

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Statement of Compliance with Corporate Governance Principles

The Company has diligently adhered to the Corporate Governance Principles published by the Capital Markets Board. Efforts to eliminate any shortcomings depending on developing conditions in this regard are ongoing.

In this respect, during 2010, the Company website and the Investor Relations Unit were enhanced and with increased functionality.

PART I - STAKEHOLDERS

2. Investor Relations Unit

BİM set up an Investor Relations Unit under the Chief Financial Officer in 2005 to establish communications between Company management and shareholders and to provide them accurate, prompt and efficient information. The manager of this unit is responsible for meeting the requirements of capital market regulations and coordinating corporate governance practices and holds a Capital Market Activities Advanced Level License and Corporate Governance Rating Specialist License.

Personnel responsible for investor relations are as below.

Executive Committee Member and CFO

Haluk Dortluoğlu
Tel: +90 216 564 03 46

Reporting and Investor Relations Manager

Serkan Savaş
Tel: +90 216 564 03 46
E-mail: serkan.savas@bim.com.tr

The main activities of this unit are;

- Keeping shareholder records in an orderly and reliable fashion; ensuring rapid response to shareholder inquiries regarding the Company

within the context of information disclosed to the public (with the exception of publicly undisclosed data and trade secrets) via various available communication channels,

- Ensuring that General Assembly Meetings are held in accordance with the communiqué and prepare the documents to be presented to shareholders during General Assembly meeting,
- Supervising the public announcement of the Company's activities,
- Executing preparatory work for financial results and annual reports,
- Managing communications with regulatory institutions, including the Istanbul Stock Exchange, Capital Markets Board and Central Registry Agency and following up of prescribed legal regulations.

During the reporting period, the unit participated in five investor conferences and further provided information to investors and shareholders in over 111 meetings held at the Company Headquarters.

3. Exercise of Shareholders' Right to Obtain Information

All shareholders' requests for information are met, with the exception of trade secrets and publicly undisclosed data. Those requests were mostly related to inquiries on the General Assembly, payment of dividends, financial data and overseas investments as well as the Company's future targets. All announcements of material disclosures and publicly disclosed information are available and easily accessible to shareholders on the Company's website (www.bim.com.tr) under the Investor Relations section. Moreover, requests for information from institutional shareholders and analysts of brokerage firms during the year were satisfied via various communication channels such as teleconferences and one-on-one meetings. At the end of each balance

sheet period, teleconferences were held to inform, and respond to the inquiries of, shareholders. Four teleconferences in total were organized during the year.

The Company's Articles of Association do not stipulate granting shareholders the right to request the appointment of a special auditor and no such request was made during the year.

4. Information on the General Shareholders' Meetings

The Ordinary General Shareholders Meeting of BİM Birleşik Mağazalar Anonim Şirketi for the year of 2009 convened on Thursday, April 22, 2010 at 10:00 a.m. at the registered office of the Company at Abdurrahmangazi Mahallesi, Ebubekir Caddesi, No: 289, Samandıra, Istanbul, under the supervision of the Commissary of the Ministry, Hüseyin Çakmak, appointed in accordance with the communiqué dated April 21, 2010 no. 23480, issued by the Ministry of Industry and Trade, Istanbul Provincial Directorate of Industry and Trade.

In the meeting, 20,108,751 shares were represented in person and 16,950,949 shares were represented by proxy, for a total of 37,059,700 shares corresponding to the Company's total capital stock of TL 75,900,000.

During the General Assembly, upon the proposal of the Board of Directors, it was decided that Article 6 of the Company's Articles of Association entitled Capital and Equity Ratios for the purpose of increasing the paid-in capital of the company from TL 75,900,000 to TL 151,800,000, which would be fully covered from the Company's internal sources. Amendment texts of the Articles of Association are publicly announced in the Investor Relations section of the Company website, together with the minutes of the General Shareholders' Meeting.

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The Minutes of the General Shareholders' Meeting were announced in the Turkish Trade Registry Gazette issue no. 7565, dated May 17, 2010.

Announcements for both general shareholders meetings were made by way of invitation letters and an announcement in the newspaper. Furthermore, prior to the meeting date, the meeting agenda was made public by an announcement of material disclosure and published on the Company's website. The minutes of the general shareholders meetings in Turkish, along with their English translations, were posted on the Company's website (www.bim.com.tr) under the Investor Relations section. The minutes have also been made available for shareholder review in the registered office of the Company. The questions asked directly by shareholders were answered in detail orally during the meeting. There was no media participation at these meetings.

5. Voting Rights and Minority Rights

All Company shares are bearer's shares. Shares do not entitle any holder to have voting privileges. Shareholders of the Company and their proxies are entitled to one vote for each share they hold at both ordinary and extraordinary General Meetings. Shareholders may appoint one proxy to vote on behalf of the shareholder at the General Meetings. Voting by proxy shall be subject to the regulations of the Capital Markets Board. The Articles of Association do not include any provisions on cumulative voting and minority shares are not represented by management.

6. Dividend Payment Policy and Timing

The Company dividend payment policy, as stipulated by the General Assembly, is to distribute a minimum of 30% of the distributable profit gained in respective years. This policy

was made public in 2007 through a material disclosure announcement and no change whatsoever has been affected to this policy to date. Any possible policy changes will be made public through a material disclosure announcement.

Under the Company's Articles of Association, no privileges are granted on voting rights, nor do privileges exist concerning the distribution of profit. The timeline for distribution of profit is determined at the General Shareholder's Meeting upon the request of the Board of Directors and in accordance with the provisions of the Turkish Commercial Code and Capital Markets legislation. Distribution of 2009 profit was finalized in legal terms as TL 132,825,000 in cash and TL 62,590,298 as capital increase through bonus issues totaling TL 195,415,298.

7. Transfer of Shares

Shares are transferred in accordance with the provisions of the Turkish Commercial Code and other relevant legislation. In the Articles of Association there are no provisions on the limitation of share transfer.

PART II- PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Disclosure Policy

Public Disclosure Policy of the Company was put into force following the approval by the Board of Directors on April 9, 2009. It aims to give information to beneficiaries in line with regulations of the Capital Markets Board (CMB) and Istanbul Stock Exchange (ISE).

According to the policy adopted, all events that may cause a significant change in the Company's financial situation and/or operations, in line with legislation of CMB, as well as information regarding all other necessary subjects, are announced to the public immediately.

From time to time, BİM Management can arrange meetings with media members to share the information open to the public and to answer questions. A copy of the actual statements published in the print media and special circumstance announcements sent to the ISE are published on the Company's website (www.bim.com.tr). Information demands received from the press are gathered by the Company's media consultants, evaluated within the Company and replied to in accordance with the announcement policy.

Public announcement policy has been published on the Company website (www.bim.com.tr). Names and contact information of employees responsible for the implementation of the disclosure policy are provided in Article 2 of the Report.

9. Special Circumstance Announcements

The Company made 15 special circumstance announcements in 2010. Within the scope of these announcements, no additional disclosure was adjured by CMB or ISE.

The announcements are also available on the website (www.bim.com.tr).

10. Company Website and Contents

The Company's website is www.bim.com.tr and was changed in 2010 in both content and design. Information concerning shareholders is provided under the Investor Relations section, together with the English translations, thereof posted under the following headings:

- Investor Relations
- Trade Registry Information
- Shareholders
- Corporate Governance
- Financial Reports
- Financial Calendar
- General Assembly Information
- Announcements of Material Disclosures
- Notices
- Investor Relations Contact

Shareholders	Number of Shares	Rate %
Mustafa Latif Topbaş	27,266,496	17.96
A. A. El Khereji	20,622,600	13.59
Ahmet Afif Topbaş	12,771,000	8.41
Zuhair Fayez	5,989,650	3.95
Firdevs Çizmeci	1,799,990	1.18
Ömer Hulusi Topbaş	180,000	0.12
İbrahim Halit Çizmeci	10	0.00
Other (Open to public)	83,170,254	54.79
Total	151,800,000	100.00

11. Disclosure of Real Person(s) as Ultimate Controlling Shareholders

The shareholding structure of the Company as described above has been publicly disclosed both on the Company's website and in the periodical financial reports. All shares are held by real persons, except those that are publicly traded.

On January 31, 2011, Mustafa Latif Topbaş, one of our stakeholders, transferred 800,000 shares directly to his brother, Ahmet Afif Topbaş without going through the İstanbul Stock Exchange. After the sale, shares of Mustafa Topbaş within the venture decreased to 17.43%; whereas the share held by Ahmet Afif Topbaş increased to 8.94%.

12. Public Disclosures of Those Who May Have Access to Insider Information

Members of the Board of Directors, auditors, senior management and other Company employees who may have access to insider information are listed below and have been publicly disclosed on the Company's website.

Board of Directors

Mustafa Latif Topbaş
Chairman

Ekrem Pakdemirli
Vice Chairman

Mahmut P. K. Merali
Member

Ömer Hulusi Topbaş
Member

Zeki Ziya Sözen
Member

Yalçın Öner
Member

Jos Simons
Member

Auditors

Prof. Dr. Selahattin Tuncer
Auditor

Prof. Dr. Arif Ateş Vuran
Auditor

Senior Management

Mustafa Latif Topbaş
Chairman of the Executive Committee

Galip Aykaç
Member of the Executive Committee and COO

Haluk Dortluoğlu
Member of the Executive Committee and CFO

Muharrem Arslantürk
Member of the Operation Committee

Ürfet Naçar
Member of the Operation Committee

Bülent Pehlivan
Member of the Operation Committee

İlkay Zengin
Member of the Operation Committee

Ünsal Çetinkaya
General Manager of Purchasing

Other Company employees who may have access to insider information:

Arif Tuna
Betül Ölçücü
Dilek Kırılmaz
Ekrem Cezayirli
Elif Küçükdeveci
Erhan Çetin
Hacer Şengör
Merve Pehlivan
Murat Şener
Özkan Ölmez
Semra Sadıkoğlu
Serkan Savaş
Sevim Üçüncüoğlu
Yakup Kocaman

Independent Auditors

Metin Canoğulları
Gökhan Güralp
Gökhan Güldaş
İhsan Akar
Can Sözer

PART III-STAKEHOLDERS

13. Informing Stakeholders

Pursuant to applicable legislation, stakeholders are informed of Company matters, with the exception of trade secrets, by appropriate means of communication.

The Company's corporate website makes available the mail address and phone numbers of all stakeholders. Those stakeholders wishing to gather information or make inquiries using these communications tools can also contact the relevant unit managers. Incoming queries and information requests are answered in a timely manner.

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Company shareholders or investors wishing to become Company shareholders can communicate directly with the Investor Relations Unit and receive prompt responses.

14. Stakeholders' Participation in Management

Meetings are held with employees and other stakeholders to improve efficiency on relevant issues. Proposed ideas are evaluated by senior management. Furthermore, employees are encouraged to freely communicate to the relevant unit manager about their complaints, criticisms and suggestions related to working procedures.

15. Human Resources Policy

As specified in the BİM Organization Objectives, the Company's objectives can only be attained through the contributions of its employees. BİM Personnel Regulations provide guidelines for personnel rights and working terms and regulate the working arrangement in accordance with these objectives. Employee relationships are managed by the Personnel and Administrative Affairs units in the headquarters and in 30 regional warehouses.

The Company's human resources policy gives priority to providing a pleasant and comfortable working environment which offers employees the opportunity to take initiatives and develop their skills accordingly. Employees are encouraged to communicate their complaints and suggestions for improvement to relevant units, which then make their best efforts to promptly provide solutions.

Both internal and external resources are utilized to meet personnel training requirements.

16. Information on Customer and Supplier Relationships

The Company's business model is based on mutual trust, which requires paying maximum attention to both customer and supplier relationships. The Company offers its customers the right to return any product without time limitations, on the basis of its no-questions-asked return policy. For years, BİM has implemented its policy to return any savings gained from operational costs in the form of discounts on the prices of the products it offers for sale. These policies and their effective implementation allow maximization of our customers' trust in the Company.

Furthermore, every store has phones strategically placed so that customers can easily file complaints or requests. All customer complaints and requests are investigated by the personnel working in 30 regional offices and the Company headquarters and prompt responses are given.

As outlined by Company policy, performance of suppliers who are considered as business partners, are periodically reviewed and due care is taken to sustain strong, long-term relationships with them.

17. Social Responsibility

The Company is not involved in production activities. All nylon and cardboard waste is forwarded to licensed firms engaged in the recycling of packaging waste.

BİM works in coordination with the Kalite Sistem Laboratory, Observatory Laboratory, Eurolab and the TÜBİTAK Research Institute to inspect the quality of its product portfolio. TÜBİTAK conducts chemical and biological testing on products sold by BİM and subjects its production facilities to stringent quality control.

In order to minimize environmental damage due to the bags offered to the customers, biologically degradable (oxo-bio) nylon bags are being used in all BİM stores as of 2010.

In addition, product quality control testing is conducted by the Istanbul Headquarters, as well as other regional organizations. Before listing of products, quality and taste tests are performed on the product, as well as equivalent and competitive products, to compare results.

The Company places great importance on food safety. BİM A.Ş. guarantees that all products, at a minimum, comply with all official standards and assumes full responsibility in this respect.

Providing products that completely meet the requirements and needs of its customers in an affordable and timely manner and continuous improvement are the main policies of the Company.

Donations made each year with corporate social awareness are, based on the relevant articles of the Articles of Association of the Company, disclosed to stakeholders at the Ordinary General Shareholders' meetings held.

PART IV-BOARD OF DIRECTORS

18. Structure and Composition of the Board of Directors and Independent Members

The Board of Directors is responsible for the management and representation of the Company. The Board consists of seven members elected during the General Meeting in accordance with the provisions of the Turkish Commercial Code. Two members are independent Board members, as defined by the Corporate Governance Guide of the Capital Markets Board of Turkey.

Following the retirement of the Company CEO on January 1, 2010, an Executive Committee was formed to take over the authorities and responsibilities of the CEO. The Company's Chairman of Board is also acting as Chairman of the Executive Committee.

Article 19 of the Company's Articles of Association restricts Board members from actions that may affect operations without the consent of the General Meeting, as stipulated in Articles 334 and 335 of Turkish Commercial Code. In the Ordinary General Shareholders' Meeting held on April 22, 2010, members of the Board of Directors were allowed to conduct the relevant transactions in accordance with the relevant articles of the Turkish Commercial Code.

There is no limitation imposed upon the members of the Board of Directors with regards to their involvement of other duties other than those of the Company.

Names of current Board members are listed under Article 12 of the Report.

19. Qualifications of the Board Members

The Board of Directors is made up of knowledgeable and experienced individuals who possess the qualifications mentioned in the CMB's Corporate Governance Principles. The Company's Articles of Association do not provide any further qualifications required for a membership appointment.

Resumes of the members of the Board of Directors are included in the annual report.

20. Mission, Vision and Strategic Objectives of the Company

The Company aims to maintain high-efficiency in profitable areas for the discount food retailing sector and to offer its services to more consumers by expanding into other regions of Turkey, as well as other countries where this concept can be implemented. Other targets of the Company include providing quality products at all times, increasing operational efficiency, discounting prices, involving more private-label products in its portfolio and reducing costs by increasing suppliers' efficiency.

The Board of Directors approves the yearly budget and analyzes financial data monthly to ascertain the extent that the Company objectives are being met. In addition to yearly objectives, upon the request of the Board, the management prepares strategic plans for five years and submits it to the Board of Directors for review.

21. Risk Management and Internal Control Mechanisms

BİM A.Ş. has developed relevant "policies" and "procedures" in line with business processes, performed functional task distribution within the organization and established approval and authorization systems within processes. Further, BİM A.Ş. regulated procedures regarding the protection and reconciliation of the Company's physical assets taking into consideration risk exposure and prevention methods within the scope of risk management and internal control mechanisms. In addition, efficient reporting and management-surveillance practices have been established within the Company.

An Internal Auditing Unit appointed by the Company is responsible for risk management and independent evaluation of the internal control processes. All Company operations are included within the responsibilities of the Internal Audit Unit and are audited according to annual plans. The Internal Audit Unit is an independent unit and directly reports to the Audit Committee whose members are selected from the Board of Directors. All stages of the internal audit process and the relevant standards as well as the basic rules and procedures related to internal audit carried out within the Company are based on the internal audit legislation and the internal audit standards documentation.

The Internal Auditing Unit is responsible for analyzing the consolidated financial tables, which are prepared quarterly, for compliance with auditing principles. This activity is conducted in accordance with Capital Market regulations and reporting to the Auditing Committee for their compliance status.

22. Duties and Responsibilities of the Members of the Board of Directors and Executives

The Board of Directors performs duties stipulated by law and by the Articles of Association. The Company is controlled and represented by the Board of Directors. The Board of Directors is entitled to carry out any transaction or legal, financial and technical work on behalf of the Company and to use the trade name of the Company.

In 2008, the Corporate Governance Principles specifying the duties and responsibilities of the Company's Board of Directors, Board members, senior management and Internal Audit Units were approved and placed into effect.

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23. Operating Principles of the Board of Directors

The Board of Directors shall convene when deemed necessary for the business and operations of the Company, upon the call of the Chairman as provided in the Company's Articles of Association. However, it is mandatory that the Board of Directors will convene once every three months. The Chairman will call the Board of Directors to the meeting upon the request of any Board member. If the Chairman does not convene the meeting within ten business days following the request, the Vice-Chairman is required to call the Board to meet. The invitation for a meeting and the meeting agenda shall be sent to each member by registered mail, hand-delivered or sent via fax or telex at least 15 days prior to the scheduled meeting date. The meeting may be held at the Company's registered office in Turkey, or any other location the Board unanimously decides upon. In accordance with Article 330/2 of the Turkish Commercial Code, the Board of Directors is entitled to pass resolutions without convening. While the members of the Board are entitled to equal voting rights, they cannot cast exercise veto. In case independent members express different justifications on issues, the justifications behind negative votes are not announced publicly. The Board of Directors shall prepare the agenda based on emerging requirements and the Secretary of the Board of Directors shall inform and communicate with the Board of Directors.

During 2010, the Board of Directors physically convened nine times and adopted 12 resolutions by obtaining the consent of its members without meeting, in accordance with Article 330/2 of the Turkish Commercial Code. None of the members voted against the decisions.

24. Prohibition on Engaging in Transactions and Competing with the Company

The members of the Board of Directors shall not engage in any of the activities listed in Articles 334 and 335 of the Turkish Commercial Code without the permission of the General Assembly.

25. Rules of Ethics

The Company's expectations of its employees, managers and suppliers are clearly specified in the organizational objectives document supplied to all employees; the expectations and rules therein are not disclosed to the public. The Company's code of conduct and related procedures are strictly applied and updated when deemed necessary.

26. Number, Structure and Independence of Committees Established by the Board of Directors

The Board of Directors established an Affiliated Companies and Related Parties Committee and an Audit and Remuneration Committee. These committees are appointed to ensure that the Board of Directors fulfills its duties and responsibilities duly and precisely in line with the requirements and conditions of the Company and that these committees submit

reports prepared on a quarterly basis to the Board of Directors. Both members of Audit and Remuneration Committee and one of two members of the Affiliated Companies and Related Parties Committee are independent board members. One of the independent board members acts in both committees. None of the chairmen or members of these committees holds an executive position in the Company. The Board of Directors has not yet established a Corporate Governance Committee.

Further, Foreign Investments Committee was established within the year to research and monitor the foreign investments being made or to be made, to conduct the necessary operations in this regard and to report to the Board of Directors. The Committee reports to the Board of Directors when such a need arises. The Committee has three members, two of whom are Board of Directors members, whereas, one of whom is the CFO. Two of these three members are independent board members.

27. Financial Benefits to the Board of Directors

The Board of Directors is paid an honorarium as provided by the resolutions from the General Meeting. The Company does not provide benefits to Board members or management by extending loans or credit. Board members are not granted performance-based remuneration.