

**MİGROS TİCARET A.Ş.**  
**WORKING PRINCIPLES FOR THE CORPORATE GOVERNANCE COMMITTEE**

**SCOPE AND OBJECTIVE**

The Corporate Governance Committee, which was formed under the framework of the Capital Markets legislation, is continuing its activities under the auspices of the Board of Directors.

The objective of the Corporate Governance Committee, in line with the Communiqué on Corporate Governance (II.17.1) of the Capital Market Board, is to ascertain whether or not the corporate governance principles are being implemented at our Company, if not, the reason for such failure and the conflict of interests arising from this failure to fully comply with these principles, to advise the Board of Directors on improving corporate governance implementation and monitoring the efforts of the Investor Relations Department.

Pursuant to the Communiqué on Corporate Governance, the Corporate Governance Committee also carries out the duties of the Nomination Committee and the Remuneration Committee.

**BASIS**

This document has been prepared in light of the arrangements, provisions, and principles set forth in Capital Markets Legislation, the Company's Articles of Association and the Capital Markets Board Corporate Governance Principles.

**AUTHORITY**

The Corporate Governance Committee is formed and authorized by the Board of Directors. The Board of Directors determines the scope of the Corporate Governance Committee's duties as well as the working principles applicable thereto. The Corporate Governance Committee may make use of independent expert opinions on matters it may deem necessary with regards to its activities and the cost of such consultancy service shall be borne by the Company.

The committee acts within the scope of its own authority and responsibility and may advise the Board of Directors, but ultimately the responsibility for making decisions lies with the Board of Directors at all times.

**ORGANIZATION OF THE COMMITTEE AND MEETINGS**

- The Corporate Governance Committee is composed of at least 2 members.
- The chairman of the Corporate Governance Committee is selected from among the independent members of the Board of Directors.
- If the Corporate Governance Committee is composed of 2 members, then both such members and if it is composed of more than 2 members, then a majority of those members must be non-executive members of the Board of Directors. If necessary, persons who are

not members of the Board of Directors but are experts in their fields, may be given a seat on the Committee.

- The CEO/General Manager may not serve on the Corporate Governance Committee.
- The Corporate Governance Committee shall be selected every year during the first Board of Directors' meeting held after the Ordinary General Assembly. In case the committee members are not selected, the members of the old committee will continue to serve in that capacity until a new committee is selected to replace them.
- The Board of Directors shall provide the Corporate Governance Committee with all of the resources and support it may require to fulfill its duties. The Corporate Governance Committee may invite to its meetings and ask for the opinion of any manager it deems necessary.
- The Corporate Governance Committee may make use of independent expert opinions on matters it may deem necessary with regard to its activities and the cost of such consultancy service shall be borne by the Company.
- The meeting quorum for the Corporate Governance Committee is the presence of one more than half of the total number of members and decisions are taken with the votes of a majority of those present.
- The Corporate Governance Committee meets at least once every three months for a total of at least four times each year.
- The Corporate Governance Committee shall submit the minutes of the meeting, containing information on its efforts and the results of the meeting, to the Board of Directors.
- The decisions of the Corporate Governance Committee are in the nature of advice for the Board of Directors and the deciding authority on such matters is the Board of Directors itself.

## **DUTIES AND RESPONSIBILITIES:**

The duties and responsibilities of the Corporate Governance Committee:

- to ascertain whether or not the corporate governance principles are being implemented at the company, if not, the reason for such failure and the conflict of interests arising from this failure to fully comply with these principles,
- to advise the Board of Directors on improving corporate governance implementation,
- to monitor the efforts of the Investor Relations Department,
- to review the "Corporate Governance Compliance Report" to be disclosed to the public, to check whether the information in such report is correct and consistent with the information held by the Corporate Governance Committee,
- to engage in efforts aimed at increasing the Company's rate of compliance with the Corporate Governance Principles,
- to ensure the requisite communication between shareholders and the Board of Directors,
- to create a transparent system for the determination, evaluation and training of candidates suitable for the Board of Directors and to determine policies and strategies regarding this matter,
- to regularly evaluate the structure and efficiency of the Board of Directors and to present advice to the Board of Directors on the changes that could be made in relation to such matters,

- to determine the approach, principles and practices for the evaluation of the carrier planning of members of the Board of Directors and senior managers and to monitor these,
- to prepare suggestions on the principles for the remuneration of the members of the Board of Directors and senior managers by taking the Company's long term objectives into consideration,
- to determine the criteria that can be used for remuneration in connection with the performance of the company and the member,
- to submit suggestions regarding the remuneration of members of the Board of Directors and senior managers to the Board of Directors by taking into consideration the level of criteria satisfaction,
- to perform any other duties that have been or will be assigned to the committee under Capital Markets Board legislation and the Turkish Commercial Code.

## **EFFECTIVENESS**

The structure of the Corporate Governance Committee has been reviewed in light of the provisions set forth in the Capital Markets Board Communiqué on Corporate Governance, which entered into force upon its publication on January 03, 2014. The Board of Directors has the power to revise and update the referred working principles as necessary.