II-23-2 COMMUNIQUÉ ON MERGER AND DEMERGER

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PART I

Purpose, Scope, Legal Basis, Definitions and Abbreviations

Purpose

ARTICLE 1 – (1) The purpose of this Communiqué is to regulate the procedures and principles to comply with the merger and demerger transactions in which at least one of the parties is a publicly held corporation according to the Capital Markets Law dated 6 December 2012 and numbered 6362.

Scope

ARTICLE 2 – (1) This Communiqué covers the merger transactions that is between publicly held corporations and stock corporations, the merger transactions that is between publicly held corporations and private companies and cooperatives provided that the publicly held corporations are acquiree corporations, the demerger transactions to which publicly held corporations are a party.

(2) Provisions of the Communiqué shall apply by comparison to the corporations and the cooperatives which are a party to merger and demerger transactions with publicly held corporations.

Legal Basis

ARTICLE 3– (1) This Communiqué is based on Article 23 and the third paragraph of Article 130 of the Capital Markets Law numbered 6362.

Definitions

ARTICLE 4 – (1) For the purpose of this Communiqué, following definitions shall apply:

a) Merger: Merger through acquisition or new company foundation;

b) Merger targeted corporation: In line with a predetermined term and investment strategy, corporation which is founded for the target to going public at least half of its shares representing the share capital to be formed after the public offer and to merge thereafter with a non-publicly held corporation, and has not any other operations except the fulfillment of this target, and undertakes to use maximum ten percent of the income obtained from the public offer for the operations stated in its articles of association and/or the prospectus issued for the public offer, and to use the remainder by way of investing into deposits, government debt securities and one or more of the similar investment tools for the purpose of returning the remainder to the shareholders except the founders in case that the targeted merger is not fulfilled within the predetermined term, and discloses its cash management policy required within this framework

in the prospectus issued due to the public offer, and shall fulfill the voluntary return transaction within the framework of the principles in the prospectus, for the shares of the shareholders who had an opposing vote in the general assembly in which the merger has been approved and of all shareholders except the founders in case that the merger targeted corporation has terminated, and contains the expression of “merger targeted corporation” in its trade name;

c) Exchange: Systems and market places defined in Article 3 of the Law numbered 6362;

ç) Demerger: Demerger in whole and in part,

d) Exchange rate: The rate demonstrating the share amount to be obtained by the shareholders of the corporations which are a party to merger or demerger, corresponding to one share they own, as a result of merger or demerger,

e) Merger through acquisition: Termination without liquidation of at least one corporation by way of transferring its assets and liabilities in whole to another corporation and granting of the shares of the acquiree corporation in an amount to be calculated as per a determined exchange rate to the shareholders of the acquired corporation,

f) Financial reports: Reports consisting of financial statements, annual reports and statements of liability,

g) Financial statements: Financial position statement, statement of comprehensive income, cash flows statement and changes in shareholders’ equity statement together with their postscripts;

ğ) Real estate appraisal corporation: Corporations the name of which are listed within the corporations to render appraisal service on real estate, rights on real estate and real estate projects in accordance with the capital markets legislation,

h) Publicly held corporations: Joint stock corporations the shares of which are offered to public or are deemed to be offered to public

ı) Partial demerger through associate model: Partial demerger in which the demerged corporation invests its assets subject to demerger to another corporation as capital in kind and the demerged corporation becomes a shareowner in the share capital of the acquired corporation in consideration of the transfer,

i) Law: Capital Markets Law dated 6 December 2012 and numbered 6362,

j) PDP: Public Disclosure Platform,

k) Partial demerger: Demerger by way of share transfer to the associates and shareholders,

l) Board: Capital Markets Board,

m) Securities: Securities defined in Article 3 of the Law,

n) Partial demerger by way of share transfer to the shareholders: Partial demerger in which one part or more than one part of the corporation assets are transferred to another corporation or corporations which are either existing or to be founded, and the shareholders of the demerged

corporation, which shall not terminate, become shareholders of the acquiree corporation or corporations in consideration of the transferred asset parts,

o) Corporation: Commercial corporations,

ö) Demerger in whole: All assets of the demerged corporation are transferred to at least two corporations either currently existing or to be founded, upon termination of the demerged corporation, and the shareholders thereof become the shareholders of the acquiree corporation,

p) TCC: Turkish Commercial Code dated 13 January 2011 and numbered 6102,

r) Merger by way of new foundation: Termination without liquidation of two or more corporations by way of automatically transferred to their assets and liabilities in whole to a new company to be founded and granting to the shareholders of the terminated corporation of the shares of the new company in an amount to be calculated as per an exchange rate corresponding to the shares they owned,

s) Managing body: Board of directors in the joint stock corporations and the cooperatives, manager or managers in limited liability corporations, manager in private corporations and limited partnership divided into shares.

PART II

General Principles

Application to the Board for approval of the announcement text and the liability

ARTICLE 5 – (1) It is mandatory to prepare the announcement text in merger and demerger transactions to which publicly held corporations are a party, the scope of which is disclosed to public by designation of the Board and to have it approved by the Board. Approval of the announcement text by the Board shall not be interpreted as a warranty by the Board confirming the information set forth in the announcement text, merger or demerger contract and demerger plan, merger or demerger report and opinion of expert institution which is the basis of the exchange rates. Provisions of liability in Article 32 of the Law shall apply for the announcement texts and other documentation required by the Board for the purpose of public disclosure.

(2) In order to start the merger or demerger transactions, managing bodies of the corporations being a party to such transactions shall resolve thereon.

(3) Following the resolution of the managing body, board application for approval of the announcement text relating to the merger transaction shall be made with the documentation listed in Annex-1 of this Communiqué, and board application for approval of the announcement text relating to the demerger transaction shall be made with the documentation listed in Annex-2 of this Communiqué. Managing body resolutions regarding capital increase and amendment in articles of association, if any, shall also be submitted at the application to be made before the Board.

Financial statements to be taken as basis in merger and demerger transactions

ARTICLE 6 – (1) In cases where the general assembly meeting in which the merger or demerger transaction shall be approved is made between the beginning of the fourth month following the end of the account term and the end of the eighth month, annual financial statements of the latest year shall be taken as basis in merger and demerger transactions. As to the case that the general assembly meeting has been made on a date excluding this term, interim financial statements to be drawn up in a way to cover at least 6 months of operation term and the term between the date of financial statement and the general assembly meeting does not exceed six months, shall be taken as basis.

(2) The financial statements to be taken as basis in merger or demerger transactions shall be drawn up in accordance with the Board regulations on accounting standards, and special independent auditing shall be made thereon within the framework of independent auditing standards. However, in case that the independent auditing on the financial statements to be taken as basis in merger or demerger transactions has been made in accordance with the Board regulations, the condition of special independent auditing shall not be required. In respect of the corporations being a party to merger or demerger transactions which are liable to draw up consolidated financial statements, consolidated financial statements thereof; and in respect of the others, solo financial statements thereof, shall be taken as basis in merger or demerger transactions.

(3) In cases where adverse opinion has been expressed or any opinion has been avoided in the independent audit report regarding the financial statements to be taken as basis in merger or demerger transactions, such financial statements shall not be taken as basis. Despite affirmative opinion has been expressed in the independent audit report regarding the financial statements to be taken as basis in merger or demerger transactions, financial statements shall be corrected and independent audit report shall be drawn up again in cases where matters which may affect the exchange rate have been detected as a result of the supervision made by the Board and where the independent audit report includes matters which state conditional opinion and which may affect the exchange rate.

(4) In case that a significant change in the financial positions and the value of the assets of the corporations being a party to merger or demerger transactions, which may affect the exchange rate appears between the date of the financial statements to be taken as basis in merger or demerger transactions and the date on which merger or demerger contract or demerger plan has been executed, an additional report shall be drawn up by the independent audit institution indicating the effect of such change on the financial statements to be taken as basis in merger or demerger transactions. In this context, documents which have been submitted to the Board and which are required to be updated shall be drawn up again and submitted to the Board.

Opinion of expert institution

ARTICLE 7 – (1) An expert institution report shall be drawn up with the purpose of determination of the value and the exchange rate of the corporations being a party to merger or demerger transactions or of the assets thereof as at the date of the financial statement to be taken as basis in the transaction. It is mandatory that the opinion granted in this report states that the exchange rate is fair and reasonable. In respect of preparation of the opinion of the expert institution, at least three appraisal methods shall be considered noticing the qualifications of the related corporations.

(2) In appraisal transactions, Board's regulations with regard to appraisal shall be taken as basis.

(3) In case that the current market values of the real estates shall be used in forming of the expert institution report, current market values of such real estates shall be determined by the real estate appraisal corporations within the framework of the Board's relevant regulations. In respect of the real estates, in case where a real estate appraisal report drawn up by real estate appraisal corporations within the framework of the Board's relevant regulations exists, it is mandatory to take into consideration this report during the preparation of the expert institution opinion.

Public disclosure

ARTICLE 8 – (1) The matters set forth below, in respect of merger and demerger transactions, shall be disclosed to public, together with relevant information and documentation, in accordance with the Board's regulations on disclosure of material events, at PDP and the corporate websites of the relevant corporations in case where at least one of the parties of the transaction is a corporation the shares of which are admitted to the trading on the exchange; and in the websites of the Board and of the relevant corporations, if any, for publicly held corporation the shares of which are not admitted to the trading on the exchange:

a) Resolution taken by the managing body with respect to merger or demerger,

b) Application to the Board regarding the merger or demerger transaction,

c) Execution of the opinion of expert institution,

ç) Execution of the contract on merger or demerger or the demerger plan,

d) Preparation of the report on merger or demerger.

(2) Following documents shall be disclosed to public, at least 30 days before the date of the general assembly meeting in which the merger or demerger transaction shall be approved, at PDP and the corporate websites of the relevant corporations in case where at least one of the parties of the transaction is a corporation the shares of which are admitted to the trading on the exchange; and in the websites of the Board and of the relevant corporations, if any, for publicly held corporation the shares of which are not admitted to the trading on the exchange:

a) Announcement text approved by the Board,

b) Merger contract or demerger contract or demerger plan,

c) Merger report or demerger report,

ç) Financial reports of the last three years,

d) Expert institution report,

e)Estimated opening balance sheet after the merger,

f) Independent audit reports of the last three years, if any,

g) Interim financial statements, if any,

ğ) Real estate appraisal reports, if any.

(3) Information and documentation disclosed in accordance with the first and second paragraphs shall be kept at least for 5 years in the corporate websites of the relevant corporations.

PART III

Principles on Merger

Merger contract and merger report

ARTICLE 9 – (1) A merger contract consisting the minimum conditions in Annex-3 shall be drawn up and executed by the managing bodies of the corporations participating to the merger.

(2) A merger report consisting the minimum items in Annex-4 shall be drawn up by the managing bodies of the corporations participating to the merger. Merger report may be drawn up together by the managing bodies of the corporations which are parties to the merger.

Changes in financial position

ARTICLE 10 – (1) In case that a significant change in the financial position of any of the corporations participating to the merger occurs between the execution date of the merger contract and date on which such contract shall be submitted for the approval of the general assembly, the managing body of the relevant corporation shall notify this position in written form to its own general assembly, managing bodies of the corporations participating to the merger and the Board. In this case, managing bodies of the corporations participating to the merger shall analyze as to whether merger contract shall be amended or the merger shall be abandoned. In case that it is resolved to abandon the merger or amend the merger contract as a result of this analysis, the proposal to submit the merger contract for approval of the general assembly shall be withdrawn. In case that it has been resolved to amend the merger contract, the merger contract and the information and annexes thereto shall be drawn up over and a board application shall be made. In case that it has been resolved that the update of the merger contract is not required, such resolution, together with its grounds, shall be submitted to the shareholders for information in the general assembly as a separate agenda item before the agenda item according to which the merger contract shall be discussed.

Protection of the shareholders

ARTICLE 11 – (1) The shareholders of the acquired corporation shall have the right to have request on the shares and rights of the acquiree corporation in the value corresponding to their shares and rights they owned in the acquired corporation. The cases where corporations being a party to the merger have cross affiliation, acquired corporation or acquiree corporation hold its own shares, acquired corporation is shareholder in the acquiree corporation or acquiree corporation is shareholder in the acquired corporation and similar cases shall be taken into account in calculation of the right of this request.

(2) In designation of the exchange rates of the corporation shares, an adjustment payment may be required within the framework of Article 140 of the TCC, provided that corporation shares allocated to the shareholders of the acquired corporation shall not exceed one tenth of their values which have been taken as basis in the merger transaction.

(3) In consideration of the privileged shares existing in the acquired corporation, a consideration shall be designated in the acquiree corporation by taking the rights in equivalent value or opinion of expert institution into account. In so far, it is possible to provide a different privilege or to provide consideration payment and a different privilege at once. In respect of the acquiree publicly held corporations, Board's regulations on retirement right are reserved with regard to the transactions which cause to form new privileges or to change the scope and subject of the current privileges.

(4) Acquiree corporation shall be required to provide equivalent rights to the dividend shareholders of the acquired corporation or to purchase the dividend shares in consideration of their value designated considering the opinion of the expert institution.

Special events relevant to the merger

ARTICLE 12 – (1) In case that the assets of a corporation in liquidation have not been initiated to be distributed, this corporation in liquidation may participate to the merger provided that it is the acquired corporation.

(2) A corporation which has losses in previous years according to the financial statements which are the basis in merger, may be merged only with a corporation the shareholder's equity of which shall meet such losses of the previous years.

(3) In case that retirement fund is stipulated in the merger contract within the framework of Article 141 of the TCC; it is possible to designate the retirement fund in Turkish Lira denominated cash, in securities or partially in cash and partially in securities. However, it is mandatory to pay the retirement right in cash, upon request of the shareholders. In case that the retirement right has been designated over securities either wholly or partially, the securities shall be admitted to the trading on the exchange. In respect of the unit price or exchange rate to be taken as basis for the securities proposed as retirement fund and the determination of this unit price or exchange rate, opinion of the expert institution shall be taken as basis and the calculated unit price or exchange rate shall be disclosed in the announcement text.

(4) In cases where number of the corporations being a party to the merger is two, a publicly held corporation the shares of which have been admitted to the trading on the exchange and a corporation the shares of which are not admitted to the trading on the exchange shall not fulfill a merger transaction:

a) In a way to result in capital increase at a rate more than 100% of the publicly held corporation the shares of which have been admitted to the trading on the exchange, in merger transactions by way of acquisition;

b) In a way that the shares to be allocated to the shareholders of the publicly held corporation the shares of which have been admitted to the trading on the exchange constitute less than the half of the share capital of the new company to be founded, in merger transactions by way of new foundation.

(5) In cases where number of the corporations being a party to the merger is more than two, a publicly held corporation the shares of which have been admitted to the trading on the exchange and a corporation the shares of which are not admitted to the trading on the exchange shall not fulfill a merger transaction:

a) In a way that the capital increase amount to be fulfilled for each acquired corporation the shares of which are not admitted to the trading on the exchange exceeds the share capital before merger of the publicly held corporation the shares of which have been admitted to the trading on the exchange, in merger transactions by way of acquisition;

b) In a way that the shares to be allocated to the shareholders of the publicly held corporation the shares of which have been admitted to the trading on the exchange constitute less than the share amount within the share capital of the new company, to be granted to the former shareholders of each corporation being a party to the merger, in merger transactions by way of new foundation.

(6) In merger transactions in which corporations the shares of which are not admitted to the trading on the exchange are a party, shares before merger of the acquiree corporation shall not be sold at the exchange in the 6 months term after the shares of the corporation are initiated to be admitted to the trading at the exchange. Amount of such shares corresponding at the maximum to the half of the amount of the shares in actual circulation as at the date of public disclosure of the merger transaction of the corporation which is acquired and the shares of which are admitted to the trading on the exchange may be sold at the exchange in the term between 6^{th} and 12^{th} months after the shares of the corporation are initiated to be admitted to the trading at the exchange; and the part in same amount of the shares may be sold at the exchange in the term between 12^{th} and 24^{th} months after the shares of the corporation are initiated to be admitted to the trading at the exchange. Rates of the share owned in the corporation the shares are which are not admitted to the trading on the exchange as at the date of general assembly in which merger transaction is discussed shall be taken into consideration in respect of determination as to how much share may be sold at the exchange by each of the shareholders of the corporation the shares of which are not admitted to the trading at the exchange within the scope of this paragraph.

(7) In cases where the shares within the scope of the sixth paragraph of this article have been sold out of the exchange within the relevant terms, the limitations set forth under the sixth paragraph regarding the sale of such shares at the exchange shall be valid.

(8) Fourth, fifth, sixth and seventh paragraphs of this article shall not apply for the merger purpose corporations.

Merger via facilitated procedure

ARTICLE 13 – (1) Merger via facilitated procedure may apply in cases where it shall not be required to grant shares of the publicly held corporations to the shareholders of the acquired corporation in merger through acquisition of the shares of one or more corporations by a publicly held corporation which already owns 95% or more shares granting voting right or in cases where it shall be required to grant shares of the publicly held corporations to the shareholders of the acquired corporation, however cash reserve of the shares of the publicly held corporations have been offered to the shareholders of the acquired corporations as a right of choice.

(2) Independent audit report, merger report and opinion of expert institution shall not be required in merger via facilitated procedure. Further it shall not be mandatory to submit the merger contract to the approval of the general assembly.

(3) A separate announcement text shall be prepared in respect of the merger transactions via facilitated procedure the content of which shall be designated by the Board.

PART IV

Principles on Demerger

Demerger transactions

ARTICLE 14 – (1) The joint stock corporations which acquire the elements of assets in transactions of full demerger of publicly held corporations or partial demerger through the model of share transfer to its shareholders shall be included within the scope of the Law. As to the partial demerger transactions through associate model, the publicly held corporation which is demerged and the shares of which are not admitted to the trading on the exchange, shall draw up its financial statements in accordance with the financial reporting standards with which publicly held corporations the shares of which are admitted to the trading on the exchange are bound up and shall disclose to public.

(2) Demerger transactions of publicly held corporations shall be made by way of disposing off a production facility or an enterprise partially one by one, in a way not to cause retaining of the corporation from its operations of production or service rendering.

Demerger contract or plan and demerger report

ARTICLE 15 – (1) In full demerger or partial demerger, in case the assets are transferred to the existing corporations, a demerger contract which is executed by the managing bodies of all corporations that are a party to the demerger and which includes the minimum items set forth under Annex-5 shall be drawn up, and as to the case that the assets are transferred to new company or companies to be founded, a demerger contract which is executed by the managing body of the demerged corporation and which includes the minimum items set forth under Annex-6 shall be drawn up.

(2) A demerger report including the minimum items stated under Annex-7 shall be drawn up by managing bodies of the corporations that are a party to the demerger. The demerger report may be drawn up together by the managing bodies of the corporations being a party to the demerger.

Changes in financial position

ARTICLE 16 – (1) In case that a significant change occurs in the assets subject to transfer or in financial positions of the corporations being a party to demerger between the execution date of the demerger contract or demerger plan and the date of submission to the approval of the general assembly, managing body of the relevant corporation shall notify this matter in written form to its own general assembly, managing bodies of the other corporations being a party to the demerger and to the Board.

In this case, managing bodies of the corporations being a party to the demerger shall analyze as to whether demerger contract or demerger plan shall be amended or the demerger shall be

abandoned. In case that it is resolved to abandon the demerger or amend the demerger contract or the demerger plan as a result of this analysis, the proposal to submit the demerger contract or demerger plan for approval of the general assembly shall be withdrawn. In case that it has been resolved to amend the demerger contract or demerger plan, the demerger contract and the information and annexes thereto shall be drawn up over, and the Board application shall be made. In case that it has been resolved that the update of the demerger contract or demerger plan is not required, such resolution, together with its grounds, shall be submitted to the shareholders for information in the general assembly as a separate agenda item before the agenda item according to which the demerger contract or demerger plan shall be discussed.

Demerger via facilitated procedure

ARTICLE 17 – (1) In partial demerger transactions through associate model, merger via facilitated procedure may apply in cases where the demerged publicly held corporation owns, as a result of the transaction, at least 95% of the shares granting voting right of the acquiree corporation.

(2) Independent audit report and opinion of expert institution shall not be required in demerger via facilitated procedure.

(3) In case that the assets are transferred to an existing corporation within the framework of the first paragraph; it shall be required that the existing corporation has been founded within the one year term before the date of Board application for demerger transaction and has not initiated the production of goods and services yet.

(4) A separate announcement text shall be prepared in respect of the demerger transactions via facilitated procedure the content of which shall be designated by the Board.

Protection of the shareholders

ARTICLE 18 – (1) The shareholders of the demerged corporation shall have the right to have request on the shares and rights of the acquiree corporation in the value corresponding to their shares and rights they owned in the existing corporation.

(2) In demerger transactions in full or in partial demerger transactions by way of share transfer to the shareholders; corporation shares may be allocated to the shareholders of the demerged corporation

a) At the rate of their shares existing in the demerged corporation, in all corporations being a party to the demerger, or

b) At a different rate comparing to the rate of their shares existing in the demerged corporation, in several or all corporations being a party to demerger.

(3) Provisions of Article 11 of this Communiqué shall apply in respect of protection of the shareholders in demerger transactions.

PART V

Miscellaneous and Final Provisions

Notification to the Board

ARTICLE 19 – (1) Publicly held corporations which are a party to the merger or the demerger shall send to the Board within the following 6 business days, general assembly resolutions regarding the merger or demerger, resolutions of managing body regarding the merger in transactions via facilitated procedures and as for the new company to be founded in merger transactions by way of capital increase and new foundation relevant announcements in Turkish Trade Registry Gazette regarding the registration and announcement thereof.

Being taken within the scope of the Law and the issue document

ARTICLE 20 – (1) Board application shall be made in order to obtain the issue document together with the documentation stated under Annex-8 in cases set forth under the second paragraph of this Communiqué, within 6 business days following the general assembly meetings in which merger contract or demerger contract or demerger plan have been approved, following the Board approval on merger in merger transactions via facilitated procedure.

(2) Information and documentation submitted to the Board shall be reviewed within the framework of the purposes and principles of the Law and issue document shall be granted for;

a) The shares to be issued and the current shares representing its share capital before merger in case that the acquiree corporation is not within the scope of the Law, in merger transaction by way of acquisition,

b) The shares of the new company to be founded as a result of the merger, in merger transaction by way of new company foundation,

c) Current shares of the corporation or corporations which acquire the elements of assets and their new shares to be issued, in full demerger transaction to which publicly held corporations are a party,

ç) Current shares of the corporation or corporations which acquire the elements of assets and their new shares to be issued, in partial demerger transaction by way of share transfer to the shareholders, to which publicly held corporations are a party to.

Board fee

ARTICLE 21 – (1) In merger transactions, Board fee shall be taken at the rate designated in the Board's regulations on share issue, within the framework of the principles set forth below.

a) Merger transactions by way of acquisition:

1) over the closing price at the second session of exchange on the date of the approval of the merger request by the Board, provided that it is not less than the nominal value of the shares to be issued representing the share capital increased due to the merger, in case that the shares of the acquiree publicly held corporation are admitted to the trading on the exchange,

2) over the nominal value of the shares to be issued representing the share capital increased due to the merger, in case that the shares of the acquiree publicly held corporation are not admitted to the trading on the exchange,

3) over the market price to be calculated considering the reference price to be announced by the exchange, provided that it is not less than the nominal value of the current share capital of the acquiree corporation and the nominal value of the shares to be issued representing the share capital increased, in case that the acquiree is not a publicly held corporation and the shares of the acquired publicly held corporation are admitted to the trading on the exchange,

4) over the nominal value of all shares of the acquiree corporation including those representing the increased share capital due to the acquisition, in case that the acquiree is not a publicly held corporation and the shares of the acquired publicly held corporation are not admitted to the trading on the exchange,

b) Merger transactions by way of new company foundation:

1) over the market value to be calculated considering the reference price to be announced by the exchange, provided that it is not less than the nominal value of the shares representing its share capital after merger, in case that the shares of the new company shall be admitted to the trading on the exchange,

2) over the nominal value of the shares representing its share capital after merger, in case that the shares of the new company shall not be admitted to the trading on the exchange.

(2) In demerger transactions, Board fee shall be taken at the rate designated in the Board regulations on share issue, within the framework of the principles set forth below. From the corporations which acquire the elements of assets;

a) over the closing price at the second session of exchange on the date of the approval of the demerger request by the Board, provided that it is not less than the nominal value of the shares to be issued representing the share capital increased due to the assets acquired by the publicly held corporation the shares of which are admitted to the trading on the exchange,

b) over the market value to be calculated considering the reference price to be announced by the exchange, provided that it is not less than the nominal value of the current share capital of the corporations the shares of which are admitted to the trading on the exchange and the nominal value of their shares to be issued representing the share capital increased due to the assets they have acquired,

c) Over the nominal value of the shares to be issued to represent their share capital increased due to the assets that the corporations the shares of which are not admitted to the trading on the exchange have acquired,

ç) Over the nominal value of the shares to be issued to represent the increased share capital due to the assets acquired by the corporations which shall become publicly held corporation as a result of the acquisition however the shares of which are not admitted to the trading on the exchange.

(3) Board fee shall be deposited to the Board's account before the delivery of the approved announcement text.

(4) In respect of the Board fees to be taken over the reference price, payment shall be made over the nominal value of the shares before the delivery of the approved announcement text. The fee to be calculated over the difference between the reference fee and the nominal fee shall be deposited to the Board's account within 5 business days as of the date on which the reference fee has been announced by the exchange.

Repealed legislation

ARTICLE 22 – (1) Communiqué on Principles on Merger Transactions (Serial: I, No: 31) of the Board published in the Official Gazette dated 14 July 2003 and numbered 25168 have been repealed. References made in other regulations of the Board to the Communiqué on Principles on Merger Transactions (Serial: I, No: 31) shall be deemed made to this Communiqué.

Finalization of the current applications

TEMPORARY ARTICLE 1 – (1) Applications which have not been resolved by the Board on the date of enactment of this Communiqué shall be finalized in accordance with the provisions of this Communiqué.

Effective date

ARTICLE 23 – (1) This Communiqué shall enter into force on the date of its publication.

Enforcement

ARTICLE 24 – (1) The provisions of this Communiqué shall be enforced by the Board.

ANNEX/1

INFORMATION AND DOCUMENTS REQUIRED IN APPLICATIONS ON MERGER TRANSACTION

1. Resolutions of the managing bodies regarding the merger transaction,
2. Articles of association of the corporations being a party to the merger transaction,
3. Resolutions of the managing bodies regarding capital increase or amendment of articles of association,
4. Announcement text,
5. Issue document if any,
6. Merger contract,
7. Merger report which sets forth the legal and economic grounds of the merger,
8. Opinion of expert institution,
9. Financial statements and independent audit reports of the corporations being a party to the merger transaction, which are basis of the merger transaction,
10. Public accountant reports of the corporations being a party to the merger transaction, which set forth that their share capital have been paid in,
11. In case where shareholders' equity has been increased in value with current value, appraisal reports which have been drawn up,
12. In case where retirement reserve is required in the merger contract in accordance with Article 141 of the TCC, information on determination of the value of the retirement reserve,
13. Information on determination of the equalization payment planned to be paid in accordance with Article 140 of the TCC,
14. In cases where equal rights or an appropriate consideration have been granted in consideration of current privileged shares or dividend shares, information consisting of the expert opinion on determination of such rights and considerations,
15. In merger transactions by way of new company foundation, draft articles of association of the new company to be founded,
16. In merger transactions by way of acquisition, information on the value of the shares to be granted to the shareholders of the acquired corporation or cash corresponding to the value of such shares,
17. Permission letter obtained from the Competition Authority if any, in case that the transaction is not a merger transaction in which the permission of Competition Authority is required, corporation's declaration thereon,
18. Approval letters to be obtained from other public authorities in accordance with the special legislations binding the corporations being a party to the merger,
19. Other information and documents to be requested by the Board.

ANNEX/2

INFORMATION AND DOCUMENTS
REQUIRED IN APPLICATIONS ON DEMERGER TRANSACTION

1. Resolutions of the managing bodies regarding the demerger transaction,
2. Articles of association of the corporations being a party to the demerger transaction,
3. Resolutions of the managing bodies regarding capital increase or amendment of articles of association,
4. Announcement text,
5. Issue document if any,
6. Demerger contract or demerger plan,
7. Demerger report which sets forth the legal and economic grounds of the demerger,
8. Opinion of expert institution,
9. Financial statements and independent audit reports of the corporations being a party to the demerger transaction, which are basis of the demerger transaction,
10. Public accountant reports of the corporations being a party to the demerger transaction, which set forth that their share capital have been paid in,
11. In case where shareholders' equity has been increased in value with current value, appraisal reports which have been drawn up,
12. In full demerger or partial demerger transactions through the model of share transfer to the shareholders, draft articles of association drawn up with the purpose to be consistent with the Board regulations and resolutions of the managing bodies on such draft, belonging to the corporation which acquired the assets of the publicly held corporations,
13. Information on determination of the equalization payment planned to be paid in accordance with the TCC, if any,
14. In cases where equal rights or an appropriate consideration have been granted in consideration of current privileged shares or dividend shares, information consisting the expert opinion on determination of such rights and considerations,
15. Permission letter obtained from the Competition Authority if any, in case that the transaction is not a demerger transaction in which the permission of Competition Authority is required, corporation's declaration thereon,
16. Approval letters to be obtained from other public authorities in accordance with the provisions of special legislations,
17. Other information and documents to be requested by the Board.

ANNEX/3

MINIMUM ELEMENTS REQUIRED TO BE INCLUDED IN THE MERGER CONTRACT

1- Shareholding structures and members of managing bodies of the corporations being a party to the merger transaction and general information introducing the corporations,
2- Date and number of the resolutions of the managing bodies which have been taken as a basis in the merger transaction,
3- Dates of the financial statements according to which the merger transaction shall be fulfilled,
4- Opinion of expert institution which shall be the basis of the merger transaction,
5- Date and number of the Board approval on the announcement text drawn up with regard to the merger transaction,
6- Information on the retirement reserve required by the TCC if any,
7- Information on the equalization payment required by the TCC if any,
8- In merger transaction by way of acquisition:
    - Share capital amount to be increased of the acquiree corporation, exchange rate and type and nominal value of the shares to be granted to the shareholders of the acquired corporation,
    - Provision that the acquiree corporation shall notify to the tax office within the due term by way of a letter of undertaking that it shall pay the tax obligations of the corporations being a party to merger transaction accrued or to be accrued until the merger date and fulfill other liabilities thereof,
    - Provision that the debts of the acquired corporation to third parties shall be paid in whole and complete within the maturity term by the acquiree corporation,
    - Provision that actions shall be taken in accordance with Article 541 of the TCC with respect to the acquired corporation's due debts which have not been paid since the creditors have not applied, and debts which are undue and/or under dispute,
    - Provision on the date on which the acquired corporation shall terminate,
9- In merger transactions by way of new foundation:
    - Share capital amount of the new company to be founded, exchange rate and type and nominal value of the shares to be granted to the shareholders of the terminated corporation,
    - Provision that the new company to be founded shall notify to the tax office within the due term by way of a letter of undertaking that it shall pay the tax obligations of the corporations being a party to merger transaction accrued or to be accrued until the merger date, and fulfill other liabilities thereof,
    - Provision that the debts of the corporation to be terminated to third parties shall be paid in whole and complete within the maturity term by the new company to be founded,
    - Provision that actions shall be taken in accordance with Article 541 of the TCC with respect to the due debts which have not been paid since the creditors have not applied, and debts which are undue and/or under dispute, of the corporation to be terminated,
    - Provision on the date on which corporation to be terminated shall terminate,

10- Provision which sets forth the rights or an appropriate consideration to be granted in consideration of the current privileged shares or dividend shares,
11- Provision which sets forth the obligations and liabilities that the merger transaction shall bind the parties with and the consequences to be borne by the parties in case that such liabilities are not fulfilled,
12- Provision which sets forth the maximum term in which the general assemblies shall be called for meeting by the managing bodies of the corporations being a party to merger and that the merger contract shall be deemed invalid in case that the general assembly has not convened within this term,
13- Date and number of the approval letters to be obtained from other public authorities in accordance with the provisions of special legislations binding the corporations being a party to the merger,
14- Special benefits, if any, provided for the managing bodies of the corporations being a party to the merger and the persons who have drawn up the opinion of expert institution with regard to the merger.

ANNEX/4

MINIMUM ELEMENTS REQUIRED TO BE INCLUDED IN THE MERGER REPORT

1- General information introducing the corporations being a party to the merger transaction,
2- Information regarding the main fields of activity of the corporations being a party to the merger and the consequences of such activities,
3- Purpose, legal and economic grounds and possible consequences of the merger transaction,
4- Features regarding merger rate and assessment of the shares,
5- Effects of the merger on the staff and creditors of the corporations being a party to the merger transaction,
6- Possible risks which may avoid the success of the targets anticipated with the merger transaction.

ANNEX/5

MINIMUM ELEMENTS REQUIRED TO BE INCLUDED IN THE DEMERGER CONTRACT

1- Shareholding structures and members of managing bodies of the corporations being a party to the demerger transaction and general information introducing the corporations,
2- Date and number of the resolutions of the managing bodies which have been taken as a basis in the demerger transaction,
3- Dates of the financial statements according to which the demerger transaction shall be fulfilled,
4- Provision stating the date as of which the demerger transaction shall be effective,
5- Opinion of expert institution which shall be the basis of the demerger transaction,
6- Date and number of the Board approval on the announcement text drawn up with regard to the demerger transaction,
7- Information on the equalization payment required by the TCC if any,
8- In transactions of full demerger or partial demerger by way of share transfer to the shareholders:

    - Provision stating that the joint stock corporations which acquire the elements of assets of the publicly held corporations shall be included within the scope of the Law,
    - Provision stating the corporation shares to be allocated for the shareholders of the demerged corporation in the corporations participating to the demerger at the rate of their current shares or at a different rate,

9- In partial demerger transactions through associate model:
    - Provision stating the share to be owned by the demerged corporation in the share capital of the acquiree corporation in consideration of the transfer of the assets subject to demerger,
    - Provision stating the requirement that the publicly held corporation which is demerged and the shares of which are not admitted to trading on the exchange, shall draw up its financial statements in accordance with the financial reporting standards with which publicly held corporations the shares of which are admitted to the trading on the exchange are bound up and shall disclose to public.
10- Provision which sets forth the rights or an appropriate consideration to be granted in consideration of the current privileged shares or dividend shares,
11- Provision which sets forth the obligations and liabilities that the demerger transaction shall bind the parties with and the consequences to be borne by the parties in case that such liabilities are not fulfilled,
12- Provision which sets forth the maximum term in which the general assemblies shall be called for meeting by the managing bodies of the corporations being a party to the demerger and that the demerger contract shall be deemed invalid in case that the general assembly has not convened within this term,
13- Date and number of the approval letters to be obtained from other public authorities in accordance with the provisions of special legislations binding the corporations being a party to the demerger,
14- Special benefits provided for the managing bodies of the corporations being a party to the demerger and the persons who have drawn up the opinion of expert institution with regard to the demerger, if any.

ANNEX/6

MINIMUM ELEMENTS REQUIRED TO BE INCLUDED IN THE DEMERGER PLAN

1- Shareholding structures and members of managing bodies of the corporations being a party to the demerger transaction and general information introducing the corporations,
2- Date and number of the resolutions of the managing bodies which have been taken as a basis in the demerger transaction,
3- Dates of the financial statements according to which the demerger transaction shall be fulfilled,
4- Provision stating the date as of which the demerger transaction shall be effective,
5- Opinion of expert institution which shall be the basis of the demerger transaction,
6- Date and number of the Board approval on the announcement text drawn up with regard to the demerger transaction,
7- Information on the equalization payment required by the TCC if any,
8- Provision which sets forth the rights or an appropriate consideration to be granted in consideration of the current privileged shares or dividend shares,
9- Provision which sets forth the obligations and liabilities that the demerger transaction shall bind the parties with and the consequences to be borne by the parties in case that such liabilities are not fulfilled,
10- Provision which sets forth the maximum term in which the general assemblies shall be called for meeting by the managing bodies of the corporations being a party to the demerger and that the demerger contract shall be deemed invalid in case that the general assembly has not convened within this term,
11- Date and number of the approval letters to be obtained from other public authorities in accordance with the provisions of special legislations binding the corporations being a party to the demerger,
12- Special benefits provided for the managing bodies of the corporations being a party to the demerger and the persons who have drawn up the opinion of expert institution with regard to the demerger, if any.

ANNEX/7

MINIMUM ELEMENTS REQUIRED TO BE INCLUDED IN THE DEMERGER REPORT

1- General information introducing the corporations being a party to the demerger transaction,
2- Information regarding the main fields of activity of the corporations being a party to the demerger and the consequences of such activities,
3- Purpose, legal and economic grounds and possible consequences of the demerger transaction,
4- Features regarding demerger rate and assessment of the shares,
5- Effects of the demerger on the staff and creditors of the corporations being a party to the demerger transaction,
6- Possible risks which may avoid the success of the targets anticipated with the demerger transaction.

ANNEX/8

INFORMATION AND DOCUMENTS REQUIRED FOR APPLICATION ON ISSUE DOCUMENT

1- A copy of each of the Minutes of general assembly meetings in which merger or demerger transaction has been approved and the lists of attendees of the corporations being a party to the merger or demerger transaction,
2- A notarized copy of the merger or demerger contract approved by the general assembly,
3- In respect of the merger or demerger transactions via facilitated procedure, registration letter of the resolution of the managing body regarding the merger or demerger transaction and the trade registry gazette in which such registration has been announced,
4- Provided that is limited with the corporations in authorized capital system, public accountant report which sets forth that the capital increase has been duly fulfilled,
5- In case that the capital increase resolution has not been resolved by the general assembly in corporations subject to authorized capital system, resolution of board of directors regarding the fulfillment of the capital increase transactions and the new form of the relevant clause of articles of association which sets forth the issued share capital to be registered and announced in accordance with Article 18 of the Law,
6- Other information and documents to be requested by the Board.