



RATING REPORT ON
Doğan Yayın Holding A.Ş.



BASED UPON
“The Corporate Governance Principles of Turkey” issued by
the Capital Markets Board of Turkey

RATING RELEASE DATE
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INTRODUCTION

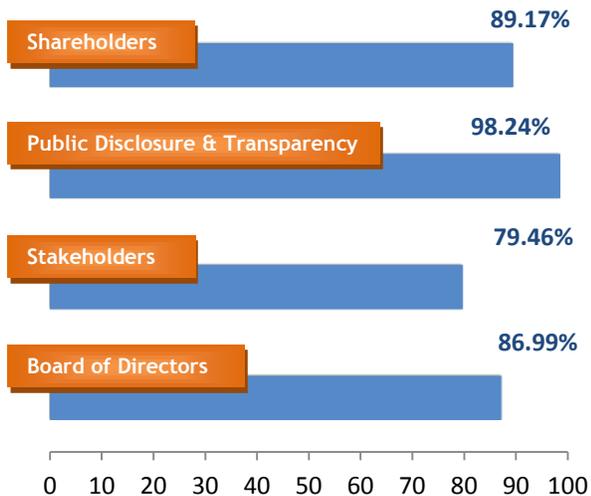
GROUP



OVERALL SCORE



RESULTS BY CATEGORY



ANALYSTS

Joanne Robinson

+44 20 7618 2022

Joanne.Robinson@isscorporateservices.com

Stephan Costa

+44 20 7618 2291

stephan.costa@isscorporateservices.com

ISS Corporate Services (hereafter, ICS) assigns a rating score of 9.03 to Doğan Yayın Holding A.Ş. (the "Company" or "DYH"), which has slightly increased from the last rating score of 9.00. This rating continues to reflect a very good overall performance of the company regarding its current corporate governance structures as measured against the rules stipulated by the Capital Markets Board of Turkey (the "CMB Rules"). Since the last rating, DYH has improved its board practices.

ICS was first appointed by DYH in November 2005 to review its corporate governance structures and processes in line with the CMB Rules. This rating report represents the eighth rating update after DYH had been subject to a first rating released on 19 April 2006. DYH then had been rated with a score of 8.11 (81.19 percent).

DYH has steadily built upon its corporate governance foundation with a range of corporate governance enhancements in the past several years in numerous areas; such as an internal control and risk management reporting mechanisms, a sound ethical and human resources policy and diligent and consistent communication with its shareholders and stakeholders; as well as the appointment of independent board members. This upward momentum has remained consistent in 2013.

DYH continues to score particularly well on **Public Disclosure & Transparency** standards and in respect to **Shareholders**. On the other hand, DYH achieves a slightly lower result for both **Stakeholders** and **Board of Directors**.

The Rating Report is based on information provided to ICS prior to July 2013. The rating may be changed, suspended or withdrawn as a result of changes in or unavailability of such information.

COMPANY INFORMATION

	DYH DOĞAN YAYIN HOLDING
Trade Name	Doğan Yayın Holding A.Ş.
Address	Burhaniye Mahallesi, Kısıklı Caddesi, No:65 34676, Üsküdar, İstanbul
Web	www.dyh.com.tr
Investor Relations	Mrs. Banu Çamlitepe Phone: +90 216 5569399 E-Mail: bcamlitepe@dmg.com.tr
Corporate Governance	Mr. Murat Doğu Phone: +90 216 5569290 Fax: +90 216 5569000 E-Mail: mdogu@doganholding.com.tr
Chairperson	Y. Begümhan Doğan Faralyalı
CEO	Yahya Üzdiyen

Doğan Yayın Holding A.Ş. ("DYH"), founded in 1980 under the name of Miltaş Milliyet Basım Malzemeleri İthalat ve Ticaret A.Ş., operates primarily in the media sector. Through its subsidiaries and shareholdings, where it usually owns a majority stake, DYH is one of the leading media companies in Turkey.

DYH divides its business into two lines of business. The Company sees its core business as a content producer, comprising of newspaper and magazine publishing as well as television and radio broadcasting.

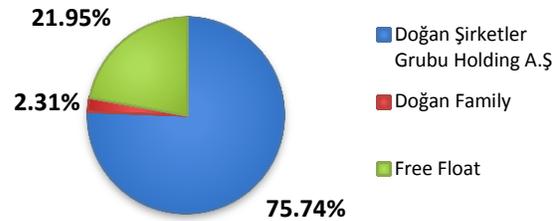
DYH also functions as a service provider including distribution and retail business as well as internet services and cable television.

At present, the Company publishes five daily newspapers (the Milliyet and Vatan titles were sold to a third party in May 2011 and Referans was closed in 2010). Within its broadcasting operations, DYH runs Kanal D and CNN Türk (a joint venture between AOL Time Warner and DYH). DYH completed the sale of its interests in Star TV in November 2011. In 2007, DYH added to its holding Trader Media East Ltd, a leading company in Russia and Eastern Europe, with GDRs traded on the London Stock Exchange.

As a listed company, DYH has to comply with the Capital Market Regulations. DYH has been listed on the Borsa İstanbul since 1998 and as at 31 December 2012 its publicly traded shares amounted to approximately 21.95 percent of its share capital. As of July 2012, the number of shares issued amounted to 2.0 billion. DYH had increased its capital from 1.0 billion to 2.0 billion via a rights issue in June 2011. The rationale for the rights issue was so that both the Company and its subsidiaries can meet the needs of cash working capital, acquitting bank credits and/or capital/interest payments and for the payments to be made within the scope of Law No.6111.

At the Company's 2012 AGM, the Company further increased its registered capital ceiling from 2.0 billion to 3.0 billion as the previous registered capital ceiling had been reached.

Shareholder Structure



Source: Company website

SHARE PERFORMANCE

	TL
09 July 2013	0.66
52-Week High	0.97
52-Week Low	0.61

Source: Company website

FINANCIAL RATINGS

	Rating
Fitch Ratings	B+

Source: Company website

RATING METHODOLOGY

UNDERLYING REFERENCE

It should be noted that the corporate governance rating at hand has been conducted by ICS based on the CMB Rules. As such, it differs in content and methodology from ISS' standard corporate governance ratings (Quickscore) that is based on ISS' own methodology.

The CMB defined its first governance code in 2003, followed by an amendment in early 2005 and most recently in December 2011, February 2012, June 2012, September 2012, February 2013, and April 2013. The new CMB Rules (the CMB Communiqué Serial: IV, No: 56) needed to be incorporated into the companies' articles of association by 30 June 2012. A further update is expected later this year with a number of changes coming into force, including a change in the weights of two categories. ICS is in regular dialogue with the CMB and is currently updating its rating methodology due to the anticipated changes under the supervision of the CMB.

It should be noted that the CMB Rules had changed the governance landscape in Turkey and moved it away from a "comply or explain" regime to one that is regulated with a few areas remaining as just recommendations. One conclusion that may be drawn from this shift is that the CMB has increased its tone with a view to boost the competitiveness of Turkish companies globally.

According to the CMB, all Borsa Istanbul companies, excluding companies listed on Emerging Companies Market and Watchlist Market, are subject to mandatory implementation of certain CMB Rules.

The CMB Rules continue to be divided into four main sections: (i) Shareholders; (ii) Public Disclosure & Transparency; (iii) Stakeholders; and (iv) Board of Directors.

THE GROUPS

The new CMB Rules classify Borsa Istanbul companies in three main groups based on the systematic risk companies pose to Turkish capital markets. DYH is currently classified as a Group II Company.

- 1. Group I:** Companies with a market value exceeding TL 3 billion and free float exceeding TL 750 million;
- 2. Group II:** Companies with a market value exceeding TL 1 billion and free float exceeding TL 250 million;
- 3. Group III:** All other companies which do not fall under either Group.

Group I companies are required to comply with all mandatory rules whereas Group II and III companies benefit from certain exemptions.

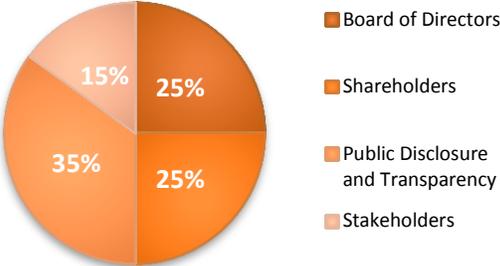
THE RATING

Based upon the CMB Rules, ICS identified close to 500 criteria to be included into the rating. Each single criterion has been examined thoroughly upon compliance by DYH, on the basis of publicly available information. Additional information was provided by DYH upon request.

While in most instances a straightforward 0 (no) or 1 (yes) scoring approach has been applied, ICS also attributed a score of 0.5 points in some instances to acknowledge a partial fulfilment by DYH or where the rating criteria could not be applied to the full extent.

WEIGHTING SCHEME

The weighting scheme applied for the four main sections was pre-determined by the CMB:



Further sub-weightings have been attributed to the sub-criteria according to ICS's own reference.

Based upon the scoring and adjusted weightings the overall rating result has been calculated. The result reflects the overall compliance of the Company with the constituted corporate governance rating criteria. Besides the overall assessment, results also have been calculated for each main section, providing a differentiated picture of the company's strengths and weaknesses.

THE GOVERNANCE LANDSCAPE IN TURKEY

Though the corporate governance structure and performance on the company level is of particular interest for shareholders, one should also acknowledge the corporate governance landscape on the country level. Despite the fact that the country level is not a part of the rating itself, ICS believes that an overview can enable investors to enhance their perspective and evaluation of corporate governance in a more holistic approach.

Turkey is well aware of the structural changes and the need for ongoing development and harmonization of its capital market legislation. Although Turkey is a latecomer to corporate governance, it has tried to speed up the progress since the year 2000. The overall legal framework regulating public companies in Turkey is determined by the new Turkish Commercial Code (effective 1 July 2012), the Capital Markets Law (effective 30 December 2012), CMB regulations, and Borsa Istanbul listing and other requirements.

Focusing in particular on corporate governance, the CMB can be observed as the key player in promoting relevant regulations. They are supported by several other organizations such as Borsa Istanbul, the Turkish Industrialists' and Businessmen's Association, Corporate Governance Association of Turkey, Corporate Governance & Sustainability Center and the Corporate Governance Forum of Turkey.

Below we have highlighted the general aspects of the governance landscape in Turkey.

- Within Turkish companies stock ownership is concentrated, very often characterized by the presence of a majority shareholder. In addition, holding structures, conglomerates, pyramid shareholding structures, and cross-shareholdings are quite common. Through these mechanisms Turkish families control a considerable amount of Turkish listed companies. Additionally, one can also find shares containing multiple voting rights, thus preserving family control.
- Due to the influential holdings of the families, family members are often present on the boards of the holdings and subsidiaries or act as executives.
- Due to the limited free float, hostile takeovers are rare, thus, weakening the market for corporate control.
- State ownership has declined significantly in line with privatization efforts, but is still to be found in selected industries. In the meantime, foreign institutional investors started to increase their holdings.
- Issued stocks in Turkey range from ordinary shares, to preference shares. Golden shares only exist in few companies.
- Minority rights are granted to shareholders that own at least 5% of the company's capital, providing them with the right to call an extraordinary general meeting or bring in a shareholder proposal.
- Even though pre-emptive rights are granted by Turkish law at the first instance, companies can, through their articles of association, exclude pre-emptive rights in case of capital increases up to 100% of their registered capital.
- Mandatory tender offer bid requirements exist above a 50% threshold.
- Disclosure of indirect or direct ownership in case various thresholds (e.g. 5, 10, 15, 20, 25, 1/3, 50, 2/3, and 75%) are passed.
- Companies have adopted IFRS accounting standards.
- Companies have a single tier board structure.
- The current CMB Rules outline rules that regulate the independence of board members.

THE COMPANY'S PERFORMANCE REVIEW

RATINGS OVERVIEW

DYH's overall rating result of 9.03 indicates a high level of compliance with the established rating criteria with respect to the CMB Rules. However, the result also indicates that there still remains some room to add momentum to the compliance with the CMB Rules.

DYH has made significant efforts regarding the establishment of a public Information Policy leading to generally improved disclosure practices. In addition to a corporate governance statement, the Company discloses the mandatory corporate governance compliance report as part of its annual report.

DYH has continuously improved its website since ICS first reviewed the Company, with a recently updated Frequently Asked Questions (FAQ) section, and one can conclude that DYH is proactively pursuing good corporate governance practices. More specifically, DYH continues to enhance the corporate governance section of the website. This enables investors to see updates to their governance structures in a timely manner. The site has been further augmented by a section describing the Company's contribution to Turkey's social development.

DYH recently revised its AoA in accordance with CMB Rules (Articles 3, 4, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24); and to cancel the Articles 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38 and 39 of the AoA as approved by the CMB, the Ministry of Customs and Commerce, and General Directorate of Domestic Trade. All of these changes were approved by shareholders at DYH's 2013 AGM.

Reflecting the single results of the four main components of the rating, DYH performs well in all of them, and continues to show particular strength in its shareholder relations and public disclosure and transparency practices. It should be noted that there is also a notable improvement in the Company's board practices.

SHAREHOLDERS

With respect to shareholder issues, DYH closely follows the rules outlined by the CMB. Most importantly, the Company adheres to the "one share, one vote" principle given the absence of preferred shares. The Company has only bearer shares. A Dividend Policy is in place and well communicated.

DYH has a Shareholder Relations Department which continuously maintains communications with its shareholders, responding queries related to their use of shareholder rights. Some of its responsibilities include the maintenance of the corporate investor relations' website and research the latter providing an additional advantage to investors as they are well versed on the Company's activities.

As DYH is controlled by a majority shareholder with a family background, this shareholder structure could potentially be viewed as being detrimental to the interests of minority shareholders. DYH has neither implemented cumulative voting procedures nor does there appear to be an intention to do so in the near future. To this end, DYH still maintains the view that the representation to be provided by cumulative voting on the board is achieved by the presence of independent members on the board.

Other areas that DYH deviates from global best practice are the absence of a provision in its AoA that grants individuals the right to request the appointment of a special auditor (however, such right has been enshrined in Turkish law), and that pre-emptive rights can be excluded by the board in case of a rights issue. With respect to the latter, we note that this is a rather common practice in Turkey in connection with planned Secondary Public Offerings (SPO).

The AGM format continues to ensure fair and equitable treatment of DYH's shareholders. The invitation to the AGM was uploaded to the landing page of the corporate website and announced in

official newspapers three weeks prior to the meeting (30 May 2013). As per article 1527 of the Turkish Commercial Code, the Company held electronic AGM meeting in accordance with the legal regulations. The electronic AGM enabled reaching the maximum number of shareholders possible. Other documents related to the AGM such as the summary of the voting results and attendance rate (known as the "Minutes of the AGM") are also made available to shareholders in a timely manner and are posted on the Company's website.

PUBLIC DISCLOSURE & TRANSPARENCY

DYH has a robust public Information Policy, which has been approved by the board and published on its corporate website. The Company also has a corporate website for investors with a dedicated corporate governance section. The English site is also easy to navigate and updated accordingly. Relevant information related to past general meetings and agenda items is stored and easily accessible in the corporate governance section of the Company's website.

The Company continues to enhance its level of transparency. Its adherence to its Code of Behavioural Conduct and the insider trading list (with the people having potential access to confidential information) is disclosed. From the Company's public disclosures, it again reveals that its auditors have not provided any consulting services and the key audit partner rotation rule are upheld. The independent outside auditor has also issued an unqualified opinion in the 2012 annual report.

STAKEHOLDERS

Stakeholders' issues are duly considered and respected by DYH and continue to be its corporate governance strength. Some shortcomings have been identified and examined within this rating report. For example, although stakeholders' opinions are taken into account in the management of DYH, a comprehensive model to ensure this interaction has not been well documented and disclosed publicly.

The ethical rules applicable provide the essential rules that govern the relationships between the

Company and its different stakeholders. This dynamic continues to be evaluated by the Company. The Company takes actions to address stakeholders' issues through its Corporate Communications Department and the corporate website. The Company continues to be very active and responsive on all of these fronts.

DYH has an all-encompassing Human Resources policy which ensures that no discrimination takes place within in its workforce. In addition, the Company offers its employees continued education benefits.

BOARD OF DIRECTORS

The Company's board has experienced a significant degree of change in recent years and 2012 was no exception. Messrs. Yalçındağ and Karacan voluntarily left the Board in good standing and were replaced by Messrs. Toksoy and Üzdiyen; respectively. The Company continues to have two independent non-executive directors (NEDs).

The board of DYH consists of six members, comprising three executive and three non-executive members, of which two are independent. This is in compliance with the current CMB Guidelines that one-third of directors qualify as independent. There is no age limit for the members of the board.

In order to support the work of the board, four board committees have been established: the Corporate Governance Committee, the Audit Committee, the Executive Committee, and the newly formed Early Identification of Risks Committee.

The Corporate Governance Committee is comprised of Messrs. Tuncer, Kılıçoğlu and Doğu. The composition of the Executive Committee is Messrs. Üzdiyen, Gedik, and Toksoy. The Audit Committee is comprised of the two independent directors Messrs. Kılıçoğlu and Tuncer. The composition of the Early Identification of Risks Committee is primarily comprised of executives of the Company, but is headed by the Independent Board member Ertuğrul Feyzi Tuncer.

The board can be considered as actively involved in the Company's development and performance and contributes in a substantial degree in setting up the vision and mission of the Company.

Every board member is entitled to one vote without any privileges. Our assessment did not reveal issues that would question a good working atmosphere during board meetings.

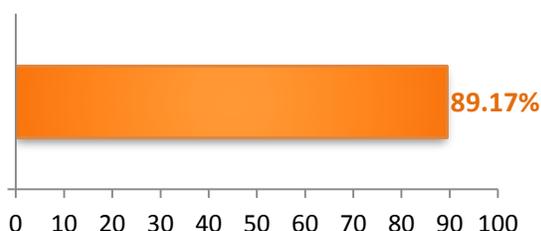
The Company provides basic rules for the procedures for running the meetings in its AoA. The dates of the board meetings are set at the beginning of the year and the meeting calendar is sent to all board members.

A secretariat was established to support the work of board members and ensure proper communication. This effort is facilitated by the Shareholder Relations Department. According to DYH's AoA, the documents and information on the agenda items are delivered to the board members in advance of the meeting. In addition, the board members are entitled to request information from DYH's management through the secretariat at any time.

The executive committee, which is in charge of the day-to-day management of the Company, is composed of three members, all of which are board members. As in previous years, compensation disclosure, however, remains an area for improvement.

SECTION I - SHAREHOLDERS

SHAREHOLDERS



SUMMARY

DYH continues to attain a good result of 8.91 in this category, which has remained constant since ICS's last review.

DYH's free float could still be increased as the majority stake of Doğan Group can be assumed to potentially wield a strong influence over the Company at the expense of minority interests. In addition, some suggested corporate governance mechanisms have not been installed yet, as outlined in the respective analysis. Nonetheless, there is no indication that long-term interests of Doğan Group should deviate from those of other shareholders. As of 31 December 2012, 41.11% of DYH shares (31 December 2011: 34,01%) are publicly available.

A clear Dividend Policy is in place and voting rights are well defined. Each share is subject to the one share - one vote - one dividend principle. Although no dividend was paid during the past financial year, DYH continues to maintain a clear Dividend Policy. DYH's Dividend Policy suggests that a dividend minimum at the rate of 50 percent of the distributable net income shall be distributed to shareholders. The amount of dividends to be distributed will also depend on national and global economic conditions and the company's growth plan.

In case of a capital increase, the board can restrict the rights of the existing shareholders to acquire

new shares (exclusion of pre-emptive rights). This feature continues to be in place today.

A Shareholder Relations Department has been established to enable shareholders to exercise their rights and obtain relevant information. DYH's Investor Relations' website is easily accessible from the Company's main website and includes information concerning the Company's corporate governance structure, financials, and pertinent news. Another positive feature of the Investor Relations' website is the fact that foreign investors can access it in English. It is further augmented by a frequently asked questions (FAQs) link.

Minority rights are clearly defined. The Company notes that it takes the utmost care to ensure the exercise of minority rights. During 2012, the Company did not receive any criticism or complaint in this regard.

The right to request a special auditor is still not granted under DYH's AoA and cumulative voting still does not apply.

The AGM's invitation, agenda and accompanying documents (including the proxy voting form) are uploaded to the corporate website and announced in leading newspapers three weeks prior to the meeting. As per article 1527 of the Turkish Commercial Code, the Company held electronic AGM meeting in accordance with the legal regulations. The electronic AGM enabled reaching the maximum number of shareholders possible. Additional information document, a summary of the vote results and attendance rate (the "Minutes of the AGM") is uploaded on the Company's website. There has been once again no exception this year to this practice. The AGM appears to be conducted in a fair and efficient manner where shareholders are allowed to exercise their statutory rights. In addition, also specified in the Company's AoA, DYH permits

the media to attend general meetings if asked beforehand.

It should also be noted that at the Corporate Governance Association of Turkey (TKYD) honored DYH for being one of the first companies to receive a corporate governance rating.

RIGHTS OF SHAREHOLDERS

GOVERNANCE FOCUS
+ Established dividend policy
+ Clearly defined voting rights
+ No preferred shares issues
+ One Share – One Vote respected
- No cumulative voting procedures
- Shareholders are not able to appoint a special auditor under the Company's AoA
- The board may exclude pre-emptive rights

1.1.1 Equal Treatment of Shareholders and Their Ability to Obtain and Evaluate Information

According to ICS's analysis, no provisions hindering the equitable treatment of shareholders were identified. Once again in 2012, no written or verbal complaints were directed at the Company concerning the exercise of shareholder rights, nor is the Company aware of any legal proceedings initiated against itself in this regard.

The Company has an active Shareholder Relations Department that enables shareholders to exercise their rights, ease access to information, keep shareholders updated, and oversee the Company's information policy. Reporting to the Shareholder Relations Department are the Investor Relations, Legal and Accounting Managers and his/her staff. Related Vice Chairman and his/her staff at Doğan Holding, also provides input to the Shareholder Relations Department. This unit is also closely aligned with the Corporate Governance Committee. The Shareholder Relations Department is lead by Banu Çamlıtepe. Her contact information is easily accessible in the Company's 2012 Annual Report.

According to the Company's 2012 Annual Report, verbal and written requests for information received from shareholders during the 2012 financial year were responded in a timely manner under the supervision of the Shareholder Relations Department in accordance with the Capital Market Law provisions and CMB's regulations and resolutions. Correspondence with the Company also revealed that DYH met with investors 82 times in 2012.

A good level of information continues to be provided to shareholders and DYH has made a strong effort to comply with the CMB Rules in this regard. Information that may be of interest to shareholders is provided in an exact, timely, and diligent manner.

Shareholders are still not permitted under the AoA to appoint a special auditor on their behalf. This continues to be a common practice in the market as a whole. The Company's Corporate Governance Compliance Report explains the reasons for non-compliance in this regard and it is true that it is an optional provision under CMB Rules. The Company suggests that it will apply such recommendation in view of the regulatory developments. The possibility of appointing a special auditor, if there are well founded grounds on which to do so, is indeed considered a progressive corporate governance practice and afforded under the revised Turkish Commercial Code.

1.1.2 Dividend and Voting Rights

Each share is entitled to an equal dividend. None of the Company's shares incorporate special rights concerning the distribution of the Company's profits.

A Dividend Policy is established and accessible through the Company's public documents and website, in English and Turkish. Some information on profit distribution is also disclosed in the Company's AoA.

Depending on the financial results of the companies belonging to DYH, a dividend will be paid to investors, currently aimed at 50 percent of

distributable net profits. In 2012 no dividends were distributed because there was no distributable income. Previous correspondence with the Company revealed that DYH is taking steps to decrease its indebtedness, aiming at disposing of distributable income in the near future.

As the Company has not issued any preferred stock, each share is entitled one vote without any further privileges. The right to vote is automatically granted when the share is purchased, and no arrangements can be installed that would hinder this right or cause a delay in exercising voting rights, following the share acquisition.

Voting rights are well defined in the Company's AoA, ensuring equal and clear voting procedures. The exercise of voting rights can be delegated to a proxy whether or not the person is shareholder. According to the AoA, voting is exercised by show of hands, though closed ballots are mandatory if requested by 5 percent of shareholders represented at the AGM. For the first time DYH held an Electronic General Assembly Meeting in 2013 that allowed the persons entitled to participate and vote in these meetings via Electronic General Assembly Meeting System (e-GEM) within the framework of the legislation in force. From previous engagement with the Company, ICS confirmed that there are no ceilings on the number of votes a shareholder might exercise during the meeting.

Shareholders are enabled to exercise their proxy voting rights, through either another shareholder or a non-shareholder. In order to comply with the CMB guidelines, DYH makes the electronic proxy form available on its website. Agencies like Reuters or Bloomberg continue to serve as the main communication channel with international investors in order to inform them of the AGM notices. When exercising their votes international shareholders mostly use local intermediaries as proxies.

As it is common in listed Turkish companies, an official government representative attends AGMs to

oversee legal aspects. And in case of prior awareness of contentious issues an additional observer from the CMB will be present.

There are no provisions installed or included in the AoA that may impede the free transfer of shares by shareholders.

In the case of a capital increase, the board can decide to exclude pre-emptive rights, according to article 7 of the AoA. Although not endorsed, ICS notes that this is a common practice in Turkey.

1.1.3 Minority Rights and Transfer of Shares

Minority rights, as stipulated by the TCC, are granted to shareholders owning (collectively) 5 percent of the Company's issued share capital. Those rights include requesting to convene an extraordinary meeting or requesting special agenda items. According to the TCC, both aspects are up to the discretion of the board, though shareholders can appeal to the court to decide on the AGM to convene.

The share capital of the Company does not involve any cross-shareholdings. In addition, the Company is not aware of any voting agreements aimed at increasing control over the management of the Company.

Mirroring Turkish market practice, DYH does not permit cumulative voting procedures in the belief that the effect of cumulative voting on the board is achieved by the presence of independent directors on the board.

In line with minority rights, the ability to appoint a special auditor is considered crucial. DYH does not grant this right and notes that it has not received any requests in that sense during the reporting period.

1.1 GENERAL MEETINGS

GOVERNANCE FOCUS
+ Timely provision of information on agenda items
+ Sound execution of the General Meeting
+ Sufficient disclosure on candidates
+ Remuneration policy disclosed and voted at the General Meeting
- Attendance of board members and auditors at the AGM not disclosed in public documents

1.1.1 Invitation

The announcement of the place and date of the AGM is announced on the Company's website and through national newspapers well in advance of the general meeting.

The 2012 AGM notice and agenda items were posted 22 days in advance of the AGM. An additional document containing supplementary information on the candidates as independent members was submitted to shareholders on the same day the notice was disclosed. Access to timely information on the AGM is of critical importance for institutional investors.

The agenda was prepared in a solid manner, clearly indicating each agenda item. It should be noted that DYH remains very proactive in both the timeliness and completeness of the information regarding the AGM.

The Company provides additional information, e.g. the annual report, financial statements and supplementary information document for each Agenda Item which are accessible three weeks prior to the meeting at the Company's headquarters in Istanbul, Turkey.

Considering the administrative proceedings, voting procedures are set up in a clear and understandable manner and proxy forms are available in written and electronic form.

As per the provisions of the TCC and the Capital Market Law, in case the shareholders wish to attend

the General Assembly meeting, are not required to store their shares at any entity. Shareholders who wish to attend the AGM must comply with the procedures publicly announced by Merkezi Kayıt Kuruluşu A.Ş. ("MKK"). The shareholders, whose names are on the "attendees list", prepared taking into account the "shareholders list" obtained from "MKK", may attend the AGM.

In line with the CMB Rules, the Company allows shareholders to propose to the Board to put forward agenda items to be voted on at the general meeting. However, for the 2012 AGM, the Company received no such written request.

Finally, according to DYH's AoA, general meetings are open to related parties and the media. However, Shareholders and/or their proxies without a valid entry certificate in accordance with the relative legislation may not attend the meeting and take floor and/or vote.

1.1.2 Functioning

For the first time DYH held an Electronic General Assembly Meeting in 2013 that allowed the persons entitled to participate and vote in these meetings via Electronic General Assembly Meeting System (e-GEM) within the framework of the legislation in force. DYH held its AGM on 21 June 2013, not in the three months following the end of its financial year. According to its holding status and the large number of subordinated companies to be consolidated, DYH does not consider itself in the position to hold its general meeting within the suggested period of three month following the end of its financial year. It should also be noted that it is common practice in Turkey that companies have their AGM's between April and June.

Since DYH is headquartered in Istanbul, this was the location of the AGM in 2012. The AGM was held at the Company's headquarters (Burhaniye Mahallesi, Kısıklı Caddesi, No: 65, Üsküdar/İstanbul). This location is considered as easily accessible to shareholders. An amendment made to the AoA

allows for the meetings to be held in another location in the city where the majority of shareholders reside. The Company notes that any future request to this effect will be duly taken into consideration

The agenda, invitation and the annual report and financial statements were made available to shareholders prior to the meeting, at the headquarters and on the website well in advance of the AGM.

Following ICS's examination, DYH's AGMs continue to be held in an appropriate way, led in an unbiased manner by the chairman and overseen by an official government representative, and thereby ensuring that all shareholders are able to exercise their statutory rights.

The AGM functions as a forum to discuss the Company's annual report and financial results. The appointed audit company is held responsible to present the latter to the auditorium. The chairperson reads a summary of the annual report and the Company's financial performance at the beginning of the AGM. This is followed by a discussion of the questions raised by shareholders. According to DYH and the Minutes of the AGM, all questions coming from shareholders are responded to in detail.

It is our understanding that the chairperson of the meeting ensures an equitable participation among shareholders and leads the meeting in a fair and efficient manner, where each agenda item is voted upon separately and where there are no special privileges enjoyed by any shareholders.

Board members, auditors and other authorized and responsible persons attend the AGM to answer requests put forward by shareholders. It can also be determined from the General Assembly Minutes that Mr. Yahya Üzdiyen and Ahmet Toksoy, members of the Board of Directors were present at the meeting. In addition, the Auditors Ms. Selma Uyguç, and Mr. Yener Şenok were also in attendance.

The AoA enables the AGM (with a majority of three-fourth) to allow board members to be engaged in business with the company or competition against the company. Once again in 2012 no board member made use of this authorization and was involved in business or competitive activities with the Company.

Candidates to be elected to the board are obliged to disclose a wide range of information covering nearly all aspects put forward by the CMB Guidelines. These requests comprise for example, their educational background, previous board membership(s) and experience, financial status, and independence considerations. All of this information was provided to the shareholders at the meeting. The specific right of shareholders to ask questions to the candidates is not mentioned, but according to previous information obtained from the Company and the Minutes of the AGM, such rights are provided.

Remuneration of the board members is subject to shareholder approval at the AGM. A remuneration policy for board members and executives has been disclosed but is limited in content. We note that shareholders are given the opportunity to express their views and suggestions in relation to such topic at the AGM. In 2012, shareholders again approved a net monthly fee of TL 10,000 (2011: TL 14,000). This amount remains unchanged in 2013

1.1.3 After the General Meeting

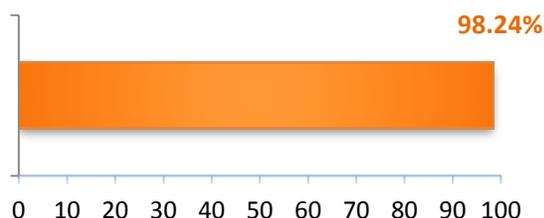
As a follow-up to the meeting, minutes are made available for the examination of shareholders at the Company's headquarters. This information is also disclosed on the Company's website (both in English and in Turkish) summarizing and reflecting the meeting in a short but clear manner. Information pertaining to previous annual meetings of shareholders is stored on the Company's website and is easily accessible.

The votes are counted one by one and the global result (accepted or not) is announced at the meeting.

In compliance with the CMB Rules, in cases where questions are raised by shareholders that cannot be answered immediately, the Shareholder Relations Department is responsible to answer them promptly.

SECTION II - PUBLIC DISCLOSURE & TRANSPARENCY

PUBLIC DISCLOSURE & TRANSPARENCY



SUMMARY

DYH's score remains at 9.82 in this category when compared to last year, which reflects a good flow of information between the Company and its investors and an acceptable level of transparency. Only slight improvements need to be made by DYH to reach a full score in this category.

A specific website for investors with a corporate governance section is easily accessible. The Company's recent annual report is detailed in terms of form and content and contains a corporate governance section that explains the Company's rationale for opting-out of key governance provisions, such as cumulative voting and the appointment of a special auditor. This is all done in a very straightforward manner.

An Information Policy document has also been provided on the Company's website and contains DYH's policy on how it will approach public disclosure of material events. The Company's board is responsible for its enforcement, supervision and development of the Information Policy. The Corporate Governance Committee informs the board, Executive committee, Audit Committee, and CFO about the Information Policy and provides advice.

DYH also discloses a Code of Behavioral Conduct, traditionally known as a code of ethics, and a

comprehensive Insider Trading list on its website. One area for improvement for DYH is the disclosure of its insider trading policy and procedures, which is currently not made public.

With regard to DYH's code of ethics, this document is a set of essential rules that have been formulated to govern the Company wide relationships, the relationships between the Company and its employees, and the relationships with customers, suppliers, and other stakeholders. This code also ensures that all of the Company's reports and financial information is reported in a timely and accurate manner. Additional safeguards governing the behavior towards clients, employees and corporate governance principles are also formalized in this document.

GOVERNANCE FOCUS
+ Information policy is established and covers material disclosure aspects
+ Disclosure proceedings are clearly defined and assigned to high level personnel
+ A Code of Ethics has been disclosed
+ The Company's website provides a good level of resources for investors
- Precautionary measures that may be taken in order to prevent any possible conflicts of interest arising between the Company and the related organizations which offer investment advice, investment analysis, and rating activity, etc are not disclosed
- Although a list of insiders has been made a public, a comprehensive insider trading policy has not been disclosed

2.1 DISCLOSURE – PRINCIPLES & MEANS

2.1.1 Information Policy

The Information Policy document was last updated by DYH in May 2009 (initial document in 2005). It has been disclosed to the public and is accessible through the Company's website.

The Company's main disclosure principle is to share information on its performance and forward looking developments within the scope of generally accepted accounting principles and Capital Market Legislation, in a fair, complete, accurate and comprehensible manner to shareholders, investors, and capital market experts. Except trade secrets, DYH aims to share information about activities and related strategies, critical subjects, risks and development opportunities with the public.

To underline the importance placed by DYH on public disclosure, the board has been tasked to enforce, supervise and develop the Information Policy. The Information Policy covers forms and methods of disclosure, authorized personnel regarding public disclosure, how investors are dealt with, procedures with regard to forward looking statements and information in reference to the quiet period.

Being of particular interest for the investment community, guidelines covering communication to investors is outlined. DYH principally does not comment on market expectations according to transition periods or business results, though it will comment on critical issues affecting results and strategy as well as on issues that enhance market participant's understanding of DYH's business. DYH intends to not reveal information that has not been disclosed to the public during a non-public investor meeting such as one-on-one talks.

The Company has stated its adherence to the following principles: all amendments to the Information Policy should be presented at the AGM and be disclosed to the public after the board's approval; developments that may affect the Company's capital market instruments are to be disclosed to the public without delay; significant changes in the financial status or operations should be disclosed; and, previously disclosed information should be monitored and updated if deemed necessary.

2.1.2 Disclosure Procedures

After reviewing DYH's public disclosure again this year it can be determined that no issues were found that would harm investors' interests. Given DYH's shares are traded on Borsa Istanbul; announcements made to the Borsa Istanbul are simultaneously translated into English and put on DYH's website. The company remains proactive on this front.

The responsibility for public disclosure is clearly defined and assigned to specific individuals within the Company. Disclosure content is processed within the authority of the CFO, Shareholder Relations Department and Capital Market and Corporate Governance Compliance Officer.

Press statements for written and visual media and to data distributors like Reuters, Foreks etc. can only be made by designated individuals within DYH. Unless being specially assigned such responsibility, DYH employees cannot answer questions coming from capital market participants.

When announcing forward looking information to the market the Company states that it will act carefully and reasonably, providing underlying statistical data and avoiding exaggerated or misleading information. Forward-looking statements may be made only by the chairman of the board, CEO and/or CFO. Due to the nature of forward looking information and the implied uncertainty, the Company reviews the predictions and assumptions and will disclose revised information about the Company's projections together with the reasons for the changes.

In 2012 there were 71 announcements (2011: 123) and material disclosures about the Company on the Public Disclosure Platform.

2.1.3 Transparency Issues

Transparency issues cover ethical behaviour, insider trading rules and the functions of the external audit.

To ensure a high degree of transparency, DYH discloses its ethical rules to the public. In addition to

its Information Policy document, DYH also issued a Code of Behavioural Conduct to provide guidance for its business activities. DYH also issued Publishing and Broadcasting Principles to provide guidance for its business activities given that its business mostly relates to media.

In order to prevent insider trading DYH tries to enforce necessary measures and precautions. DYH provides a list of Company executives and other third parties who potentially have access to information that can impact the value of the capital market instruments issued by the Company. This list can be found both on the Company's website as well as its annual report. However, the Company has not made public a comprehensive insider trading policy that provides information on the subject-matter definitions, implementation, the internal control unit responsibilities, and penalties for violators.

Since the appointed audit company does not provide any consulting services, it can be considered as independent from having other business interests that may impede the objectivity of the auditing services. As for the rotation of auditors, the CMB requires mandatory chief auditor rotation within a maximum period of seven years, which is the case at DYH. The external auditor for 2012 was Deloitte Touche Tohmatsu Limited.

2.2 ANNUAL REPORT

GOVERNANCE FOCUS
+ Detailed information on the board of directors
+ The Company's remuneration policy is disclosed
+ Key risks and mitigation efforts are disclosed
- Limited information on the board's performance evaluation of itself and committees

Overall, the annual report continues to be prepared in a reasonable way according to the content provided and information relevant to investors.

The annual report includes the board's signature in order to explicitly indicate that the financial statements truly reflect the current financial status

as well as that the Company acts in accordance with the related legislation. The audit report was signed by the external auditors and accepted by the board on 6 April 2012.

There is a dedicated section regarding corporate social responsibility (CSR) in the annual report. It outlines a thorough and concrete plan regarding employees' social rights and the environment. It also highlights reductions and advances the Company has made in areas such as energy consumption, sustainability and human rights.

The opinions of rating agencies on the Company have been provided in a limited manner in the Company's annual report. This information has also once again been provided on the Company's website. At this time, Fitch Ratings is the only rating agency covering the Company and updated its view most recently in November 2012 Fitch Ratings re-affirmed DYH's rating at B+.

There is a risk management mechanism in place and a detailed explanation of the different types of risks encompassed (liquidity, interest rate, foreign current, credit, etc.) is described

In conclusion, while the annual report provides basic elements, there is still room for improvement to cover more items, as outlined by Turkish regulation. Issues that could be added include but are not limited to: more information on the remuneration of executives, a statement referring to how the Company prevents conflicts of interest between the Company and related companies offering investment, consulting and auditing services.

2.3 WEBSITE

DYH has created a dedicated website (www.dyh.com.tr) for Investor Relations, Corporate Governance, and Social Responsibility. As a means of communication the use of the website is also subject to and incorporated in the Company's Information Policy.

The website is considered by ICS as an adequate instrument for shareholders to access information on the Company. An English version of the website is also available for foreign investors, which closely resembles the content from the Turkish version. The website also offers a section that includes information previously disclosed to the public.

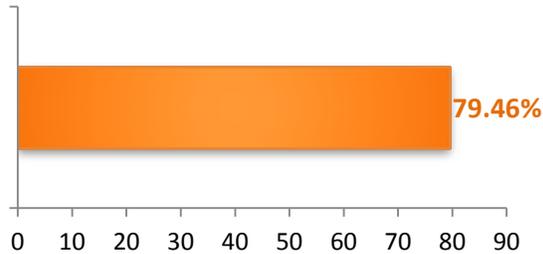
The Company's website continues to be thorough and updated on a continuous basis. The content is structured in a sound manner, where investors find relevant documents suggested by the CMB for inclusion (e.g. annual reports, corporate news, corporate governance, ownership structures, and IR Calendar).

The dedicated corporate governance section of the website includes information on the Company's (i) Information Policy; (ii) Composition of the Corporate Governance Committee; (iii) Corporate Governance Compliance and Ratings Reports; (iv) Articles of Association; (v) List of Insiders; (vi) Code of Behavioural Conduct; (vii) Dividend Distribution Policy; (viii) Corporate Governance Committee Charter; (ix) and Broadcasting and Publishing Principles

The website also contains a Frequently Asked Questions (FAQ) section that provides investors with quick and easy access to financial documents, shareholder structure, and credit ratings. Finally, the Company's letterhead clearly indicates the address of its website.

SECTION III - STAKEHOLDERS

STAKEHOLDERS



SUMMARY

The Company has scored 7.94 in this category, which remains stable when compared to last year's rating. The Company's initiatives in Corporate Social Responsibility and human resources policy remain clear and dynamic.

We continue to note, however, due to its classification as a holding company, DYH is involved in stakeholder relations to a lesser extent when compared to its subsidiaries. Therefore stakeholder issues are applicable in a narrower dimension when compared to most companies.

Notwithstanding DYH's structure, ICS believes that DYH can be affective on stakeholder issues through its subsidiaries and should therefore implement all-encompassing principles, mechanisms and reporting structures that aim to reduce this particular risk and ensure harmonious stakeholder relations.

DYH's shareholders and investors continue to be considered as its most important stakeholders. Relations with these two groups are maintained within DYH. Advertisers are another important constituency of stakeholders since the Company operates in the media sector and advertising revenue constitutes a significant share of its total revenue. The advertising policies and practices are developed within the scope of the individual companies of the Group. Additionally, due to the significant importance of human resources in the media sector, human resources management is

managed on a high-level within the Company. That said, the Company's subsidiaries also have well established HR policies. The Company's policies concerning the readers, viewers and listeners in the print and audiovisual media are implemented in coordination with Group companies.

Although no formal procedures have been devised and disclosed by the Company publicly, the Company appears to be in contact with its stakeholders and engaged with its employees. DYH's annual report strongly suggests that all feedback received from the stakeholders is presented to senior management for evaluation and solution proposals and policies are developed from such feedback. This is the case again in 2012.

The Company's Code of Behavioral Conduct, traditionally referred to as code of ethics, provides the essential rules to be applied in the relationships between the Company and its stakeholders, namely the employees, suppliers, official bodies, customers, environment, and wider community. However, there are no concrete measures in place to avoid conflicts of interest between the Company and its stakeholders.

A well-defined Human Resources policy is in place and disclosed publicly. In accordance with its human resources policy, the Company offers equal opportunity to people with the same qualifications in recruitment and career planning.

There is also a Corporate Social Responsibility section in the annual report and website outlining DYH's social and environmental efforts. This section is very vigorous and describes in detail all of the DYH's initiatives

3.1 RIGHTS & DUTIES OF STAKEHOLDERS

DYH recognizes the rights of employees and stakeholders explicitly in its Code of Behavioural Conduct and in the Social Responsibility section of its annual report. A copy of the Code of Behavioural Conduct can be found on the Company's website.

To guide stakeholder relations, especially in the media business, DYH has published a Broadcasting and Publishing Principles. These principles guide the work of its core business in reference to stakeholder relations.

Since DYH is not in direct contact with customers and suppliers, several main issues are dealt with on the subsidiary level. However general strategic issues regarding customers, suppliers, employees and other stakeholders are discussed and decided by DYH. As a well known media company, DYH strives to maintain its reputation, avoiding any conflicts with stakeholder groups or a possible violation of their rights, that in return could harm that standing.

DYH manifests its intention to avoid conflicts of interest, but does not establish concrete measures in order to do so and does not explain how potential disputes between the Company and the stakeholders are dealt with. It should be noted, however, that since DYH is a holding company, the only major stakeholder the company continues to have is its shareholders. The Company further points to the fact that dispute resolution with shareholders is extensively regulated via Commercial Code and Capital Markets Law.

3.2 RELATIONS WITH CUSTOMERS & SUPPLIERS

DYH makes a great effort to ensure customer satisfaction and that its subsidiaries have established their own customer relations departments. Additionally, suggestions and complaints can be transmitted through the Company's website. If complaints have been filed, the Company will take care of the forwarded notice, discuss it internally

GOVERNANCE FOCUS
+ Companywide human resources policy
+ Employee rights are warranted
+ Code of Ethics governing companywide relationships disclosed publicly
- No formal model to include employees and/or stakeholders in the company's management, but some actions in place
- Equity not considered when determining pay

with the internal audit and, if deemed necessary, next steps are taken in close coordination with senior executives.

3.3 PARTICIPATION IN MANAGEMENT

Stakeholders and employees do not take part in the management. To date, no specific measures have been set up to ensure an integral model to include employees and stakeholders in the Company's management. However, in order to take into account the employees and stakeholders' opinions in the Company's management, as recommended by the CMB Rules, some actions are in place such as improved disclosure practices by the Company whereby employees and stakeholders are continuously informed through its website.

As the CMB Rules focus on employees, ICS highlights the intranet application which has been developed to empower employees to express any complaints or put forward ideas and suggestions. In addition to this initiative, according to DYH, feedback received from stakeholders is presented to the Company's senior management for evaluation.

ICS continues to consider it essential that DYH commit itself to articulate and incorporate formalized mechanisms to ensure a stronger recognition of employee and stakeholder matters.

DYH does not provide board membership to an employee representative, as suggested by CMB principles. It is important, however, to highlight that as a holding company DYH only employs around 80 people whereas the whole group employed over 13,000 people. Union representatives continue not to be present within DYH.

3.4 EMPLOYEES & SOCIAL RESPONSIBILITY

As mentioned earlier, DYH employs a small number of people directly. Issues regarding human resources are delegated to each single enterprise within DYH. However, the Human Resources Department of DYH outlines the common human resources policies for the wider group. It thereby also assists its subsidiaries in implementing own policies and offers special trainings.

Within its responsibility, DYH ensures that equal opportunities are provided to people with similar qualifications. While, according to the Company, no cases of any kind of discrimination have been reported, the clear mechanisms to avoid such occurrences remain indistinct.

The human resources policy of the Company mentions extensively about training employees on the job as well as promotion procedures. Although no succession mechanisms for the Company's senior management been disclosed in the Company's public documents, upon engagement the Company confirmed that such mechanism are in place and monitored by the Company's human resources department. In addition, according to the Company's corporate governance compliance report, it appears that the Company is continuously working on the improvement of safety and working conditions.

One area where the Company has yet to show any improvement is the fact that there appears be no disclosure on the consideration of providing equity to pay its employees. In addition, with respect to performance based compensation, DYH still needs to implement pertinent mechanisms and disclose it to the public.

The Company has a code of ethics which has been disclosed to the public. This code contains the main core values of DYH, the main responsibilities of its employees, core guidelines in respect of customer, supplier, and official body relations, as well as other aspects. Additionally, DYH has issued Broadcasting

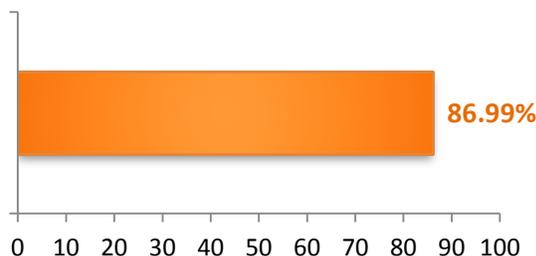
and Publishing Principles that provide guidance to its business activities as a media company.

The Company provides extensive information on its social responsibility activities within its annual report as well as on its website, thereby proving that it is well aware of its role in society according to social and environmental issues. It contains information on the actions and institutions that received contributions from DYH as well as the Aydın Doğan Foundation. The Foundation is active in the following areas: education, environment, health, culture, art, and sports.

With respect to the environment, DYH has also provided information on its sustainability efforts. For example, amongst other measurable efforts, recycled paper constitutes 28% of the overall paper usage at DYH facilities. In 2012, nearly 52,000 tons of recycled paper has been used for newspaper production.

SECTION III - BOARD OF DIRECTORS

BOARD OF DIRECTORS



SUMMARY

DYH continues to show upward momentum and scores 8.69 in this category. The Company's board has once again experienced a certain degree of change in 2012 with the replacement of two board members. The number of independent non-executive directors (NEDs) remains at two.

Following the changes that took place in 2012, ICS notes that the composition of the Company's board complies with the CMB's Rules that one-third of the board be composed of independent NEDs.

The suggested separation of the chairman and CEO positions continues to be respected during the period under review. We note that one Doğan family member currently serves on the Company's board.

Despite the positive changes made to the Company's board, DYH still has areas to improve. For example, there is still no disclosure on the performance evaluation of its board and committees and induction programs for new members. Another key area for improvement is the disclosure of its remuneration policy, which ICS considers to be limited in content.

An executive committee is responsible for the day-to-day running of the Company. It is currently comprised of Messrs. Üzdüyen Toksoy and Gedik.

Each board member has one vote without any privileges. Attendance at board meetings is strongly encouraged and all board members need to be present in-person at meetings where important matters concerning the operations of the Company are going to be discussed.

GOVERNANCE FOCUS
+ The board plays an active role in the Company's strategic planning
+ The board has filled all positions on the key committees
+ The Company does not lend money to board members or executives
+ Each board member is entitled to one vote
+ A secretariat has been established to support the board
+ Majority Independence on the Corporate Governance Committee
+ The board has two independent NEDs
- Cumulative voting in board elections is not provided
- Board members are not restricted to accept other positions outside the Company
- There is no formal adaptation program in place
- Performance-based pay is in place, but with limited disclosure

There are risk management and internal control systems in place at DYH, which have been reorganized and stream-lined over the recent years.

4.1 PRINCIPLES OF ACTIVITY, DUTIES, AND RESPONSIBILITIES OF THE BOARD

Following a review, the DYH's board appears to fulfill its duties with diligence and meets its responsibilities.

According to the Company's AoA, the board members are selected among persons with: (i) basic knowledge about the legal principles that govern the transactions and actions concerning the field of activity of the Company; (ii) training and experience about company management; (iii) ability to examine the financial statements and reports; and (iv) having

received higher education. After reviewing the board members' experience, ICS concludes that such requirements continue to be met by the Company's directors.

According to the annual report, the board regularly convenes to conduct a review and assessment of the degree to which the Company accomplished its objectives and of its activities in light of previous years' performance. In the conduct of this review and assessment, the board debates the degree to which objectives have been accomplished, the effectiveness of the Company's activities, past performance, and future strategies.

A good interaction is achieved between the board, the Corporate Governance Committee, Capital Markets Compliance Officer and the Shareholder Relations Department. Meetings between the aforementioned parties take place, whenever necessary.

Board members are provided with timely access to any information they need to fully meet their obligations. Moreover, senior executives may be invited to take part in meetings of the board to explain matters that are on the agenda so that board members become better informed about specific issues.

A board resolution requires that differences of opinions arising at board meetings and reasonable and detail justifications for dissenting votes be entered into the record; however, to date, there has never been an instance of this according to DYH. The minutes taken by the board's secretariat also include any questions that members ask and the responses that are made to them.

Board members, in theory, have no restrictions before accepting outside duties. Nevertheless, as suggested by the CMB Guidelines, the Company's AoA provides guidance to the issue of board members engaging in business or competitive activities with the Company. Such activities have to be approved by three-fourths of the Company's

shareholders at the AGM. The annual report states that no board member engaged in any business or competed with the Company in 2012

An official declaration confirming the careful preparation of financial statements is provided by the board, the Audit Committee and the responsible financial officers in the annual report. This declaration is also posted to the Borsa İstanbul, Public Disclosure Platform.

According to the AoA the Board of Directors, if deems necessary, may identify the executive directors, who shall undertake some of its powers, certain portions of the Company activities, and the monitoring of implementation of the resolutions to be taken by it and assign duties to them. Such executive directors shall have taken over all the powers and responsibilities in the fields assigned to them. The other members of the Board of Directors shall have no responsibility for the transactions covered within this context, provided that the Board of Directors reserves the powers and duties, which are exclusively vested in the Board of Directors and non-assignable. There are no sanctions foreseen for employees that obstruct the flow of information to board members, apart from the ones foreseen in Turkish Labour Law. DYH may consider including those in internal regulations or in the AoA.

Although DYH could improve on providing additional disclosure as to the activities and duties of board members, ICS considers on an overall basis that the AoA and the Corporate Governance Committee charter provide clear rules on this regard.

4.2 BOARD STRUCTURE

The Company's AoA suggests a minimum board size of six members and a maximum of twelve members. The board of DYH is currently composed of six members of whom three are executive (ED) and the remaining three are non-executive directors (NEDS).

Name	Role	Independent
Yaşar Begümhan Doğan Faralyalı	NED	
Yahya Üzdiyen **	ED	
Ahmet Toksoy*	ED	
Soner Gedik	ED	
Ertuğrul Feyzi Tuncer	NED	X
Hacı Ahmet Kılıçoğlu	NED	X

* Ahmet Toksoy replaced Mehmet Ali Yalçındağ on the board and was formally elected at the Company's AGM on 21 June 2013.**On 2 February 2013, the Company announced that Ali Ihsan Karacan stepped down from the board and that Yahya Üzdiyen replaced his position on the board. He was subsequently elected to the board at the Company's AGM on 21 June 2013.

Of the three NEDs, two are considered to be independent. As such, DYH meets CMB Rules that one-third of a board be comprised of independent directors. It should be noted that DYH asks for written declaration from the independent board members to prove that they satisfy the independence criteria set out by the CMB.

Following the departure of Mehmet Ali Yalçındağ on 21 June 2013, there is now one family member on the board - Yaşar Begümhan Doğan Faralyalı.

The suggested separation of the chairman of the board and the CEO was followed during 2012. Yaşar Begümhan Doğan Faralyalı continues to serve as the most recent chairwoman of the board during the last financial period and Yahya Üzdiyen served as the CEO. Their responsibilities were clearly separated in the Company's AoA.

Appointed board members at DYH seem to be highly qualified and show a high level of knowledge and experience, reflected in diversified careers and experienced backgrounds. DYH's board can draw on a wealth of expertise in the industry sector but also other areas such as finance.

DYH does not currently have a formal training or compliance program for new board members. Upon engagement, the Company stated that it sends relevant documents to new members to gain access to information on the Company as well as inviting them to Company meetings. DYH would benefit from the implementation of a more formal program.

There is no age limit prescribed in the Company's AoA. Pursuant to the current AoA, board members are elected for a maximum period of three years, with re-election possible at the end of term.

As for diversity on the board, ICS notes that there is one woman on the board.

4.3 BOARD COMMITTEES

4.3.1 General

DYH has established an Executive Committee, Audit Committee and a Corporate Governance Committee to assist the board. In addition, DYH has recently added an Early Identification of Risks Committee.

4.3.2 Audit Committee

The Audit Committee oversees the financial and operational activities of the Company. In doing so, the committee should be supported by the board and be enabled to access all necessary information.

According to DYH's corporate governance compliance report, the Audit Committee scrutinizes the effectiveness and adequacy of the internal control and the risk management systems. The Audit Committee is also responsible for ensuring that measures are taken such that internal controls are transparent. Furthermore, the Audit Committee is responsible for the company's financial disclosure. According to the Company, and in accordance with CMB Rules, the Audit Committee is tasked with responding to complaints and suggestions put forward by any member of the company.

The external audit firm is invited to the meetings of evaluation of the financial statements if the Audit Committee members consider that its presence could help clarify issues.

The composition of the committee is in line with the CMB regulations as it is comprised of the two independent NEDs in order to meet the CMB Rules.

Name	Role	Independence
Ertuğrul Feyzi Tuncer	NED	X
Hacı Ahmet Kılıçoğlu	NED	X

4.3.2 Corporate Governance Committee

Corporate Governance Committee monitors the Company's compliance with corporate governance principles and best practices. The charter of the Corporate Governance Committee is available on the Company's website in Turkish and English.

The core responsibilities of the Corporate Governance Committee are to: (i) determine the compliance with the CMB Rules; (ii) develop recommendations on board appointments; (iii) structure and ensure effectiveness of the board of directors; (iv) evaluation of wages, rewards and performances and career planning; and (v) activities related to investor relations and public announcements.

In addition, the Committee; (1) ran compliance analyses on annual reports produced by the Company and its public subsidiaries; (2) assured that the Ordinary General Assembly for the year 2011 was held in accordance with applicable legislation, ensured that relations with shareholders and investors were managed in a regular fashion as per the applicable legislation and principles; (3) assured that the website was continuously updated and enhanced.

Save for extraordinary cases, the Committee convenes every three months and at least 4 times a year as a principle at the Company's headquarters in Istanbul.

The composition of the Committee complies with the CMB Rules as the Chairman of the Committee, Mr. Ertuğrul Feyzi Tuncer is one of the two independent NEDs on the Committee. According to the Committee charter, the Committee needs to have at least two members. Currently the other

independent member of the committee is Mr. Hacı Ahmet Kılıçoğlu.

4.3.3 Remuneration Committee

A separate remuneration committee has not been created as the Corporate Governance Committee fulfils its mandate. More specifically, the Corporate Governance Committee carries out works to specify the approach, principles, and practice concerning the performance evaluation of board members and also performance evaluation, salary and promotion policies as well as career planning of top-level managers. If deemed necessary, the committee takes opinions and suggestions from the Company's Human Resources Department.

4.3.4 Nomination Committee

A separate nomination committee has not been created as the Corporate Governance Committee fulfills its mandate. More specifically, the Corporate Governance Committee is specifically tasked to establish a transparent system and develops policies and strategies related to the determination of candidates suitable for the board and for the top level management. In addition, the Committee develops suggestions regarding the number of members of the board and the managers.

4.4 EXECUTIVES

The day-to-day running of the company is assigned to the Executive Committee, consisting of one senior executive and the two executive members of the board.

Name	Role
Yahya Üzdiyen	CEO
Soner Gedik	VP
Ahmet Toksoy	CFO

The composition of the Executive Committee can be found in the Company's latest annual report and on the corporate website.

The responsibilities of the Company's Committees are spelled out in the AoA. Upon invitation of the chairman, save for the extraordinary cases the Executive Committee meets every week. The

directors of the Company and third parties that the chairman of the Executive Committee approves can participate in the meetings.

All the activities of the Executive Committee are made in writing and information about the activities are given by the chairman of the Executive Committee at each meeting.

Within ICS's analysis, no issues have been revealed that would cause doubt about the transparent, reliable and accountable work of the executives. There are periodic and special audits, examining the work of the committee. The CEO is reporting at the board meeting and the Company's results are scrutinized every month in comparison to the budget. Although there are no internal rules or documentation on this, upon engagement the Company stated that if applicable executives are to compensate losses that occur as a result of not performing their duties properly. In that case, general provisions would apply.

New executives have to qualify according to professional as well as to personal requirements and have to undergo a sophisticated selection process. The CEO of DYH can look back on a long lasting career with a proven track record of management and strategy implementation experience within the private sector. In line with the CMB Rules the CEO does not have any additional outside duties other than the Doğan Group itself.

4.5 FUNCTIONING OF THE BOARD

Board meetings appear to be conducted in an efficient and sound manner. Conducted interviews did not reveal any issue that could cause a different impression. DYH's board convenes as required by the business. During the 2012 financial year, board took 23 decisions (2011: 35). It should be noted that no dissenting votes were cast.

In principle, the board convenes upon the call of the Chairperson or Vice Chairperson; however, Each Board member can ask from the Chairperson, and from the Vice Chairperson in situations where

Chairperson is not present ,to convene a meeting in writing.

Executives have to attend meetings of the board whenever necessary and requested. At the most recent AGM, a resolution was passed to allow directors to participate in board meetings electronically. In case of dissenting votes the dissenting board members have to disclose the reasons that will be recorded in the minutes. Each board member is entitled to one vote without any preferential voting or veto rights.

In order to ensure adequate preparation, the agenda and relevant documentation are provided to board members seven days in advance. A board secretariat has been established in order to prepare and assist the board meetings as well as to ensure convenient access to information for board members.

Although all board members are required to attend meetings in person, the Company provides the provision to attend the meetings by using any technological methods that would provide remote access. The opinions of the members, who are not able to attend the meeting but present their opinions in writing, shall be submitted for the information of the other members. The Board of Directors' members must attend the meetings in fact; it shall also possible to attend the meetings by using any technological methods that would provide remote access. The opinions of the members, who are not able to attend the meeting but present their opinions in writing, shall be submitted for the information of the other members.

In line with the CMB Rules, the board members who cast negative votes must sign the minutes by also stating their justifications. The documents concerning the meeting as well as any related correspondences shall be archived by the Secretariat of the Board on a regular basis. If a member casts a negative vote in cases where the positive votes of independent board members are required, actions will be taken by DYH pursuant to the Capital Market Law and regulations of the CMB.

The board and majority decision quorum are both stated in the AoA. The Board of Directors shall convene with the participation of majority of the entire number of its members and takes its resolutions with the majority of votes of the attending members.

Board meetings appear to be conducted in an open manner. There is a clear definition of the duties of the board and its secretariat; and articles 13 and 14 of the AoA provide basic rules about the procedures for administrating the meetings.

Travel and meeting expenses of the board, as well as the expenses for the special tasks related to the board's activities and similar expenses are paid out of the Company's general budget without any restrictions.

4.6 INTERNAL CONTROL & RISK MANAGEMENT

DYH has defined and implemented a risk management mechanism and an internal control system.

Following a restructuring process in 2011, DYH's internal audit and internal controlling processes were moved to the departments of the CFO and VP for Internal Audit at DYH's controlling shareholder, Doğan Group. The Audit and the Corporate Governance Committees communicate the issues related to the internal controlling mechanism and suggest solutions to the board as appropriate; information about the processes and audit/internal controlling methods are shared with Doğan Group's CFO and VP for the Internal Audit Departments.

As for risk management, DYH categories its risk management into two main categories: monitoring and measuring fiscal, operational and compliance risks, as well as financial risks. Fiscal, compliance and operational risks are monitored by the Holding's Finance Department and financial risks are monitored by its Financing Vice-Presidency's office.

The identification of the risks which the Group Companies may encounter and risk mitigation

efforts are carried out in collaboration with the senior management of the Group companies under the coordination of the Holding's Finance Department. Within this framework, in order to minimize and manage the risks specific to the sectors, members of the Executive Committee, senior executives and department managers are provided with legislative training. Simultaneously, a project to develop an early warning system for fiscal and operational risks through information systems is being implemented. The management of tax, commercial law and capital markets compliance risks, which bear importance within the fiscal, operational and compliance risks are performed under the coordination of the related Vice Presidents' at the Holding's Finance Department and with the participation of the Internal Audit, Legal, HR and Risk Management departments, as well as the participation of audit firms and chartered accountants as necessary.

In 2012, special importance was given to risk management and reporting as well as to restructuring efforts. The Early Identification Risk Committee was established on August 17, 2012 as required by the new TTC. This Committee presents suggestions to the Board of Directors with regard to the identification and management of risk. This is in-line with the CMB's mandatory decree (Series IV, No. 63) to constitute a separate committee for this express purpose. Mr.Ertuğrul Feyzi Tuncer serves as Chairman of this Committee.

As for financial risks, we note that DYH's risk register has expanded the types of risks since the last rating. DYH has identified the following financial risks; credit, market, foreign currency exchange rate, interest risks, liquidity risk, fair value interest rate risk and cash flow interest rate risk

In 2011, DYH adopted the Centralized Treasury System where daily market values (including options and forward transactions) of any financial instrument are calculated. In this system, foreign currency and interest risks are calculated according to market yield curves and reported on a daily basis.

The portfolio management software of the project is currently under development and aims to report asset-liability management, cash finance flow and portfolio efficiency on a daily basis for every company and for the whole Group.

4.7 REMUNERATION

In line with the recommendations of the CMB, the Company has provided shareholders the opportunity to vote on the Company's remuneration policy. Although the disclosure surrounding its policy remains limited when compared to western standards, ICS notes it remains a positive step towards the right direction. It should also be noted that not much guidance has yet been provided on this issue as such the Turkish market is still trying to grasp the extent of the regulatory requirements and the expectations of its investors.

For board members, the fees are determined at the general shareholder meetings and are determined based on the time required for the board meetings, pre-meeting and post-meeting preparations and the performance of duties. Identical to last year, at the Company's latest AGM in June 2013, shareholders approved a net monthly fee of TL 10,000 to each of the members of the board. NEDs do not receive any attendance fees or performance-based remuneration.

As for the executives, the remuneration policy is stated to be evaluated on continuous basis to take account of market practice and performance. Senior executives have the opportunity to earn bonuses. For the 2012 financial year, the key executives earned a total of TL 4,751,000 (2011: TL, 7,499,000). This cumulative figure includes only salaries, bonuses, health insurance, and other benefits. No long-term incentives have been provided for the 2012 financial year.

To avoid conflicts of interest DYH strictly adheres to the principle not to grant loans in any way to board members or executives. This restriction remains in place.