

## **MARMARIS ALTINYUNUS TURISTIK TESISLER A.Ş.**

### **REPORT OF INSTITUTIONAL MANAGEMENT PRINCIPALS**

---

Applying and putting into practice the Institutional Management Principals which is accepted by the decision no:35/835 of Capital Markets Board (SPK) on 04.07.2003 and declared to the public on July 2003 is an important matter of credibility and financial opportunity of public companies. The said principals creating the quality in institutional management are adopted and applied partly by our company. Other principals that are requested to be applied in parallel with this subject will be in force as soon as the administrative and technical intra-structural studies are completed.

Due to the decision of SPK dated 10.12.2004 and No: 48/1588 about companies traded in Istanbul Stock Exchange Market (IMKB), it is found appropriate that companies should mention the compatibility with the said Institutional Management Principals in their activity reports and websites starting from the annual reports of 2004. Considering the decision of the Board dated 07.02.2005 No:4/100 for revising Institutional Management Principals, Marmaris Altinyunus Turistik Tesisler A.Ş. included the information about the conformity to below mentioned principals in its annual report of 2011.

Although our company appreciates the importance of full compatibility with Institutional Management Principals, it has not been provided yet due to difficulties met in putting into effect some of these principals which do not coincide with present structure of the market and the company and due to the continuation of discussing the compatibility with these principals in international platforms. Although some principals have already been put into practice, they have not been included in our main contract yet. We continue in studying progressively to enable the company to complete the adaptation of incompatible principals at the earliest convenience. Principals which have still been inconsistent are mentioned in following sections.

Several studies are carried out to strengthen the compliance with Institutional Management Principals. Adding to the main contract of our Company the terms for announcement of general meetings three weeks before the meeting date, invitation of press and stakeholders to general meetings and presentation of the board members, controllers and head of the financial reporting department in general meetings; permitting committees to be organized by the board will be put to vote of our shareholders in General Meeting of 2011. Besides, the website and activity report of the company will be reviewed and the necessary revisions will be held in terms of full compatibility with the principals.

Further, enlightenment policies of our Company have been reviewed and made suitable to principals and regulations in 2011.

Developments in legislation and practices will be considered and reviewed to make the required studies to obtain full conformity with principals in the next period.

#### **PART I – SHAREHOLDERS**

##### **Shareholders Relations Department**

Relations with shareholders are performed by a department placed in the structure of Accounting Department. The main activities of the said department are as follows:

- Presentation of the Company to individual and corporate investors; briefing of potential investors and shareholders,
- To satisfy demands of shareholders for getting information except confidential business knowledge of the company which has to be kept in secret without declared to public,
- To meet demands for getting information of undergraduates, graduate students and university professors doing research studies about our Company and business sector,
- To provide shareholders for keeping healthy and updated records at Central Registry Institution (MKK),
- To make general meetings of the Company in conformity with arrangements and terms of the main contract, to prepare documents needed by shareholders, to send the minutes to demanders.
- Taking into consider the circular of SPK Serial: VIII, No: 54, to advise the required explanations of special conditions to IMKB and SPK,
- To make preparations before general meeting, to prepare related documentation, to take preliminary permissions and to present for approval of general assembly for changes in the main contract conditions,
- To follow up changes in related legislation and Capital Market Law and to present these changes to attention of concerned departments.

Mr.Ercan Mekik is authorized as the Accounting Manager for the said department and he can be communicated by e-mail from the address of [ercanm@divan.com.tr](mailto:ercanm@divan.com.tr) by telephone no:+90 (242) 248 68 00 to get information.

### **Using the Right of Getting Information by Shareholders**

There is no discrimination between shareholders for getting information and using of the right for making enquiry about Marmaris Altinyunus Tur.Tes. A.Ş.

To expand the rights of getting information, all kinds of updated information are presented by means of electronic media to shareholders that can be effective in using of these rights. Many kinds of information take place in website ([www.mares.com.tr](http://www.mares.com.tr)) of the Company including financial statements:

The request for appointing a private controller is not arranged as a personal right in our main contract. With respect to this, any request from shareholders has not been received. Besides, the Company activities have been audited periodically by Independent External Auditors determined by the General Board and by Legal Controllers periodically. Başaran Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. which has been appointed as the independent external audit company in the last meeting of the Board, is a member of Pricewaterhouse Coopers. Since this independent audit company gives service to our company for a period longer than 7 years, upon the offer of our committee which is responsible from auditing and upon the decision of the board of directors, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (A member firm of Ernst and Young Global Ltd) will be presented for its appointing as the new independent audit company of us in General Meeting of 2011.

### **The General Board Information:**

Ordinary General Meeting is held only at once in 2011 and attendance of the majority has been provided. Shareholders of the company are participated (individually or by giving power of attorney) in meetings. The quorum requirement is provided as 70.27% in the meeting dated 22.03.2011.

Invitation to General meeting is made by board of directors according to Turkish Trade Act (TTK), Capital Market Act and Main Contract Articles of the Company. As soon as the Board of Directors has decided to make a General Meeting, it is declared to IMKB and SPK to inform public opinion.

Besides, we pay attention to publish in a daily Turkish newspaper published nationwide and in a local newspaper, the place and agenda of the General Meeting, outlines of changes, if any, in the main contract articles and a sample of power of attorney at least 21 days before the meeting. It is indicated in these newspaper announcements where to find and examine financial reports of the related period which are audited independently.

Every shareholder who wants to speak during the meeting, can express his/her opinion about the company activities, can demand information by asking questions and receives the answers. Our General meeting is held under the supervision of Ministry of Industry and Trade Commissary.

Offers made by shareholders coinciding with long term objectives of the company have been taken into consider in the General Meeting of 2011.

General Meeting is held in the city center to make easier and increase the number of participants.

It is possible to reach by years, all meeting minutes and list of participants over the head quarter of our Company or they can be achieved at Marmaris Trade Registry Office or in the Archives of the Turkish Trade Registry Gazette. Besides the meeting minutes of the last two years can be reached through the related ‘‘pdf’’ files over our website.

Although permission of the General Board is not required for selling, buying, renting of significant amounts of properties, splitting is subject to permission. Our investors have been informed about such important operations by giving explanations for these private situations occurred in 2011.

### **Voting Rights and Minority Rights**

Any privilege for using of voting rights is not within the scope of our Main Contract. There is no juridical person, being our subsidiary, among our partners. Every shareowner has the opportunity of using his/her right to vote in an easiest and optimum way including cross-border.

### **Dividend Policy and Distribution Period**

The dividend policy of our company is subject to execution due to 14<sup>th</sup> article of the Main Contract about ‘‘Distribution of Profit’’. Distributable profit is calculated due to the circulars of SPK and by considering the long term strategies, investment, financial plans and profitability of the Company, the amount of dividends to be distributed is determined by the General Board not being less than the rate stated in the circular Serial IV No: 27 of SPK and it

depends upon the decision of General Board to distribute the dividends in cash or bonus share at a certain rate.

There is no privilege included in our main Contract in participating to Company profits.

### **Transfer of Shares:**

Obstructive articles to avoid transfer of shares freely by their owners are not included in our Main Contract.

## **PART II – ENLIGHTENMENT OF PUBLIC AND THE POLICY OF TRANSPARENCY**

### **Enlightenment Policy of the Company**

In our Company, all information legally needed to be announced or seemed necessary to be given to public by the department in charge (Accounting Department), are declared to public regularly.

### **Explanations of Special Cases**

Our Company explained 8 special cases during the year. One of these is requested by IMKB because of some articles published in newspapers about us. We do not need to make statements of special cases except to SPK and IMKB for the reason that our Company has not been quoted at overseas capital markets. As the statements for special cases have been made within the legal period by us, SPK did not apply any sanctions on our Company.

### **Company Website And Its Contents**

Our Company publishes in its official website [www.mares.com.tr](http://www.mares.com.tr) the financial Statements in Turkish which are presented to SPK in order to be in a continuous contact with shareholders and to carry on the relation with investors effectively.

- Trade registry data
- Partnership of the Company
- Information about board members and top management of the Company.
- Main contract of the Company
- Activity reports
- Explaining the special cases
- Compatibility report for Institutional Management
- General Board meeting minutes and list of the participants
- Sample of power of attorney
- Financial statements and Independent Audit Reports
- Agenda of General Board
- Newspaper announcements
- Other announcements

### **Announcing of Real Person Ultimate Controlling Shareholder/Shareholders**

Koç Family is the Ultimate Controlling Shareholders of our Company, which is one of the sister companies in the Koç Group.

## **Exposing Insiders**

Employees of the company must be very careful about rules for using the inner information for the reason that it is very important for the Company to hold the balance between transparency and protection of the company benefits.

The information belonging to Company and learnt by work and not desired to be learnt by other people than the related personnel and which is considered as confidential business information is accepted as ‘‘Company Information’’. All employees should protect and make use of the Company Information directly or indirectly during and after the term of employment.

None of the Marmaris Altinyunus Turistik Tesisler A.Ş. employees can profit from buying or selling the shares of Marmaris Altinyunus Turistik tesisler A.Ş and/or other companies of Koç group because of the inner information got by these employees during their work.

The top manages who can reach information which has effect on the value of capital market instruments of the Company and who has the power of making administrative decisions are defined as our Board of Directors.

Persons whose names are mentioned in the list of ‘‘those who can reach inner information’’ and have administrative responsibilities as of the report date are written below. The detail list of others than the below written names who can also reach inner information has been kept by the company in updated form:

Semahat Sevim Arsel	President
İbrahim Tamer Haşimoğlu	Vice president
Temel K.Atay	Board member
Emine Alangoya	Board member
Marcos Bekhit	Board member
Dr M. Faik Öztunç	Board member
Mert Şaban Bayram	Controller
Başar Engin	Controller

## **PART III- SHAREHOLDERS**

### **Informing the Shareholders**

Stakeholders related with the Company are time to time invited to meetings or informed by telecommunication instruments in subjects with regard to them.

Although a special mechanism is not present for stakeholders to take place in management of the company, their opinions and offers forwarded to the related departments are taken into consider as long as they fit to our long term goals.

### **Human Resources Policy**

The measures for recruitment and promotion systems of the company are notified in written within the content of human resources policy of the company. The goal of our human resources process is to develop the competence of our human resources continuously and to

protect our superiority in the environment of global competition by abiding the following principals:

- To recruit the employee who can carry out the company into the future,
- To constitute fair wage policies,
- To evaluate personal performance,
- To promote / appreciate the successful personnel,
- To give training to the employee in the direction of company goals and necessities,

In this respect, the process of human resources system is identified by written procedures and these procedures are announced to all employees.

Kamil Durmak is in charge of carrying out the relations with employees in our human resources department.

The human resources department has not received any complaint in this year about employment discrimination.

### **Information About Clients And Suppliers**

Customer satisfaction is our primary goal. In this respect, customer satisfaction is continuously followed and reported.

### **Social Responsibility**

Our company behaves environmentally conscious in its activities and during this term, no action is taken against our company for damaging the environment.

Our activities, carried out within the scope of social responsibility during the year, can be summarized as performing of necessities arising from holding a blue flag.

## **PART IV- BOARD OF DIRECTORS**

### **Structure and Composition of the Board**

There is no discrimination between executive and non-executive members of the board in our company. The board of directors is composed of six members and it is indicated in our main contract that general manager of the company can also be chosen as a member of the board. Following the meetings of the general board in which the board of directors are appointed, assignment of duties, president and vice president of the company are determined. In case of any board membership discharge within the period, 315<sup>th</sup> Article of the Turkish Trade Act (TTK) is applied.

It is necessary to take the approval of General Board within the context of 334<sup>th</sup> and 335<sup>th</sup> articles of TTK for president and board members to deal personally or on behalf of other parties with jobs related with the business subject of the company.

### **Qualifications of Board members**

Qualifications of board members are not indicated in the main contract however, the qualifications of our present members are suitable for the company principals.

## **Mission, Vision and Strategic Objectives of the Company**

Mission, vision and values of our Company have been set up, published and preserved updated by revising them in the direction of ongoing developments in the company. Values concerning our mission and vision which are determined by our top management and approved by the board of directors are located on our website. Studies of departments for setting up and application of strategic goals are also presented to the board of directors by the top management and followed-up. The board of directors compares next year objectives and takes decisions in the direction of reviewing annual activities and evaluating past years performance.

## **Power and Liabilities of Board of Directors and Managers**

Power and liabilities of the board members are identified clearly in the main contract of the company. Authorizations are defined in signature circulars of the company in detail.

## **Principals in Activities of Board of Directors**

The subject titles and agendas concerning decisions of the board are prepared periodically or due to the arising requirements. Number of meetings can be changed according to arising requirements. Invitation to the meetings and participation basically depends on requirements of the company jobs and board of directors comes together accordingly. A special secretariat has not been established to arrange correspondence and therefore, preparing, writing and following-up the agendas concerning the board decisions are being made by a section in Accounting Management Department. Meeting decisions are subject to annotations in case of appearance of any objection in voting of decisions. Explanations and questions are handled, if any, while taking decisions. Signatures of three board members are sufficient to take decisions and in this case weighted vote and/or veto right are not in question.

## **Taking Actions With the Company and Prohibition of Competition**

It is necessary to take the approval of General Board within the content of 334<sup>th</sup> and 335<sup>th</sup> articles of Turkish Trade Act (TTK) for president and board members to deal personally or on behalf of other parties with jobs related to business subject of the company.

## **Codes of Conduct**

As the preparation and publishing of ethic codes have not been completed in our Company yet, our studies on this subject continues.

## **Number of Committees Established by the Board of Directors, Their Structure and Independency**

‘A Surveillance Committee’ is established being liable for the board of directors to carry on their tasks and responsibilities duly.

The committee is composed of the below mentioned persons:

İbrahim Tamer HAŞİMOĞLU  
Temel Kamil ATAY

The Surveillance Committee executes the tasks assigned for the committee by Capital Market Legislation. In this context, accounting system of our company has the responsibility of supervising the public announcement of financial information, independent audit, the process of internal control system of partnership and effectiveness. Choosing the independent audit company, preparing the independent audit agreements for starting the auditing process and the work of the audit company are executed in every step under supervision of the surveillance committee.

Taking the opinion of responsible managers of the partnership and the independent auditors, the surveillance committee makes meetings minimum four times a year, even more, in order to prepare, the written reports of yearly and fiscal financial statements declared to public in conformity with the accounting principals accepted by the company, in truthfulness and correctness by including the evaluations of the committee.

### **Financial Rights Provided to Board of Directors**

The president and the members of the board of directors are not benefited from anything except their fees which are determined by the General Board. There is no bonus payment made to the board concerned with their performance.

Lending money to our board members or supplying credit to them by the company is out of question.

İBRAHİM TAMER HAŞİMOĞLU  
Vice President