

COMMUNIQUÉ ON PRINCIPLES REGARDING CUMULATIVE VOTING AT SHAREHOLDERS MEETINGS OF JOINT STOCK CORPORATIONS SUBJECT TO CAPITAL MARKET LAW

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1- (Communiqué Amending the Communiqué On Principles Regarding Cumulative Voting At Shareholders Meetings Of Joint Stock Corporations Subject To Capital Market Law Serial:IV, No:31 was published in the Official Gazette dated 21 December 2003 No:25323.)

Serial : IV

No : 29

Purpose

ARTICLE 1- The purpose of this communiqué is to regulate the principles of cumulative voting which provides the minority shareholders to elect a member of the Board of Directors and Auditors.

Scope

ARTICLE 2- This communiqué covers the principles regarding cumulative voting in the election of members of Board of Directors and Auditors.

Legal Basis

ARTICLE 3- This communiqué is based on Article 22/v of Law No.2499.

Definitions

ARTICLE 4- For the purposes of this communiqué, the following definitions shall apply:

Law: Capital Market Law No:2499

Board: Capital Markets Board

Corporation: Corporations subject to Capital Market Law

Scope of Cumulative Voting Regime

ARTICLE 5- Cumulative voting is a voting regime which the total number of votes for the election of Board of Directors and Auditors is calculated by the multiplication of the number of votes shareholders hold or have by proxy by the number of Board of Directors and Auditors to be elected and where these cumulative votes may be casted to one candidate as well as be spread among as many candidates as the shareholder desires.

The number of cumulative votes are calculated separately for the election of Board of Directors and Auditors.

(Article 3 amended by Communiqué Serial: IV, No: 31) To adopt cumulative voting regime, an explicit provision in the Articles of Association of the corporation is required. Cumulative voting is mandatory for corporations whose shares are not traded in the exchanges and whose total number of shareholders is determined to exceed 500 continuously for the last two years and these corporations are entitled to state this regime in their Articles of Association. The mentioned corporations are obliged to amend their Articles of Association to include provisions of cumulative voting in the next ordinary shareholders meeting following the occurrence of the stated condition. Cumulative voting is permissive for other corporations.

Obligations of Corporations

ARTICLE 6- In order cumulative voting regime to be exercised at shareholders meetings, the Articles of Association is required to

a) Include an explicit provision that enables the holders of all the shares carrying voting rights to vote for one or more candidates cumulatively in the election of Board of Directors and Auditors

b) Specify a fixed number of Board of Directors and Auditors

c) (Amended by Communiqué Serial: IV, No: 31) Provide that the members of Board of Directors and Auditors are elected except where vacant positions due to the reasons with the reasons other than dismissal before the end of their term of duty exist

d) Include no provisions granting privileges for voting rights in the election of members of Board of Directors and Auditors.

e) (Amended by Communiqué Serial: IV, No: 31) In case of existence of privileges regarding the proposal of the nominees of Board of Directors and Auditors, on the condition that fractions are

completed to the following numbers, there needs to be a provision ensuring one thirds of total number of Board Members are elected without the proposal of the holders of the preferred stocks.

The Board of Directors are liable to the shareholders for the actions both before and during the shareholders meeting that are aimed to circumvent cumulative voting.

Corporations which adopt the cumulative voting regime in their Articles of Association are entitled to lay down the necessary information with respect to the cumulative voting regime in the prospectus they shall publish regarding capital increase and in the announcements of shareholders meeting.

Principles on Exercising Cumulative Voting

ARTICLE 7- Straight and cumulative voting will be exercised together at the shareholders meeting which the Board of Directors and Auditors shall be elected. Cumulative votes need to be cast with written ballots. These ballots show the distribution of the votes and include the name, signature and number of votes the shareholder has and these written ballots are submitted to the chairmanship. The chairman is obliged to control the number of cumulative votes and take the necessary precautions to inhibit reiterated voting.

For the calculation of the cumulative votes, the number of Board of Directors and Auditors to be elected which is stated in the Articles of Association shall be considered.

If a shareholder distributes his cumulative votes to more than one candidate without stating explicitly how these votes are to be distributed, then these votes, it is accepted that the cumulative votes are distributed equally.

Cumulative Voting In Proxy Voting

ARTICLE 8- In case shareholders who vote through proxies give instruction for cumulative voting in proxy forms according to the provisions of Communiqué Serial:IV, No:8 on "Principles Regarding Proxy Voting At Shareholders Meetings of Publicly Held Joint Stock Corporations, Proxy Solicitation and Tender Offer" published in the Official Gazette dated 9 March 1994, No:21872; the proxy is obliged to vote cumulatively for the concerned shares. In case no instruction is stated, the related shares shall not be taken into account for the calculation of cumulative votes and the voting rights of these shares can be exercised due to general provisions.

The above mentioned principles are also valid for proxy solicitation.

The Obligations of Cumulative Voters

ARTICLE 9- Anyone who shall vote cumulatively is required to inform the corporation at least two business days before the shareholders meeting of their preference to vote cumulatively. A single shareholder's notice is sufficient for cumulative voting to be exercised in that shareholders meeting where notification of other shareholders who want to vote cumulatively is not required to exercise their rights.

Concerning cumulative voting, the proxies are required to lay down the purpose, detailed explanation and results of cumulative voting in the information form drawn up them in compliance with Communiqué Serial:IV, No:8 on "Principles Regarding Proxy Voting At Shareholders Meetings of Publicly Held Joint Stock Corporations, Proxy Solicitation and Tender Offer".

SUPPLEMENTARY ARTICLE 1- (Supplement by Communiqué Serial: IV, No: 31) Corporations entitled to adopt cumulative voting regime according to this Communiqué are obliged to amend their Articles of Association in the next shareholders meeting following the date of entry into force of the Communiqué pursuant to the principles stated and are required to apply cumulative voting regime thereafter.

Entry into Force

ARTICLE 10- This Communiqué shall enter into force on the date of its publication.

Execution

ARTICLE 11- The articles of this Communiqué are executed by the Capital Markets Board.