



## **INFORMATION DOCUMENT FOR ORDINARY GENERAL ASSEMBLY 2010 OF PETKİM PETROKİMYA HOLDİNG A.Ş.**

The shareholders of our company are invited upon the decision of our Board of Directors of 02.03.2011 to attend the Ordinary General Assembly 2010 at the headquarters of the Company on 31.03.2011 at 11:00 a.m. pursuant to Article 368 of TCC to discuss the following agenda items. The newspaper notices containing the invitation for our shareholders were published in Turkish Journal of Commercial Registry dated 09/03/2010 and numbered 7768, also in Dünya and Yenigün Journals dated 14/03/2011.

The Board's Activity Report, Balance Sheet and Income Statement, Audit Report and Independent Auditor's Report for 2010 shall be made available to our shareholders for review at the headquarters of the Company 15 days before the date of Ordinary General Assembly. The sample proxy form and relevant documents are available on the web site of our company ([www.petkim.com.tr](http://www.petkim.com.tr)).

Those shareholders who wish to attend the General Assembly and had their shares registered with the Central Registration Agency (CRA) are required to follow the General Assembly Blockage Procedure established by CRA and have themselves registered with the "General Assembly Blockage List". The commencement date of the General Assembly Withholding is 08.30 a.m., on Monday, 14th of March, 2011 and the last date of withholding is 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 Blockage Letters with them during the General Assembly Meeting.

As stated in the General Letter of CRA numbered 294, pursuant to the provision of Transitional Article 6 of the Law on Capital Markets, only those shareholders who had their shares registered and present the "General Assembly Blockage Letter" before the General Assembly are able to attend the General Assembly and experience their shareholder rights.

Those shareholders who will be represented at the meeting by their representatives are required to issue the power of attorney in accordance with the following sample and submit their notarized power of attorney or power of attorney attached with a notarized signature circular in accordance with the "Communiqué on Voting by Power of Attorney, Representation on Call basis or Collection of Share Notes at General Assemblies of Companies of Public Ownership" of the Capital Markets Board Serial: IV Number: 8 published in the Official Gazette dated 09.03.1994 and numbered 21872.

The open voting by hand rising shall be used in voting the agenda items at the General Assembly.

All stakeholders having rights and interests as well as press members are invited to our General Assembly Meetings pursuant to our "Transparency" principle although they are not granted the right to speak due applicable laws and regulations.

Our shareholders are kindly requested to get informed.

**PETKİM PETROKİMYA HOLDİNG A.Ş.**  
**Board of Directors**



## **EXPLANATIONS ON THE AGENDA OF ORDINARY GENERAL ASSEMBLY**

### **1. Opening and composition of the Presiding Committee;**

*The Chairman and the Presiding Committee to direct the General Assembly shall be elected within the framework of the "Turkish Commercial Code" (TCC) and the "Regulation on General Assemblies of Capital Stock Companies and Commissioners of the Ministry of Industry and Commerce to be present at such Meetings" (the Regulation).*

### **2. Authorization of the Presiding Committee to sign the Minutes of General Assembly Meeting and the Attendance Sheet;**

*Pursuant to the Turkish Commercial Code and the Regulation, the matter of authorizing the Presiding Committee to draw up the attendance list and the minutes of the decisions taken during the General Assembly shall be presented to the shareholders for approval.*

### **3. Reading, discussion and approval of the Activity Report of the Board of Directors for 2010;**

*The Board's Activity Report prepared in accordance with Turkish Commercial Code (TCC) and Regulation and approved by the decision of our Board of Directors dated 11.03.2011 and numbered 79/151, made available to the shareholders for review at the headquarters of the company, on ([www.petkim.com.tr](http://www.petkim.com.tr)) and on Public Disclosure Platform ([www.kap.gov.tr](http://www.kap.gov.tr)) as from 14.03.2011 shall be read at the General Assembly. The report in question shall be submitted to the attendees for comments and approval.*

### **4. Reading, discussion and approval of the Report of the Supervisory Board pertaining to the year 2010;**

*Audit Board report for the year 2010 will be read. Our shareholders can find the Audit Board report, which is prepared by the Audit Board in accordance with the Turkish Commercial Code, at the Company's headquarter or on ([www.petkim.com.tr](http://www.petkim.com.tr)).*

### **5. Reading, negotiation and approval of the balance sheet, profit and loss accounts pertaining to the year 2010;**

*The summaries of the Independent Auditor's Report for the accounting period 01.01.2010 – 31.12.2010 prepared in accordance with TCC, CMB requirements and applicable regulations and made available to the shareholders for review at the headquarters of the company and on ([www.petkim.com.tr](http://www.petkim.com.tr)) as from 14.03.2011 shall be read at the General Assembly. The reports in question shall be submitted to the attendees for comments and approval.*

### **6. Release of the Chairman and members of the Board of Directors on account of their activities and account for the year 2010;**

*The release of the members of Board of Directors from the operations and actions of the Company during the year 2010 will be presented to the General Assembly for approval, under the provisions of the TCC and the Regulation.*



## **7. Release of the members of the Supervisory Board on account of their activities and account for the year 2010;**

*The release of the members of Supervisory Board from the operations and actions of the Company during the year 2010 will be presented to the General Assembly for approval, under the provisions of the TCC and the Regulation.*

## **8. Re-election or change of the members of the Board of Directors, whose terms of office have expired;**

*In accordance with the provisions of the Turkish Commercial Code, the Regulation and Articles of Association, a number of the members of the board of directors will be elected. The related articles of the company' articles of associations are below.*

### **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.

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.

#### **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.

#### **DURATION OF OFFICE OF THE BOARD MEMBERS:**

**Article 13-** Duration of duty for members of Board of Directors is 2 (two) years. The General Assembly may dismiss the members of Board of Directors before the term of duty expires. Members of the Board of Directors whose term of duty expire may be re-selected.

■ **CV's attached hereto. (Annex-1)**

### **9. Re-election or change of the members of the Supervisory Board, whose terms of office have expired;**

The auditors shall be elected considering provisions set out in TCC, Regulation and our Articles of Incorporation. The applicable provisions of the Articles of Incorporation are as follows:

#### **AUDITORS:**

**Article 22-** The Company shall be audited by 3 auditors selected by the General Assembly. One of the auditors shall be selected amongst the candidates presented by the A group shareholders; one of the auditors shall be selected amongst the candidates presented by the B group shareholders; and one of the auditors shall be selected amongst the candidates presented by the C group shareholder. The term of duty for the auditors is 1 (one) year. An auditor whose term of duty expires can be re-selected.

**The following principles are applied for determining an auditor by the A group shareholders:**

a) In case that the public offering ratio of the A group shares is 30% (30% or more) of the total capital, the right to determine 1 Auditor candidate assigned to A group shall be belong to A group shareholders.

b) Showing Auditor candidate by the shareholders possessing A group shares depends on representation in the General Assembly with a ratio of at least 1% of the A Group shares in the total capital. In this case, the candidate who gets most votes in the selection executed amongst A group shareholders shall be selected by the General Assembly.



*In case that A group shareholders are not represented in the General Assembly with a ratio of 1% of the total paid up capital, the right of these shareholders to determine an Auditor shall be used by the B group shareholders.*

*c) In case that Auditorship becomes vacant due to death, resignation, dismissal or falling off of membership, the vacant membership 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 vacancy occurs in auditorship due to one of the abovementioned reasons, the shareholders possessing the group shares having the right to show the auditor whose seat becomes vacant shall have the right to show candidate for the vacant seat, and other auditors shall select this candidate as an auditor in order to fill this vacancy.*

**QUALIFICATIONS AND REQUIREMENTS FOR AUDITORS:**

**Article 23-** *A person should have the following qualifications in order to be selected as an Auditor: not to be put under restraint; not to be sentenced due to shameful crimes; and not to be sentenced due to crimes which causes the member title get lost in accordance with the Turkish commerce Law.*

**CV's attached hereto. (Annex-2)**

**10. Negotiation and resolution of the remunerations to be paid to the members of the Board of Directors and Supervisory Board;**

*In accordance with the provisions of the Turkish Commercial Code, The Regulation and Articles of Association, the remunerations to be paid to the members of the Board of Directors and Supervisory Board will be negotiated and approved.*

**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;**

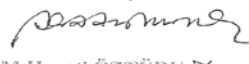
*A "Consolidated Net Term Profit" in an amount of TL 130.084.920,00 has been obtained based on our financial tables for the accounting term 01.01.2010 – 31.12.2010 prepared by our Company in accordance with International Financial Reporting Standards as referred to in Communiqué of the Capital Markets Board Serial: XI, Number: 29 and audited by Güney Bağımsız Denetim ve SMMM A.Ş.'nin (Ernst&Young) and it was decided in the meeting of our Board of Directors dated 14.03.2011 and numbered 80/152 that no profit would be distributed for 2010 operation period since no distributable period profit was established both in legal records and pursuant to CMB legislation after deducting the past year losses from the net period profit for the operating period of 01.01.2010 – 31.12.2010 according to the enclosed 2010 profit distribution chart prepared in accordance with the decision numbered 02/51 and dated 27.01.2010 of the Capital Market Board, and that the abovementioned issues would be informed to the associates during 2010 Ordinary General Assembly.*



PETKİM PETROKİMYA HOLDİNG A.Ş. 2010 YILI  
GENEL KURULA SUNULACAK KAR DAĞITIM TABLOSU  
(TL)

	SPK ya göre	VUK a göre
<b>DÖNEM KARININ DAĞITIMI</b>		
1) Ödenmiş / Çıkarılmış Sermaye	1.000.000.000	1.000.000.000
2) Toplam Yasal Yedek Akçe (Yasal Kayıtlara Göre)	-	-
<b>Esas sözleşme uyarınca kar dağıtımında imtiyaz var ise söz konusu imtiyaza ilişkin bilgi</b>		
3) Dönem Karı(Vergi öncesi kar)	139.932.200	118.863.320
4) Ödenecek Vergiler (Ertelemiş vergi)	(9.847.280)	-
<b>5) NET DÖNEM KARI</b>	<b>130.084.920</b>	<b>118.863.320</b>
6) Geçmiş Yıllar Zararları	(16.589.752)	(154.193.743)
7) Birinci Tertip Yasal Yedek	-	-
<b>8) NET DAĞITILABİLİR DÖNEM KARI</b>	<b>-</b>	<b>-</b>
9) Yıl İçinde Yapılan Bağışlar	-	-
<b>10) BİRİNCİ TEMETTÜÜN HESAPLANACAĞI BAĞIŞLAR EKLENMİŞ NET DAĞITILABİLİR DÖNEM KARI</b>		
11) Ortaklara Birinci Temettü	-	-
12) İmtiyazlı Hisse Senetleri Sahiplerine	-	-
13) Yönetim Kurulu Üyelerine, Çalışanlara vb. Temettü	-	-
14) İntifa Senedi Sahiplerine Dağıtılan Temettü	-	-
15) Ortaklara İkinci Temettü	-	-
16) İkinci Tertip Yasal Yedek Akçe	-	-
17) Statü Yedekleri	-	-
18) Özel Yedekler	-	-
<b>19) OLAĞANÜSTÜ YEDEK</b>	<b>-</b>	<b>-</b>
<b>20) Dağıtılması Öngörülen Diğer Kaynaklar</b>		
- Geçmiş Yıl Karı	-	-
- Olağanüstü Yedekler	-	-
- Kanun ve Esas Sözleşme Uyarınca Dağıtılabilir Diğer Yedekler	-	-

  
Özer AKSOY  
Muhasebe Müdürü

  
M. Hayati ÖZTÜRK  
Genel Müdür

**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;**

*Based on the decision of Board of Directors of the company of 13 January 2011;*

*Necessary permissions have been obtained from the Capital Markets Board by its letter no. B.02.1.SP.K.0.13-110.03.02/267-1740 of 14/02/2011 and from the General Directorate of Domestic Trade of the Ministry of Industry and Trade by its letter no. B.14.O.İT.G.0.10.00.01/351.02-1196-20323/1026 of 18/02/2011 to Revise subparagraph "n" of, and to add subparagraph "p" on grants and aids to, article 3 "Objective and Business of the Company" for the licenses to be obtained from Energy Market Regulatory Authority (EMRA);*

*To amend articles 6 and 8 of Articles of Incorporation "Capital" and "Shares Representing the Shares" respectively due to increase of the Company Capital, approved by the Capital Markets Board and the Ministry of Industry and Trade under the Registered Capital System from TL 204.750.000 (two hundred four million seven hundred fifty thousand Turkish Liras) to TL 1.000.000.000 (one billion Turkish Liras), with TL 795.250.000 (seven hundred ninety five million two hundred fifty thousand Turkish Liras) out of which being covered out of positive distinction from share capital adjustment by increasing free of charge by 388% pursuant to the decision of Board of Directors no. 67-137 of 07.06.2010;*



To amend articles 3, 6, 8, 11, 12, 15, 30 and 37, and add article 42 following article 41 of Articles of Incorporation for compliance with Corporate Management Principles. The amendment texts attached hereto will be submitted to General Assembly for approval by shareholders. **(Annex-3)**

**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;**

*General Assembly's approval is required in order for the members of the Board of Directors to perform any transaction within the framework of Turkish Commercial Code Section 334 entitled "Prohibition to Transact with the Company" and Section 335 "Prohibition to Compete". Granting this permission shall be presented to the shareholders for their approval during the General Assembly.*

**14. Informing the Shareholders about the donations and supports granted by our Company within the year 2010;**

*The General Assembly will be informed for donations made within the year in accordance with Communiqué Series: IV, Number:27, Article 7 of the Capital Markets Board. This item is not subject to approval by the General Assembly, but only bears an informative purpose. Our company has made a donation in an amount of TL 106,146 in 2010. The information note regarding the donation in 2010 will be read during the General Assembly.*

**15. By means of considering the Communiqué issued by the Capital Market Board with the Serial IV and Number 41, informing the General Assembly as regards the transactions made with related parties within the year 2010;**

*The Communiqué of CMB published in the Official Gazette no. 26821 of 19.03.2008 provides that those partnerships whose shares are traded at the stock exchange are required have an evaluation made by organizations for which principles are specified by the Board to evaluate reasonability and fairness of the conditions for the transactions for transfer of assets, services and obligations between such partnerships and their related parties which are widespread and continuous, in case the amount of such transactions is estimated to reach or exceed 10% of total assets of total gross sales included in annual financial tables to be disclosed to public pursuant to the regulations of the Board. The evaluation report prepared by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş. for evaluation of widespread and continuous transactions pursuant to Article 5 of the Communiqué of 29/3/2011 concludes that the conditions established by our company for the transactions completed with Socar Trading S.A. are fair and reasonable.*

*The summary of the evaluation report for 2010 states that the transactions completed are reasonable, the method of comparing the unit raw material costs incurred due to purchases by our company from SOCAR Trading S.A. with the amounts of transactions completed with other unrelated suppliers in 2010 was adopted, the transactions completed with SOCAR Trading S.A. in 2010 subject to the Communiqué are maintained under the current practice as also included in the foresight report.*

*No voting will be carried out for this agenda item, and this item is intended to provide information only. The summary of the report prepared by Güreli Bağımsız Denetim ve SMMM A.Ş. on the transactions completed with related parties in 2010 will be read during the General Assembly to inform our shareholders.*



**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;**

*This agenda item is not subject to approval by the General Assembly, but only bears an informative purpose. Information on the details of the collaterals, mortgages and pledges given to carry out the regular commercial activities of the Company are provided in footnote 22 of the Audited Financial Statements dated 31 December 2010. The information note regarding the guarantees, pledges and mortgages provided by the Company to third parties or the derived income or interest thereof will also be read during the General Assembly.*

**17. Discussion of the offers and wishes and closing.**

#### **■ Attachment-1 – CV's of Board Members**

##### **Vagif ALIYEV- Chairman of the Board**

*Born in 1959, Vagif ALIYEV graduated in 1981 from the Azerbaijan Civil Engineering Institute's Hydraulic Engineering program. ALIYEV began his career at the Caspian Sea Oil & Gas Production Union's Azer Sea Oil Construction Trust, successfully moving up the ranks from engineer to senior engineer and then section manager. Since 2005, ALIYEV has been Head of Investments at the State Oil Company of Azerbaijan Republic (SOCAR) and since 2008 a member of the Board of Directors of PETKİM Petrochemicals Holding Inc. In 2009, ALIYEV was named Chairman of the Board at PETKİM.*

##### **Erdal Aksoy - Vice Chairman of the Board**

*Born in Trabzon in 1943, Erdal AKSOY is an electrical engineer with a degree in Electronics and Electrical Engineering from Istanbul Technical University. He also holds an advanced degree in business administration. Since 1970, Aksoy has had a varied and successful*





*professional career and currently carries out a range of duties including: Chairman of the Board (since 1996), Executive Director and Business Development Committee Member at TURCAS Petrol Inc. and its subsidiaries; Founder and Chairman of the Board of AKSOY Holding Inc., Enak Construction and Trade Inc. and Conrad Istanbul Hotel (Yeditepe Beynelmillel Otelcilik A.Ş.); Board Member at SHELL & TURCAS Petrol Inc.; Vice Chairman of the Board at SOCAR & TURCAS Energy Inc., SOCAR & TURCAS Petrochemical Inc., SOCAR&TURCAS Refinery Inc., PETKİM Petrochemicals Holding Inc., E.ON & TURCAS North and South Power Generation; member of the Turkish Industrialists' and Businessmen's Association (TÜSİAD); and Member of the High Advisory Board of the Turkish Economic and Social Studies Foundation (TESEV). AKSOY speaks English and is married with two children.*

#### **Osman İlter- Member of the Board**

*Born in Milas in 1965, Osman İLTER graduated in 1989 from the Gazi University Faculty of Economics and Administrative Sciences in Ankara. Having begun his career in 1992 as Chairman of the Board at Köy Tarım Makineleri A.Ş., from 2003 İLTER has been Vice President of the Republic of Turkey's Privatization Administration. In 2004, İLTER was appointed Chairman of the Board of PETKİM, and since 2008, he has been a Member of the Board of Directors. İLTER speaks English and is married with two children.*

#### **Batu Aksoy – Member of the Board**

*Born in Istanbul in 1977, Batu AKSOY graduated from Johns Hopkins University's Faculty of Electrical and Computer Engineering in 1998. AKSOY is a Board Member of TURCAS Petrol Inc. and its subsidiaries; Founder and Member of the Boards of Directors of AKSOY Holding, Enak Construction and Foreign Trade, TURCAS Petroleum, SOCAR & TURCAS Energy, SOCAR & TURCAS Petrochemicals, SOCAR & TURCAS Refinery, E.ON & TURCAS North and South Power Generation, and PETKİM Petrochemicals Holding Inc., PETKİM International Trading, TURCAS Energy Holding, TURCAS Electricity Generation, TURCAS Electricity Wholesale, TURCAS Gas, TURCAS Wind. AKSOY is also a Member of the Board of the Petroleum Platform Association (PETFORM), which he presided in 2006-2008; a member of the Energy Working Group of the Turkish Industrialists' and Businessmen's Association (TÜSİAD) and Young Presidents Organization (YPO). AKSOY speaks English.*

#### **David Mammadov- Member of the Board**

*Born in 1955, David MAMMADOV graduated in 1980 with a degree in Chemical Engineering from the M. Azizbeyov Petroleum and Chemicals Institute in Azerbaijan. MAMMADOV began his career in 1976 as an Operator at the Baku Oil Refinery. Since 2005, he has been Vice President in charge of refineries at the State Oil Company of Azerbaijan Republic (SOCAR) and since 2008, a Member of the Board of Directors at PETKİM.*

#### **Farrukh Gassimov – Board Member**

*Born in 1959 in Baku, Farrukh GASSIMOV graduated with a law degree from Baku State University in 1981 and received a doctorate from Moscow's Public Studies and Legal Institute in 1985. From 1985 to 1991, he served as a Lecturer and Associate Professor at the Baku Public Management and Politics University. Since 2006, he has been Deputy Head of the Legal Department at SOCAR and since 2009, a Member of the Board of PETKİM.*

#### **Kenan Yavuz – Member of the Board**

*Born in 1959 in Bayburt, Kenan YAVUZ graduated from the Management Department of the*



Ankara Academy of Commercial and Economic Sciences in 1981. In 1984, he received an MBA from the Istanbul University Faculty of Management's Institute of Management Economics. His professional career began at MAKO Electrical Industry and Trade Inc., a partnership between Koç Holding and Magneti Marelli, where he held various managerial positions in sales, purchasing, exports, imports, cost, budget, strategic planning, investment and management information systems. From 1998 to 2000 Yavuz completed a second MBA at Yeditepe University's Institute of Social Sciences. In 2003 and 2004, he served as Member of the Audit Committee at the recently privatized Bursa Natural Gas Distribution Inc. (Bursagaz). In March 2004, YAVUZ was appointed to the Board of Directors of PETKİM, and in May of 2004, he was named General Manager.

YAVUZ was the General Manager and a Member of the Board at PETKİM Petrochemicals Holding, Inc. until the Company was privatized in May 2008, and then served as General Manager of PETKİM Petrochemicals Holding, Inc. from May 2008 – November 2009. In October 23, 2009, he was again appointed to the Board of PETKİM. In November 9, 2009, he was appointed CEO of SOCAR & TURCAS Energy Group Inc. and in addition SOCAR&TURCAS Energy Group Manager on September 4, 2010. YAVUZ speaks English and is also a Board Member of the Aegean Region Chamber of Industry (EBSO), the International Competitiveness Research Institute (URAK), and the Energy Efficiency Association (ENVERDER).

## ■ Attachment-2: CV's of Auditors

### **Nurettin Demircan – Audit Committee Member**

Born in 1955 in Karamürsel, Nurettin DEMİRCAN graduated from Marmara University's Management Faculty. With 34 years of professional experience, DEMİRCAN is Director of Accounting at TURCAS Petrol Inc. and a member of the PETKİM Audit Committee.

### **Cemal Yusuf ATA – Audit Committee Member**

Born in 1960 in Kastamonu, Cemal Yusuf ATA is a graduate of the Anatolian University Management Faculty. He is Director of Shareholder Services at TURCAS Petrol Inc. and a member of the Audit Committee at PETKİM.

### **Ferruh Murat BENZER – Audit Committee Member**

Born in 1970 in Sungurlu, Ferruh Murat BENZER is a graduate of Yıldız University. BENZER has been a specialist at the Privatization Administration since 2003 and is a member of the



Audit Committee at PETKİM.

**■ Attachment-3: Amendment of Articles of Association**

<b><u>CURRENT ARTICLES</u></b>	<b><u>DRAFT ARTICLES</u></b>
<p><b>PURPOSE AND FIELDS OF ACTIVITY OF THE COMPANY:</b> <b>Article 3-</b>The company’s purposes and fields of activities are as follows: <b>a)</b> To found and run factories and facilities in Petrochemical, chemical and other industry fields in and outside the country; <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; <b>c)</b> To pack the products to be obtained in each stage of production activities and to establish packaging industry for</p>	<p><b>PURPOSE AND FIELDS OF ACTIVITY OF THE COMPANY:</b> <b>Article 3-</b> The company’s purposes and fields of activities are as follows: <b>a)</b> To found and run factories and facilities in Petrochemical, chemical and other industry fields in and outside the country; <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; <b>c)</b> To pack the products to be obtained in each stage of production activities and to establish packaging industry for</p>

<p>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; to perform transportation services in cases where transportation requires a peculiarity and necessity;</p> <p><b>ı)</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</p>	<p>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; to perform transportation services in cases where transportation requires a peculiarity and necessity;</p> <p><b>ı)</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</p>
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<p>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 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>	<p>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> <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</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>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) Between the years 2009-2013, the Board of Directors is</b></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) Between the years 2009-2013, the Board of Directors is</b></p>



<p>entitled to increase the issued 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.</p> <p>The shares representing the capital are followed up from the records within the framework of the principles of dematerialization.</p>	<p>entitled to increase the issued 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.</p> <p>The shares representing the capital are followed up from the records within the framework of the principles of dematerialization.</p>
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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	7.919.4 4.100	79.194.141,00
A	Privatization Administration	Registered	2.113.335.899	21.133. 58,99
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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SHARE GROUP	NAME OF SHAREHOLDER	TYPE OF SHARE	TOTAL SHARE QUANTITY	VALUE OF THE SHARES (TL)
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

**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.

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**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



<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
<p><b>QUALIFICATIONS AND ELIGIBILITY OF THE BOARD MEMBERS:</b></p> <p><b>Article 12-</b> 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.</p>	<p><b>QUALIFICATIONS AND ELIGIBILITY OF THE BOARD MEMBERS:</b></p> <p><b>Article 12-</b> 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.</p> <p>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 ¾ of shareholders present in the General Assembly Meeting where at least 50% of the capital of the Company is represented.</p> <p>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.</p>
<p><b>MEETINGS OF THE BOARD OF DIRECTORS:</b></p> <p><b>Article 15-</b> The Board of Directors shall convene at any time required in due course of the Company's business at the</p>	<p><b>MEETINGS OF THE BOARD OF DIRECTORS:</b></p> <p><b>Article 15-</b> The Board of Directors shall convene at any time required in due course of the Company's business at the</p>

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 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.

**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

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 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.

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.

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- 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.

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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 meeting days, pursuant to Article 368 of the Turkish Commercial Code as well as the communiqués of the Capital Market Board at the



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.

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.

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 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.



<p><b>DETERMINATION OF THE PROFIT:</b></p> <p><b>Article 37-</b> 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.</p> <p>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.</p> <p>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.</p> <p>Unless and until the statutory reserve funds prescribed by the 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><b>DETERMINATION OF THE PROFIT:</b></p> <p><b>Article 37-</b> 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.</p> <p>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.</p> <p>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.</p> <p>Unless and until the statutory reserve funds prescribed by the 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>CORPORATE MANAGEMENT PRINCIPLES</b></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>