



## ANNUAL GENERAL MEETING ANNOUNCEMENT NOTICE FROM CHAIRMAN OF BOARD

Petkim Petrokimya Holding's Ordinary General Meeting will be held on **31th March 2011 Thursday** at 11.00 am at Company Headquarters, **Aliağa/İZMİR** for considering and voting the following matters.

2010 Annual Report of Board of Directors, Auditors' Report, Balance Sheet, Income Statement, and Independent Auditors' Report will be available for our shareholders examination, in the Company Headquarters at least 15 days before the Regular General Meeting date.

Our shareholders who desire to participate in the Ordinary General Shareholders' Meeting and who have dematerialized their shares in Central Registry Agency (CRA) must register themselves into General Meeting Blockage List.

The commencement date of the General Assembly Withholding is at 08.30 a.m., on Monday, 14th of March, 2011 and the last date of withholding is at 10.00 p.m., on Tuesday, 29th of March, 2011. It is hereby requested from our shareholders to apply to CRA or financial intermediaries and block their shares for the General Assembly Meeting within the said time period and have the General Assembly Withholding Letters with them during the General Assembly Meeting.

As mentioned in the General Letter No:294 of CRA, the rightful investors may attend to the General Assembly Meeting after the registration of their shares before CRA pursuant to interim provision 6 of Capital Market Law. It is hereby submitted for the information of our Shareholders that those who do not have themselves registered into the Withholding List of the CRA cannot attend the meeting as per the laws.

Shareholders who shall be represented by proxy in the meeting must issue their powers of attorney complying with the sample herein below and must present their powers of attorney as certified by the notary public or their powers of attorney together with the signature circulars as certified by the notary public in accordance with the provisions of the "Declaration on Principles with Regard To Proxy Voting and Collection of Power of Attorney or Shares by Way of Call in the General Shareholders' Meetings of Public Corporations" Serial No. IV No. 8 of Capital Market Board published in the Official Gatte No. 21872 on 09.03.1994.

We kindly ask from our shareholders whose shares are subject to transaction in ISE (Istanbul Stocks and Board Exchange) to present their shareholder blocking notices to the Investor Relations and Financial Analysis Unit of General Management (**Phone: +90 232 616 61 27**) until 30.03.2011. There is an obstacle by provisions of Article No : 360 of the Turkish Trade Code to attend and participate to meeting of General Assembly of shareholders who do not observe and comply with above-mentioned conditions and do not deliver and provide requested information to our Company within above stated time period.

We sincerely announce to Our Shareholders.

### AGENDA

1. Opening and composition of the Presidential Committee;
2. Authorizing the Presidential Committee to sign the Minutes of General Assembly Meeting and the Attendance Sheet;
3. Reading, discussion and approval of the Activity Report of the Board of Directors for 2010;
4. Reading, discussion and approval of the report of the Supervisory Board pertaining to the year 2010;
5. Reading, negotiation and approval of the balance sheet, profit and loss accounts pertaining to the year 2010;
6. Release of the Chairman and members of the Board of Directors on account of their activities and account for the year 2010;
7. Release of the members of the Supervisory Board on account of their activities and account for the year 2010;
8. Re-election or change of the members of the Board of Directors, whose terms of office have expired;
9. Re-election or change of the members of the Supervisory Board, whose terms of office have expired;
10. Negotiation and resolution of the remunerations to be paid to the members of the Board of Directors and Supervisory Board;
11. Discussion of the proposal of the Board of Directors on the distribution of profit pertaining to the year 2010 and rendering a decision thereon;
12. Decision on the amendment of Articles 3, 6, 8, 11, 12, 15, 30 and 37 of the Articles of Association of the Company and on the addition of article 42 so as to come after Article 41;
13. Granting the Chairman and Members of the Board of Directors authorization to perform the transactions provided for in Articles 334 and 335 of Turkish Commercial Code;
14. Informing the Shareholders about the donations and supports granted by our Company within the year 2010;
15. By means of considering the Communiqué issued by the Capital Market Board with the Serial IV and No 41, informing the General Assembly as regards the transactions made with related parties within the year 2010;
16. Pursuant to the resolution of the Capital Market Board with the date 09/09/2009 and number 28/780, informing the General Assembly as regards the guarantees, pledges and mortgages given by the Company in favor of third parties and income or benefits attained by the same;
17. Discussion of the offers and wishes and closing.

## PROXY (SAMPLE)

I have appointed .....as my representative, to vote, give proposals and sign documents on behalf of me, in the Petkim Petrochemicals Holding Company Regular General Meeting which will be hold on **31th March 2011 Thursday** at 11.00 am at company headquarters, **Aliğa/İZMİR** , in accordance with the below defined scope .

### A) SCOPE OF REPRESENTATIVE

- a) Proxy has the authority to vote as he chooses for all agenda items.
- b) Proxy has the authority to vote for all agenda as defined directions; (Please write your directions)
- c) Proxy has the authority to vote in accordance with the Board proposals.
- d) Proxy has the authority to vote for issues which would arise during the meeting as defined directions. (Please write your directions). Proxy votes freely if there is not any written directions.

### B) SHAREHOLDER'S SECURITIES:

- a) Issue and serial Number
- b) Item Number
- c) Number of Shares- Nominal Value
- d) Has privilege for vote/or not
- e) Bearer/Registered

### C) SHAREHOLDER

- a) Name, Surname :
- b) Title :
- c) Signature :
- d) Address :

**NOTE:** 1- Please select (a) or (c), or select and write directions for (b) and (d) for item (A)  
2- Shareholder who intends to appoint a Proxy, fills the Proxy form, signs and have his sign notarized/ or attach his autograph certificate attested by Notary.

<u>CURRENT ARTICLES</u>	<u>DRAFT ARTICLES</u>
<p><b>PURPOSE AND FIELDS OF ACTIVITY OF THE COMPANY:</b></p> <p><b>Article 3-</b>The company’s purposes and fields of activities are as follows:</p> <p><b>a)</b> To found and run factories and facilities in Petrochemical, chemical and other industry fields in and outside the country;</p> <p><b>b)</b> To procure raw materials and auxiliary materials, elements and chemicals required for obtaining petrochemical materials, chemical and other materials domestically and from abroad; to process and to produce these materials; to carry out domestic and foreign trade of these materials;</p> <p><b>c)</b> To pack the products to be obtained in each stage of production activities and to establish packaging industry for the same; to exploit and/or sell waste, subsidiary products and materials of various quality; to establish and run plants for annihilation of the waste materials and dangerous wastes which are not available for exploitation; to render waste removal services to third parties; to sell of all kinds of scrape materials;</p> <p><b>ç)</b> To found and run new foundations enterprises which provide manufacture and production of all the above mentioned materials, and to found and operate sea and road structures in relation thereto; to expand the existing enterprises; to purchase the already founded enterprises partially or in whole and to operate the same;</p> <p><b>d)</b> To enter into undertakings in and outside the country in order to found and run plants related to the field of activity; to make cooperation and partnership agreements regarding its own field of activity with domestic and foreign real and judicial persons; to participate in already founded companies or to establish new companies;</p> <p><b>e)</b> To establish warehouses, sales points and regional organizations in and outside the country ; to open branches and liaison offices; to perform procurement activities; to participate in companies which will perform such activities; to sell as wholesale or retail and export its own finished goods and products and also the finished goods and products that it imported or purchased;</p> <p><b>f)</b> To perform activities essential for the manufacture of the equipment to be used in maintenance and reparation of the enterprises, in investments of maintenance, completion and renewal and in expanding and new enterprise investments; to found enterprises required for these purposes; to increase capacities of the machinery; to exploit the over-capacity; to produce the energy required by the enterprises when necessary;</p> <p><b>g)</b> To make patent, brand, license, know-how, procurement, engineering, construction, installation and similar agreements with domestic and foreign companies;</p> <p><b>ğ)</b> To perform and make third persons perform, training, research and development Works in its field of activity, to render laboratory analysis services to third parties and institutions;</p> <p><b>h)</b> To make third persons perform transportation services;</p>	<p><b>PURPOSE AND FIELDS OF ACTIVITY OF THE COMPANY:</b></p> <p><b>Article 3-</b> The company’s purposes and fields of activities are as follows:</p> <p><b>a)</b> To found and run factories and facilities in Petrochemical, chemical and other industry fields in and outside the country;</p> <p><b>b)</b> To procure raw materials and auxiliary materials, elements and chemicals required for obtaining petrochemical materials, chemical and other materials domestically and from abroad; to process and to produce these materials; to carry out domestic and foreign trade of these materials;</p> <p><b>c)</b> To pack the products to be obtained in each stage of production activities and to establish packaging industry for the same; to exploit and/or sell waste, subsidiary products and materials of various quality; to establish and run plants for annihilation of the waste materials and dangerous wastes which are not available for exploitation; to render waste removal services to third parties; to sell of all kinds of scrape materials;</p> <p><b>ç)</b> To found and run new foundations enterprises which provide manufacture and production of all the above mentioned materials, and to found and operate sea and road structures in relation thereto; to expand the existing enterprises; to purchase the already founded enterprises partially or in whole and to operate the same;</p> <p><b>d)</b> To enter into undertakings in and outside the country in order to found and run plants related to the field of activity; to make cooperation and partnership agreements regarding its own field of activity with domestic and foreign real and judicial persons; to participate in already founded companies or to establish new companies;</p> <p><b>e)</b> To establish warehouses, sales points and regional organizations in and outside the country ; to open branches and liaison offices; to perform procurement activities; to participate in companies which will perform such activities; to sell as wholesale or retail and export its own finished goods and products and also the finished goods and products that it imported or purchased;</p> <p><b>f)</b> To perform activities essential for the manufacture of the equipment to be used in maintenance and reparation of the enterprises, in investments of maintenance, completion and renewal and in expanding and new enterprise investments; to found enterprises required for these purposes; to increase capacities of the machinery; to exploit the over-capacity; to produce the energy required by the enterprises when necessary;</p> <p><b>g)</b> To make patent, brand, license, know-how, procurement, engineering, construction, installation and similar agreements with domestic and foreign companies;</p> <p><b>ğ)</b> To perform and make third persons perform, training, research and development works in its field of activity, to render laboratory analysis services to third parties and institutions;</p> <p><b>h)</b> To make third persons perform transportation</p>

<p>to perform transportation services in cases where transportation requires a peculiarity and necessity;</p> <p><b>h)</b> To acquire movable or immovable properties in order to meet its requirements regarding its field of activity; to establish or to annul the rights in remover its own or other persons' immovable properties when necessary; to dispose of, lease and rent out movable and immovable properties; to establish usufruct and servitude, real estate encumbrance and various rights for and against the same; to sell immovable and movable properties when necessary;</p> <p><b>i)</b> To give indemnity, guarantee, mortgage and pledge guaranteeing the debts of itself or companies which it participates in their capital, provided that the requisite explanations within the scope of special circumstances required by Capital Market Board are made; and to take indemnity, guarantee, mortgage and pledge guaranteeing its credits; to release and modify the pledges;</p> <p><b>j)</b> To provide relations with all sections related to this industry in the trade performed via importation and exportation in the relevant industry field; to participate in industry, engineering and consultancy fields; to enter into tenders and undertakings;</p> <p><b>k)</b> To perform and provide engineering services in its field of activity in and outside the country;</p> <p><b>l)</b> To borrow loans from domestic and foreign sources in order to realize its purposes;</p> <p><b>m)</b> To establish partnerships to purchase and/or to merge with the already founded partnerships related to its scope of activities; to participate in the enterprises to be founded; <b>reserving the provisions of Article 15/last clause of the Capital Markets Law,</b></p> <p><b>n)</b> To establish a production plant within the scope of auto-producer license essentially in order to meet its own electricity and heating energy requirement in accordance with electricity market law; to produce electricity and heating energy; in case of an overproduction, to sell the produced electricity and heating energy and/or capacity to other license holder judicial persons and individual consumers in accordance with the law in question; to perform activities regarding importation of plant and related equipment and fuel;</p> <p><b>o)</b> Within the framework of the legislation, to carry out activities with respect to the import from abroad or purchase domestically of the natural gas in bulk and by retail and with respect to the utilization and storage of the imported and purchased natural gas;</p> <p><b>ö)</b> To carry out Pilotage and Tugboat activities, to carry out operation/port operation activities at port, cruise port, passenger terminal, port side, pier, shelter, berth, fuel/liquefied etroleum gas pipe line and float systems and similar seaside facilities, to render port operation services, to procure that such services are also rendered by third parties by means of leasing or other methods when necessary; to purchase, to have constructed and to lease and sell the required naval vessels, to establish local and foreign partnerships on this subject in necessary cases, to operate warehouse and to render warehouse services,</p>	<p>services; to perform transportation services in cases where transportation requires a peculiarity and necessity;</p> <p><b>h)</b> To acquire movable or immovable properties in order to meet its requirements regarding its field of activity; to establish or to annul the rights in remover its own or other persons' immovable properties when necessary; to dispose of, lease and rent out movable and immovable properties; to establish usufruct and servitude, real estate encumbrance and various rights for and against the same; to sell immovable and movable properties when necessary;</p> <p><b>i)</b> To give indemnity, guarantee, mortgage and pledge guaranteeing the debts of itself or companies which it participates in their capital, provided that the requisite explanations within the scope of special circumstances required by Capital Market Board are made; and to take indemnity, guarantee, mortgage and pledge guaranteeing its credits; to release and modify the pledges;</p> <p><b>j)</b> To provide relations with all sections related to this industry in the trade performed via importation and exportation in the relevant industry field; to participate in industry, engineering and consultancy fields; to enter into tenders and undertakings;</p> <p><b>k)</b> To perform and provide engineering services in its field of activity in and outside the country;</p> <p><b>l)</b> To borrow loans from domestic and foreign sources in order to realize its purposes;</p> <p><b>m)</b> To establish partnerships to purchase and/or to merge with the already founded partnerships related to its scope of activities; to participate in the enterprises to be founded; <b>reserving the provisions of Article 15/last clause of the Capital Markets Law,</b></p> <p><b>n)</b> To establish a production plant within the scope of auto-producer license essentially in order to meet its own electricity and heating energy requirement in accordance with the Law No 4628 regarding the electricity market as well as the relevant legislation; to produce electricity and heating energy; in case of an over-production, to sell the produced electricity and heating energy and/or capacity to other license holder judicial persons and free consumers in accordance with the legislation in question; to perform activities regarding the procurement of all equipment and fuel regarding the electricity production plant provided that the same are not commercial;</p> <p><b>o)</b> Within the framework of the legislation, to carry out activities with respect to the import from abroad or purchase domestically of the natural gas in bulk and by retail and with respect to the utilization and storage of the imported and purchased natural gas;</p> <p><b>ö)</b> To carry out Pilotage and Tugboat activities, to carry out operation/port operation activities at port, cruise port, passenger terminal, port side, pier, shelter, berth, fuel/liquefied petroleum gas pipe line and float systems and similar seaside facilities, to render port operation services, to procure that such services are also rendered by third parties by means of leasing or other methods when necessary; to purchase, to have constructed and to lease and sell the required naval vessels, to establish local and foreign partnerships on this subject in necessary cases, to operate warehouse and to render warehouse services,</p>
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<p>Upon the amendments of the Articles of Association, it is required to obtain the assent of the Capital Market Board and to attain the consent of the Ministry of the Industry and Commerce. Furthermore, in the event that the Company obtains license from the Energy Market Regulatory Authority and if it is requisite pursuant to the legislation related with the attained license, the approval of the Energy Market Regulation Authority shall also be obtained for the amendments of the articles of association other than the change of domicile address.</p>	<p><b>p)</b> To provide assistance and donation to the charitable foundations and associations founded for social purposes and education-training institutions and other persons, agencies and institutions within the framework of the principles specified by the Capital Market Board.</p> <p>Provision by the Company of all and any assistance or donation referred in sub clause p) of Article 3 of the Articles of Association of the Company shall require prior approval of the Board of Directors of the Company.</p> <p>Upon the amendments of the Articles of Association, it is required to obtain the assent of the Capital Market Board and to attain the consent of the Ministry of the Industry and Commerce. Furthermore, in the event that the Company obtains license from the Energy Market Regulatory Authority and if it is requisite pursuant to the legislation related with the attained license, the approval of the Energy Market Regulation Authority shall also be obtained for the amendments of the articles of association other than the change of domicile address.</p>
<p><b>CAPITAL:</b>  <b>Article 6-</b> The company has accepted the Registered Capital system as per the provisions of the Capital Market Law numbered 2499, and has been entered into this system under the permission of the Capital Market Board dated 07.12.1998 and numbered 11838.</p> <p>The permission of Registered Capital ceiling given by the Capital Market Board shall be valid for the years 2009-2013 (5 years). Even if the permitted Registered Capital ceiling not being reached at the end of the year 2013, in order for the Board of Directors to render a decision on the capital increase after the year 2013, it is obligatory for the Board of Directors to obtain the authorization of the General Assembly for a new period provided that the permission is obtained from the Capital Markets Board for a ceiling previously permitted or for a new ceiling amount. In case of the failure to obtain such authorization, the company shall be deemed to have exited from the Registered Capital system.</p> <p><b>a) Registered Capital:</b>  The Registered Capital of the company is 300.000.000. (three hundred million) Turkish Liras. This capital has been divided into 30.000.000.000 (thirty billion) shares each bearing a nominal value of 1 (one) Kurus.</p> <p><b>b) Issued Capital:</b>  The issued capital of the company is 204.750.000. (two hundred and four million seven hundred and fifty thousand) Turkish Liras. This capital has been divided into 20.475.000.000. (twenty billion four hundred seventy five million) shares each having a nominal value of 1 (one) Kurus. The entire capital has been paid-up.</p> <p><b>c)</b> Between the years 2009-2013, the Board of Directors is entitled to increase the issued</p>	<p><b>CAPITAL:</b>  <b>Article 6-</b> The company has accepted the Registered Capital system as per the provisions of the Capital Market Law numbered 2499, and has been entered into this system under the permission of the Capital Market Board dated 07.12.1998 and numbered 11838.</p> <p>The permission of Registered Capital ceiling given by the Capital Market Board shall be valid for the years 2009-2013 (5 years). Even if the permitted Registered Capital ceiling not being reached at the end of the year 2013, in order for the Board of Directors to render a decision on the capital increase after the year 2013, it is obligatory for the Board of Directors to obtain the authorization of the General Assembly for a new period provided that the permission is obtained from the Capital Markets Board for a ceiling previously permitted or for a new ceiling amount. In case of the failure to obtain such authorization, the company shall be deemed to have exited from the Registered Capital system.</p> <p><b>a) Registered Capital:</b>  The Registered Capital of the company is 300.000.000. (three hundred million) Turkish Liras. This capital has been divided into 30.000.000.000 (thirty billion) shares each bearing a nominal value of 1 (one) Kurus.</p> <p><b>b) Issued Capital:</b>  The issued capital of the company is 1,000,000,000. (one billion) Turkish Liras. This capital has been divided into 100,000,000,000. (a hundred billion) shares each having a nominal value of 1 (one) Kurus. The entire capital has been paid-up.</p> <p><b>c)</b> Between the years 2009-2013, the Board of Directors is entitled to increase the issued capital by issuing new</p>

capital by issuing new shares at the times deemed necessary by the Board of Directors and in compliance with the provisions of the Capital Market Law, provided that this increase stays within the Registered Capital Ceiling.

The shares representing the capital are followed up from the records within the framework of the principles of dematerialization.

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**SHARE CERTIFICATES:**

**Article 8-** The shares of the company have been separated into three groups as A, B and C Groups, and they have been subscribed to the shareholders pro rata to their capitals as shown herein below:

SHARE GROUP	NAME OF SHAREHOLDER	TYPE OF SHARE	TOTAL SHARE QUANTITY	VALUE OF THE SHARES (TRY)
A	Socar & Turcas Petrokimya A.Ş.	Registered	2.252.250.000	22.522.500,00
B	Socar & Turcas Petrokimya A.Ş.	Registered	8.190.000.000	81.900.000,00
A	Other	Registered	7.19.414.100	79.194.141,00
A	Privatization Administration	Registered	2.113.335.899	21.133.358,99
C	Privatization Administration	Registered	1	0,01
<b>TOTAL</b>			<b>20.475.000.000</b>	<b>204.750.000,00</b>

C group share belongs to Prime Ministry Privatization Administration. The privileges assigned to C group share by the present Articles of Association shall continue as long as Prime Ministry Privatization Administration owns the C group share. With the conversion of the C group share into A group, the “right to nominate a candidate for Board of Directors” assigned to C Group with the Article 11 of the present articles of association shall be transferred to the shareholders holding A group shares.

In accordance with the last paragraph of Article 15, in case it is decided to void the rights assigned to C group share, the share shall transform into A group share. In this case, C Group’s right to nominate a candidate for Board of Directors is transferred to the A Group.

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A	Socar & Turcas Petrokimya A.Ş.	Registered	11,000,000,000	110,000,000.00
B	Socar & Turcas Petrokimya A.Ş.	Registered	40,000,000,000	400,000,000.00
A	Other	Registered	38,678,431,890	386,784,318.90
A	Privatization Administration	Registered	10,321,568,109	103,215,681.09
C	Privatization Administration	Registered	1	0.01
<b>TOTAL</b>			<b>100,000,000,000</b>	<b>1,000,000,000.00</b>

C group share belongs to Prime Ministry Privatization Administration. The privileges assigned to C group share by the present Articles of Association shall continue as long as Prime Ministry Privatization Administration owns the C group share. With the conversion of the C group share into A group, the “right to nominate a candidate for Board of Directors” assigned to C Group with the Article 11 of the present articles of association shall be transferred to the shareholders holding A group shares.

In accordance with the last paragraph of Article 15, in case it is decided to void the rights assigned to C group share, the share shall transform into A group share. In this case, C Group’s right to nominate a candidate for Board of Directors is transferred to the A Group.

**BOARD OF DIRECTORS:**

**Article 11-**Management and representation of the Company are carried out by the Board of Directors. The Board of Directors is authorized to perform all kind of works other than the General Assembly is obliged to perform according to the laws. The Board of Directors consists of 7 members elected by the General Assembly. The General assembly should form the Board of Directors with 3 candidates who get most votes in the selection performed amongst A group shareholders, 3 candidates who get most votes in the selection performed amongst B group shareholders, and 1 candidate shown by C group shareholder.

The following principles are applied for A group shareholders in determining candidates for the Board of Directors:

- a) In case that the public offering ratio of the A group shares is 20% (20% or more) of the total capital, the right to determine one of the 3 Board of Directors member candidates assigned to A group belongs to A group, and the right to determine 2 candidates belongs to B group shareholders.
- b) In case that the public offering ratio of the A group shares is 40% (40% or more) of the total capital, the right to determine two of the 3 Board of Directors member candidates assigned to A group belongs to A group, and the right to determine 1 candidate belongs to B group shareholders.
- c) In case that the public offering ratio of the A group shares is 55% and more of the total capital, all of 3 members shall be selected amongst the candidates to be selected and shown by A group according to the abovementioned procedure.
- ç) Showing candidate for the Board of Directors by the shareholders possessing A group shares depends on representation in the General Assembly, at which members of Board of Directors are to be selected, with a ratio of at least 1% of the A Group shares in the total capital. The shareholders having the possession of A group shares shall determine the candidates for the membership of Board of Directors in the meeting they make amongst themselves. In case that the shareholders having the possession of A group shares are not represented in the General Assembly with the ratio of 1%, the right to determine member for the Board of Directors shall be used by B group shareholders. The Board of Directors shall be selected from the candidates shown by the General Assembly.
- d) In case a vacancy occurs in the Board of Directors due to death, resignation or cessation of membership, the vacancy shall be filled with a selection performed by Board of Directors in accordance with the Article 315 of the Turkish Commerce Law. In case a membership selected to represent A group shares falls off, then the Board of Directors shall fill the vacant membership with a selection amongst the candidates shown by the members of the Board of Directors representing A group shares. In case a membership selected to represent B group shares falls off, then the Board of Directors shall fill the vacant membership with a selection amongst the candidates shown by the members of the Board of Directors representing B group shares. However, if the A group is represented by 1 member in the Board of Directors and this membership falls off, then a selection shall be made amongst the candidates shown by C group. In case the membership selected by C group falls off due to the abovementioned reasons, then the vacant membership shall be filled with a selection by Board of Directors amongst the candidate or candidates shown by C group shareholder.

**BOARD OF DIRECTORS:**

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- b) In case that the public offering ratio of the A group shares is 40% (40% or more) of the total capital, the right to determine two of the 3 Board of Directors member candidates assigned to A group belongs to A group, and the right to determine 1 candidate belongs to B group shareholders.
- c) In case that the public offering ratio of the A group shares is 55% and more of the total capital, all of 3 members shall be selected amongst the candidates to be selected and shown by A group according to the abovementioned procedure.
- ç) Showing candidate for the Board of Directors by the shareholders possessing A group shares depends on representation in the General Assembly, at which members of Board of Directors are to be selected, with a ratio of at least 1% of the A Group shares in the total capital. The shareholders having the possession of A group shares shall determine the candidates for the membership of Board of Directors in the meeting they make amongst themselves. In case that the shareholders having the possession of A group shares are not represented in the General Assembly with the ratio of 1%, the right to determine member for the Board of Directors shall be used by B group shareholders. The Board of Directors shall be selected from the candidates shown by the General Assembly.
- d) In case a vacancy occurs in the Board of Directors due to death, resignation or cessation of membership, the vacancy shall be filled with a selection performed by Board of Directors in accordance with the Article 315 of the Turkish Commerce Law.

The elected member of the Board of Directors shall be tabled to the approval of the General Assembly to be convened first. The referred person shall complete the term of the person -in lieu of whom s/he was elected- on the condition that its membership is approved by the General Assembly. In case a membership selected to represent A group shares falls off, then the Board of Directors shall fill the vacant membership with a selection amongst the candidates shown by the members of the Board of Directors representing A group shares. In case a membership selected to represent B group shares falls off, then the Board of Directors shall fill the vacant membership with a selection amongst the candidates shown by the members of the Board of Directors representing B group shares. However, if the A group is represented by 1 member in the Board of Directors and this membership falls off, then a selection shall be made amongst the candidates shown by C group. In case the membership



e) In case a member of the Board of Directors representing a certain legal entity notifies that he/she has no relations with the mentioned legal entity any more or in case a certain legal entity transfers its shares to a third person, then this member is deemed as resigned from the Board of Directors and the provisions indicated on the paragraph d of this article shall be applied in order to fill this vacant membership.

selected by C group falls off due to the abovementioned reasons, then the vacant membership shall be filled with a selection by Board of Directors amongst the candidate or candidates shown by C group shareholder.

e) In case a member of the Board of Directors representing a certain legal entity, that holds shares in the Company, notifies that he/she has no relations with the mentioned legal entity any more or in case a certain legal entity -that holds shares in the Company- transfers its shares to a third person or a member of the Board of Directors -that holds shares in the Company- transfers its shares to a third person then this member is deemed as resigned from the Board of Directors and the provisions indicated on the paragraph d of this article shall be applied in order to fill this vacant membership.

**QUALIFICATIONS AND ELIGIBILITY OF THE BOARD MEMBERS:**

**Article 12-** In order to be eligible for election to the Board of Directors, it is essential that the nominee has not been placed under interdiction; to be a shareholder in the Company; and not to be sentenced due to disgraceful offenses. In case non-shareholders are selected as members, they can start work after they receive the title of shareholder. The General Assembly of Shareholders may give permission for the situations stipulated in Articles 334 and 335 of the Turkish Commercial Code.

**QUALIFICATIONS AND ELIGIBILITY OF THE BOARD MEMBERS:**

**Article 12-** The members of the Board of Directors are elected among the persons who are the holders of shares in the Company, who are preferably university graduate, who have technical knowledge and/or general financial and legal knowledge and managerial experience in the fields where the Company is engaged in activities, who have not been placed under interdiction, who have not been sentenced due to disgraceful offenses and who have the opportunity and determinedness for participating in all meetings of the board of directors. A legal entity that is a shareholder may not be a director; however, natural persons representing such legal entity may be elected as the member of the Board of Directors.

As a rule, the members of the Board of Directors may not enter into business and compete with the Company and the contrary is possible with the resolution to be rendered with the affirmative vote of  $\frac{3}{4}$  of shareholders present in the General Assembly Meeting where at least 50% of the capital of the Company is represented.

The members of the Board of Directors may not be present in the discussion of issues which are related with themselves or which relate with the benefit of themselves, their spouses and relatives by blood and marriage up to third degree who are not a member of the Board of Directors. In the event that such an issue is to be discussed, the members of the Board of Directors are liable to notify the Board of their relevance and to have such relevance written in the minutes.

**MEETINGS OF THE BOARD OF DIRECTORS:**

**Article 15-** The Board of Directors shall convene at any time required in due course of the Company's business at the headquarters or any other place deemed appropriate. However, it is obligatory to hold at least six meetings in a year. The Board of Directors is held with the participation of at least four members. The Board of Directors takes its decisions with the affirmative votes of at least four members. A member who has not participated in four consecutive meetings without permission of Board of Directors or without a reasonable ground shall be deemed to have resigned. The decisions of Board of Directors may be taken also by the receipt of written affirmative opinions of all members on a suggestion regarding a certain subject matter submitted by one of the members, unless one of the members

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demand to hold a meeting.

The validity of the decisions of Board of Directors depends on the fact that they are in writing and signed. In case a decision quorum cannot be provided on a certain subject matter, then the referred subject matter is deemed as rejected.

The validity of the decisions that are to be taken by the Board of Directors on the following matters depends on the affirmative vote of the member of Board of Directors elected from C group:

- a) Modifications on the Articles of Association that will affect the privileges assigned to C Group share,
- b) Registration of the transfer of registered shares on the share book;
- c) Determination of the form of letter of authority indicated in the Article 31 of the present Articles of Association;
- ç) Decisions stipulating a decrease of at least 10% in the capacity of any plant owned by the company;
- d) The company's establishment of a new company or partnership, acquisition a company; being partner to and/or merging with an existing company, separation, dematerialization, annulment and liquidation of the company.

The convocations for Board of Directors meetings shall be made at least three days prior to the date of meeting.

The privileges of the C group may only be limited or dismissed with an amendment to be duly made in the articles of incorporation upon the decision of Higher Commission of Privatization or the competent authority at that date.

unless one of the members demand to hold a meeting.

The Board of Directors shall determine the resolutions regarding the establishment of the committees following the General Assembly meeting every year.

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#### **INVITATION TO THE MEETINGS AND QUORUM:**

**Article 30-** Calls for the meetings of the General Assembly shall be made two weeks before, except the announcement and assembly days, the date of meeting pursuant to the Article 386 of the Turkish Commercial Code pertaining thereto, and the date of assembly should be notified to the shareholders via registered mails. The Company is not obliged to send registered mails in order to notify the date of assembly to the shareholders possessing the share certificates transacted in the stock exchange. The agenda of the assembly should be attached to the announcement.

The General Assembly gathers with the participation of the shareholders possessing at least half of the company capital, except the circumstances requiring a higher quorum in accordance with the Turkish Commercial Code and this Article of Association, the decisions are taken with the majority of the present votes.

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**Article 30-** Calls for the meetings of the General Assembly shall be made two weeks before, except the announcement and meeting days, pursuant to Article 368 of the Turkish Commercial Code as well as the communiqués of the Capital Market Board at the Turkish Trade Registry Journal and at least one local and/or national gazette and in the web site of the Company by means of specifying the date, hour and place of meeting. The Company is not obliged to send registered mails in order to notify the date of assembly to the shareholders possessing the company shares transacted in the stock exchange. The agenda of the assembly should be attached to the announcement.

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The same quorums are also valid for the Company privileged shareholders' General Assembly.

In case that the aforementioned assembly quorum is not reached in the first meeting, the General Assembly shall be called for a second meeting, where no quorum is required, and the decisions are taken with the majority of the present votes. In case the resolutions of General Assembly of Shareholders in the subjects pursuant to the article 15 which needs the authorization of the Board member representing C group depends on the affirmative vote of C group shareholder.

The General Assembly of Shareholders may also convene at any time deemed necessary without a ceremony pursuant to the provisions of Article 370 of the Turkish Commercial Code.

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The General Assembly of Shareholders may also convene at any time deemed necessary without a ceremony pursuant to the provisions of Article 370 of the Turkish Commercial Code.

Upon the written and reasoned requests of the shareholders possessing share certificates at least at the rate of one twentieth of the capital of the Company, the Board of Directors or Auditors are liable to call the General Assembly for an extraordinary meeting or -if the meeting of the General Assembly has already been determined- to add to the agenda the issues required by the referred shareholders to be discussed. In the event that the Board of Directors and the Auditors do not perform the referred liability, upon the application of such shareholders, the competent court permits the same to call the General Assembly or to have the requested issues added to the agenda.

The participation of the members of the board of directors and auditors and the ones nominated to such boards in the General Assembly meetings as well as the presence of the ones having responsibility for the issues under agenda and the relevant persons who are required to make explanations for the issues under agenda are permissible.

Unless otherwise is decided by the General Assembly, the meetings are held in a manner open to the relevant persons and press, however the participants of the meeting without the attainment of entry card with the capacity of shareholder or proxy do not have the right to talk and vote.

**DETERMINATION OF THE PROFIT:**

**Article 37-** Net profit is the amount remaining after subtracting all kinds of expenditures accepted within the scope of the laws in force from the gross revenue.

Legal reserve funds and taxes are reserved from this net profit in accordance with the Article 38. Out of the remaining amount, first dividend shall be distributed to shareholders in proportion to their shares, in an amount and at a rate as determined by the Capital Market Board.. From the remainder, a profit share that will be determined by the General Assembly is distributed to the members of Board of Directors provided that it does not exceed 0,1% of the total profit.

Unless otherwise decided by the General Assembly, the remaining profit shall be distributed to the shareholders as second dividends in proportion to their shares in the paid capital.

Unless and until the statutory reserve funds prescribed by the

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<p>Law and the first dividends payable to the shareholders determined in the Articles of Association are set aside, decisions as to setting aside further reserves, carrying over the profit to the next year or paying profit shares to the Board Members, officials, employees and workers of the company cannot be implemented.</p> <p>Date and method of profit distribution is determined by the General Assembly by taking into consideration the Communiqués of the Capital Market Board.</p>	<p>Law and the first dividends payable to the shareholders determined in the Articles of Association are set aside, decisions as to setting aside further reserves, carrying over the profit to the next year or paying profit shares to the Board Members, officials, employees and workers of the company cannot be implemented.</p> <p>Date and method of profit distribution is determined by the General Assembly by taking into consideration the Communiqués of the Capital Market Board.</p> <p>The Board of Directors may distribute interim dividend on the condition that it is authorized by the General Assembly and article 15 of the Capital Market Law and the regulations of the Capital Market Board in this respect are abided by. The authority to distribute interim dividend given by the General Assembly to the Board of Directors is limited with the year in which such authority has been given. Unless the interim dividends of the previous year are entirely deducted, a decision on the grant of an additional interim dividend and/or distribution of dividend may not be rendered.</p>
	<p><b>Article 42</b> – The Company and its organs endeavor to meticulously abide by the Corporate Management Principles of the Capital Market Board. However, in the event that the referred principles are failed to be implemented in a complete manner, the ground and the consequences thereof are included in the annual activity report and explanations as to the situation are made.</p>