

**VESTEL ELEKTRONİK A.Ş.**  
**(VESTEL ELECTRONICS CORP.)**

**CORPORATION GOVERNANCE COMMITTEE WORKING  
ESSENTIALS**

In line with the Communiqué of Corporate Governance Principles of the Capital Markets Board (CMB), a Corporate Governance Committee has been established in the bodily constitution of the Company with the decree of the Board of Directors dated 15<sup>th</sup> June, 2005. The Committee performs its duties as being affiliated to the Board of Directors and composes of personalities elected from among the members of the Board of Directors.

The Corporation Governance Committee has been constituted so as;

- To advance proposals regarding the election of the members of the Board of Directors,
- To maintain the independency and detachment of the Board of Directors,
- To maintain the acceptance and application of the Corporation Governance Principles within the Company,
- To develop the Corporation Governance Principles within the Company,
- To constitute the ethical rules of the Company,
- To perform the annual corporation governance of the Board of Directors and to submit this to the Board of Directors,
- To advance proposals regarding the operation, structure, and efficiency of the Board of Directors and committees being affiliated to the board.

**STRUCTURE OF THE COMMITTEE:**

**Number of membership** : The committee consists of 2 members.

**Committee chairmanship** : It is essential that the function of Committee chairmanship is being fulfilled by a member elected from among independent members, and this is being fulfilled by independent persons.

**Members** : Chairmanship function is being fulfilled by a member bearing the title of an independent member. And while the other member of the Corporation Governance Committee will be elected from among the independent/ who do not serve in execution members. The Chief Executive of the Company can not serve a duty in the Corporation Governance and Appointment Committee. Furthermore, it has been ensured that the members present in the Corporation Governance Committee do not hold a place in another committee.

**Independency**: Independency Criteria of the Corporate Governance Principles of the CMB have been considered to be the basis regarding the independencies of the committee members.

**Membership term**: The Corporation Governance Committee is entrusted for a term of 1 year by the Board of Directors. Members whose terms have expired may be elected again.

**Advisors**: Opinions can be taken from independent experts the fees of whom shall be paid by the company during the exercise of the activities in the Corporation Governance Committee and seats may be given to expert persons in the committee.

## **COMMITTEE MEETINGS**

**Meetings:** The meetings of the Corporation Governance Committee is realized at least 3 times in a year.

**Secretariat:** The secretariat of the Board Of Directors performs duties with the objective of maintenance of the minutes of the meetings of the Corporation Governance Committee to be drawn up, be filed, and the members of the committee be informed in an effective manner.

**Reporting:** Subsequent to every meeting, the chairman of the committee submits to the Board of Directors a brief of the meeting and the written report related to the activities of the committee.

## **CRITERIA CONCERNING THE COMMITTEE MEMBERS**

Persons with the following qualifications:

- University graduate,
- Knowledgeable in respect of Corporation Governance,
- Possessing an origin capable to contribute to the operation of the Company,
- Having sufficient level of information and previous experience about the Company,
- Possessing high standards from the ethical point of view and potent to spare time to the company,

can be elected to the Audit Committee.

People who have performed the function of consultancy of the Company previously can not be elected as members to the Corporation Governance Committee.

## **FUNCTION AND RESPONSIBILITIES**

### **Regarding the Members**

- To determine the candidates who can be members to the Board of Directors and to present these names to the Board of Directors for their election in the General Shareholders' Meeting (General Assembly),
- To constitute the Corporation Governance Principles within the bodily constitution of the Company, and maintain their acceptance,
- To advance proposals regarding the structure and efficiency of the Board of Directors,
- Carrying out investigations regarding the independencies of the members of the Board of Directors, and to submit them to the Board of Directors,
- To measure the performances of the members of the Board of Directors and top level executives which will be exercised once in a year, only,
- To advance proposals for the empty seats of membership to the Board of Directors which have become vacant for various reasons,
- To investigate conflicts of interests in the top level management stages, and to report them to the Board of Directors,
- To make evaluations and to advance proposals regarding the structures and working manner of the committees,
- To determine the maximum working periods of the Board of Directors and the members of the Committees, and to advance proposals regarding periodical rotations,
- To organize orientation and training programs centered for the members,
- To conduct studies directed at the continuity of the Company, and to submit them to the Board of Directors.