

Istanbul Trade Registry Office

Registration Number: 353242

Corporate Name  
TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĞI ANONİM ŞİRKETİ

Registered Office: Istanbul Beykoz Rüzgarlıbahçe Mahallesi Selvi Çıkmazı Sokak No. 4

It is hereby announced with respect to the Company having above mentioned registered office, registration number and corporate number that the registration and announcement of the resolution of the annual general meeting notarized by the 39<sup>th</sup> Notary Public of Beyoğlu under log no. 6298 on 05.06.2014 and of the resolution of the board of directors notarized by the 39<sup>th</sup> Notary Public of Beyoğlu under log no. 6299 on 05.06.2014 have been demanded and, that these have been registered on 13.06.2014 in accordance with the pertinent provisions of the Turkish Commercial Code No. 6102 and based on the documents kept on 13.06.2014.

**MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF  
TORUNLAR REAL ESTATE INVESTMENT COMPANY FOR 2013  
HELD ON 29.05.2014**

The annual general meeting of shareholders of Torunlar Real Estate Investment Company for 2013 was held on 29.05.2014 at 11.11 at the registered office located in Rüzgarlıbahçe Mahallesi Selvi Çıkmazı No. 4, Beykoz, Istanbul, under the surveillance of Ms. Ayten YAVUZ, a Ministerial Representative appointed by virtue of the letter no. 90726394-97.11/14803 issued by the Provincial Directorate of Trade of Istanbul on 28.05.2014.

The convocation to the meeting was made in due time in such a manner in which it contains the agenda items and in accordance with the pertinent law and the articles of association by means of an announcement in the Turkish Trade Registry Gazette issue no. 8593, pages no. 719 and 720 dated 06 May 2014, in the newspaper called Star Gazetesi, page no. 18, dated 06 May 2014 as well as in the website of the Company www.torunlargo.com.tr and in the relevant pages of the web site of the Public Disclosure Platform pursuant to the principles as set forth in the pertinent laws and regulations. As a result of an examination carried out on the list of attendants, it was ascertained that out of the total capital of the Company in the amount of TL 500,000,000.00, that 35,257,988 shares corresponding to the total nominal value in the amount of TL 35,257,988 were represented by proxy, and, 394,345,860 shares corresponding to the total nominal value in the amount of TL 394,345,860 were represented in person, in addition, according to the pertinent provisions of the Regulations on General Meetings of Joint Stock Companies in Electronic Environment, 5 shares corresponding to the total nominal value in the amount of TL 5 were represented in person in electronic environment and 8,480,591 shares corresponding to the total nominal value in the amount of TL 8,480,591 were represented in person in electronic environment and, in this manner, 438,084,439 shares in total were presented in the meeting and, consequently the quorum for the meeting as set forth in the pertinent law and in the articles of association were established, and then the meeting was opened by Mr. Aziz TORUN, Chairman of the Board of Directors, and continued with the discussion of the agenda. 610,033.48 shares among the shares acquired by the Company within the repurchase schedule after the capital increase were not shown in the list of attendants since they have a lack of voting right and, the quorum was considered over 499,389,966.52 shares calculated left after the shares that have a lack of voting right were deducted.

**1. Opening and Election of the Presiding Board**

Aziz TORUN nominated Mahmut KARABIYIK as Chairman of the General Meeting. No one else became a candidate or was nominated for such position. As a result of the ballot, it was unanimously resolved to appoint Mahmut KARABIYIK as Chairman of the General Meeting.

Mahmut KARABIYIK took the floor. He said that a regulation was prepared by the Ministry of Customs and Trade with respect to the Methods and Principles for the General Meetings of Joint Stock Companies and the Representatives of the Ministry of Customs and Trade Who Are to Attend Such Meetings and, the said regulation was published in the Official Journal, issue no. 28481 dated 28.11.2012 and, article 14 of the said regulation, which came into effect upon this publication, amended the previous application and, according to this change, unless otherwise provided in the articles of association, it was necessary to appoint a chairman in the general meeting to preside over the meeting, and a vice-chairman, if required, and in case the chairman thinks fit, he may appoint a clerk and vote collector, and thereupon he

explained that since there was a busy agenda, he appointed Haluk YÜKLER as clerk and Şerife CABBAR as vote collector.

**2. Authorizing the Presiding Board to Sign the Minutes of the General Meeting of Shareholders on behalf of the General Meeting of Shareholders, and the Sufficiency of this Authorization.**

It was unanimously resolved to authorize the presiding board to sign the Minutes of the General Meeting of Shareholders on behalf of the General Meeting of Shareholders, and that this authorization will be sufficient in this respect.

**3. Reading the Report issued by the Board of Directors for the activities and accounts for 2013**

The Report issued by the Board of Directors for the activities and accounts for 2013 was read by İsmail KAZANÇ. Deliberations were performed. The questions from Hamza İL, Cahit BAŞARAN, Celal AKGÜL and Dincer ERSOY were answered by Aziz TORUN.

**4. Reading the Auditors' Report and a Summary of the Report Issued by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., an Independent External Auditing Company**

A summary of the report issued by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., an independent external audit company, was read by Burak ÖZPOYRAZ, a manager of Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. No one took the floor in favor or against the reports.

**5. Approval of the Balance Sheet and, the Profit and Loss Statement of the Company as is or as amended**

The balance sheet and, the profit and loss statement of the Company were read by İsmail KAZANÇ and deliberated thereafter. As a result of the ballot, it was unanimously resolved to accept the balance sheet and, the profit and loss statement of the Company as is.

**6. Approval or Refusal of the Proposal for the Distribution of Profit as is or as amended**

The resolution of the Board of Directors no. 2014/25 dated 05.05.2014 with respect to the profit distribution for 2013 was deliberated. As a result of the deliberations, the resolution and the proposal submitted by Aziz Torun were deliberated, which state that after all kinds of liabilities imposed on the Company were deducted from the profit and considering the pertinent provisions of the articles of association, upon the proposal of the Board of Directors, out of the net distributable profit of TL 76,880 thousand calculated by means of setting aside First Statutory Reserve Fund from the net distributable profit for 2013 in the amount of TL 80,805 thousand 169,106,791.21 in accordance with article 519 of the Turkish Commercial Code, the first dividend in the amount of TL 25,000 thousand and the second dividend of TL 5,000 thousand, corresponding to 5% of the paid capital, shall be distributed and, the amount left after all legal reserves were deducted shall be set aside as extraordinary reserve funds, and the amount of TL 30,000,000 corresponding to the sum of the first and second dividends shall be distributed by 06.06.2014. No one took the floor in favor or against. As a result of the ballot, it was unanimously resolved to distribute the amount of TL 30,000,000 out of the distributable profit as dividends by 06.06.2014 and set aside the remaining amount as extraordinary reserve funds.

**7. Release of the Members of the Board of Directors in Respect of their Activities in 2013**

The agenda item with respect to the release of the members of the Board of Directors in respect of their activities in 2013 was put on the vote. It was unanimously resolved to release each member of the Board of Directors in respect of their activities in 2013 (the members of the board of directors under the scope of article 436/2 of the Turkish Commercial Code did not cast any vote in this respect).

**8. Reappointment of or Changing the Members of the Board of Directors, whose Term of Office Expired, and Determination of the Term of Office**

The following persons were nominated by Aziz TORUN as the members of the board of directors for a period of one year until the next general meeting of shareholders: Aziz TORUN, Mehmet TORUN, Yunus Emre TORUN, Mahmut KARABIYIK, Haluk SUR, Prof. Dr. D. Ali ALP and Aziz YENİAY. No one else become a candidate or was nominated for such positions.

Muzaffer EROĞLU, who attended the meeting in electronic environment, sent a note stating that "Will a target be set for the number of female members of the board of directors in accordance with the Corporate Governance Principles of the Capital Market Board; at least how many female members do you aim to reach and what is the deadline? I kindly request you to inform me about the reason why there is no female member of the board of directors". Aziz TORUN took the floor and said that the efforts about the appointment of female members of the board of directors are in progress.

Upon the voting, it was resolved by a majority vote – 900,376 dissenting votes and 437,184,063 affirmative votes – in accordance with the pertinent provisions of the articles of association to appoint the following persons, who attended the meeting and who verbally declared to accept their nominations for the position of the membership of the Board of Directors, for a period not exceeding one year until the next general meeting of shareholders: Aziz TORUN and Haluk SUR nominated by the Group A Shareholders, Mehmet TORUN and Yunus Emre TORUN nominated by the Group B Shareholders, Mahmut KARABIYIK, a shareholder, with no privilege in this respect, and Prof. Dr. D. Ali ALP and Aziz YENİAY, as an independent members of the board of directors, with no contractual or legal connection with the Company.

#### **9. Determination of the Attendance Fees of the Chairman and Members of the Board of Directors**

Aziz TORUN took the floor and said that "I propose that the members of the board of Directors be paid an attendance fee in the net amount of TL 3,500.00 per month for a period not exceeding one year until the next general meeting of shareholders". No other proposal was submitted, and no one else took the floor in favor or against this proposal. It was unanimously resolved to approve the proposal of Aziz TORUN, and that each member of the Board of Directors shall be paid an attendance fee in the net amount of TL 3,500.00 per month, for a period not exceeding one year until the next general meeting of shareholders.

#### **10. Approval of the appointment by the Board of Directors of an independent auditing firm pursuant to the regulations issued by the Capital Market Board on the Capital Market Independent Auditing.**

An independent auditing agreement was signed with Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with the resolution of the Board of Directors no. 2014/16 of 28.03.2014. Upon the voting thereon, it was resolved by a majority vote – 805,268 dissenting votes and 437,279,171 affirmative votes – to approve the said agreement.

#### **11. Approval by the general meeting of the resolution adopted by the board of directors on the donations and charities granted in 2013 and the upper limit thereof in 2014.**

Mahmut KARABIYIK took the floor and said that the board of directors had been authorized in the Annual General Meeting for 2012 held on 30.05.2013 to grant donation to individuals or legal entities in 2013 up to the amount of TL 1,500,000 and, thereupon donation of TL 597,992.71 has been granted in 2013 for the District Mansions in the Municipalities of Bingöl and Bitlis within the limits and, the board of directors had been authorized in the Annual General Meeting for 2012 held on 30.05.2013 to grant donation to individuals or legal entities in 2014 until the first General Meeting up to the amount of TL 1,500,000.

Aziz TORUN proposed that the amount of TL 1,500,000 for the donations in 2014 shall be revised to TL 2,500,000 for the donations in 2014 to individuals and legal entities and, considering the fact that annual general meetings are held about the end of March in the subsequent year and a necessity may arise to grant donations within the period (from the beginning of the year to the date of the annual general meeting), the board of directors should be authorized to grant donations until the first annual general meeting in 2015, which shall not exceed the amount granted in 2014. Upon the voting on the said offer, it has been resolved – dissenting votes: 6,589,414; affirmative votes: 431,225,025 – to authorize the board of directors to grant donation to individuals and legal entities in 2014 and grant donation to individuals and legal entities in 2015, which should not exceed the amount of the donation granted in 2014, until the date of the next ordinary general meeting.

#### **12. Information on the Repurchase Program**

Further to the resolution adopted by the Extraordinary General Meeting held on 12.09.2011 upon the proposal submitted by Aziz TORUN, the repurchases of the shares of 273,295 in total for an average price of TL 4.37 during the repurchase program 21.11.2011 – 14.03.2012 correspond to 610,033.48 in total for an average price of TL 1.96 as a result of the capital increase on 02.08.2012 and, the repurchased shares have not been sold.

Pursuant to the principle resolution no. 27/748 of 11.09.2009 adopted by the Capital Market Board on 12.09.2011 and to the Capital Market Board's Communiqué no. II-22.1 on the Repurchased Shares entering into force upon the publication thereof in the Official Journal, issue no. 28871 dated January 3, 2014, the repurchased shares may be held for a minimum period of 3 years.

However, the subparagraph (1) of article 19 of the said Communiqué on the Disposal and Redemption of the Repurchased Shares reads that "the repurchased shares and the bonus shares acquired due to such shares are allowed to be held for an indefinite period of time provided that the conditions as set forth in the first and third subparagraph of article 90 of this Communiqué shall be respected."

The subparagraph (1) of article 9 of the Communiqué on the transaction limits on the repurchased shares reads that "the nominal value of the repurchased shares of a company pursuant to the pertinent provisions of this Communiqué may not exceed ten percent of its capital paid or issued including the previous repurchases. Out of the repurchased shares, those disposed during the program shall not be deducted when calculating this percentage."; the subparagraph (3) reads that "the total value of the repurchased shares may not exceed the total amount of the sources considered for the profit distribution pursuant to the respective regulations of the Board. The board of directors shall be responsible for ensuring that the said requirements are fulfilled prior to the repurchase transactions under the repurchase program through the most recent annual financial statements prepared in accordance with the respective regulations of the Board and approved in the respective general meeting.". Thereupon, a proposal was submitted to the general meeting to authorize the general management to hold the shares as long as the requirements as set forth in the said communiqué are respected and/or sell the same in case of appropriate conditions.

The proposal was submitted to the general meeting for approval, it was unanimously resolved to authorize the general management to hold the shares as long as the requirements as set forth in the said communiqué are respected and/or sell the same in case of appropriate conditions.

### 13. Information on the transactions with the related parties in 2012 under the respective arrangements of the Capital Market Board

İsmail KAZANÇ took the floor and provided the following information:

<b>(TL Thousand)</b>	<b>31 Dec 2013</b>	<b>Restructured 31 Dec 2012</b>
<b>Payables to the related parties</b>		
Torunlar GYO-Torun Yapı-Kapıcıoğlu Proje Ortaklığı	228.118	-
Torunlar-Özyazıcı	22.122	22.135
Torun AVM	4.388	2.775
Torun Turkmall İş Ortaklığı	102	-
Torunlar Gıda	87	27
Others	41	7
	<b>254.858</b>	<b>24.944</b>
<b>Receivables from related parties</b>		
Torunlar GYO-Torun Yapı-Kapıcıoğlu Proje Ortaklığı	125.947	51.230
Torun AVM	1.094	1.664
Torun Yapı	208	1.579
Torunlar Gıda	7	-
	<b>127.256</b>	<b>54.47</b>
<b>3</b>		

### 14. Information on the guarantees, liens and mortgages provided pursuant to article 12 of the Capital Market Board's Corporate Governance Communiqué no. I-17.1

İsmail KAZANÇ took the floor and said that "pursuant to the pertinent regulations of the Capital Market Board, real estate investment companies are not allowed to provide guarantees and mortgages in favor of 3<sup>rd</sup> parties and, there is no guarantees and mortgages provided by our Company to 3<sup>rd</sup> parties. The mortgages provided in consideration of the loans obtained for financing the projects carried out by our Company are as follows:"

<b>Explanation</b>	<b>Established on</b>	<b>Amount</b>	<b>Explanation</b>
Vakıfbank	29.08.2013	390.000.000,00 USD	Torn Tower land in İstanbul/Şişli-Esentepe
Akbank	05.07.2013	375.000.000 USD	Paşabahçe land

T.Akbank A.Ş.	02.04.08	225.000.000,00	EUR	Korupark Shopping Center (Bursa)
T.İş Bankası A.Ş.	14.10.09	120.000.000,00	USD	Torium Shopping Center and Houses
S.S.MASKO İSTANBUL MOBİLYA VE AHŞAP EŞYA İMALATÇILARI SİTE İŞLETME KOOPERATİFİ	26.01.11	12.000.000,00	TL.	Land block 585, parcel 1 in İstanbul/İkitelli
T.İş Bankası A.Ş.	31.05.11	300.000.000,00	USD	İstanbul Mall Of İstanbul Project
Garanti Bankası	02.02.2011	508.000.000	TL	Torun Center Project

**15. Approval of the Dividend Policy adopted by the Board of Directors in the meeting no. 2014/23 dated 28.04.2014 pursuant to the Capital Market Board's Communiqué no. II-19.1 on the Dividends**

İsmail KAZANÇ took the floor and said that "pursuant to the pertinent regulations of the Capital Market Board, real estate investment companies are not allowed to provide guarantees and mortgages in favor of 3<sup>rd</sup> parties and, there is no guarantees and mortgages provided by our Company to 3<sup>rd</sup> parties. The mortgages provided in consideration of the loans obtained for financing the projects carried out by our Company are as follows:"

Mahmut KARABIYIK took the floor and read the Dividend Policy adopted by the Board of Directors in the meeting no. 2014/23 dated 28.04.2014 pursuant to the Capital Market Board's Communiqué no. II-19.1 on the Dividends.

**TORUNLAR REAL ESTATE INVESTMENT COMPANY  
DIVIDEND POLICY**

1- It is principally adopted to distribute profit every year in accordance with the Turkish Commercial Code, the Capital Market Board, the Articles of Association and these regulations.

2- It is desired that the profit planned to be distributed according to the above mentioned principles would be 50% of the distributable profit.

However, the distribution of 50% of the distributable profit to the shareholders each year may be postponed, considering the investment planes, the progressions of the existing investments, the funding requirements for the investments and the extraordinary or unexpected developments in economic situations.

3- The profit may be distributed in cash or by providing "bonus shares" upon the addition of the distributable profit to the capital.

4- Upon the resolution in a general meeting for the distribution, the profit shall be distributed until the end of the year in which that general meeting is held and in the form as described in that resolution. When the profit is to be distributed shall be determined in a general meeting within the said period of time. The profit distribution may be performed in lump sum or in installments.

5- The opinion of the board of directors about whether the profit is to be distributed shall be submitted to the general meeting for approval. The resolution adopted in the general meeting shall be decisive.

6- The distributable profit shall be calculated in accordance with the principles as set forth in the Turkish Commercial Code and the Capital Market Law and the regulations issued/to be issued according thereto, the Corporate Tax Law and the regulations issued/to be issued according thereto, the pertinent provisions of the articles of association and the resolutions adopted in the general meeting. The dividend shall be equally distributed to all existing shares at the time of the distribution irrespective of the dates of issuance and acquisition thereof.

7- The articles of association provides no privilege in respect of profit distribution.

8- The articles of association provides advance payments from the dividends, and accordingly, the advance payments from the dividends may be made to the shareholders in accordance with the respective capital market regulations.

9- The regulations as set forth in the Dividend Communiqué issued in the Official Journal issue no. 28891 dated 23.01.2014 shall apply to any issue not mentioned herein.

Upon the voting on the approval of the dividend policy adopted by the Board of Directors in the meeting no. 2014/23 dated 28.04.2014 as is or as amended, it is unanimously resolved to approve the dividend policy.

**16. Information on the Regulations on the Operation Principles of the Audit Committee, Corporate Governance Committee, Nomination Committee and Remuneration Committee adopted by the Board of Directors in the meeting no 1014/13 dated 20.03.2014 issued pursuant to the Capital Market Board's Corporate Governance Communiqué No. II-17.1.**

Mahmut KARABIYIK read the Operation Principles of the Audit Committee, Corporate Governance Committee, Nomination Committee and Remuneration Committee adopted by the Board of Directors in the meeting no 1014/13 dated 20.03.2014

**TORUNLAR REAL ESTATE INVESTMENT COMPANY  
REGULATIONS ON THE OPERATION PRINCIPLES OF THE AUDIT COMMITTEE**

**1. PURPOSE**

The purpose of these regulations is to ensure that the accounting system, the disclosure of the financial statements to the public, the independent audit and internal audit as well as internal supervision systems of the Company are sufficiently and effectively operating.

**2. TASKS AND AUTHORITIES OF THE AUDIT COMMITTEE**

Audit Committee;

- audits whether the financial statements, the foot notes thereof and other financial information are accurate, comply with the pertinent legislations and international accounting standards; obtains the opinions of the independent audit firm and informs the Board of Directors accordingly;
- performs an inspection to see whether the independent audit firm and its employees are independent and eligible, and informs the Board of Directors accordingly;
- supervises the efficiency of the accounting system of the Company, the disclosure of the financial information to the public, and the operation of the internal control system;
- observes the election of the independent audit firm, the preparation of the audit agreements and commencement of the independent audit procedure, and the activities of the independent audit firm at all steps;
- examines the complaints about the accounting and internal control system as well as independent auditing of the Company and solved the same;
- considers the statements of the employees of the Company with respect to the accounting system and independent auditing of the Company on a confidential basis and, determines the methods and criteria that apply in this respect;
- audits to see whether the employees of the Company act in compliance with the Law and other pertinent legislations as well as the articles of association, and the resolutions of the general meeting and the board of directors;
- supervises the compliance with the legal regulations and in-company regulations;
- the Committee acts under its own authorities and responsibilities, and makes advices to the Board of Directors; the responsibility for making the final decision is always assumed by the Board of Directors;
- the Committees carry out their activities independently, and makes advices to the Board of Directors, they do not have the authority to make operational decisions with respect to the activities of the Company; the authority to make decisions on the matters for which the Committees make advices is vested in the Board of Director.

**3. APPOINTMENT OF THE AUDIT COMMITTEE**

- The Audit Committee is composed of two members elected among the members of the board of directors.
- A chairman shall be determined for the Audit Committee by means of an election among the independent members of the board of directors.
- The term of office of the Committee is the period until the date on which the first general meeting is held. In the first meeting of the board of directors following the ordinary general meeting, the members of the audit committee shall be determined.
- A committee member whose term of office expires shall be allowed to be reappointed.
- Secretary procedures of the Committee shall be performed by the secretary of the Board of Directors.

**4. COMMITTEE MEETINGS AND REPORTING**

- Audit Committee shall convene quarterly at least every 3 months, and prepare the minutes thereof and submit the same to the Board of Directors.
- The activities and the results of the meetings of the Committee shall be mentioned in the respective annual report, which shall include how many reports are issued by the Committee to the board of directors within the respective accountancy period.
- The Committee shall forthwith inform the board of directors in writing of its opinions and assessments within its responsibility areas.

## 5. RESPONSIBILITIES

### a) Financial Statements and Announcements

- The Committee receives the opinions of the responsible managers of the Company and the independent auditors with respect to the compliance of the financial statements and the foot notes thereof to be disclosed to the public with the accounting principles of the Company and whether they reflect the truth, and informs the Board of Directors in writing of its own opinion based on such opinions.
- The Committee reviews the annual report to be disclosed to the public, and ensures that the information contained therein is true and consistent with the information available to the Committee.
- It reports to the Board of Director with respect to the changes to the accounting policies, the internal control system and the pertinent legislations, which may substantially effect the preparation of the financial statements.
- The Committee reviews the substantial accounting and reporting issues as well as legal issues, and ensures that sufficient inspections are carried out on the effects thereof on the financial statements.
- It inspects the major complaints from the shareholders and stakeholders which may substantially effect the financial statements, and concludes the process relating thereto.
- The Committee reviews the transactions that are subject to the review and decision of the Company's management such as the valuation of the assets and resources, guarantees and securities, performance of social responsibilities, provisions for legal actions, other liabilities and contingent events etc. and how they are recognized in the accounts.

### b) Independent Audit Firm

- Election and change of the independent audit firm, commencement of the audit process, monitoring and assessment of the audit activities are performed under the surveillance of the Audit Committee.
- The independent auditing firm from which the Company receives services and, the scope thereof shall be determined by the Committee and, the Board of Directors shall be informed accordingly.
- The Committee inspects the scope of the audit offered by the independent external auditors, and the audit process, and informs the Board of Directors of the issues that may prevent the audit activities.
- The Committee assesses the performance of the independent external auditors with respect to their independency.
- The Committee ensures that the substantial issues found out by the independent external auditors, and their recommendations with respect to the remedy of such issues are submitted to the Committee in due time and discussed accordingly.
- It inspects all fees and compensations with respect to the independent audit firm, and submits its opinions relating thereto in writing to the board of directors.

### c) Internal Audit and Internal Control

- The Audit Committee makes efforts with respect to the efficiency and sufficiency of the internal control system, and reports to the Board of Directors accordingly.
- It ensures that all precautions are taken for the transparency of the internal audit.
- The Committee reviews the efforts of the Internal Audit Department, the organizational structure and working principles thereof, and informs and provides advises to the Board of Directors with respect to the issues that may restrict or prevent the efforts of the internal auditors, and to the efficiency of their activities.
- The Committee ensures that the substantial problems indicated in the Internal Audit Department, and its recommendations with respect to the remedy of such problems are submitted to and discussed and responded by the Committee in due time.

### d) Compliance with the Legal Regulations

- It monitors whether the Company's activities are carried out in accordance with the pertinent legislations and in-company regulations. It sets the rules that apply in case of any contradiction thereto.
- It ensures that the complaints with respect to the internal control and independent audit are processed within the rules of confidentiality.

## 6-EFFECTIVENESS

These regulations shall become effective when being adopted by the Board of Directors.

## 7. ENFORCEMENT

These regulations shall be enforced by the Board of Directors.

## **TORUNLAR REAL ESTATE INVESTMENT COMPANY REGULATIONS OF THE CORPORATE GOVERNANCE COMMITTEE**

### 1-PURPOSE

The purpose of these regulations is to determine the principles and methods of the "Corporate Governance Committee" founded to ensure, monitor and improve the compliance of the Company with the corporate governance principles.

#### 2-FORMATION

"The Corporate Governance Committee" is formed in order to ensure, monitor and improve the compliance of the Company with the corporate governance principles.

The term of office of the Committee is the period until the date on which the first general meeting is held. In the first meeting of the board of directors following the ordinary general meeting, the members of the corporate governance committee shall be determined. It is composed of not less than 2 and not more than 5 members who are to be appointed by the Board of Directors. The number of the members shall be determined by the Board of Directors.

It is compulsory that at least one member of the independent members of the board of directors shall be a member of the committee.

The independent member of the board of directors shall take the chair in the Committee. In the event that more than one independent members of the board of directors are appointed, then an election shall be made by the Committee among the independent members of the board of directors to determine the chairman of the Committee.

When a member of the Committee retires from the office, then a new member shall be appointed for the remaining term of office of the predecessor.

A committee member whose term of office expires shall be allowed to be reappointed.

#### 3-MEETING PLACE AND DATE

The Committee convenes upon the invitation of the chairman of the committee, at the registered office, at least once every three months.

The quorum for the meeting is the mathematical majority, which shall also apply to the quorum for the resolution.

#### 4-RESOLUTION BOOK

The resolutions adopted in the meetings of the Committee shall be written in the resolution book allocated for this purpose, and signed by the members of the Committee.

#### 5- ELIGIBILITY FOR THE ELECTION OF THE MEMBERS OF THE COMMITTEE

The members of the Committee must have graduated from a school providing undergraduate education for at least 4 years (preferably with respect to business administration, economics or law) and business experience of at least 2 years.

#### 6- TASKS AND AUTHORITIES OF THE COMMITTEE

The main tasks and authorities of the Corporate Governance Committee are as follows.

a) Determine whether the corporate governance principles are fully observed in the Company, and if not, then find out the reasons for this failure, and the conflict of interests that may arise from the failure, and makes advises to the board of directors with respect to the remedial measures relating thereto,

b) Coordinate and audit the efforts of the shareholders relations unit,

#### 7-INFORMING THE BOARD OF DIRECTORS OF THE COMMITTEE'S EFFORTS

The board of directors shall be informed of the results obtained as a result of the efforts made by the Committee.

#### 8- EFFECTIVENESS

These regulations shall become effective when being adopted by the Board of Directors.

#### 9- ENFORCEMENT

These regulations shall be enforced by the chairman of the board of directors.

### **TORUNLAR REAL ESTATE INVESTMENT COMPANY REGULATIONS OF THE NOMINATION COMMITTEE**

#### 1-PURPOSE

The purpose of these regulations is to create a transparent system with respect to the nomination, assessment and training of the candidates to the board of directors, and set the policies and strategies relating thereto.

#### 2-FORMATION



"The Nomination Committee is formed to create a transparent system with respect to the nomination, assessment and training of the candidates to the board of directors, and set the policies and strategies relating thereto.

The Nomination Committee is composed of not less than 2 and not more than 5 members who are to be appointed by the Board of Directors for the period until the date on which the first general meeting is held. The number of the members shall be determined by the board of directors.

It is compulsory that at least one member of the independent members of the board of directors shall be a member of the committee.

The independent member of the board of directors shall take the chair in the Committee. In the event that more than one independent members of the board of directors are appointed, then an election shall be made by the Committee among the independent members of the board of directors to determine the chairman of the Committee.

When a member of the Committee retires from the office, then a new member shall be appointed for the remaining term of office of the predecessor.

A committee member whose term of office expires shall be allowed to be reappointed.

### 3-COMMITTEE MEETINGS AND REPORTING

- The Nomination Committee convenes at least 3 months before the General Meeting to assess the existing members of the board of directors in respect of independency, eligibility etc. for the nomination thereof and, recommend appropriate members and/or whenever it is required to appoint or change personnel with administrative responsibility and, submits a report to the Board of Directors as a result of such assessments.
- In the event that an independent member or members of the board of directors retires/retire from the office for any reason, the Nomination Committee shall immediately convene, and submits to the Board of Directors the list of candidates.

### 4- ELIGIBILITY FOR THE ELECTION OF THE MEMBERS OF THE COMMITTEE

The members of the Committee must have graduated from a school providing undergraduate education for at least 4 years (preferably with respect to business administration, economics or law) and business experience of at least 2 years.

### 5- TASKS AND AUTHORITIES OF THE COMMITTEE

- It makes efforts to create a transparent system with respect to the nomination, assessment and training of the candidates to the board of directors and set the policies and strategies relating thereto,
- It makes regular assessments with respect to the structure and efficiency of the board of directors, and submits its advices to the board of directors with respect to possible changes thereto.

### 6- EFFECTIVENESS

These regulations shall become effective when being adopted by the Board of Directors.

### 7- ENFORCEMENT

These regulations shall be enforced by the chairman of the board of directors.

## **TORUNLAR REAL ESTATE INVESTMENT COMPANY REGULATIONS OF THE REMUNERATION COMMITTEE**

### 1-PURPOSE

The purpose of these regulations is to make efforts in order to make recommendations with respect to the remuneration principles for the members of the board of directors and the senior managers.

### 2- FORMATION

"The Remuneration Committee" is formed in order to make efforts in order to make recommendations with respect to the remuneration principles for the members of the board of directors and the senior managers.

The Remuneration Committee is composed of not less than 2 and mot more than 5 members who are to be appointed by the Board of Directors for a period until the first general meeting. The number of the members shall be determined by the Board of Directors

It is compulsory that at least one member of the independent members of the board of directors shall be a member of the committee.

The independent member of the board of directors shall take the chair in the Committee. In the event that more than one independent members of the board of directors are appointed, then an election shall be made by the Committee among the independent members of the board of directors to determine the chairman of the Committee.

When a member of the Committee retires from the office, then a new member shall be appointed for the remaining term of office of the predecessor.

A committee member whose term of office expires shall be allowed to be reappointed. .

### 3- COMMITTEE MEETINGS AND REPORTING

- The Committee convenes upon the invitation of the chairman of the committee, at the registered office, at least once in a year. .
- It convenes extraordinarily in case of any change to the personnel policy of the Company or of any occurrence of extraordinary situations with respect to economy
- The quorum for the meeting is the mathematical majority, which shall also apply to the quorum for the resolution

#### 4- ELIGIBILITY FOR THE ELECTION OF THE MEMBERS OF THE COMMITTEE

The members of the Committee must have graduated from a school providing undergraduate education for at least 4 years (preferably with respect to business administration, economics or law) and business experience of at least 2 years

#### 5- TASKS AND AUTHORITIES OF THE COMMITTEE

- It determines its recommendations with respect to the remuneration principles for the members of the board of directors and the senior managers based on the long-term objectives of the Company.
- It sets the criteria that may be used with respect to the remuneration in connection with the performance of the Company and the member.
- It submits to the board of directors its recommendations with respect to the remunerations to the members of the board of directors and the senior managers considering the level of achievement of the criteria.

#### 6- EFFECTIVENESS

These regulations shall become effective when being adopted by the Board of Directors.

#### 7- ENFORCEMENT

These regulations shall be enforced by the chairman of the board of directors.

### **17. Information on whether the members of the Board of Directors engage in such activities falling to the subject of activity of the Company in person or on behalf of others or, are partners of such companies engaging in such activities and, perform such other activities pursuant to articles 395-396 of the Turkish Commercial Code.**

It was informed that:

Mr. Aziz TORUN, Mr. Mehmet TORUN and Mr. Mahmut KARABIYIK, members of the Board of Directors, are partners of Yeni Gimat Real Investment Company.

Mr. Aziz TORUN, Mr. Mehmet TORUN and Mr. Yunus Emre TORUN, members of the Board of Directors, are partners of Torun Yapı A.Ş.

Mr. Mehmet Torun and Mr. Yunus Emre TORUN are also members of the board of directors of Torun Yapı A.Ş.; Mr. Mahmut Karabiyik is also a member of the board of directors of Gimat Real Estate Investment Company; Mr. Prof. Dr. Dursun Ali ALP is also a member of the board of directors of Gimat Real Estate Investment Company and Özak Real Estate Investment Company.

It was also informed that the shareholders, the members of the board of directors and the executives with administrative responsibility as well as their relatives by blood and marriage up to second degree are not involved in any significant transaction, which may cause a conflict of interest with the Company or its affiliates; in any commercial activity falling into the subject of activity of the Company or its affiliates whether in person or on behalf of others; or are not an unlimited partner of another partnerships engaging in the same type of activities.

### **18. Authorizing the members of the Board of Directors to engage in such activities falling to the subject of activity of the Company in person or on behalf of others or, are partners of such companies engaging in such activities and, perform such other activities pursuant to articles 395-396 of the Turkish Commercial Code.**

The agenda item started to deliberated; nobody took the floor; and upon the voting, it was resolved by a majority vote – 718,496 dissenting votes and 437,365,943 affirmative votes to authorize the members of the Board of Directors to engage in such activities falling to the subject of activity of the Company in person or on behalf of others or, are partners of such companies engaging in such activities and, perform such other activities pursuant to articles 395-396 of the Turkish Commercial Code.

### **19. Wishes and Recommendations**

Aziz TORUN took the floor and, thanked to all the attendants.

### **20. Closing**

Ministerial Commissary

Ayten Yavuz, signature  
Chairman of the Meeting  
Mahmut Karabiyik, signature  
Clerk  
Haluk Ykler, signature  
Vote Collector  
erife Cabbar, signature

**RESOLUTION BOOK OF THE BOARD OF DIRECTORS  
TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĐI ANONİM ŐİRKETİ  
RESOLUTION OF THE BOARD OF DIRECTORS**

RESOLUTION NUMBER : 2014/29

RESOLUTION DATE : 29.05.2014

ATTENDANTS: 1- Aziz TORUN 2- Mehmet TORUN 3- Yunus Emre TORUN 4- Mahmut KARABIYIK 5- Prof. Dr. Dursun Ali ALP 6- Haluk SUR 7- Aziz YENİAY

AGENDA: The board of directors convened at the registered office of the Company

- 1) Duty distribution among the members of the Board of Directors
- 2) How to Represent and Bind the Company

**RESOLUTION:**

Further to the resolution no. 2014/29 of 29.05.2014 adopted by the board of directors of TORUNLAR GAYRİMENKUL YATIRIM ORTAKLIĐI ANONİM ŐİRKETİ notarized by the 39<sup>th</sup> Notary Public of BeyoĐlu under log no. 6299 on 05.06.2014 and, filed with and announced through the Istanbul Trade Registry Office;

The election was made in the ordinary annual general meeting for 2013 held on 29.05.2014 for the members of the board of directors and, the deliberations started to make a duty distribution among the members of the board of directors according to the agenda item 1.

- 1- Whereas, Aziz TORUN was nominated for the position of Chairman of the Board of Directors and, Mehmet TORUN for the position of Vice Chairman of the Board of Directors. No other candidate has been nominated and, no other member of the board of directors declared himself as a candidate for the position of Member of the Board of Directors. As a result of the voting performed thereon, it has been unanimously resolved to appoint Aziz TORUN as Chairman of the Board of Directors and, Mehmet TORUN as Vice Chairman of the Board of Directors.
- 2- In accordance with the pertinent provision of the articles of association which reads "The Board of Directors shall designate the persons among the members of the Board of Directors, who shall be responsible for the financial and legal affairs in order to fulfill its authorities and responsibilities", it has been unanimously resolved that among the members of the Board of Directors, Yunus Emre TORUN shall be responsible for the financial and marketing affairs and, Mahmut KARABIYIK shall be responsible for the legal affairs.
- 3- The deliberations on how to represent and bind the Company and, as a result thereof; it has been unanimously resolved to appoint

Aziz TORUN, Chairman and CEO, as Group (A) authorized signatory  
Mehmet Torun, Vice Chairman, as Group (A) authorized signatory  
Yunus Emre TORUN, Member of the Board of Directors - Chief Marketing Officer, as Group (B) authorized signatory  
İsmail KAZANÇ, Chief Financial Officer, as Group (B) authorized signatory  
Ltf VARDI, Accounting Manager, as Group (B) authorized signatory

It has been unanimously resolved that the authority degrees of those authorized to sign on behalf of the company shall be as follows

A- For the procedures and documents that require commitment on behalf of the company, the joint signatures of two Group (A) authorized signatories shall be sufficient and required. However, out of such procedures and documents, for the validity of the following procedures and documents, a resolution must be adopted by the board of directors accordingly:

- a) any agreement relating to purchasing, selling, leasing or renting out the assets recorded in the portfolio of the company,

- b) any agreement relating to determining such companies that are to undertake the procedures to market the assets recorded in the portfolio of the company,
- c) any agreement relating to creating a loan relationship,
- d) any agreement to be made with intermediary companies that are to undertake to purchase in respect of offering the shares of the company to the public,
- e) any agreement relating to making joint investments,
- f) any agreement to be made with individuals or legal entities that are to render financial, legal or technical consultancy services to the company,
- g) any resolution relating to determining the agreements to be made with individuals or legal entities that are to render services to the company in respect of project development, control or contracting services,
- h) any procedure relating to transferring all or any subsidiaries, and participating in new subsidiaries and capitals,

B – for the following procedures and documents, the joint signatures of two Group (A) authorized signatories shall be sufficient and required:

\*- any payment in the amount of TL 5,000,000 or above or equal thereto in any currency, for each transaction,

C – for the following procedures and documents, the joint signatures of two Group (A) authorized signatories shall be sufficient and required:

\*- any request from banks for letters of guarantee within the limits of the General Loan Agreements signed and/or to be signed upon the joint signatures of two Group (A) authorized signatories of the Company with banks to establish a loan relation therewith, regardless of whether the transaction amount exceeds TL 5,000,000 and, of whether there is a resolution adopted by the Board of Directors with respect thereto.

\*- remittances among the own accounts of the Company held in the banks and, EFT transfers as well as instructions for opening or closing deposit accounts in the branches of banks in Turkey or abroad and, internal transfers among the bank accounts of the Company, regardless of whether the transaction amount exceeds TL 5,000,000

D– save for provisions of articles above, for the procedures and documents that require commitment on behalf of the company, the joint signatures of any two authorized signatories shall be sufficient and required:

- \*- to purchase and sell land vehicles,
- \*- any procedure relating to fire insurances and 3<sup>rd</sup> party financial liability insurances,
- \*- to draw checks and give payment and transfer instructions for the accounts in the banks, and to endorse checks and deeds issued for others,
- \*- any payment to tax offices, Social Security Institution, electricity, water and telephone companies, without any limit per transaction,
- \*- any power of attorney relating to following up certain procedures and legal actions,
- \*- any purchase agreements, and purchase orders and letters of confirmation for purchase orders,
- \*- any letter of proposal,
- \*- any bill of lading, shipment document, delivery order, and any kind of documents pertaining to customs procedures,
- \*- any letter of request, declaration and payroll submitted to public authorities and financial offices,
- \*- any deed to be endorsed to be submitted to the banks for guarantee and collection purposes,
- \*- any check to be issued and endorsed to be deposited to the bank accounts,
- \*- any receipt pertaining to collection and acceptance of money and goods,
- \*- any reconciliation statement and receipts thereof,
- \*- subscription agreements relating to PTT and consumption such as electricity, water and gas, as well as correspondence and receipts in relation therewith,
- \*- any procedure relating to insurance policies and, documents, additional policies, damages and compensation in relation therewith (except procedures relating to fire insurances and 3<sup>rd</sup> party financial liability insurances),
- \*- confirmation letters for the letters of guarantee to be requested from banks.

E – For the following procedures and documents not requiring a commitment on behalf of the Company, the individual signature of any authorized signatory shall be sufficient and required:

\*- confirmation letters for the letters of guarantee to be requested from banks.

F – such signatures shall not be valid unless affixed below the corporate name of the company,

G – all powers previously granted are hereby revoked by this list of authorized signatures,

Resolved unanimously

Chairman

Aziz TORUN

Vice Chairman

Mehmet TORUN

Member

Yunus Emre TORUN

Member

Mahmut KARABIYIK

Member

Prof. Dr. Dursun Ali Alp

Member

Haluk SUR

Member

Aziz YENİAY