

# **ASELSAN ELEKTRONİK SANAYİ VE TİCARET A.Ş.**

## **Board of Directors' Corporate Governance Committee Work Directives**

### **1. PURPOSE**

The purpose of these directives is to determine the duties, authorities, responsibilities and work principles of the Corporate Governance Committee established as per the Corporate Governance Principles announced by the Capital Markets Boards (CMB).

### **2. SCOPE**

These directives cover works and actions to be performed as per the Corporate Governance Principles by the Corporate Governance Committee and/or Company personnel not a member of the Committee but assigned by the Committee.

### **3. DEFINITIONS**

**3.1. Corporate Governance:** Index of relations between the Board of Directors, shareholders and other stakeholders of a company.

**3.2. Corporate Governance Committee (Committee):** A committee to be appointed by the Board of Directors among the Board of Directors members or third parties specialized in certain areas for the purpose of executing and coordinating Corporate Governance Principles related formalities of the Company, provided that majority of the members are from the Board of Directors and the executive of Investor Relations Department shall be appointed as a member of the Committee.

**3.3. Corporate Governance Committee Secretariat (Secretariat):** ASELSAN personnel arranging operations and meetings of Corporate Governance Committee, archiving correspondences and coordinating communication between the members.

**3.4. Capital Markets Board:** Public legal entity established the Capital Market Law numbered 6362.

**3.5. Company:** ASELSAN Elektronik Sanayi ve Ticaret A.Ş.

### **4. RELATED REFERENCE DOCUMENTS**

**4.1.** Capital Markets Board Regulations.

**4.2.** Corporate Governance Principles published by the Capital Markets Board.

**4.3.** Prepared as per the regulations, provisions and principles on ASELSAN Articles of Association.

### **5. DUTIES AND RESPONSIBILITIES**

#### **5.1. DUTIES AND RESPONSIBILITIES OF ASELSAN CORPORATE GOVERNANCE COMMITTEE**

**5.1.1.** The Corporate Governance Committee shall mainly work on implementing corporate governance principles at the Company.

**5.1.2.** The Committee shall determine whether or not the Corporate Governance Principles are implemented and if not implemented, the Committee shall determine the reasons as well as conflicts of interest caused by failing to fully comply with these principles.

**5.1.3.** It shall monitor the operations of Investor Relations Department.

**5.1.4.** It shall play a leading part in maintaining effective communication between the Board of Directors, Company and shareholders, eliminating and settling any possible disputes as well as advising the Board of Directors accordingly.

**5.1.5.** The Committee shall advise the Board of Directors on due effectiveness of infrastructures related to management applications aiming at improving company performance as well as acknowledgement by the personnel and support of the management.

**5.1.6.** The Committee shall issue the Company's Corporate Governance Compliance Report.

**5.1.7.** The Committee shall revise the Company's Activity Report to be disclosed to the public and checks whether or not the information included in the Report conform to the information possessed by the Committee.

**5.1.8.** The Committee shall prepare an annual assessment report, including meeting frequency of Committee members and activities performed, which shall be included in the Annual Company Activity Report and basis to the Board of Directors assessment related to the work principles and Committee's efficiency.

**5.1.9.** The Committee shall make suggestions ensuring compliance to the law and regulations, company's Information Policy in terms of public disclosures to be made.

**5.1.10.** The Committee shall present its operations and suggestions to the Board of Directors in the form of a report.

**5.1.11.** The resolutions taken at the meetings shall be documented and undersigned by the Committee Members and archived by the Secretariat.

**5.1.12.** If Nomination Committee and Remuneration Committee cannot be established separately due to the structure of the Board of Directors, the Committee shall perform the duties assigned to these committees as per the Corporate Governance Principles published by the Capital Markets Board.

**5.1.13.** Within the scope of the responsibilities of Nomination Committee; the Committee carries the duties on creating a transparent system for the evaluation of the nominees for Board of Directors and the nominees for the executives with administrative responsibility, their training and setting out policies and strategies regarding these matters. In this context, the Committee also regularly makes assessments on the structure and efficiency of Board of Directors and presents suggestions for improvement related to these issues.

**5.1.14.** Within the scope of the responsibilities of Remuneration Committee; the Committee determines and monitors the principles, criteria and the practices for the remuneration of the members of Board of Directors and executives with administrative responsibility, considering the long term objectives of the Company. In this context, the Committee also presents suggestions about the remuneration of the members of Board of Directors and executives with administrative responsibility, taking the level of achievement regarding the remuneration criteria met into account.

## **5.2. DUTIES AND RESPONSIBILITIES OF THE CORPORATE GOVERNANCE COMMITTEE SECRETARIAT**

**5.2.1.** It shall provide communication between the members, prepare Committee meetings, keep meeting minutes and duly archive correspondences.

**5.2.2.** It shall plan, realize and follow up formalities before, during and after the Committee meetings in order to ensure outmost efficiency.

**5.2.3.** It shall ensure timely communication all of kinds of information to the Committee members.

**5.2.4.** It shall always keep the records available to the members.

**5.2.5.** It shall periodically submit reports on investor questions and content.

## **6. STRUCTURE AND AUTHORITIES OF THE CORPORATE GOVERNANCE COMMITTEE**

### **6.1. COMMITTEE'S STRUCTURE**

**6.1.1.** The Committee shall be formed and authorized at the first Board of Directors meeting held after the Annual Ordinary General Assembly Meeting of the company, as per the Capital Markets Board regulations.

**6.1.2.** The Committee shall be formed by at least 3 members; two of whom shall be members of Board of Directors and one shall be the Investor Relations Department Executive. The majority of the members of Board of Directors in the Committee shall not have executive functions. Investor Relations Department Executive must have the "Capital Markets Activities Advanced Level" and "Corporate Governance Rating Expertise" certificates and must be working full time in the Company.

**6.1.3.** Third parties specialized in certain areas who are not members of Board of Directors can also be appointed as Committee members. The Committee Chairman shall be appointed among Independent Members of Board of Directors.

**6.1.4.** The Chief Executive Officer / General Manager shall not take office in the Committee.

**6.1.5.** The secretariat formalities of the Committee shall be performed by Investor Relations Department.

**6.1.6.** One more than half of the total members shall be required for Committee meetings and majority is required for decisions.

**6.1.7.** The Committee shall convene every 3 months as a principle and, if required, it shall convene at the Company's registered office following a call to be made by the Secretariat on behalf of the Committee Chairman. The Committee chairman might reschedule the meeting date, hour and place provided that the Committee Members are informed beforehand.

### **6.2. AUTHORITIES OF THE COMMITTEE**

**6.2.1.** If required, the Committee shall start special inspections and appoint people specialized in their areas as consultant for the purpose of ensuring assistance in such inspections.

**6.2.2.** If required, the Committee shall hold meetings with representatives of Company's related parties and specialists, including Company personnel or subsidiaries; and it shall seek external and professional consultancy service.

**6.2.3.** The Committee shall act according to its authorities and responsibilities and make recommendations to the Board of Directors however the Board of Directors shall always have the final decision making responsibility.

## **7. ENFORCEMENT**

These directives have been approved by the Board of Directors as per the resolution dated 23.02.2006 and numbered 529/2.d and came into force as of 30.05.2006.

## **8. EXECUTION**

ASELSAN Corporate Governance Committee shall be responsible for executing the provisions listed on these directives.

## **9. CIRCULATION PLAN**

The document shall be circulated as per ASELSAN PLAN A. It shall be published to all users via intranet and internet.