined the Corporate Governance Compliance Report, prepared pursuant to CMB Communiqué on Principles for Financial Reporting in the Capital Market (II-14.1), to be included in the Annual Report for the accounting year January 1 – December 31, 2013 and the Annual Report, taking the opinions of the executives who had responsibility in the preparation of the Annual Report as well.

Being limited to the information we have and that has been provided to us, we have transmitted our opinion on the subject matter of the Annual Report and the Corporate Governance Compliance Report to the executives who had responsibility in the preparation of the Company's financial statements; based on this opinion, it has been concluded that the aforesaid Annual Report and the Corporate Governance Compliance Report accurately reflect the results of the Company's operations and do not contain any major deficiency that would result in these financial statements being misleading and comply with the CMB Regulations.

Chairman of Corporate
Governance Committee
Ahmet BURAK

Member of Corporate
Governance Committee
Yahya ÜZDİYEN

Member of Corporate
Governance Committee
Dr. Murat DOĞU

Member of Corporate
Governance Committee
Dr. İnci TARI

12 RESOLUTION OF THE AUDIT COMMITTEE**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
RESOLUTION OF THE AUDIT COMMITTEE**

Date : 04.03.2015

Subject : Financial Report on accounting year January 1 – December 31, 2014

The Company's financial report for the accounting year January 1 – December 31, 2013, prepared on a consolidated basis, pursuant to the provisions of the CMB Communiqué II-14.1, in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision 20/670 dated 7 June 2013 and announced in the CMB's Weekly Journal numbered 2013/19 dated 7 June 2013, audited independently in compliance with the Turkish Audit Standards, comparative with the financial statements of the previous year was examined taking the opinions of the executives who had responsibility in the preparation of the Annual Report as well.

Being limited to the information we have and that has been provided to us, we have transmitted our opinion on the aforesaid Report to the executives who had responsibility in the preparation of the Company's financial statements; based on this opinion, it has been concluded that the Report accurately reflects the results of the Company's operations and does not contain any major deficiency that would result in these financial statements being misleading and complies with the CMB Regulations.

Chairman of Audit Committee
Ahmet BURAK

Member of Audit Committee
Béatrice de CLERMONT TONNERRE

Board of Directors Activity Report

13 FINANCIAL REPORT AND ANNUAL REPORT STATEMENT OF RESPONSIBILITY

HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş. OF THE BOARD'S RESOLUTION ON THE APPROVAL OF FINANCIAL REPORT AND ANNUAL REPORT

DATE : 06.03.2015

NUMBER : 2014/06

STATEMENT OF RESPONSIBILITY PURSUANT TO CAPITAL MARKETS BOARD COMMUNIQUÉ II-14.1, SECTION THREE, ARTICLE 9

Having examined the Company's consolidated financial report for the accounting year January 1 – December 31, 2014, prepared on a consolidated basis, pursuant to the provisions of the CMB Communiqué II-14.1, in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards, announced by the Public Oversight, Accounting and Auditing Standards Authority, presented in line with the principles set forth in the CMB's decision 20/670 dated 7 June 2013 and announced in the CMB's Weekly Journal numbered 2013/19 dated 7 June 2013, audited independently in compliance with the Turkish Audit Standards, and the annual report for the accounting year January 1 – December 31, 2014, we have concluded being limited to the information we have and that has been provided to us that

- The Consolidated Financial Report and the Annual Report does not contain any misrepresentation of the facts on major issues or any deficiency that may be construed as misleading as from the date of the disclosure,
- The Consolidated Financial Report, issued in accordance with the applicable financial reporting standards fairly reflects the fairly reflects the facts on the assets, liabilities, financial condition and profit and loss of the Company and the Annual Report fairly reflects the development and performance of the business as well as the financial condition, along with the significant risk and uncertainties the Company is exposed to.

Ahmet BURAK

Chairman of Corporate
Governance Committee

Béatrice de CLERMONT TONNERRE

Chairman of Corporate
Governance Committee

Ediz Haşmet KÖKYAZICI

Executive Committee Member
Finance Director

Dr. İnci TARI

Investor Relations and
Finance Manager

14 BOARD OF DIRECTOR'S RESOLUTION ON DIVIDEND DISTRIBUTION AND DIVIDEND DISTRIBUTION TABLE**HÜRRİYET GAZETECİLİK VE MATBAACILIK A.Ş.
BOARD OF DIRECTOR'S RESOLUTION**

Date : 06.03.2014
Number. : 2015/02
Attending : Vuslat SABANCI (Chairwoman)
Yahya ÜZDİYEN (Vice Chairman)
Ahmet Nafi DALMAN (Member)
Dursun Ali YILMAZ (Member)
Fatma Ayşe CEMAL (Member)
Kai Georg DIEKMANN (Member)
Ahmet BURAK (Member)
Béatrice de CLERMONT TONNERRE (Member)

As a result of the negotiations;

This Resolution is signed by the Members of the Board of Directors pursuant to the provision of Article 390/IV of the Turkish Commercial Code.

Taking into account the provisions of the Turkish Commercial Code, Capital Market Legislation, Capital Market Law, Capital Market Board (CMB) Regulations/Resolution, Income Tax, Tax Procedure Law and other legal legislation as well as the applicable provisions of the Articles of Association and the "Dividend Distribution Policy" disclosed to the public, it was unanimously concluded that

According to the consolidated financial statements pertaining to the accounting period 01.01.2014-31.12.2014, that was prepared in conformity with i) the Turkish Accounting Standards and the Turkish Financial Reporting Standards ("TAS" and "TFRS") published by the Public Oversight, Accounting and Auditing Standards Board within the scope of the provisions of the CMB's Communiqué (II-14.1) on "Principles Regarding the Financial Reporting in the Capital Markets", ii) the presentation principles determined as per the decisions of the CMB on the issue; and that was independently audited:

It was decided;

- to inform the shareholders on the issue that the profit distribution will not be made relating to the 2014 accounting period within the scope of the CMB regulations regarding profit distribution, and to submit this issue to the approval of the General Assembly;

due to the fact that; there is a "Net Period Loss" of TL 168.672.590 when the "Period Tax Expense", "Deferred Tax Income" and "Non Controlling Interests" are considered together.

- to ascertain that there is a "Net Period Loss" of TL 13.715.894 pertaining to the accounting period 01.01.2014-31.12.2014 at our financial records that are kept within the scope of Turkish Code of Commerce (TTK) and Tax Procedure Law (VUK); to transfer this amount to the "Previous Years' Losses" account; and to present this issue to the approval of the General Assembly.

Vuslat SABANCI
Chairwoman

Yahya ÜZDİYEN
Vice Chairman

Ahmet Nafi DALMAN
Member

Dursun Ali YILMAZ
Member

F. Ayşe CEMAL
Member

Kai Georg DIEKMANN
Member

Ahmet BURAK
Member

Béatrice de CLERMONT TONNERRE
Member

Board of Directors Activity Report

Hürriyet Gazetecilik ve Matbaacılık A.Ş. DIVIDEND DISTRIBUTION TABLE 2014

1	Issued Capital	552.000.000	
2	Total Legal Reserves (acc. to legal records)	39.284.096	
	Information on privilege in dividend distribution, if there is any privilege pursuant to the Articles of Incorporation	-	
		According to CMB	According to legal records
3	Profit/Loss for the period	198.931.187	-12.276.155
4	Taxes	-3.237.118	-1.439.739
5	Net Profit/Loss for the period (+/-)	168.672.590	-13.715.894
6	Accumulated (Losses) (-)	-162.535.402	-4.382.169
7	General legal reserves (-)	0	0
8	NET DISTRIBUTABLE PROFIT/LOSS FOR THE PERIOD(+/-)	-331.207.992	-18.098.063
9	Donations made during the year (+)	811.690	
10	Net Distributable Profit/Loss for the profit including donations (+/-) -332.019.682	-332.019.682	
11	First dividend to shareholders	0	
		Cash	0
		Bonus	0
		Total	0
12	Dividend Distributed to Privileged Shareholders	0	
13	Other Dividend Distributed	0	
		- to Members of Board of Directors	
		- to Employees	
		- to Non-shareholders	
14	Dividend Distributed to Dividend Share Holders 0		0
15	Second dividend to shareholders	0	
16	General legal reserves	0	
17	Statutory reserves	0	0
18	Special Reserves	0	0
19	EXTRA RESERVES	0	0
20	Other resources anticipated for distribution	0	0
		Retained Earnings	0
		Extra Reserves	0
		Other Reserves pursuant to TCC and Articles of Incorporation	0

⁽¹⁾"Inflation Differences" were not added.

⁽²⁾ it is composed of the sum of the "Continuing Operations Loss Before Tax"

⁽³⁾ it is composed of the sum of the "Period Tax Expense" and "Deferred Tax Income".

⁽⁴⁾ it was calculated according to the Dividend Guide published in the CMB's Weekly Bulletin n.2014/2, dated 27.01.2014. According to CMB; Previous Year Losses contain the Previous Year Profits seen in the Legal Records and the amounts arising from the correction of the shareholders' equity items (excluding capital) according to inflation accounting.

DIVIDEND RATIO TABLE

GROUP	TOTAL DISTRIBUTED DIVIDEND		TOTAL DISTRIBUTED DIVIDEND/NET DISTRIBUTABLE PROFIT FOR THE PERIOD	AMOUNT OF DIVIDEND PER SHARE WITH NOMINAL VALUE OF 1 TL	
	CASH (TL)	BONUS (TL)	RATE (%)	AMOUNT (TL)	RATE (%)
NET	0	0,00	0,00	0,00	0,00
TOTAL	0	0,00	0,00	0,00	0,00