

## **İntema İnşaat ve Tesisat Malzemeleri Yatırım ve Pazarlama A.Ş.**

### **Report on Compliance with Corporate Governance Principles**

#### **1. Statement of compliance with corporate governance principles**

Some of the Corporate Governance Principles issued by the Capital Market Board were complied with in the period 01.01.2011 to 31.03.2011, the rest of said principles are yet to be complied with. Details are explained below.

#### **PART I – SHAREHOLDERS**

##### **2. Shareholder Relations Office**

Although a shareholder relations office is yet to be created, the relations in question are dealt with the Financial Affairs Department ensuring the shareholders to communicate and correspond with Istanbul Stock Exchange (IMKB), Capital Market Board (SPK), MKK and Takasbank. In the first quarter of 2011, one application for delivery and registration of share certificates with regard to the capital increased in 2003 was processed, and three copies of the annual report 2010 were sent. The reasons why the above mentioned office has not been created is that demand for it is not sufficient, and this company's policy of not bearing the costs of offices with limited workload.

##### **3. Shareholders' right to receive information**

Two verbal requests were received by phone and one written request was received through the Internet about the present value of this company's share certificates, so that verbal and written information was given to the applicants. The Investor Relations page of our website was improved. Developments which will affect the shareholders' use of their rights are announced by IMKB. This company's Articles of Association do not require appointment of a special auditor.

##### **4. General Assembly**

General Assembly held an ordinary meeting for fiscal year 2010. Quorum was 72.54% at said meeting. It was attended by shareholders; no journalists were present. Invitation for this meeting was announced in the Public Information Platform, [www.eczacibasi.com.tr](http://www.eczacibasi.com.tr), Business Registration Journal, and press advertisements.

The annual report and financial statements were made available for review at this company's head office before the General Assembly meeting.

This company's Articles of Associations do not make acquisition, purchasing or leasing of substantial portions of the assets subject to a resolution by the General Assembly.

In order to facilitate attendance in the General Assembly meetings, they are held at downtown locations, and invitations to them are published in daily newspapers believed to be read by the shareholders in general. Minutes of the General Assembly meetings are sent to both the Public Information Platform and SPK.

##### **5. Right to vote, minority shareholders' rights**

Right to vote is not subject to preference. There is no mutual interest relation. To date no shareholder claimed any minority shareholder right. Collective voting method is not employed.

## **6. Profit distribution policy and time**

Board of Directors had resolved on the profit distribution policy described below in accordance with the Corporate Governance Principles in the meeting it held on 10 March 2006.

- 1) This company's Articles of Association do not contain specific conditions governing preference shares, distribution of profit to the members of the Board of Directors and employees, and distribution of profit advances.
- 2) This company's Articles of Association require to distribute a first dividend from the distributable profit at the rate determined by the Capital Market Board (SPK).
- 3) Suggestions for dividends presented by the Board of Directors to the General Assembly for approval are prepared by taking into account the then present profitability, expectations of the shareholders and the growth strategies adopted.
- 4) Dividends are paid in cash and/or bonus shares as soon as possible, within the period specified in the law, and not later than the end of said period.

## **7. Transfer of Shares**

This company's Articles of Association do not restrict transfer of shares.

## **PART II – PUBLIC INFORMATION AND TRANSPARENCY**

### **8. Information Policy**

As a basic principle, all kinds of information announced to the public is presented as soon as possible to applicants upon demand. Furthermore, demands received from the Press, shareholders or potential investors are answered in verbal or written form by the executives of this company.

### **9. Statements on Special Cases**

Eight statements on special cases were sent to the Public Information Platform in the first quarter of 2011.

Neither Istanbul Stock Exchange (IMKB) nor the Capital Market Board (SPK) asked for additional information about the above mentioned statements. This company's share certificates are not listed in any foreign stock exchange. All these statements were sent on time, so that SPK did not charge any default fine.

### **10. Website**

This company's website was launched in 2007; all necessary information is available on its Investor Relations page. The page in question was improved.

### **11. Statement on real person majority shareholder(s)**

Since this company is a subsidiary of Eczacıbaşı Group, such statement is not applicable.

### **12. Statement on employees having insider information**

This statement was sent to the Capital Market Board, but was not announced to the public. Employees having insider information are the members of the Board of Directors, members of the Board of Auditors, and top management executives. Their names and positions are explained in this Business Review Report.

## **PART III – INTEREST HOLDERS**

### **13. Information to Interest Holders**

Interest holders are provided with information through General Assembly meetings, meetings with the suppliers and customers, and to the employees through strategic planning meetings and announcement meetings (where changes to the targets, salaries, social benefits, per diems etc. are announced and satisfaction polls are taken).

### **14. Interest holders' participation in management**

Shareholders are allowed to participation in management through General Assembly meetings, employees through strategic planning meetings, suppliers through supplier meetings, and customers through visits paid to them.

### **15. Human resources policy**

The human resources policy of Eczacıbaşı Group is:

- To ensure its subsidiaries to maintain their organizational structures dynamic and ready for change in accordance with the strategic plans and targets;
- To employ processes and systems designed to use the human resources in the most efficient and productive way, to direct Eczacıbaşı Group's to its corporate targets, to improve individual and team performances, to provide the employees with a professional working medium, and to enable them to improve their careers;
- To employ highly educated and well-trained people who are open to innovation and change, having entrepreneur skills, energetic, aiming to improve their skills and positions, training other employees, and adopting Eczacıbaşı Group's values.

### **16. Information about customer and supplier relations**

Satisfaction polls are taken every six months with both the retail and wholesale channel customers.

### **17. Social responsibility**

This company supports social, cultural and certain sports events in accordance with the principles of Eczacıbaşı Group. No lawsuit is pending against this company on the grounds of damage to the environment.

## **PART IV – BOARD OF DIRECTORS**

### **18. Structure of the Board of Directors, independent members**

Names and positions of the members of the Board of Directors are explained in this Business Review Report. None of the members of the Board of Directors is an independent member, because the public opinions are closely monitored, and services are purchased from external consultants when an outsider's view is needed. Members of the Board of Directors are allowed to work also for other subsidiaries of Eczacıbaşı Group, but not for any company outside Eczacıbaşı Group.

### **19. Qualifications of the members of the Board of Directors**

Minimum qualifications for members of the Board of Directors comply with articles 3.1.1., 3.1.2 and 3.1.5, Part IV of the Corporate Governance Principles issued by the Capital Market Board. Articles of Association do not specify such minimum qualifications.

## **20. Mission, vision and strategic targets**

Board of Directors set the following vision for 2011: “Serving as a leading retail service brand selling products designed to increase the quality of life in buildings, specialized in bathroom and kitchen architecture.” Strategic targets for 2011 are growth, productivity, profitability, and expansion of the market share. Board of Directors review these targets at meetings held once a month.

## **21. Risk management and internal control**

Risk management and internal control support is received from the Supervision Board formed by two members of the Board of Directors, Financial Affairs Coordination Office of Eczacıbaşı Holding, and a financial advising service provider.

## **22. Powers and responsibilities of members of the Board of Directors and management executives**

Powers and responsibilities of members of the Board of Directors and management executives have been defined in detail in the Articles of Association.

## **23. Rules for the Board of Directors**

Agendas of the meetings to be held by the Board of Directors are prepared by the Managing Director as authorized by the Chairman of the Board. Board of Directors held nine meetings in this period. All members of the Board of Directors attended said meetings. Invitation to the meetings is made by telephone and/or e-mail. Information to and communication with the members of the Board of Directors is provided by the Managing Director.

All the resolutions passed in all of the meetings mentioned above were passed unanimously. All members of the Board of Directors were present at the meetings where the matters described in Article 2.17.4, Part IV of the Corporate Governance Principles issued by the Capital Market Board. None of the members of the Board of Directors has the right to cast preference vote or veto.

## **24. No business and no competition with this company**

In accordance with the general principles of Eczacıbaşı Group, the members of the Board of Directors are not allowed to do business with this company.

## **25. Ethical Rules**

The ethical rules set by Eczacıbaşı Group are followed. Said rules were notified in writing to the employees, but were not announced to the public.

## **26. Number, structure and independence of the committees within the Board of Directors**

Apart from the Supervision Committee, no corporate governance committee was formed within the Board of Directors. Consulting and other services are purchased from external service providers when the Board of Directors needs the same to perform their tasks and responsibilities, so that it does not need to form a corporate governance committee.

## **27. Remuneration to the Board of Directors**

In accordance with the resolutions passed by the General Assembly, no remuneration is paid to the members of the Board of Directors. None of the members of the Board of Directors has made any financial transaction with this company. No performance-based bonus system is employed. No surety, loan or credit was lent to the members of the Board of Directors in the first quarter of 2011.