

TÜRK TELEKOMÜNİKASYON A.Ş. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Corporate Governance Principles

With 15% of its shares publicly held after the IPO carried out on May 15, 2008, Türk Telekomünikasyon A.Ş. ("Türk Telekom") pays utmost attention for implementing the principles contained in the Corporate Governance Principles published by the Capital Markets Board of Turkey ("CMB"). The Company updates its annual and interim activity reports and corporate website, and makes them available to its shareholders to satisfy the said principles. Shareholders have access to comprehensive information through the Türk Telekom corporate website constantly kept up-to-date, as well as the possibility to direct their queries to the Capital Markets and Investor Relations Department.

Reasons for non-complied Corporate Governance Principles

Absence of an independent Board member, and that cumulative voting system is not used: Our Articles of Association allow for the election of independent members under certain conditions. Our Board shall include an independent member if and when these conditions occur. On the other hand, our company has chosen not to use the cumulative voting system since it is not a practical system.

That the Articles of Association entitle shareholders to appoints a private auditor, and that there is no additional provision on minority rights: Regarding this matter, our company is of the conviction that the framework provided for by the Turkish Commercial Code and the CMB regulations is ample.

Presence of voting privileges: The privileges attached the Golden Share held by the Republic of Turkey Undersecretariat of Treasury are statutory, and our company is not authorized to amend these privileges.

That the Board of Auditors did not propose to the Board of Directors prior to the General Assembly for the election of the Independent Auditor: The Board of Auditors of our company was unable to propose to the Board of Directors since it was formed after the appointment of the existing Independent Auditor.

Absence of a Corporate Governance Committee: Activities for creating a Corporate Governance Committee are presently in progress.

That the Articles of Association does not contain a clause enabling the invitation of shareholders and stakeholders to the Board of Directors: Pursuant to the Turkish Commercial Code, each member of the Board of Directors is entitled to file a written request with the Chairman for inviting the Board of Directors to convene. No other form or mode of invitation to meeting is provided for.

1. Shareholders

1.1. Investor Relations Unit

At Türk Telekom, a Capital Markets and Investor Relations Department (“the Department”) has been formed which reports directly to the CEO with respect to structured maintenance of relationships with existing and potential shareholders, effectively responding to the queries by investors and analysts, and carrying out the activities targeted at increasing the Company’s share value. The Department is supervised by the CFO in matters related to the financial reporting process. Investor relations are carried out by this Department.

Primary activities handled by the Department are as follows:

- Performing the requirements of the Capital Market Regulations, and handling necessary internal and external disclosures and monitoring related processes for ensuring compliance with Corporate Governance Principles,
- Introducing and presenting the Türk Telekom Group to domestic and foreign individual and corporate investors,
- Keeping existing and potential investors regularly informed on the Company’s activities, financial standing and strategies in a timely, accurate and complete manner,
- Responding to information requests by analysts researching about the Company; ensuring proper and optimum promotion of the Company and guaranteeing that reports for investors are prepared in an accurate and complete fashion,
- Sharing the interim and year-end statements, investor presentations, press releases and annual and interim activity reports regarding financial and operational results with investors and the press; updating the corporate website regularly to ensure that shareholders have access to accurate and complete information,
- Keeping investors regularly informed on Türk Telekom and the Turkish Capital Markets by participating in conferences and investor meetings,
- Monitoring public disclosures made pursuant to the Company’s disclosure policy and applicable legislation.

Contact information for employees working in the Capital Markets and Investor Relations Department is as follows:

Full Name	Title	Phone number	E-mail address
Abdullah Orkun Kaya	Director	0212 306 80	ir@turktelekom.com.tr
Süleyman Kısaç	Manager	80	
Yunus Emre Çiçek	Manager		
Ziya Parıltılı	Specialist		
Eren Öner	Specialist		
Zehra Saygın	Assistant Specialist		
Ayça Özcan	Team Assistant		

The Department received over 300 information requests by phone and email during 2009, all of which were answered. The Company participated in 18 international and 2 domestic investor conferences in the same period, during which contacts were made with over 310 representatives from over 220 investment companies. In addition, the Department held about 100 internal investor meetings and around 40 teleconferences, thereby communicating with over 170 shareholders and/or analysts, ensuring that all queries have been fully responded to.

1.2. Shareholders' Exercise of their Right to Obtain Information

Queries, other than those relating to trade secrets and undisclosed information, received from shareholders and analysts by the Capital Markets and Investor Relations Department by letter, phone, email and other means are answered in the fastest and most effective way possible upon contacting the relevant person with highest authority on the related matter. Over 300 information requests received by Türk Telekom in the relevant period were answered. Furthermore, information and developments relating to Türk Telekom that are of interest to shareholders are regularly communicated to the concerned parties both by the corporate website and emails.

In addition to the foregoing, Within the context of shareholders' exercise of their right to obtain information, data and information are provided under the following headings on the website so as to ensure rapid and easy access to information about Türk Telekom. A large portion of this information is provided on the website both in Turkish and English languages. The website covering the related documents accessible at www.turktelekom.com.tr is periodically updated. Further details are presented under the heading 'Corporate Website and its Content' below.

Company activities are periodically audited by independent auditors and statutory auditors appointed by the General Assembly upon proposal by the Board of Directors. Independent audit and financial consultancy services for 2009 activities were provided by Ernst and Young, which performs said services under the legal entity of Güney Bağımsız Denetim ve SMMM A.Ş. In the reporting period, shareholders did not request the appointment of a private auditor.

The Company's Articles of Association contain no provisions stipulating the request for appointment of a special auditor as an individual right. However, pursuant to article 348/2 of the Turkish Commercial Code, the Capital Market Law and applicable legislation, minority shareholders representing one twentieth of the Company's share capital are entitled to exercise this right.

1.3. Board Meetings

- With Resolution No. 1 from Meeting No. 1 of 07.01.2009,

Due to changes in Board of Directors memberships, which took place at our Company's Extraordinary General Assembly of 14.11.2008, and in consideration of the Board of Directors Decision No. 15 of 09.06.2008, it was decided to elect Mohammed HARIRI as Chairman, and İbrahim ŞAHİN and Saad Zafer M. AL KAHTANI as members of the Board of Auditors.

- With Resolution No. 4 from Meeting No. 2 of 28.01.2009,

It was decided to hold our Company's 2009 Extraordinary General Assembly on 25.02.2009 at 10:30 at the address "Türk Telekomünikasyon A.Ş. Genel Müdürlük Kültür Merkezi, Turgut Özal Bulvarı 06103 Aydınlıkevler, Ankara."

- With Resolution No. 5 from Meeting No. 3 of 19.02.2009,

It was decided to approve the consolidated financial statement belonging to the period from 01.01.2008 to 31.12.2008, which were prepared in accordance with Communiqué Serial: XI No: 29 of the Capital Markets Board.

- With Resolution No. 18 from Meeting No. 4 of 09.04.2009,

Our Company's Board of Directors decided to recommend at the General Assembly to distribute the 100% of the remaining profit of 2008 as cash dividend after first and second legal reserves are set aside, which amount is 1,490,156,976.53 TL. This amount corresponds to 0.4257591 Kurus (42.57591%) gross cash dividend per each share worth for 1 Kurus nominally, and details of this distribution are as follows:

"It is resolved for the decision of our Company's General Assembly to be held on May 11, 2009;

1. Our company's net profit from activities belonging to the period from January 1, 2008 to December 31 according to the independently audited consolidated financials, which were prepared in accordance with "CMB Communiqué About Financial Reporting in Capital Markets Serial: XI No:29," is 1,752,212,271.97 TL, and is 2,610,791,955.67 TL according to the clauses of the Turkish Commercial Code,

2. According to the CMB Resolution from Meeting No. 1/6 dated January 9, 2009, the amount of 1,752,212,271.97 TL, which comes out of the after tax profits according to consolidated financial tables, is the base amount for dividend distribution pursuant to the "Announcement on the Distribution of Profits from the 2008 Accounting Period" which was published on January 12, 2009,

3. In accordance with Article 466 of Turkish Commercial Code, it is obligatory to set aside first legal reserves until the reserve amount reaches 20% of the paid in capital. Accordingly, to set aside the 5% of the statutory net profit which is 130,539,597.78 TL as first legal reserves for 2008,

4. After setting aside the first legal reserve of 130,539,597.78 TL from the consolidated net profit of 1,752,212,271.97 TL (base amount for dividend distribution), the remaining amount of 1,621,672,674.19 TL shall be the distributable profit of 2008. Adding the donations of 12,390,000 TL from 2008, the amount of 1,634,062,674.19 TL will be the base for first dividend,

5. The amount of 326,812,534.84 TL, which is equal to 20% of 1,634,062,674.19 TL (first dividend base), which is the minimum dividend payout ratio determined by CMB for 2008, shall be distributed as cash first dividend. The second legal reserve of 131,515,697.65 TL shall be set aside and the remaining 1,163,344,441.69 TL shall be distributed as cash second dividend,

- a. Total cash dividend amount to be distributed of 1,490,156,976.53 TL shall be covered by current period net profit,

b. Accordingly 0.4257591 Kurus gross cash dividend per each share worth for 1 Kurus nominally shall be distributed to our shareholders and total gross cash dividend distribution amount shall be 1,490,156,976.53 TL.

6. Distribution of cash dividends to our shareholders will begin on May 27, 2009 at Merkezi Kayıt Kuruluşu A.Ş. Süzer Plaza Askerocağı Caddesi No: 15 Kat: 2 34367 Elmadağ-Şişli, İstanbul.

- With Resolution No. 19 from Meeting No. 4 of 09.04.2009,

It was decided to hold the 2008 Ordinary General Assembly Meeting of our Company on 11.05.2009 at 10:30 at the address "Türk Telekomünikasyon A.Ş. Genel Müdürlük Kültür Merkezi, Turgut Özal Bulvarı, 06103, Aydınlıkevler, Ankara" for discussing and finalizing the following agenda items.

Agenda

1. Opening and Election of the Chairing Committee,
2. Authorization of the Chairing Committee for signing the Minutes of the General Assembly Meeting and the Attendance Roster,
3. Reading, discussing and approval of Board of Directors activity reports, Board of Auditors reports and the summary report of the Independent Auditor for the operating year of 2008,
4. Reading, discussing and approval of balance sheet and profit-loss statements for the operating year of 2008.
5. Deliberating and deciding upon the proposal of the Board of Directors for dividend distribution for 2008,
6. Releasing the members of the Board of Directors and the Board of Auditors from their responsibilities as to 2008 activities and transactions of the Company,
7. Discussing and resolving the proposal of the Board of Directors that the Independent Auditor should continue its duty of auditing the activities and accounts for 2009 pursuant to Article 14 of the CMB Regulation on Independent Auditing in Capital Markets, and Article 17/A of the Company's Articles of Association,
8. Informing of the shareholders about dividend distribution and policy,
9. Informing of the General Assembly about the information policy prepared by the Board of Directors,
10. Informing of the General Assembly about donations and aids made during 2008,
11. Informing of the General Assembly about dealings and transactions with related parties in 2008,
12. Deciding to authorize members of the Board of Directors, pursuant to Articles 334 and 335 of the Turkish Commercial Code, to enter, either personally or on behalf of others, into any business(es) that belong or do not belong to the Company's field of activity, or to start partnerships with companies that engage in such businesses, and to carry out other related transactions,
13. Wishes and Closing.

- With Resolution No. 20 from Meeting No. 4 of 09.04.2009,

It was decided to form an Executive Subcommittee, which will be named the "Executive Committee," with the participation of Mohammed Hariri (Chairman), İbrahim Şahin (Vice Chairman), Abdullah Tivnikli (Member), Saad Zafer M. Al Kahtani (Member), and Boulos H.B. Doany (Member).

- With Resolution No. 21 from Meeting No. 4 of 09.04.2009,

Upon recognizing the need to do so, it was decided to reconstruct the Board of Auditors from Board of Directors members Basile Yared (Chairman), Mehmet Habib Soluk (Member) and Samir Asaad O. Matbouli (Member).

- With Resolution No. 28 from Meeting No. 5 of 10.04.2009,

It was decided to approve the 2008 Annual Report.

- With Resolution No. 29 of 14.04.2009,

With the Resolution of our Company's Board of Directors from April 14, 2009, it was decided to cancel the Board of Directors Decision No. 19 of April 9, 2009; to hold the 2008 Ordinary General Assembly Meeting of our Company on May 11, 2009 at 10:30 at the address "Türk Telekomünikasyon A.Ş. Kültür Merkezi Turgut Özal Bulvarı, Aydınlıkevler, Ankara" for discussing and finalizing the below-listed agenda items; and accordingly to add Item No. 5 to the General Assembly Meeting agenda.

Agenda

1. Opening and Election of the Chairing Committee,
2. Authorization of the Chairing Committee for signing the Minutes of the General Assembly Meeting and the Attendance Roster,
3. Reading, discussing and approval of Board of Directors activity reports, Board of Auditors reports and the summary report of the Independent Auditor for the operating year of 2008,
4. Reading, discussing and approval of balance sheet and profit-loss statements for the operating year of 2008,
5. Approving that losses from previous periods be deducted from reserves, and that such deduction be reflected onto semiannual financial tables for 2009,
6. Deliberating and deciding upon the proposal of the Board of Directors for dividend distribution for 2008,
7. Releasing the members of the Board of Directors and the Board of Auditors from their responsibilities as to 2008 activities and transactions of the Company,
8. Discussing and resolving the proposal of the Board of Directors that the Independent Auditor should continue its duty of auditing the activities and accounts for 2009 pursuant to Article 14 of the CMB Regulation on Independent Auditing in Capital Markets, and Article 17/A of the Company's Articles of Association,
9. Informing of the shareholders about dividend distribution and policy,
10. Informing of the General Assembly about the information policy prepared by the Board of Directors,
11. Informing of the General Assembly about donations and aids made during 2008,
12. Informing of the General Assembly about dealings and transactions with related parties in 2008,

13. Deciding to authorize members of the Board of Directors, pursuant to Articles 334 and 335 of the Turkish Commercial Code, to enter, either personally or on behalf of others, into any business(-es) that belong or do not belong to the Company's field of activity, or to start partnerships with companies that engage in such businesses, and to carry out other related transactions,

14. Wishes and Closing.

- With Resolution No. 30 of 20.04.2009,

It was decided to approve the consolidated financial statement belonging to the period from 01.01.2009 to 31.03.2009, which were prepared in accordance with Communiqué Serial: XI No: 29 of the Capital Markets Board.

- With Resolution No. 31 of 29.04.2009,

It was decided to approve amendments to our Company's Information Policy, which were made in accordance with Communiqué Serial: 8 No: 54 of the Capital Markets Board.

- With Resolution No. 34 from Meeting No. 6 of 10.06.2009,

It was decided to approve the Working Procedures and Principles and the powers of the Executive Committee of the Company.

- With Resolution No. 38 from Meeting No. 6 of 10.06.2009,

In order to contribute to education in our country within the framework of the Support to Education Project initiated by the Ministry of National Education, it was decided to build a high school in Boyabat subprovince of Sinop, a primary school in Şebinkarahisar subprovince of Giresun, and Lodging Building with 10 apartments in İliç subprovince of Erzincan. Funds required for described projects will be paid by adding an appropriation of 13.500.000 TL to sub-item E.1.1.8, "Telekom Schools" of the "Core Network" Project No. TYP.09.020 included in the 2009 Investment Program; and, until said fund is entirely spent, it will be obligatory to transfer any remaining amounts to the investment program of the following year. It was decided to authorize the CEO to perform any and all kinds of procedures and transactions in relation to said projects.

- With Resolution No. 40 from Meeting No. 6 of 10.06.2009,

It was decided to sign, deliver and execute the Certificate of Amendments attached to the finance agreements signed by Türk Telekomünikasyon A.Ş. in April 2007 with various banks and finance institutions in order to repay certain fees, premiums, expenses and costs arising from financing of the restructuring of existing debts, the operational capital, the multi tranche project, and the development and operation of the mobile telecommunications system of Avea İletişim Hizmetleri A.Ş., a subsidiary of Türk Telekomünikasyon A.Ş.; it was decided to sign and deliver Precondition Documents; and to collectively authorize our Company's CEO Boulos H.B. Doany and any of the Board Members representing the TR Undersecretariat of Treasury, namely İbrahim Şahin, Mehmet Habib Soluk, Ali Arıdurdu or İsmet Yılmaz, for signing and delivering all Certificates of Amendment and all required Precondition Documents in a way to fully represent and bind our Company.

- With Resolution No. 42 from Meeting No. 7 of 20.07.2009,

It was decided to authorize the consolidated financial tables belonging to the period from 01.01.2009 to 30.06.2009, which were prepared in accordance with the International Financial Reporting Standards as per Communiqué Serial: XI No: 29 of the Capital Markets Board.

- With Resolution No. 43 from Meeting No. 7 of 20.07.2009,

It was decided to authorize the Executive Committee for any changes to be made at directorate and equivalent level within central units, which may arise in relation to the organizational structure of the Company; and to authorize the CEO for restructuring the provincial organization and filling those positions that are created by changes at directorate and equivalent level; and also to change the number of permanent staff for units, giving due consideration to the total number of permanent staff determined for the whole company, which change may be necessary in relation to the restructuring of central/provincial units.

- With Resolution No. 53 from Meeting No. 7 of 20.07.2009,

It was decided to authorize the CEO for the procurement of the China Construction Bank loan, and for signing any and all loan agreements and other related documents to be executed in relation thereto.

- With Resolution No. 54 from Meeting No. 7 of 20.07.2009,

It was decided that the Board of Directors will form a committee with Mohammed Hariri as its Chairman, and David Cook, Nurhan Kılıç and Rami Aslan as its members, which will invite proposals from international banks in relation to a potential borrowing of up to 750 million US Dollars by our Company through club agreement or international syndication, and will increase or decrease the said amount according to the conditions attached to the proposals received from banks, and will present its findings and recommendations to the Board of Directors for final approval.

- With Resolution No. 55 from Meeting No. 8 of 11.09.2009,

It was decided, in order to provide export financing for goods and services to be procured by our subsidiary Avea İletişim Hizmetleri A.Ş. from Ericsson AB ve Ericsson Telekomünikasyon A.Ş. in relation to its 2G and 3G investments, to procure a loan of 380.000.000 US Dollars total worth through ABN AMRO BANK N.V., Stockholm Branch, BNP PARIBAS, London Branch and ING BANK N.V., and under the Guarantee of the Swedish Export Credits Guarantee Board (“EKN”); and accordingly to sign a loan agreement of up to 380.000.000 US Dollars total worth between our Company (Debtor) and ABN AMRO BANK N.V., Stockholm Branch, Facility Agent, EKN Agent, SEK Agent and ABN AMRO BANK N.V., Stockholm Branch, BNP PARIBAS, London Branch and ING BANK N.V.; and to collectively authorize our Company's CEO Boulos H.B. Doany and any of the Board Members representing the TR Undersecretariat of Treasury, namely İbrahim Şahin, Mehmet Habib Soluk, Ali Arıduru or İsmet Yılmaz, for full representation and binding of our Company; and to individually authorize our Company's CEO Boulos H.B. Doany for signing any Precondition Documents to be provided by our Company within the framework of the Loan Agreement.

- With Resolution No. 56 from Meeting No. 8 of 11.09.2009,

It was decided, with ex officio Board of Directors Resolution No. 54 of 20.07.2009, to form a committee which will invite proposals from international banks in relation to a potential borrowing of up to 750 million US Dollars by our Company through club agreement or international syndication, and will, after having evaluated proposals, present qualifying proposal(s) to the Board of Directors for final approval. Accordingly, it was decided to collectively authorize our Company's CEO Boulos H.B. Doany and any of the Board Members representing the TR Undersecretariat of Treasury, namely İbrahim Şahin, Mehmet Habib Soluk, Ali Arıduru or İsmet Yılmaz, for the procurement of said Club Funds, and for signing loan agreements and any other documents to be executed to that end.

- With Resolution No. 57 from Meeting No. 9 of 15.09.2009,

Since our Company's VP Finance Ersin Topçuoğlu resigned his position as of September 15, 2009, it was decided to temporarily assign his duties to David Cook, who will serve as Acting CFO from the day of Topçuoğlu's resignation until a new CFO is appointed, and to grant Cook a Class D signatory authorization during his time as Acting CFO.

- With Resolution No. 70 from Meeting No. 11 of 20.10.2009,

It was decided to appoint Ramazan Demir as VP Strategy and Business Development of our Company, and to grant him Class D signatory authorization.

- With Resolution No. 71 from Meeting No. 11 of 20.10.2009,

Reviewing the report of 20.10.2009 which had been prepared by Ernst&Young has led to an impression that the loan transactions of 30.09.2009 effected between our Company and our subsidiary Avea İletişim Hizmetleri A.Ş. have been performed under fair and reasonable conditions.

- With Resolution No. 77 of 25.12.2009,

Pursuant to Article 330/2 of the Turkish Commercial Code, it was decided to approve amendments to the Information Policy of Türk Telekomünikasyon A.Ş. upon consent of the Board Members.

- With Resolution No. 78 of 25.12.2009,

It was decided to revise as attached and approve Articles 3, 52, and 57 of the "Türk Telekomünikasyon A.Ş. Human Resources Working Principles," which applies to those employees who have a Service Contract with our Company and are not covered by a collective labor agreement, and the "Türk Telekomünikasyon A.Ş. Ethical Principles," which apply to all employees, both of which will be effective on the date of signing.

1.4. Information about General Assembly Meetings

Article 19 of the Articles of Association reads as follows: "The General Assembly is the decision-making body possessing all kinds of authorities, subject to the law, relating to the Company's business affairs." Article 21 of the Articles of Association lists the "Material Decisions to be adopted by the General Assembly" as follows:

- a) Filing a written application for liquidation;
- b) Making modifications to these articles of association;
- c) Making alterations to the Company name;
- d) Changing the Company's fiscal year or accounting policies, save for those imposed legally;
- e) Making alterations in the share capital, or creating, allocating or issuing shares or other securities, or granting option rights or the right to participate in the share capital, or converting any document into shares or securities other than into bonus shares;
- f) Decreasing the capital or altering the rights enjoyed by any share class, or redemption, purchase or otherwise acquisition of Company shares and other securities by the Company;
- g) The Company's merging with another company or acquiring a substantial portion of another company;
- h) Discontinuing any major activity relating to the business;
- i) Effecting a material change to the nature of the business;
- j) The Company's making or declaring a profit share distribution or undertaking any other distribution in relation to the shares, save for those set out in Article 30 of the Articles of Association concerning Dividend Payment Timing and
- k) Unless approved pursuant to Article 12 of the Articles of Association, the following decisions concerning the Board of Directors Meetings:
 - Entering into a contract or undertaking that might incur expenses for the Group Company in excess of USD 50 million (for each transaction), although not foreseen in the budget;
 - Acquisition of any asset or property with a total cost in excess of USD 50 million for each transaction except the normal course of commercial activities;
 - Disposal or sales of any fixed asset with a total value in excess of USD 10 million for each transaction;
 - Borrowing by a Group Company, which, when added to such Group Company's other indebtedness, exceeds USD 150 million, save for the loans to be secured from banks in the normal course of business;
 - Entering into any agreement between a Group Company and any Shareholder (except for Class B Shareholder) or its Affiliated Companies which (x) is not on an arm's length basis, or (y) involves transfer of money, goods and service the value of which exceeds USD 30,000,000.- (except for any management contract as set out in Article 12(g) of the Articles of Association);
 - Appointment of a proxy to be sent to the general assembly of any Group Company (except for the Company or AVEA) to act in the name of the Company.

During 2009, an Extraordinary General Assembly Meeting convened on April 25, 2009 where 90% of the Company shares were represented in proxy, and the 2008 Ordinary General Assembly Meeting convened on May 11, 2009 where 90% of the Company shares were represented in proxy and 0,02% were represented in person.

The rules governing the Company's General Assembly meetings are covered in Türk Telekomünikasyon A.Ş. Articles of Association which is publicly disclosed and posted on the corporate website. According to Article 31 thereof, General Assembly meetings are announced at

least 21 days in advance of the meeting date, excluding the dates of announcement and meeting, in the Turkish Trade Registry Gazette (TTRG) and two national newspapers in accordance with Article 368 of the Turkish Commercial Code and so as to inform the shareholders in advance of the General Assembly meetings. Information on General Assembly meetings, their agendas, invitation letters and sample proxy forms are also posted on the corporate website.

The Company's Class A shares held by Ojer Telekomünikasyon A.Ş. and Class C shares held by the Undersecretariat of Treasury are registered, whereas the remaining shares are bearer shares. The General Assembly Meeting has been attended by shareholders who wished to exercise their rights arising from shareholding, fulfilled the necessary procedures for participation in General Assembly meetings pursuant to applicable legislation, and had the necessary general assembly custody procedures performed before the Central Registry Agency in order to participate in the General Assembly Meeting convened in the aftermath of the public offering and submitted their Custody Statements to the Company.

An Extraordinary General Assembly Meeting was held on February 25, 2009, during which the Chairman of the Chairing Committee read the following statement sent by the CEO, who is a member of the Board of Directors: "Tender process of Macedonia Telecom Operator Cosmofon still continues, related to the issue, decision dated December 4, 2008 and numbered 61 was taken by the Company's Board of Directors and it was announced via a Regulatory Disclosure to the public. Furthermore, the process of pre-assessment about the purchase of the businesses in IT sector to support the Company's products and services still continues. Further developments regarding the issue will be announced. As it is known that in accordance with the Article 21 of the Company's Articles of Association headed "Invitation to the Meeting, Quorum", the Company's purchase of another company's substantial part is adjudicated by the General Assembly," and Agenda Item No. 3 was put to voting in the light of this explanation. At the outcome of voting, it was decided that our Company and/or Group Companies may acquire one or more companies during 2009 provided that the price of such acquisition does not exceed a total of 1.000.000.000 (one billion) American Dollars within a one year period; it was also decided to authorize the Board of Directors, and/or one or more Board members which may be authorized by the Board, to perform all tasks and transactions related to acquisitions in a way to defend our Company's interests; to place a final bid or to abandon the acquisition all together; and to sign acquisition contracts and other documents. Particulars related to said Extraordinary General Assembly meeting were published on the Turkish Trade Registry Gazette No. 7263 dated 05.03.2009. In addition, the relevant Regulatory Disclosure of Material Event made by our Company was also published on the ISE Daily Bulletin of 25.02.2009.

At the 2008 General Assembly Meeting of our Company held on 11 May 2009;

1. Annual Report of the Board of Directors, Report of the Board of Auditors and summary reports of the Independent Auditor for the operational year of 2008 were read, discussed and approved,
2. Balance sheet and profit- loss accounts for the operational year of 2008 were read, discussed and approved,
3. Offsetting of previous years' losses against reserves and including said offsetting entry in 2009 mid-year financial tables was approved,
4. The proposal of Board of Directors regarding the distribution of profit from 2008 was negotiated and approved,

5. Members of Board of Directors and Audit Board were acquitted due to our Company's operations and transactions in 2008,
6. It was approved that Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. maintain its function of analyzing and auditing 2009 operations and accounts,
7. Our shareholders were informed about dividends and dividend policy,
8. General Assembly was informed about the disclosure policy issued by Board of Directors,
9. General Assembly was informed about donations and aids made in 2008,
10. General Assembly was informed about transactions made with related parties,
11. Members of Board of Directors were authorized to transact businesses either in relation to the Company or not, either in his/her own name or in someone else's name, or to be partner of companies doing such transactions and to do other transactions in accordance with 334th and 335th articles of TCC.

Particulars related to said Extraordinary General Assembly meeting were published on the Turkish Trade Registry Gazette No. 7315 dated 21.05.2009. In addition, the relevant Regulatory Disclosure of Material Event made by our Company was also published on the ISE Daily Bulletin of 11.05.2009.

In addition to the foregoing, minutes of our General Assembly Meeting are made available for uninterrupted access by our shareholders at www.turktelekom.com.tr.

1.5. Voting Rights and Minority Rights

All shares of Türk Telekom, save for the one Class C golden share, can be sold. In order to protect national benefits in relation to economy and national security, the following may not be carried out without the affirmative vote of the Class C golden share, irrespective of its being voted at the Board of Directors or the General Assembly. Otherwise, any transaction so performed will be deemed null and void.

- a) Amendments to the Articles of Association;
- b) Transfer of any registered shares which would result in a change in the control of management;
- c) Registration of any transfer of registered shares in the share ledger

As required by the Company's Articles of Association, holder of the Class C golden share will have one member on the Board of Directors of Türk Telekom to represent the golden share. Holder of the Class C golden share may not participate in capital increases. At the Extraordinary General Assembly Meeting of November 14, 2008, Mehmet Habib Soluk was elected as the Board member to represent the Class C golden share for a term of office of three years.

The Company's Articles of Association contain the provision that minority rights are to be exercised by shareholders representing at least 5% of the paid-in capital. However, minority shareholders are not represented on the Board of Directors.

There are no cross shareholding interests in the Company's share capital. Since the implementation of cumulative voting right is left to the discretion of publicly held joint stock companies by the relevant CMB communiqué, this system was not implemented by the Company in 2008.

1.6. Dividend Distribution Policy and Timing

The Articles of Association grant no privileges regarding participation in the Company's profit. Each share is entitled to equal profit share; however, holder of the Class C share does not receive any share from the profit. Türk Telekom dividends are paid within the legally prescribed periods of time by applicable legislation.

Our Company adopts a policy of distributing the whole amount of dividends that are distributable as per CMB regulations. On the other hand, in drawing up the dividend distribution proposal, the Board of Directors also takes into account the short term financial liabilities of group companies, and conditions of those contracts that are signed with creditors.

As stated in the Company's Articles of Association, the dates and the manner of distribution of the annual profit to the shareholders are decided by the General Assembly upon proposal by the Board of Directors, in accordance with the provisions of the Capital Market Law and applicable legislation.

1.7. Transfer of Shares

The provisions contained in the Company's articles of association that are of a nature to restrict transfer of shares are as follows:

Holder of Class A shares may transfer, always subject to vetoing by the Class C golden share, all or part of its shares to a third party at any time after either the expiration of the Strategic Undertaking Period, or after the date of full payment of the amount payable by the holder of Class A shares for its shares in the Company, whichever occurs later.

Holder of Class A shares may create pledge or encumbrance in favor of a financial institution over its shares which will not be subject to pledge of shares in time, as guarantee for money borrowed for the acquisition of such shares or otherwise. In the event that such pledge or encumbrance is cashed by the relevant financial institution, the same may be able to transfer the Class A shareholder's shares subject to pledge and encumbrance only upon prior written consent of the Treasury, which consent will not be unreasonably withheld.

Subject to the provisions of the following two paragraphs, holder of Class B shares may not transfer to a third party all or part of its shares during the course of the Strategic Undertaking Period without the prior consent of the holder of Class A shares, which consent will not be unreasonably withheld.

1. In the context of the public offering of the Company's shares, only the Treasury may have all or part of its shares quoted and sold on the stock exchange at any time without being subject to the restriction in the preceding paragraph.
2. Holder of Class B shares may additionally transfer, without being subject to the restriction set out in the first paragraph, its own shares that are equal to 5% or less of the Company's total shares at the time of the transfer in a single transaction or in a series of transactions at any time

and at any price in line with the Law 406, to employees mentioned in the Law 406 and to “small savings holders”.

Furthermore, pursuant to the supplemental Article 17 of the Telegram and Telephone Law no 406 and Article 6, paragraph 4 of the Company’s Articles of Association, the one Class C golden share may not be sold.

2. Public Disclosure and Transparency

2.1. Company Disclosure Policy

Türk Telekom disclosure policy has been formulated in line with the CMB’s Communiqué on Principles Governing Disclosure of Material Events Serial: VIII, No: 54 and CMB’s Corporate Governance Principles. The policy has been approved and put into effect by the Board of Directors. The disclosure policy is posted on the corporate website -www.turktelekom.com.tr- under the ‘Corporate Governance’ heading under the Investor Relations section. The Capital Markets and Investor Relations Department is responsible for the monitoring and development of the said policies, and the names and duties of the relevant responsibility owners are listed under the heading Investor Relations Unit. These individuals cooperate closely with the Audit Board and the Board of Directors in the fulfillment of these responsibilities.

2.2. Regulatory Disclosures of Material Events

Pursuant to the CMB Communiqué on Principles Governing Disclosure of Material Events, Türk Telekom made 49 material event disclosures in 2009 in relation to the matters affecting the Company and its operations. The material event disclosures made are also regularly communicated by e-mail to domestic and international investors by the Capital Markets and Investor Relations Department. The ISE did not require any additional explanations in relation to material event disclosures, nor were there any sanctions imposed by the CMB on account of failure to comply with material event disclosure requirements.

2.3. Corporate Website and its Content

Türk Telekom website accessible at www.turktelekom.com.tr is actively used in achieving transparency and public disclosure in parallel with the Capital Market legislation, CMB and ISE rules and regulations, and CMB’s Corporate Governance Principles. A large portion of the information contained on the website is provided both in Turkish and English. The main headings covered on the website are listed below:

- Detailed information on corporate identity
- Vision, mission and values
- Company organization and ownership structure
- Information on the members of the Board of Directors and Company’s senior management
- The Company’s Articles of Association
- Trade registration data

- Financial data, annual and interim activity reports
- Press releases
- Investor presentations
- Investor calendar
- Date and agenda for the General Assembly meeting
- Minutes and attendance roster of the General Assembly meeting
- Sample power of attorney
- Disclosure policy
- Telecom glossary
- Share performance and analyst coverage
- Public Offering Subscription Circular and Prospectus
- Türk Telekom Call Center and Contact Information
- Contact information for the Capital Markets and Investor Relations Department
- Information on Türk Telekom's social responsibility projects
- Regulatory disclosure of material events
- Activities carried out within the frame of corporate governance principles and Türk Telekom Corporate Governance Principles Compliance Report

2.4. Company's shareholding structure

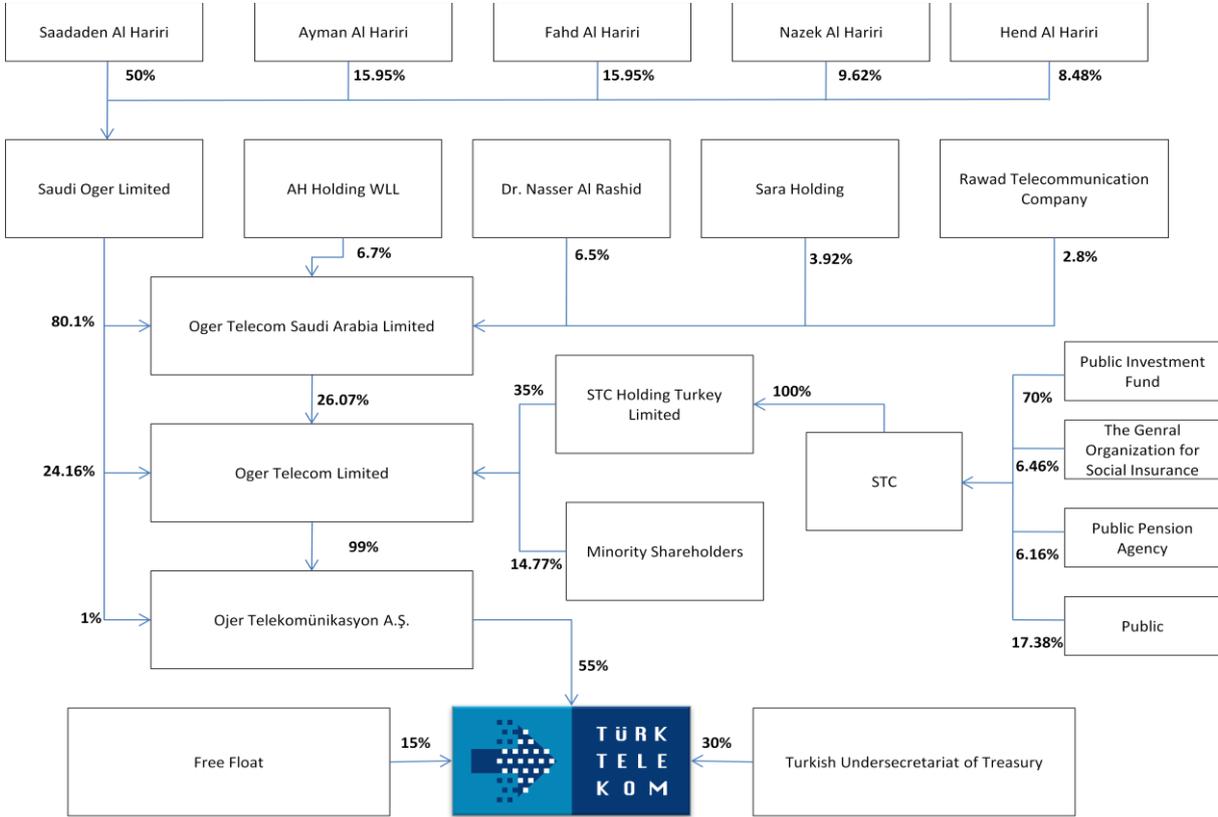
Not subject to the authorized capital system, the Company has a share capital of TL 3,500,000,000 which is fully paid-in. The distribution of the paid-in capital among the shareholders is shown below:

Class	Shareholder	Share Capital (TL)	Share (%)
A	Ojer Telekomünikasyon A.Ş.	1.925.000.000,00	55
B	TR Undersecretariat of Treasury	971.249.999,99	30
C		0,01	
D		78.750.000,00	
D	Free Float	525.000.000,00	15
Total		3.500.000.000,00	100

The real and legal persons directly or indirectly holding a stake in the Company's share capital are listed below:

Holding 55% stake in the Company, Ojer Telekomünikasyon A.Ş. is owned by Oger Telecom Limited by 99% and Saudi Oger Limited by 1%. STC Turkey Holding Limited, Oger Telecom Saudi Arabia Limited, and Saudi Oger Limited have respective shares of 35%, 26.07% and 24.16% in Oger Telecom Limited, whereas the remaining 14.77% is held by other persons holding less than 5% share. STC Turkey Holding Limited is wholly owned by Saudi Telecom Company. Saudi Telecom Company's shareholders are as follows; Public Investment Fund, The General Organization for Social Insurance,

Public Pension Agency, Public with respective shares of 70%, 6.46%, 6.16%, 17.38%. Saudi Oger Limited has 80.1% share in Oger Telecom Saudi Arabia Limited whereas AH Holding WLL holds 6.7%, Dr. Nasser Al Rashid 6.5%, Sara Holding 3.92% and Rawad Telecommunication Company 2.8% share. The shareholders of Saudi Oger Limited are as follows; Saadaden Al Hariri, Ayman Al Hariri, Fahd Al Hariri, Nazek Al Hariri, Hend Al Hariri with respective shares of 50%, 15.95%, 15.95%, 9.62%, 8.48%.



2.5. Blackout Period for those who may have Access to Insider Information

In order to achieve compliance with the Capital Markets Law and applicable legislation, a policy concerning “insider trading” has also been devised under the Türk Telekom Disclosure Policy. Within the scope of the said policy, the Capital Markets and Investor Relations Department maintains a list of those who have access to insider information and monitors the individuals on this list. In the blackout period during which trading of Company shares are banned for individuals in the list of those with access to insider information, such individuals may not trade Türk Telekom shares.

2.6. List of People who have Administrative Responsibility

People who have administrative responsibility consist of the following persons who are authorized to make decisions affecting the future development and commercial targets of the company:

TÜRK TELEKOMÜNİKASYON A.Ş.

Mohammed Hariri	Chairman of the Board of Directors, Chairman of the Executive Committee
İbrahim Şahin	Vice Chairman of the Board of Directors, Vice Chairman of the Executive Committee
Dr. Paul Doany	Member of the Board of Directors, Member of the Executive Committee, CEO
Saad Zafer M Al Kahtani	Member of the Board of Directors, Member of the Executive Committee
Abdullah Tivnikli	Member of the Board of Directors, Member of the Executive Committee
Samir Asaad O Matbouli	Member of the Board of Directors, Member of the Board of Auditors
Basile Yared	Member of the Board of Directors, Chairman of the Board of Auditors
İsmet Yılmaz	Member of the Board of Directors
Dr. Ali Arıdurur	Member of the Board of Directors
Mehmet Habib Soluk	Member of the Board of Directors, Member of the Board of Auditors
Efkan Ala	Member of the Board of Auditors
Prof. Dr. Aydın Gülan	Member of the Board of Auditors
Asst. Prof. Tuna Tuğcu	Member of the Board of Auditors
Celalettin Dinçer	VP Operations
David Cook	Acting CFO
Mehmet Candan Toros	VP International and Wholesale
Şükrü Kutlu	VP Regulations and Support Services
Kamil Gökhan Bozkurt	VP Human Resources
Dr. Mehmet Kömürcü	VP Legal
Dr. Ramazan Demir	VP Strategy and Business Development
Erem Demircan	VP Marketing and Communications
Aydın Çamlıbel	VP Sales
Paul Taylor	Deputy VP Commercial Transformation
Nazif Burca	Head of Internal Audit
Nurhan Kılıç	Treasury Director
Mehmet Arif Özeray	Accounting and Tax Director
Abdullah Orkun Kaya	Capital Markets and Investor Relations Director
Süleyman Eken	Director of Budget Planning and Analysis
Mehmet Zafer Pınarcık	Financial Controller

AVEA

Erkan Akdemir	Chief Executive Officer
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TTNET

Tahsin Yılmaz

Chief Executive Officer

3. Stakeholders

3.1. Keeping Stakeholders Informed

Türk Telekom shareholders and investors are kept informed in line with the public disclosure principles. The Company's Customer Services Department and Call Center efficiently handle Türk Telekom customers' information requests about services and products, their comments or complaints, and provide solutions for customer problems. The Internal Communication Department keeps the employees informed.

3.2. Stakeholder Participation in Management

Although there are no specific rules governing stakeholder participation in management, our subsidiaries, employees and other stakeholders are kept informed via regular meetings such as dealers meetings and communication meetings etc.

3.3. Human Resources Policy

Recruitment

Türk Telekom aims to be the most admired company in the Turkish telecommunications sector, to attract and recruit the qualified human resources aligned with the corporate culture and values in line with its future strategies and targets.

Development

Türk Telekom targets to provide opportunities for the personal and professional development of its employees so as to create a performance management concept focused on constant development whereby the employees will be able to realize their full potential, and aims to support corporate goals by enhancing the loyalty of its "human resources", which is deemed as its most valuable asset, to the Company.

Working Culture

Türk Telekom makes it a goal to establish an ongoing relationship with its employees and stakeholders built on respect, trust and ethical values, adhering to the corporate culture built and maintained on the basis of respect and sharing, as well as its principles which are identified as being customer focused, trustworthy, innovative, responsible and dedicated.

3.4. Relations with Customers and Suppliers

With a view to enhancing customer satisfaction, the project "Customer Retention Management" went live. Within the scope of the project, teams at the call center contact our customers in an effort

to understand the problems they are faced with and solve their issues, if any. As a step aimed at enhancing the satisfaction from services of Türk Telekom, our customers are guided to transfer to the tariff that best suits their telephone usage behaviors, and they are provided with advisory on this subject. In addition, information is offered on campaigns that provide optimum benefits to our customers, thereby trying to increase the benefit our customers derive from Türk Telekom.

3.5. Social Responsibility

Acting on the convergence strategy in its technology investments throughout 2009 coupled with the group synergy attained, the Türk Telekom Group reflects the same strategy in its social responsibility activities.

Aiming to invest in Turkey's future, Türk Telekom undertakes various social responsibility activities focusing on the nation's economic and social needs including, in particular, education, culture and arts, technology, environment and sports, besides the telecommunications field in which it operates. Information on the Company's social responsibility projects are shared with the public also via the corporate website.

4. Board of Directors

4.1. Structure of the Board of Directors

The structure of our company's Board of Directors is as follows:

- **Mohammed Hariri**, Chairman
- **İbrahim Şahin**, Vice Chairman
- **Dr. Paul (Boulos H.B.) Doany**, Member (CEO)
- **Saad Zafer M Al Kahtani**, Member
- **Abdullah Tivnikli**, Member
- **Samir Asaad O Matbouli**, Member
- **Basile Yared**, Member
- **İsmet Yılmaz**, Member
- **Dr. Ali Arıduru**, Member
- **Mehmet Habib Soluk**, Member

Pursuant to Article 8 of Türk Telekom's Articles of Association, holder of Class A shares is entitled to make six nominations in the election of the Board of Directors members, and the Undersecretariat of Treasury, the holder of Class B shares, to make three nominations so long as it holds 30% or more of the Company's share capital. The Class C share is represented by one member on the Board of Directors. In line with these provisions of the Articles of Association, currently there are no independent members on the Board of Directors of Türk Telekom. Since Article 8 of the Articles of Association stipulates that holder of Class A shares and the Treasury will be entitled to nominate individuals to be elected as an independent Board member upon reaching a mutual agreement, provided that the Undersecretariat of Treasury holds less than 30% but 15% or more of the Company's share capital, it will be possible to have an independent member on the Company's Board

of Directors.

4.2. Qualifications of Board Members

The Company's mission, vision and values are publicly disclosed under the 'About Us' section on the corporate website. Türk Telekom's performance with respect to achievement of strategic goals is constantly monitored by the Board of Directors.

4.3. Mission, Vision and Strategic Goals of the Company

The Company's mission, vision and values are publicly disclosed under the 'About Us' section on the corporate website. Türk Telekom's performance with respect to achievement of strategic goals is constantly monitored by the Board of Directors.

4.4. Risk Management and Internal Control Mechanism

While it closely monitors the innovations of the era in a variety of fields, Türk Telekom has transformed its deeply rooted Inspection Department as of June 2007 into the Internal Audit Department which will perform risk-based audits, to ensure a modern and efficient internal audit system that has become the primary topic worldwide particularly in the recent years. In keeping with corporate governance requirements imposed by the CMB legislation, in June 2008 Türk Telekom has formed an Audit Committee by members elected from among non-executive members on the Board of Directors. The Internal Audit Department has started to report to the Audit Committee as of the same date, in order to guarantee independence and objectivity. The Audit Committee is assigned with the monitoring of the effectiveness and adequacy of the Company's internal audit, internal control and risk management functions on behalf of the Board of Directors and shareholders. The Committee also supervises the accuracy of financial data produced by the Company; undertakes a preliminary assessment in the selection of independent audit firms, and regularly supervises the activities of the audit firm selected by the General Assembly.

Based on the authority granted by the Audit Committee and the Board of Directors, the Internal Audit Department mainly performs regular risk assessments within the organization, carries out financial, operational and compliance audits in relation to areas posing high risks, develops action plans in cooperation with the executives to minimize the risks with respect to control vulnerabilities identified in these areas, and controls and monitors the timely implementation of these actions, as well as controlling the accuracy of financial statements and conformity of activities to the law. The internal auditing of Group companies is the responsibility of each company's own management, and the Internal Audit Department conducts audits and coordinates audit activities at these companies, as and when necessary.

During 2009, as a preparation to risk assessment within our company, interviews were held, under the coordination of consultant company Price Waterhouse Coopers, with all business units in order to define all major risks and organize risk management activities. During said work, over 200 main risks were grouped and assessed according to their levels of importance, about which the Senior Management was informed, awareness was raised thereof, and the matter of managing these risks was referred to relevant VPs. At meetings held between the Executive Committee and the CEO and

the VPs, outcome of risk-mitigating activities is discussed on regular basis. The plan is to periodically update risk assessments, and implement risk management across all companies of the group.

4.5. Authorities and Responsibilities of Board Members and Executives

The duties and authorities of the members of the Board of Directors are covered in detail in Article 11 of the Company's Articles of Association.

4.6. Operating Principles of the Board of Directors

Within the frame of the provisions set out in the Articles of Association, the Board of Directors meets as and when necessitated by the Company's affairs, but holds at least four meetings annually. The activities and formalities of the Board of Directors are handled by the General Secretariat of the Board. In this frame, the meeting date, agenda and relevant documents are sent to Board members for their review 15 business days in advance of the meeting.

4.7. Prohibition on Doing Business and Competing with the Company

The Company has adopted practices that are aligned with Articles 334 and 335 of the Turkish Commercial Code in this respect.

4.8. Code of Ethics

The code of ethics that is the key for the Company's success, as well as for the personal success of our employees, has been approved by the Board of Directors. The Code of Ethics is a body of rules that must be abode by the Company executives in particular, and all employees in general, while also leading other employees to act in compliance with these principles. The Code of Ethics is of a complementary nature to Türk Telekom Disciplinary Principles.

It is the responsibility of our executives to create an environment that is in conformity with the Code of Ethics across the Company. To this end, our executives;

- First and foremost recognize the importance of Code of Ethics and abide by them;
- Set role models for other employees with their actions and thoughts;
- Adopt the principle of the establishment and maintenance of the Code of Ethics firstly in the units they are in charge of;
- Work towards the establishment of the corporate culture and ensuring that employees espouse the norms, values and principles by which they are obliged to abide. They strive to make sure that their activities are aligned not only with the wording but also with the spirit of the Code of Ethics, and try to develop a culture deeply espoused by the organization in accordance with the law and corporate policies;

- Provide an environment where employees feel comfortable coming to them for ethical issues as well as problems regarding the operation of the Company, and having an open communication with them;
- Display honesty and consistency in their actions and decisions including ethical handling of existing or future conflicts of interest at all times, which may arise between their own personal relations or financial and commercial interests and their responsibilities towards the Company;
- Ensure full, fair, accurate, timely and intelligible disclosure of all reports and documents that will be submitted to the ISE and other authorized entities and boards or otherwise publicly disclosed by the Company;
- Fully abide all laws, rules and regulations applicable to the Company and the relationship between the Company and its shareholders;
- Notify any known or suspected violation of the Code of Ethics, if any, to the chairman of the Audit Committee promptly.

The Code of Ethics by which the Company employees are obliged to abide is spelled out below:

Use of Resources

Utmost attention will be paid in the use of Company's all tangible and intangible resources and its brand name. These resources may not be used for personal use, interests, expenses, nor may they be given as gifts, donated or given away as political incentives.

Entering into personal financial relationship with the customers and with individuals and organizations doing business on behalf of the Company, attempting to derive personal benefits and observing personal benefits in the contracts made constitute indirect use of the Company's tangible and intangible assets.

Use of Fixtures and Stationary

Stationery, printed documents and all kinds of fixtures owned by the Company are to be used strictly for Company affairs and must not be taken out of the Company. Utmost care will be paid to saving principles in their internal use.

An employee leaving the company is obliged to return any and all negotiable, non-negotiable instruments, files, written information, documents, records and fixtures etc. given to him or her for the performance of his or her job.

Company employees are obliged to implement all necessary security procedures and to protect computer hardware and electronic equipment against theft and unauthorized use.

Communication Tools

Electronic mailing will be used strictly as a means of communication. Attention will be paid not to use electronic mail for non-business purposes. Also efforts will be spent not to use telephones, fax

equipment, the Internet and similar tools for personal reasons. Attention will be paid to keep private phone calls short.

Protection of Confidentiality

Attention will be paid to the confidentiality of data and documents pertaining to the Company, employees and customers, and every effort will be spent not to use such data for any personal purpose whatsoever and not to disclose them to any third party.

Company Vehicles

Employees who are allocated motor vehicles by the Company will pay the necessary attention and care in their use and will not let third persons other than themselves drive the allocated vehicles save for exceptional circumstances. Traffic fines resulting from violation of traffic rules will be borne by the individuals to whom vehicles are allocated.

Shuttle Buses

Employees making use of the shuttle bus service will not keep the bus waiting for personal reasons and will not disturb the other people on the shuttle bus.

Shared Work Spaces

Posters, fliers or ready-made notes other than those allowed by the management may not be posted in the Company's shared work spaces. Goods and services apart from those allowed may not be traded in the buildings. Any documents, papers, etc., which may be of a confidential nature, must not be left on the desks or out in the open outside business hours.

Giving or Accepting Presents, Invitations or Donations on behalf of the Company

Presents may be given to customers, business partners or suppliers' representatives on behalf of the Company, in accordance with the principles set by the Company management. However, attention will be paid not to use the presents for personal relationships such as relatives, friends and acquaintances, etc. Aids or donations can be made to an organization on behalf of the Company strictly subject to the approval of the CEO.

Accepting Presents: Presents may not be asked for from customers, subcontractors, and/or suppliers, nor such a request may be implied. No presents, money, checks, free vacations, special discounts, etc. may be accepted which might put the Company and the recipient of the present under any obligation. Presents worth in excess of TL 50, which are deemed not to have an influence on the decisions to be made, may be accepted upon notification of the immediate manager. The total worth of presents that may be accepted as such may in no way exceed TL 500.

Accepting Invitations: Business meetings may be attended, provided that such meetings will not influence the attendee's decisions and will not contradict with the Company's policies and interests, and provided further that written or verbal consent of the immediate manager shall have been obtained.

Accepting Aids and Donations: Donations and aids may not be accepted from any person and/or entity having a business relationship with the Company. In any case, such donation and aid offers will be informed to the immediate manager.

Relations with Individuals, Enterprises and Establishments with which there is a Business Relationship

All employees must pay attention to be accurate, consistent, trustworthy, helpful and punctual in their relations with those having a business relationship with our Company, as well as with our customers.

Product/service agreements with those having a business relationship with the Company, including but not limited to contractors, subcontractors, etc. will be handled within the scope of applicable legislation, and corporate policies and principles. The considerations presented below will be taken into account when entering into these agreements:

Those having a business relationship with the Company will, as a matter of principle, be identified according to Company regulations, and acts and transactions will be carried out according to predefined principles.

Feedback will be sought from the Legal Department and other concerned units with respect to the agreements and protocols to be made with those having a business relationship with the Company.

Objective criteria such as benefit vs. cost and so on will be taken as the basis in the selection of companies, without yielding to any influence that may be exercised by anyone.

Time Management

Employees will make optimum use of time and will not spare time for personal business (except for emergencies) during business hours. Personal visitors will not be accepted during business hours. An employee's meeting with external visitors will not exceed 10-15 minutes, save for extraordinary and exceptional cases.

Conflict of Interest

A conflict of interest is an inverse relationship between the Company's interests and personal interests, and the interests of customers or suppliers. Personal interests may not be held above Company interests. The position in the Company, information on Company goods and services may not be used to derive personal benefits. In the case of a conflict of interest, guidance will be sought from the immediate manager forthwith.

Our employees, Executives and Members of the Boards of Directors and Auditors;

Shall not yield to any pressure that may give rise to events which are detrimental to the shareholders, may not personally profit from customers/suppliers, and may not be instrumental in any transfer of profits by way of mediating between customers/suppliers.

Must act equally and fairly to all parties involved in the case of a conflict of interest between customers/suppliers. They also must fulfill their duties impartially, and spend every effort to this end.

In order to avoid conflicts of interest, our employees do not:

- enter into a debtor-creditor relationship with customers/suppliers, not act as their surety and not accept their suretyship.
- attend invitations, domestic/international trips, vacations with customers/suppliers, the expenses of which are fully or partially covered, without the knowledge and approval of the immediate manager.
- accept customers'/suppliers' uncustomary gifts of a nature and value that might give rise to an obligation on their part, and not use his or her authority to derive advantages from the customer's/supplier's field of activity which go beyond the purpose or regular practices.
- enter into business relationship with spouses, relatives and friends (a business relationship may be established if an interest in favor of the Company is in question, subject to approval by the immediate manager).
- influence promotion or rewarding decisions concerning spouses or close relatives working for the Company or its subsidiaries.

Mobbing

Executives and employees must not practice mobbing against each other. They must not cause any discomfort to one another in this sense.

Discrimination

Executives and employees must act fairly and equally towards everyone without any prejudices. They must not allow discrimination in whatsoever manner. No individual may be exposed to discriminatory treatment for reasons such as age, language, race, nationality, health, gender, marital status, religion and sect, political affiliation or philosophical belief, etc. The Company may impose sanctions upon those violating these rules, up to and including termination of the employment contract. No complaints about this matter may be obstructed; in addition, employees may leave out all superiors and submit their complaint directly to the Human Resources Department or the Legal Department.

Protection of Health, Safety and the Environment

Executives and employees must practice necessary caution and attention to carry on the Company's activities in the healthiest and safest manner, with the environmental impact thereof minimized.

4.9. Numbers, Structures and Independence of Committees within the Board of Directors

An Audit Committee was set up at the Board of Directors meeting held on April 9, 2009. Basile Yared was elected as the chairman of this committee, while Mehmet Habib Soluk and Samir Asaad O. Matbuoli were elected as its members. As per Article 10 of the Audit Committee Regulation, the

Audit Committee meets at least four times a year, and is also entitled to hold additional meetings. The meetings are organized each quarter following the disclosure of financial statements.

A Board of Directors subcommittee titled Executive Committee was set up at the Board of Directors meeting held on April 9, 2009. Mohammed Hariri was elected as the chairman of this committee, while İbrahim Şahin was elected as its vice-chairman and Abdullah Tivnikli, Saad Zafer M. Al Kahtani were elected as its members.

A Corporate Governance Committee has not been formed at the Company, but efforts for creating such committee are underway. Activities aimed at achieving compliance with the corporate governance principles are being carried out by the Capital Markets and Investor Relations Department.

4.10. Remuneration of the Board of Directors

Remuneration of the members of the Board of Directors is determined by the General Assembly in accordance with Article 369 of the Turkish Commercial Code and Article 8 of the Company's Articles of Association. Accordingly, the monthly salary determined at the General Meeting for Board members is TL 5,500. There is no performance measurement and performance-based rewarding system in place for the Board members. The Company has never lent money or extended loans to any Board member or executive, no credit has been given under the name personal loan through third persons, nor have any guarantees been provided such as suretyship in their favor.