

**COMMUNIQUE ON PRINCIPLES REGARDING PROXY VOTING AT  
SHAREHOLDERS' MEETINGS OF PUBLICLY HELD JOINT STOCK  
CORPORATIONS, PROXY SOLICITATION AND TENDER OFFER**

1- (Published in the Official Gazette dated 9 March 1994 No: 21872)

2- (Communiqué Serial: IV, No: 8 on Amending the Communiqué On Principles Regarding Proxy Voting, Proxy Solicitation And Tender Offer at Shareholders' Meetings of Publicly Held Joint Stock Corporations was published in the Official Gazette dated 19 December 1996 No: 22852.)

**Serial : IV**

**No : 8**

**Purpose**

ARTICLE 1 – In accordance with the paragraphs (e) and (i) of Article 22 and Article 16/A of Law No: 2499 amended by Law No: 3794, the rules and principles to be followed in proxy voting at Shareholders' Meetings of publicly corporations, tender offer or proxy solicitation for controlling the capital and management, are regulated by this Communiqué.

**Abbreviations**

ARTICLE 2 –For the purpose of this communiqué, the following definitions shall apply:

Law: Capital Market Law No: 2499 amended by Law No: 3794

Board: Capital Markets Board

Corporation: Publicly held corporations and banks, with shares of which are traded on the stock exchange

TCC: Turkish Commercial Code

**Scope**

ARTICLE 3 – The rules and principles to be followed in proxy voting at ordinary and extraordinary shareholders' meetings, tender offer or proxy solicitation to exercise the voting rights in Shareholders Meetings in order to get the control of capital and management are within the scope of this Communiqué.

The provisions of this Communiqué shall also be applied in proxy voting by the possessor authorised to represent in case of pledging or submission of bearer shares or transfer of their possession to someone else for gratuos and in case of usufruct, proxy voting by the owner of the usufruct.

With regard to both the bearer and registered shares, proxy voting by owners of the securities issued in accordance with the related legislation and are kept in custody, shall be subject to the provisions regulating proxy voting for the voting rights carried by bearer shares in this Communiqué.

In cases of legal representation, voting by legal representatives shall be subject to general provisions.

## **SECTION ONE**

### **PRINCIPLES ON PROXY VOTING**

#### **Proxy Voting**

ARTICLE 4 – At Shareholders' Meetings of corporations, individuals with voting rights may exercise these rights through shareholders they appoint as proxies or through individuals, who are not shareholders, in case no contrary provision in the Articles of Association of the corporation.

However, voting within the framework of general principles is also possible by transfer of possession of bearer shares or transfer of the documents proving their possession.

In case no contrary provision in the Articles of Association of the corporation exists, the proxy may vote for more than one shareholder. If the banks and brokerage houses exercise the voting rights as proxies on stocks which they provide custody service, the above provisions shall apply.

#### **Form of the Proxy**

ARTICLE 5 – In corporations, representation by proxy is only possible by using the proxy forms, containing at least the information stated in Annex 1. In case of proxy voting by an owner of usufruct with voting right, the usufruct must be registered by the notary public and a proxy with the signature approved by the notary shall be sufficient.

#### **Sending the Proxy Forms**

ARTICLE 6 – Proxy forms for regular Shareholders Meetings shall be sent by the corporation to owners of registered shares stated in share register without depositary receipts representing the shares, in accordance with the last paragraph of Article 362 in TCC, extraordinary Shareholders Meeting, these forms shall be sent in accordance with Article 368 of TCC. The owners of bearer shares, who had informed their domiciles to the corporation by submitting stock before, shall be provided with the proxy forms by the corporation together with the notifications in accordance with Article 368 of TCC. The corporations shall take necessary measures for representation of shareholders other than the above mentioned ones in Shareholders' Meetings.

Sufficient number of proxy forms shall be kept at the headquarters or agencies of the corporation and at headquarters or branches of at least one bank or brokerage house mentioned in the Shareholders' Meeting call notice to be given to the shareholders who are not sent proxy forms in accordance with paragraph one.

The proxy forms must be sent early enough for the shareholders to receive at least two weeks before the Shareholders' Meeting of the corporation. If corporations publish the proxy forms in the printed media such as newspapers and magazines, these forms shall be regarded as sent.

Proxy forms published or sent by corporations in accordance with this article

may not include any statement resulting in promotion on behalf of anyone or proposals or inspiration.

### **Drawing up Proxy**

ARTICLE 7 – Owner of the voting right willing to give a proxy, shall fill in the proxy form and have it signed by the notary public or shall attach the notarised signature circular to the proxy form bearing his/her own signature.

Submission of shares to notary public is not obligatory for registered shares. However, if the signature in the proxy form is approved by the notary public, the registered shares or a receipt from a bank or brokerage house indicating the person in whose name the shares are kept, indicating the amount, group and serial numbers of the shares, on the day of submission to the notary, shall be presented to notary during the signature approval. The notary shall approve the amount, group and serial numbers of the shares and the person submitting the shares and the signature of the individual, who had signed the proxy form. Shares subject to proxy shall be blocked by a bank or brokerage house in return of a receipt. Receipts in return of blocked shares due to proxy shall be issued in three copies. The first copy shall be given to the shareholder giving proxy and the second to the voting agent together with the proxy form. The third copy shall be kept by the bank or brokerage house, which block the shares.

The proxies shall be submitted to the corporation at the latest during the Shareholders' Meeting prior to formation of the council

For proxies given to a bank or brokerage house providing custody service for the relevant shares, the approval of signature or signature circular shall not be required. In this case, the proxy form shall be filled in by the owner of the voting right, designating the bank or brokerage house providing custody service, as proxy.

The owner of the voting right may also designate as a proxy, another bank or brokerage house legally authorised other than the bank/brokerage house providing custody service to him/her. In this case, the shares shall be put in custody at the proxy bank or brokerage house until the end of the related Shareholders' Meeting. Receipts illustrating the shares in custody shall be in two copies, the first copy shall be kept by the customer and the other by the bank or brokerage house. Regarding the form of the proxy, provision in paragraph four shall apply.

### **Limits on Representation**

ARTICLE 8 – Individuals requesting proxy voting shall determine the limits on representation by indicating the choices given in paragraph (A) of the form in Annex 1 and mentioned in Article 5 of this Communique and by stating the instructions. In case choice is indicated, the proxy shall act in accordance with general provisions.

### **Method of Proxy Voting at Shareholders' Meeting**

ARTICLE 9 – Proxies submitted to the corporation in accordance with Article 7, shall be presented to the chairman of the council following the formation of the council at the Shareholders' Meeting.

Ballots arranged for each topic in the agenda shall be printed by the corporation and kept ready at the meeting. Ballots shall consist of the information on the identity of the proxy and shareholder, number of shares subject to proxy voting and percentage of these shares in the total. Proxies in Shareholders' Meeting shall vote by indicating their votes in the ballots. Monitoring of proxy voting in accordance with proxy forms and collection and organisation of ballots shall be undertaken in the presence of a commissioner from the Ministry of Industry and Trade. The ballots and minutes regarding method of voting signed by the commissioner from the Ministry of Industry and Trade and the chairman, shall be kept by the corporation together with the other documents about the meeting.

If the proxy votes against the decision taken at the Shareholders' Meeting, the situation shall be recorded by the chairman at the minutes of the meeting and the minutes shall be signed by the proxy.

### **Validity period of the Proxy and The Responsibility**

ARTICLE 10 – The proxy is valid for the relevant ordinary and extraordinary Shareholders Meeting and for meetings accepted as the legal continuation of these meetings.

Reserving the compensation rights, any time until the day of the meeting, resignation and dismissal is possible. However, the other party and the corporation shall be immediately informed about the situation. The owner of the voting right dismissing the proxy and the resigning the proxy are responsible for the losses occurring due to these acts against the obligation.

The proxy is obliged to act in accordance with the instructions stated in proxy forms. Voting right shall be exercised within the framework of courtesy obligation of the proxy.

All kinds of records eliminating the responsibility of the proxy are void.

The blocked shares due to proxy shall be returned to the persons giving proxy in at most three days following the execution of the proxy, notification of dismissal or resignation to the other party or the end of the proxy period. For this, it is obligatory to submit the two copies of receipts for the blocked shares mentioned in paragraph two of Article 7 to the bank or the brokerage house. For this reason, in at most two days following the termination of proxy for any reason, the proxy has to submit the copy of the receipt to the individual giving proxy. According to the last paragraph of Article 7, in proxy voting, in three days following the termination of proxy for any reason, in return of submission of the receipt kept by the customer, the bank or brokerage house shall return the blocked shares.

## **SECTION TWO**

### **PROXY SOLICITATION**

#### **Proxy Solicitation and Limits**

ARTICLE 11 - A) In General

In order to control the capital and management of corporations, proxies for voting at Shareholders' Meetings can be solicited by calls made to the shareholders. Proxy solicitation according to Article

16/A of the Law is only possible for corporations with no hindering provisions in their Articles of Association.

For proxy solicitation through calls made to shareholders, no benefits can be proposed or provided for the shareholders to obtain the proxy.

“Principles on Proxy Voting” regulated in Section One of this Communiqué shall also apply for voting by proxy solicitation.

If voting in Shareholders’ Meetings of corporations shall be done in return of the proxies obtained through proxy solicitation, it is obligatory that all votes will be in written format in the mentioned Shareholders’ Meetings.

#### B) Voting Contracts

According to the TCC, the voting contracts made in between the shareholders or between the shareholders and third parties in Shareholders’ Meetings of corporations, with the purpose of exercising voting rights for a certain way, by the shareholder without any proxy relation, shall not be subject to provisions of this Communiqué. However, if calls are made for voting contracts, then principles on proxy solicitation shall apply by analogy.

#### **Proxy Solicitation**

ARTICLE 12 – Without prejudice to the provisions of Article 6, the proxy forms will be printed by the solicitors and sent to shareholders or published in the printed media such as newspapers, magazines and etc.

Upon the request of the persons and institutions documenting their application to the Board in accordance with Article 13 of the Communiqué for proxy solicitation, corporations have to give the names, surnames and addresses of the owners of registered shares whose names are recorded in the share register of the corporation.

#### **Disclosure in Proxy Solicitation and Informing The Board**

ARTICLE 13 – In case of proxy solicitation, it is obligatory to attach the “Information Form” given in Annex 3 to the proxy form given in Annex 2. In this situation, the owner of voting right is authorised to give instructions to the proxy for the topics in the agenda unrelated to control of management.

In proxy solicitation through announcements, publication of the information form together with the proxy form shall be regarded as in compliance with the provision in paragraph one.

The information form shall be submitted to the Board at least 30 days prior to the beginning of proxy solicitation together with the proxy form sample. The form shall be drawn up to provide sufficient, fair and clear information. The Board may ask for additional information to be included in the proxy or information form on the basis of each application.

Prior affirmative opinion of the Board must be obtained for the texts of announcements, advertisements and notices in proxy solicitation.

### **SECTION THREE PRINCIPLES ON TENDER OFFER**

#### **Disclosure in Tender Offer and Informing The Board**

ARTICLE 14 – Tender offers to control the capital and management of a corporation shall be individually or collectively made by a proposal attached to the information form in Annex 4. The form shall be drawn up so as to provide fair and clear information.

Persons attempting to make a tender offer shall submit the “Information Form” in Annex 4 of this Communiqué to the Board with the contract mentioned in Article 15 of this Communiqué at least 30 days before the offer. The Board may request some additional information to be included in the information form depending on the application.

After the affirmative opinion of the Board is obtained, the information forms shall be in any case published in at least two national newspapers, and also sent severally to shareholders to whom written offers have been made.

The purchasing period is maximum thirty days. In one week following the end of this period, if the shares are traded on the exchange, information about the shares bought and the resulting capital and management status of the target corporation shall be submitted to the relevant stock exchange and to the Board, if the shares are not traded on the exchange, only to the Board.

Affirmative opinion of the Board must be obtained for the texts on any advertisements, announcements and notices related to the tender offer.

#### **Intermediation Agreement in a Tender Offer**

ARTICLE 15 – At the following aspects must be included at a minimum in the contract to be made between party the making the tender offer and the bank or brokerage house that will purchase the shares on their behalf

- Quantity and nominal value of the targeted shares,
- Beginning and termination dates of the tender offer,
- Purchasing price of a unit share,
- Fees, commission and other charges applicable,
- The amount of money to be provided by the offering party to the bank or the brokerage house for the purchases and information on the procedure to be followed in case of inadequacy of the money, related liabilities of the bank or the brokerage house

- The party to undertake the advertisements, announcements and notices and to present information to the Board and principles of responsibility,
- Introductory information on the parties of the contract, authorised signatures and date of the contract.

#### **Acceptance of the Offer**

ARTICLE 16 – The shareholders willing to accept the tender offer shall sell their shares to the bank or brokerage house authorised to undertake transactions on behalf of the party making the offer, within the framework announced in the information form given in Annex 4 and in compliance with general provisions.

Individuals attempting tender offer may forego buying the shares until the beginning date of the purchasing period. It shall be disclosed to public through the procedure mentioned in Article 14 of the Communiqué.

#### **Mandatory Tender Offer**

ARTICLE 17 – Individuals who own, by tender offer, block or individual purchases or any other method, 25% or more of the capital and the voting rights of a corporation directly or indirectly, or without being subject to this percentage, persons owning shares controlling the management of the corporation alone or together with the cooperative parties, are obliged to make a tender offer to the other shareholders. If the individuals owning 25% to 50% of the capital and voting rights of a corporation alone or with the cooperative parties who increase this percentage by 10% or more within any twelve-month period, they are also obliged to make a tender offer. Within fifteen days following the above mentioned percentages are reached, it is necessary to apply to the Board for tender offer.

In the offer made in accordance with this Article, the bid price proposed to shareholders shall not be below the highest price paid to the targeted shares, if the acquisition of the shares mentioned in paragraph one is made through tender offer; and if the acquisition of the shares mentioned in paragraph one is made by a block purchase, the highest price paid at the block purchase. If these purchases are realized by other methods, the bid price shall not be lower than the highest price paid for the shares of the corporation three months prior to the purchase by the purchasing individual or cooperating individuals. The proposed price shall be for cash and the offers must be announced for at least 15 days period.

The Board may impose exemptions for the mandatory tender offer in accordance with this Article in case of existence of the following situations:

- If the acquisition of shares and voting rights of the corporation is based on the condition that the change in capital or management structure is necessary for the strengthening of the financial structure of the corporation. The Board may ask for a report of an independent organisation proving the existence of such a condition or may have the examinations done by the experts of the Board.
- If the acquisition of shares and voting rights of the corporation is approved at the Shareholders' Meeting of the corporation by the quorum mentioned in the first sentence of paragraph two in Article 388 of TCC.
- Despite the acquisition of shares and voting rights of the corporation, if no change occurs in the control of management due to the capital distribution of the

corporation. In this case, upon the application of related parties, the capital structure of the corporation shall be examined by the Board, and if acquisitions are decided to have no impact on control of management, the Board may decide on the exemption from mandatory tender offer.

- If the shares and voting rights of the corporation have been subject to acquisition due to legal obligations or in case the ratios are exceeded unintentionally, if commitment is made to sell the portion relevant for mandatory tender offer within the minimum period determined by the Board.

The applications for exemption shall be made by the parties required to make the tender offer in five days following the emergence of this obligation. As a result of the examinations undertaken by the experts and assessment of the requested information and documents, if the Board decides that conditions of exemption exist, then it may exempt the related parties from mandatory tender offer.

### **Reserved Provisions**

ARTICLE 18 – Special provisions are reserved on limits of proxy voting in the legislation that the corporations are subject to.

If the proxy acts against the instructions given by the owner of the right, general provisions shall apply.

Provisional Article 1 – The provisions regulated in Section one of this Communiqué shall not apply for the Shareholders' Meetings of corporations whose shares are not traded on the exchange until the end of 1995, except for the cases of proxy solicitation.

### **Entry into forces**

ARTICLE 19 – This Communiqué shall be enter into force on the date of its publication.



**PROXY**

**... Inc.**

I, hereby designate -----as my representative, authorized to represent me, propose, vote and sign the necessary documents on my behalf in line with the instructions given below, at the ordinary/extraordinary Shareholders' Meeting of -----Inc. to be held on ---(date)----- at – (time)----- in -----(place).

**A) SCOPE OF REPRESENTATION**

- a) The proxy is authorised to vote for all the topics in the agenda in line with his own opinion.
- b) The proxy is authorised to vote for the topics in the agenda in accordance with the below instructions.

Instructions (Special instructions shall be written)

- c) The proxy is authorised to vote in line with the suggestions of the management of the corporation.
- d) In issues that may emerge in the meeting, the proxy is authorised to vote in line with the below instructions. (If there is no instruction, the proxy shall vote freely)

Instructions (Special instructions shall be indicated)

**B) INFORMATION ABOUT THE SHARE OWNED BY THE SHAREHOLDER**

- a) Group and serial number,
- b) Number,
- c) Quantity – Nominal Value,
- d) Whether they have voting privileges,
- e) Whether they are in registered or in bearer form

NAME SURNAME OR TITLE OF THE SHAREHOLDER  
SIGNATURE  
ADDRESS

Note: In Section A, one of the options indicated in (a), (b) or (c) shall be chosen. Explanations shall be made for the options (b) and (d).

**PROXY**

... Inc.

I, hereby designate -----as my representative, authorized to represent me, propose, vote and sign the necessary documents on my behalf in line with the instructions given below, at the ordinary/extraordinary Shareholders' Meeting of -----Inc. to be held on ---(date)----- at --(time)----- in -----(place).

**A) SPECIAL SITUATIONS IN EXERCISE OF PROXY**

- 1- In issues concerning the items of the agenda for which no opinion is expressed, a) Proposal of the corporation management shall be accepted. b) Proxy shall vote in line with his own opinion.
- 2- Special instructions regarding issues that may emerge during the Shareholders' Meeting and especially in exercise of minority rights,
  - a) The proxy is authorised to represent in all these issues.
  - b) The proxy is authorised to represent in line with the below mentioned instructions.

Instructions

- c) The proxy is not authorised to represent in these issues.

**B) AGENDA ITEMS AND OPINIONS**

VOTE  
(According to the Proposal of the Corporation's  
Management)

POSITIVE	NEGATIVE	FREE
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- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1- Approval of the Balance Sheet and Income Statement of the Corporation</li> <li>2- Dividend Distribution Proposal</li> <li>3- Release of Members of the Board of Directors</li> <li>4- Release of Members of the Board of Auditors</li> <li>5- Selection of Members of the Board of Directors and Terms of Duty</li> <li>6- Salaries of Members of the Board of Directors</li> <li>7- Selection of Auditors and Terms of Duty</li> <li>8- Appointment of Independent External Auditing Board</li> </ol> | <ol style="list-style-type: none"> <li>9- Other Issues</li> </ol> |
|--|---|

**C) REASONS FOR NEGATIVE VOTE****D) INFORMATION ABOUT THE SHARE OWNED BY A SHAREHOLDER**

- e) Group and serial number,
- f) Number,
- g) Quantity – Nominal Value,
- h) Whether they have voting privileges,
- f) Whether they are in registered or in bearer form

NAME SURNAME OR TITLE OF THE SHAREHOLDER  
SIGNATURE  
ADDRESS

**NOTES**

- 1- In Section A, one of the options indicated in (a), (b) or (c) shall be chosen for each article.
- 2- For articles in Section B, individuals giving the proxy shall indicate their choices by choosing one of the options of positive, negative and free. If there are special instructions to be given in this regard, these shall be indicated in Section A.2b.
- 3- In Section (C), reasons of negative votes shall be indicated.
- 4- In proxy forms to be printed for extraordinary Shareholders' Meetings, Section (B) shall be arranged in accordance with the agenda of the Shareholders' Meeting determined by the board of directors.

**Information Form  
for the Information To Be Disclosed By The Individuals Soliciting Proxy**

- 1- The current capital, management and commercial relation between the individual soliciting proxy and the relevant corporation,
- 2- If no special instructions are provided by the owner of the right, the nature of the vote and the reason,

Proposal to be made  
Nature of the Vote and Reason

Agenda Items

- 1-
- 2-
- 3-
- 3- Statement on whether nominations for board of directors or the board of auditors shall be made or not, if yes, following information on the nominees:

Name Surname	Occupation	Duties in the Last Three Years	Capital, Management and Commercial Relations with the individuals soliciting proxy
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- 1-
- 2-
- 3-
- 4-
- 4- If to be appointed to management of the corporation, information on the planned acts; on the planned sale and lease of physical fixed assets, planned investments, planned changes in the management and accounting organisation of the corporation, planned mergers or, planned changes in the management and marketing, rights and benefits planned to be provided for the members of the board of directors and auditors and other managers.
- 5- Statement on who will pay for the costs related to proxy solicitation (ads, notices, etc.)
- 6- Name and surname of the individual to vote on behalf of the individuals giving proxy.
- 7- The Shareholders' Meeting for which the proxies shall be valid.
- 8- Beginning and termination dates of the term of the proxy and the beginning and termination dates of the new term if the Shareholders' Meeting is postponed.

**Information Form to be Disclosed to Public in Tender Offer**

- 1- The commercial title and address of the target company,
- 2- The current capital, management and commercial relation between the party making the tender offer and the target corporation,
- 3- About the target shares;
  - a) Whether they have voting privileges,
  - b) Whether they are in registered or in bearer form,
  - c) Their quantity – Nominal Value,
- 4- Bid price for a unit share,
- 5- If the party making the tender offer owns any of the target shares, if so, their quantity and nominal value,
- 6- Source and amount of the funds to be used by the party making the offer in purchasing the shares,
- 9- If to be appointed to management of the corporation, information on the planned acts; on the planned sale and lease of physical fixed assets, planned investments, planned changes in the management and accounting organisation of the corporation, planned mergers or, planned changes in the management and marketing, rights and benefits planned to be provided for the members of the board of directors and auditors and other managers.
- 7- The intermediary institution to carry out the transactions and its address,
- 8- The beginning and termination dates of the purchase period.