

**EİS ECZACIBAŞI İLAÇ, SINAİ VE FİNANSAL YATIRIMLAR  
SANAYİ VE TİCARET A.Ş.  
ORDINARY GENERAL ASSEMBLY FOR 2011  
INFORMATION DOCUMENT**

Our Company's Ordinary General Assembly of Shareholders will be held on May 29, 2012, Tuesday at 08:30 a.m. at the Grand Hyatt Istanbul Hotel located at Taşkılla Caddesi, no:1 Taksim / Istanbul with the purpose of evaluating the activities performed in 2011 and discussing and resolving the items of the agenda specified below.

**Participation of the Shareholders holding Dematerialized Shares in the General Assembly Meeting**

Our shareholders holding their dematerialized shares in the investor accounts under custody of the Central Registry Agency Inc. ("CRA") and willing to participate in the General Assembly Meeting are required to act in accordance with the regulations of the CRA governing the "General Assembly Blockage" procedures and to register themselves in the General Assembly Blockage List. Our shareholders who do not register themselves in the Blockage List at the CRA cannot attend the meeting. As it is legally obligatory for the dematerialized shareholders submitting General Assembly Blockage Form that the blockage should be effective on the General Assembly date for entitlement to attend the General Assembly, the General Assembly Blockage Form should be in line with the General Assembly Blockage List received from the CRA. Therefore, the General Assembly Blockage List obtained from the CRA on the date of General Assembly Meeting is essential for attendance of the shareholders holding dematerialized shares in the General Assembly.

The General Assembly Blockage procedure will commence on May 8, 2012, Tuesday at 09:00 a.m. and the deadline for the blockage procedure is determined as May 22, 2012, Tuesday at 23:59. Our shareholders are kindly requested to apply to the CRA or to the member intermediary institutions between the dates stated above in order to get their shares under general assembly blockage and to bring their General Assembly Blockage Letters with them in the General Assembly Meeting.

**Participation of the Shareholders holding their Shares in Physical Form in the General Assembly Meeting**

Our shareholders holding their share certificates in physical form are required to apply for General Assembly Blockage procedures by submitting the receipts showing that they have deposited their share certificates to the Capital Market and Shareholders Relations Unit located at the Company Headquarters or to a bank until the General Assembly date or to bring their share certificates with them in the General Assembly Meeting.

As per the Provisional Article 6 of the Capital Market Law amended by the article 157 of the Law no. 6111 which was enforced upon its publication in the Official Gazette (1<sup>st</sup> bis) no. 27857 dated February 25, 2011; all share certificates that are not dematerialized by our shareholders keeping their share certificates in physical form until the date of December 31, 2012 will legally be transferred to our Company on the said date and all rights of the shareholders on such share certificates will be automatically terminated as of the said date. Accordingly, we hereby strongly recommend to our shareholders that have not yet dematerialized their shares to have their shares dematerialized by registering them at the CRA as soon as possible in order not to lose any of their rights related thereto.

## **Participation of the Shareholders that cannot attend the Meeting in Person in the General Assembly Meeting**

Our shareholders who will not be able to attend the meeting in person and willing to exercise their rights to vote via a proxy should prepare their proxy letters in accordance with the form enclosed and to this effect, they should also fulfil the other issues stipulated in the Capital Market Board's communiqué Series: IV, No:8 published in the Official Gazette no. 21872 dated March 9, 1994 and submit their notary-certified proxy letters, and for our shareholders of foreign nationality, the notary-certified Turkish translations of their proxy letters to our Company's Head Office not later than by the end of working hours on May 25, 2012, Friday.

Open voting method applied by raising hands will be used for voting of the items on the agenda in the General Assembly Meeting.

This General Assembly Information Document containing explanations about our Company's Board of Directors' Annual Report, the Audit Board's Report, the Independent Audit Company's Report and the Financial Statements, the Corporate Governance Principles Compliance Report, the Activity Report for 2011 containing the Board of Directors' profit distribution proposal and the items of the agenda will be made available for inspection by our shareholders in the Company's head office and on our Company's website at [www.eczacibasi.com.tr](http://www.eczacibasi.com.tr) for 21 days before the actual date of the General Assembly Meeting.

All beneficiaries are invited to our General Assembly Meeting; and our meeting is open to all members of press and media.

Kindly submitted to the attention of our esteemed shareholders.

Yours sincerely,

## **BOARD OF DIRECTORS**

EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş.

## OUR ADDITIONAL DISCLOSURES UNDER THE SCOPE OF THE CMB REGULATIONS

In relation to the additional disclosures required to be made pursuant to the CMB's Communiqué Series: IV, No:41 titled as the "Communiqué on Principles corresponding to the Corporations subject to Capital Market Law" and the Communiqué Series: IV, No:56, titled as the "Communiqué on Determination and Implementation of Corporate Governance Principles", those related to the items of agenda are provided in the related item of the agenda given below; and the general explanations are hereby provided in this section for your information:

### 1. Shareholding structure and voting rights

All shares representing the capital of our Company are bearer shares. Each share with a nominal value of 1 Kr has one voting right in the General Assembly meetings. There are no privileged shares in the capital of the Company. The shareholders may have themselves represented by any persons that do not necessarily have to be shareholders in the General Assembly meetings as per the article 360 of the Turkish Commercial Code.

The form of proxy is determined and announced by the Board of Directors in accordance with the Capital Market Board's regulations about this issue. The Capital Market Board's regulations regarding voting by proxy are followed.

The total number of shares showing the shareholding structure of our Company and the related voting rights as of the date of announcement (May 4, 2012) of the agenda for the Ordinary General Assembly Meeting for 2011 are shown below:

Shareholders	Share Amount (TL)	Capital Ratio (%)	Voting Right	Voting Right Ratio (%)
Eczacıbaşı Holding A.Ş.	277.476.368,34	50,62	27.747.636.834	50,62
Eczacıbaşı Yatırım Holding Ortaklığı A.Ş.	117.469.841,92	21,43	11.746.984.192	21,43
Public	153.261.789,74	27,95	15.326.178.974	27,95
<b>Total</b>	<b>548.208.000,00</b>	<b>100,00</b>	<b>54.820.800.000</b>	<b>100,00</b>

### 2. Information on changes in the management and activities of our Company or any of our major subsidiaries and affiliates which may significantly affect the Company's activities:

There have been no changes in the management and activities of our Company or any of our major subsidiaries and affiliates which may significantly affect the Company's activities within the year 2011.

### 3. Information on any requests for placing any items on the agenda as submitted by the shareholders or the CMB and/or any other public authorities and institutions that the Company is related with:

There are no such requests received for the Ordinary General Assembly meeting in which the activities in 2011 will be discussed.

## **OUR EXPLANATORY NOTES RELATED TO THE ITEMS ON THE AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING DATED MAY 29, 2012**

### **1. Opening and Election of the Presidential Board, and Authorization of the Presidential Board to sign the minutes of the meeting;**

The election of the Chairman and the Presidential Board that will moderate the General Assembly Meeting shall be conducted in accordance with the provisions of the "Turkish Commercial Code" (TCC) and the "Regulation concerning the General Assembly Meetings of the Capital Stock Companies and the Commissioners of the Ministry of Trade and Industry that will attend such Meetings" (Regulation).

The issue of authorization of the Presidential Board by the General Assembly for writing the decisions taken in the General Assembly into the minutes of the meeting in accordance with the provisions of the TCC and the Regulation shall be voted.

### **2. Reading, discussion and approval of the Board of Directors' Annual Report for the year 2011;**

The Board of Directors' Report that has been made available for review by our shareholders at our Company's Head Office and in the Company web site of [www.eczacibasi.com.tr](http://www.eczacibasi.com.tr) since April 13, 2012 in accordance with the provisions of the TCC and the Regulation will be read and presented for the opinions and approvals of our shareholders. The said reports, the Annual Activity Report including also the Corporate Governance Principles Compliance Report and the other related documents have been provided for review by our shareholders in our Company's web site.

### **3. Reading, discussion and approval of the Audit Board's and the Independent Audit Company's Reports for the Year 2011;**

The Audit Board's and the Independent Audit Company's Reports that have been made available for review by our shareholders at our Company's Head Office and in the Company web site of [www.eczacibasi.com.tr](http://www.eczacibasi.com.tr) since April 13, 2012 in accordance with the provisions of the TCC and the Regulation will be read and presented for the opinions and approvals of our shareholders.

### **4. Reading, discussion and approval of the Balance Sheet and the Profit/Loss statement for the year 2011;**

The consolidated balance sheet and profit/loss statements, which have been made available for review by our shareholders at our Company's Head Office and in the Company web site of [www.eczacibasi.com.tr](http://www.eczacibasi.com.tr) since April 13, 2012 in accordance with the provisions of the TCC and the Regulation, and prepared in accordance with the International Financial Reporting Standards ("IAS/IFRS") pursuant to the Capital Market Board's ("CMB") Communiqué Series: XI, No: 29 titled as the Communiqué on Principles regarding Financial Reporting in Capital Market ("the Communiqué Series: XI, No: 29"), and presented as specified by the CMB's regulations on financial reporting, will be read and presented for the approval of the General Assembly.

## **5. Discussion and deciding of the distribution of profits for the year 2011;**

According to our consolidated financial statements for the fiscal year of January 1, 2011 - December 31, 2011, which have been prepared by our Company in compliance with the International Financial Reporting Standards in accordance with the provisions of the CMB's Communiqué Series: XI, No: 29 and audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (member of Deloitte Touche Tohmatsu Limited), a "Consolidated Net Period Profit" of the parent company amounting to 88,510 thousand TL has been gained; the table showing our profit distribution proposal, prepared on the basis of our company's current profitability and cash position, the capital requirements of our Company, our subsidiaries and our affiliates, investment and finance policies, probable expectations of our shareholders, and our Company's projected long-term growth strategies, is given below and provided on our Company's web site of [www.eczacibasi.com.tr](http://www.eczacibasi.com.tr).

### **PROFIT DISTRIBUTION PROPOSAL**

Our Board of Directors has determined in their meeting dated April 20, 2012 that the net distributable period profit amounts to 81,921,095 TL according to the consolidated financial statements drawn up and independently audited in accordance with the Capital Market Board (CMB) legislation and to 125,189,204 TL according to the financial statements drawn up in accordance with the statutory records as of December 31, 2011. As per the CMB's resolution no. 2/51 dated January 27, 2010, the net distributable period profit computed according to the consolidated financial statements drawn up and publicly disclosed in accordance with the CMB's Communiqué Serial XI, No: 29 titled as the Communiqué on Principles regarding Financial Reporting in Capital Market constituted the basis for distribution of profits in the year 2011.

Accordingly;

the Board resolved to propose the following issues to our shareholders in the Ordinary General Assembly Meeting to be held for 2011:

- 1)** Distribution of dividends at the amount of 54,820,800 TL corresponding to 10% of the issued capital of our Company;
- 2)** Payment of gross 10% cash dividend per each share certificate with a nominal value of 1 TL and net payment of dividends to our full-taxpayer real-person shareholders and limited-taxpayer real and legal person shareholders calculated after deduction of the applicable withholding rates specified in the tax laws;
- 3)** Transfer to the Extraordinary Reserves the remaining profit amount after deduction of the statutory obligations and the amounts of dividends decided to be paid from the period profit of 158,627,719 TL computed according to the statutory records;
- 4)** Start of profit distribution on June 19, 2012.

**EİS ECZACIBAŞI İLAÇ, SINAİ VE FİNANSAL YATIRIMLAR SAN. VE TİC. A.Ş.**  
**PROFIT DISTRIBUTION TABLE FOR 2011 (TL)**

1.	Paid-in/Issued Capital		548,208,000
2.	Total Legal Reserves (according to Legal Records)		35,279,380
Information about (if any) the privileges in profit distribution granted pursuant to the Articles of Association			No privileged shareholders
		Acc. to CMB	Acc. to Legal Records
3.	Period Profit	119,333,000	158,627,719
4.	Taxes Payable (-)	(30,823,000)	(26,849,609)
5.	Net Period Profit (=)	88,510,000	131,778,110
6.	Accumulated Losses from Previous Years (-)	0	0
7.	First Legal Reserves (-)	(6,588,905)	(6,588,905)
8.	NET DISTRIBUTABLE PERIOD PROFIT (=)	81,921,095	125,189,204
9.	Donations made during the fiscal year (+)	750	
10.	Net distributable period profit incl. donations, over which first dividend will be calculated	81,921.845	
11.	First Dividend to Shareholders		
	-Cash	54,820,800	
	- Bonus Shares	0	
	-Total	54,820,800	
12.	Dividend distributed to the Owners of Privileged Shares	0	
13.	Dividends distributed to the Board members, employees, etc.	0	
14.	Dividends to Redeemed Share Owners	0	
15.	Second Dividend to Shareholders	0	
16.	Second Legal Reserves	2,741,040	
17.	Statutory Reserves	0	0
18.	Special Reserves	0	0
19.	EXTRAORDINARY RESERVES	24,359,255	67,627,364
20.	Other Resources planned to be distributed	0	0
	- Previous Year's Profit	0	0
	- Extraordinary Reserves	0	0
	- Other Distributable Reserves as per the Law and the Articles of Association	0	0

INFORMATION ON DIVIDEND DISTRIBUTION RATE				
DIVIDEND PER SHARE INFORMATION				
			DIVIDEND CORRESPONDING TO SHARE WITH A NOMINAL VALUE OF 1 TL	
			AMOUNT (TL)	RATIO (%)
GROSS	To ordinary shareholders	TOTAL DIVIDEND AMOUNT (TL)	0.10000	10.00
	TOTAL	54,820,800		
NET (*)	To ordinary shareholders	46,597,680	0.08500	8.50
	TOTAL	46,597,680		

(\*) *Income tax withholding rate was taken as 15% when calculating the net dividend amount.*

RATIO OF THE DISTRIBUTED DIVIDEND TO THE NET DISTRIBUTABLE PERIOD PROFIT INCLUDING DONATIONS	
AMOUNT OF DIVIDENDS DISTRIBUTED TO SHAREHOLDERS (TL)	RATIO OF DIVIDENDS DISTRIBUTED TO THE SHAREHOLDERS TO THE NET DISTRIBUTABLE PERIOD PROFIT INCLUDING DONATIONS (%)
54,820,800	66.92

**6. Acquittal of the Members of the Board of Directors for the activities in 2011;**

The acquittal of each of the members of our Board of Directors in relation to the activities, transactions and accounts for the year 2011 will be presented separately for approval of the General Assembly in accordance with the provisions of the TCC and the Regulation.

**7. Acquittal of the Auditors for the activities in 2011;**

The acquittal of each of the members of our Audit Board in relation to the activities, transactions and accounts for the year 2011 will be presented separately for approval of the General Assembly in accordance with the provisions of the TCC and the Regulation.

**8. Election of the Members of the Board of Directors and the Independent Board Members, and Determination of their Remuneration and Term of Office;**

The members of our Board of Directors will be elected in accordance with the principles regarding election of the board of directors as specified in our articles of association pursuant to the TCC and the Regulation. In addition, election of independent members will be conducted for ensuring compliance with the CMB's

Communiqué Series: IV, No: 56 titled as the “Communiqué on Determination and Implementation of Corporate Governance Principles” and the Communiqué Series: IV, No: 57 titled as the “Communiqué Amending the Communiqué on Determination and Implementation of Corporate Governance Principles”.

In the Board of Directors recommended to be comprised of 6 members, it is compulsory that 2 members should meet the independency criteria as defined in the CMB’s compulsory Corporate Governance Principles.

Upon the proposal of the Audit Committee that evaluated the candidates presented to it under the scope of the criteria specified in the Communiqué Series: IV, No: 56 titled as the “Communiqué on Determination and Implementation of Corporate Governance Principles”, our Board of Directors resolved in its meeting dated May 8, 2012 that Mr. Saffet ÖZBAY and Mr. Akin DİNÇSOY be nominated as the Independent Board Members in the General Assembly.

Currently, our Board of Directors is comprised of 6 members. Mr. Ferit Bülent Eczacıbaşı (chairman), Mr. Rahmi Faruk Eczacıbaşı (vice chairman), Mr. Osman Erdal Karamercan, Mr. Mustafa Sacit Basmacı, Mr. Sedat Birol, and Mr. Levent Avni Ersalman act as the Board members. The issue of resignation of the current Board Members, Mr. Levent Avni Ersalman and Mr. Sedat Birol from their current Board membership upon participation of the two independent Board Members will be decided and resolved duly.

Non-payment of any remuneration to the members of the Board of Directors will be decided and resolved in accordance with the provisions of the TCC and the Regulation and the principles specified in our articles of association.

The names and résumés of the candidates notified to our company for the year 2012 are provided in ANNEX-1; and the said candidates will be elected by the General Office to take office for one year.

**9. Election of the Members of the Audit Board, and Determination of their Remuneration and Term of Office;**

The auditors will be elected in accordance with the provisions specified in our articles of association pursuant to the TCC and the Regulation.

According to the article 15 of our articles of association, “The General Assembly may elect one to three auditors either among the shareholders or from outside for a maximum term of one year. The auditors may be re-elected. The monthly or annual fee to be paid to the auditors is determined by the General Assembly.”

Non-payment of any remuneration to the auditors will be decided and resolved in accordance with the provisions of the TCC and the Regulation and the principles specified in our articles of association.

The names and résumés of the candidates forwarded to our Company for the year 2012 are provided below:



## **Tayfun İten**

Tayfun İten, who was born in Polatlı in 1963, graduated from Polatlı High School in 1980, and received a bachelor's degree in Business Management at the Faculty of Political Sciences, Ankara University in 1985.

Mr. İten was a member of the Tax Inspectors Board of the Ministry of Finance and Customs between the years of 1985-1993; then he joined Eczacıbaşı Holding A.Ş. as a member of its Board of Auditors in 1993, and is now Senior Auditor in charge of both the Building Products Group and Consumer Products Group of Eczacıbaşı Holding A.Ş.

## **Selahattin Okan**

Selahattin Okan, who was born in Ordu in 1963, graduated from Business Management Department of the Faculty of Political Sciences at Ankara University in 1984. He joined the Tax Inspectors Board of the Ministry of Finance as a Deputy Tax Inspector in the same year, and was promoted to Tax Inspector after passing the qualification exam in 1987. He resigned from the Tax Inspectors Board of the Ministry of Finance in 1991 and joined Eczacıbaşı Holding A.Ş. as a member of its Board of Auditors. He received a Certified Financial Advisor license in 1995 and thereafter, he has provided services for Eczacıbaşı Group companies as a Certified Financial Advisor under the structure of As Yeminli Mali Mşavirlik Ltd. Şti. He was promoted as the Assistant General Manager of Eczacıbaşı Menkul Değerler A.Ş. in 2001.

### **10. Approval of Independent Audit Company selected by the Board of Directors upon proposal of the Audit Committee as per the Communiqué on Independent Auditing Standards in the Capital Market published by the Capital Market Board;**

In accordance with the principles specified in the Article 6, Section 1, Part 3 of the Communiqué Series: X, No:22 titled as the "Communiqué on the Independent Auditing Standards in the Capital Market" published by the Capital Market Board, and taking into consideration the opinions of the Audit Committee, it was decided in our Board of Directors' meeting of March 29, 2012 that DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Mşavirlik A.Ş. (member of Deloitte Touche Tohmatsu Limited) be appointed for auditing our Company's fiscal year of 2012; and this will be presented for approval of the General Assembly.

### **11. Informing the shareholders about the donations made during the year;**

As per the article 7/b of the Capital Market Board's Communiqué Series: IV, No: 27, information on donations made within the year should be presented to the General Assembly. The said article is not related to the approval of the General Assembly; and is intended only for information purposes. As specified in the article 4/h of our Company's articles of association, "Our company may make contributions or donations to the foundations, societies, universities and any similar institutions established for social purposes subject to the rules set by the Capital Market Board." In accordance to the aforesaid provision, donations at the amount of 750.-TL in total (entirely donated to the Turkish Education Foundation) were made in the year 2011.

**12. Informing the shareholders about the guarantees, pledges and mortgages granted as per the Capital Market Board's Decision no. 28/780 dated 09.09.2009;**

As per the Capital Market Board's Decision no. 28/780 dated September 9, 2009; the information about any guarantees, pledges, mortgages and sureties granted by the Company to secure the debts of the other third persons in order to pursue its ordinary business activities is provided in the article 18/d of the footnotes for the Consolidated Financial Statements dated December 31, 2011.

**13. Informing the shareholders about the "Remuneration Policy" determined for the Members of the Board of Directors and Top-Level Managers as required by the Capital Market Board's regulations;**

The principles for remuneration of the members of the Board of Directors and the top-level managers as per the article 4.6.2 of the CMB's Communiqué Series: IV, No: 56 titled as the Communiqué on Determination and Implementation of Corporate Governance Principle" have been arranged by our Company in writing as the "Remuneration Policy"; and it will be presented for information to the shareholders as a separate item and the shareholders will be allowed to express their opinions in relation thereof in the General Assembly meeting. The "Remuneration Policy" prepared to this effect is provided in ANNEX-2.

**14. Informing the shareholders about the Company's "Profit Distribution Policy" for 2012 and the following years as required by the Capital Market Board's regulations;**

Our Company's "Profit Distribution Policy" provided in ANNEX-3 will be presented for information to the General Assembly; and it is also provided under the article 1.6 of the Corporate Governance Principles Compliance Report for 2011.

**15. Informing the shareholders about the "Common and Continuous Related Party Transactions" as required by the Capital Market Board's regulations;**

In our Board of Directors' meeting of May 8, 2012, the "Common and Continuous Related Party Transactions Report" arranged in accordance with the CMB's Communiqué Series: IV, No: 41 published by the Republic of Turkey, Prime Ministry, Capital Market Board and titled as the "Communiqué on Principles Corresponding to the Corporations subject to Capital Market Law", which was published in the Official Gazette no. 26821 dated March 19, 2008 and the CMB's Communiqué Series: IV, No: 52 amending the aforesaid Communiqué, which was published in the Official Gazette no. 28000 dated July 20, 2011, was discussed, evaluated and approved; and it was resolved that the said report be presented the Board of Directors' Report for information to our shareholders in the Ordinary General Assembly. The said report is provided in ANNEX-4.

**16. Informing the shareholders about the Company's "Information Disclosure Policy" as required by the Capital Market Board's regulations;**

The "Information Disclosure Policy" prepared by our Company in accordance with the article 23 of the CMB's Communiqué Series: VIII, No: 54 is provided in ANNEX-5; and it has also been published in the investor relations section of the web site at [www.eczacibasi.com.tr](http://www.eczacibasi.com.tr).

**17. Discussing of and resolving for the amendments in article 9 titled as the "Board of Directors", article 11 titled as the "Meetings of the Board of Directors", article 14 titled as the "Remuneration and Attendance Fee for the Members of the Board of Directors", and article 24 titled as the "Announcements" in and for incorporation of article 35 titled as "Compliance with Corporate Governance Principles" into the Company's Articles of Association as approved by the Capital Market Board and permitted by the Republic of Turkey, Ministry of Customs and Trade;**

The amendments required to be made in our Company's Articles of Association for compliance with the compulsory Corporate Governance Principles specified under the scope of the CMB's Communiqué Series: IV, No: 56 titled as the "Communiqué on Determination and Implementation of Corporate Governance Principles" were approved in the board of directors' meeting dated April 10, 2012; and disclosed to the public with the material event disclosure made on the same date. For the said amendments in the Articles of Association, assents were received by the letter no. 4729 dated April 26, 2012 issued by the Republic of Turkey, Prime Ministry, the Presidency of the Capital Market Board and by the letter no. 3245 dated May 2, 2012 issued by the Republic of Turkey, Ministry of Customs and Trade. The texts of amendments in the articles provided in ANNEX-6 will be presented for approval of the General Assembly.

**18. Authorization of the Board of Directors for issuing bonds (profit sharing certificate, participating bond) and commercial papers as and when required at the rates stipulated by the laws; and in addition, taking a resolution for determination by the board of directors of the issues specified in the article 425 of the Turkish Commercial Code;**

Our Board of Directors has voluntarily put this item on the agenda for the purpose of saving time without the requirement for holding an Extraordinary General Assembly Meeting for issuance of bonds (profit sharing certificate, participating bond) and commercial papers by the Board as and when required at the rates stipulated by the laws if required in the year 2012.

**19. Authorization of the Board of Directors to permit ultimate controlling shareholders, the Members of the Board of Directors, the Top-level managers and their spouses and relatives by blood or by marriage up to second degree to compete with and to carry out transactions that might cause conflict of interest with the Company itself or its subsidiaries, to conduct the activities under the scope of the line of business of the Company directly or on behalf of others and to participate in the companies conducting such kind of activities and to perform any other transactions**

**pursuant to the articles 334 and 335 of the Turkish Commercial Code; and giving information to the General Assembly about any transactions carried out in this context within the year;**

Since the members of our Board of Directors may perform the transactions specified under the article 334 and 335 of the TCC, respectively titled as "Prohibition of Transactions with the Company" and "Non-Competition" only upon the approval of the General Assembly, the related issue of authorization will be presented for approval of our shareholders in the General Assembly.

## **20. Wishes.**

## **ANNEX-1 RÉSUMÉS OF THE CANDIDATE MEMBERS OF THE BOARD OF DIRECTORS**

### **F. Bülent Eczacıbaşı (Chairman of the Board of Directors)**

Born in Istanbul in 1949, Bülent Eczacıbaşı graduated from Istanbul German High School (Deutsche Schule Istanbul) and then completed his higher education at the University of London and obtained his master's degree in the department of chemical engineering at the Massachusetts Institute of Technology in the U.S.A.

Starting its professional career in 1974 in Eczacıbaşı Holding, Bülent Eczacıbaşı held a variety of management positions in Eczacıbaşı Group Companies. He served as the Chairman of TÜSİAD (Turkish Industrialists' and Businessmen's Association) between the years of 1991-1993, as the Chairman of the High Advisory Council of TUSİAD between the years of 1997-2001, as the Founding Chairman of the Board of Directors of TESEV (Turkish Economic and Social Studies Foundation) between the years of 1993-1997, and as the Chairman of the Board of Directors of the Pharmaceutical Manufacturers Association of Turkey between the years of 2000-2008.

Currently acting as the Chairman of the Board of Directors of Eczacıbaşı Holding, Bülent Eczacıbaşı still continues to serve as the Honorary Chairman of TÜSİAD, the Honorary Chairman of the Pharmaceutical Manufacturers Association of Turkey, the Chairman of the Board of Trustees of Istanbul Modern Art Foundation incorporating also Istanbul Modern Art Museum, the Chairman of the Board of Directors of İKSV (Istanbul Foundation for Culture and Art), and the member of the European Round Table of Industrialists (ERT). Eczacıbaşı is also a member of the High Advisory Board of TESEV and the International Advisory Board of Akbank.

### **R. Faruk Eczacıbaşı (Vice Chairman of the Board of Directors)**

Born in Istanbul in 1954, Faruk Eczacıbaşı graduated from Istanbul German High School and then obtained his bachelor's and master's degrees at the School of Management in Berlin Technical University. He started his professional career in 1980 in Eczacıbaşı Group. After gaining experience in the U.S.A. for a while, he assumed positions at various levels under the structure of Eczacıbaşı Group.

Currently acting the Vice Chairman of the Board of Eczacıbaşı Holding, Faruk Eczacıbaşı managed "e-transformation" process of the Group after assuming the management as the head of "Eczacıbaşı Information and Communication" company under the structure of Eczacıbaşı Group.

He has helped to prepare various research reports and contributed in the shaping of the related policies while he worked as the chairman of the Turkish Informatics Foundation (TBV), which was founded in 1995 to transform Turkey into an information society.

During various activities conducted in this context, he served in the e-Transformation Executive Board established under the framework of the e-Transformation Turkey Action Plan. He played an influential role in establishing and maintaining, jointly with TÜSİAD, the e-Turkey Awards, the Turkey's first and only private sector awards for the public sector. He participated in the efforts for implementation of the Turkish National Program for the Adoption of the European Union Acquis Communautaire. He pioneered in the establishment of Turkey's first company providing legal and technical infrastructure to secure e-commerce

and e-government applications in Turkey. He also led the efforts to generate public consensus in favour of the EU internet standards in place of internet surveillance. Continuing to serve as the Chairman of TBV, Eczacıbaşı is performing studies for creating the technology map of Turkey.

Faruk Eczacıbaşı is also the President of Eczacıbaşı Sports Club, holding this position since the year 1999.

#### **Dr. O. Erdal Karamercan (Member)**

Born in Istanbul in 1950, Dr. Karamercan graduated from Istanbul Male High School in 1968 and then from the Department of Chemical Engineering at Boğaziçi University in 1973.

After obtaining his master (MSc.) and doctorate (PhD.) degrees in Chemical Engineering at the University of Virginia, U.S.A. in 1977, he started his professional career in Eczacıbaşı Holding. He assumed various positions, which can be listed respectively as the Project Manager of Intema, Plant Manager of Artema, Foreign Trade Manager of Eczacıbaşı Holding, General Manager of Ekom Eczacıbaşı Foreign Trade, General Manager of İpek Kağıt, and Coordinator of the Pharmaceuticals and Consumer Products Groups. Erdal Karamercan still continues to serve as the CEO in Eczacıbaşı Group.

Dr. Karamercan is a member of TÜSİAD, Vice President of the Paper Manufacturers' Association of Turkey, Founding Member of Turkish Advertisers' Associations, and the Board Member of Istanbul Male High School Educational Foundation and he also has memberships in various foundations, associations and sports clubs.

#### **M. Sacit Basmacı (Member)**

Born in 1952, Basmacı completed his secondary and high school education at Istanbul Male High School in 1970 and graduated from the Department of Economics-Finance in the Faculty of Political Sciences at Ankara University in 1974.

Having worked as a Tax Accountant in the Tax Inspectors Board of the Ministry of Finance and Customs between the years of 1974-1981, and as an Auditor in Eczacıbaşı Holding between the years of 1981-1983, Basmacı served as the Financial and Administrative Affairs Coordinator and then became the Member of the Board of Directors and of the Executive Board at Cankurtaran Holding A.Ş. between the years of 1984-2002; then, he continued his career as a Certified Public Accountant and Financial Advisor.

Basmacı worked as the Assistant Coordinator of Financial Affairs in Eczacıbaşı Holding between the years of 2003-2004; and he became the Coordinator of Financial Affairs in Eczacıbaşı Holding and the General Manager of Eczacıbaşı Holding after the year 2004. Sacit Basmacı still serves as the Financial Affairs Group President of Eczacıbaşı Holding and the General Manager of Eczacıbaşı Holding.

#### **Saffet Özbay (Candidate Independent Member)**

Born in Istanbul in 1941, Saffet Özbay completed his undergraduate education in Istanbul Academy of Economic and Commercial Sciences and his postgraduate education at the Business Economics Institute in Istanbul University.

Having started to work in 1966 as a planning specialist in Eczacıbaşı Pharmaceuticals, Özbay served as the Chief, Assistant Manager and Manager and then, he became the Assistant

General Manager in the beginning of 1983 and then the General Manager of EİS Eczacıbaşı İlaç Sanayi ve Ticaret A.Ş. in the beginning of 1990. After serving as the General Manager for 11 years, he resigned from General Management at the end of 2000 and became an Advisor to the Chairman of the Board of Directors and a Board Member of EİS Eczacıbaşı İlaç Sanayi ve Ticaret A.Ş. and of EÖS Eczacıbaşı Özgün Kimyasal Ürünler Sanayi ve Ticaret A.Ş. His membership to the Board of Directors at EİS Eczacıbaşı İlaç Sanayi ve Ticaret A.Ş. was continued until the general assembly meeting held on May 18, 2004; and he continued to serve as the advisor until the end of July, 2006.

During his service in Eczacıbaşı, he worked as the vice chairman of the Boards and as the member of the boards of directors in various companies within the group.

Saffet Özbay has also served as the Chairman of the Professional Committee on Pharmaceuticals and Medical Products at Istanbul Chamber of Industry for long years.

He served as the Board Member of EİS Eczacıbaşı İlaç Sanayi ve Ticaret A.Ş. starting from the general assembly meeting held on March 31, 1993 until the general assembly meeting held on May 18, 2004; as the advisor for EİS Eczacıbaşı İlaç Sanayi ve Ticaret A.Ş. from the date of January 1, 2001 until the end of 2006; and as the Chairman of the Professional Committee on Pharmaceuticals and Medical Products at Istanbul Chamber of Industry until the month of March in 2005.

Being a non-executive member, Saffet Özbay meets the independent member qualifications as per the CMB Corporate Governance Principles. The tasks assumed by him in the last ten years are essentially described above; and he has resigned from such positions upon expiry of his term of office. He has not had any relationship with EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. and its related parties in the last five years. There are not any conditions likely to affect the Company's activities in case of his election as the Member of the Board of Directors.

### **Akın Dinçsoy (Candidate Independent Member)**

Born in Erzincan in 1943, Akın Dinçsoy completed his undergraduate education in the department of Chemical Engineering at the Faculty of Chemistry in Istanbul University and his postgraduate education in the same department of the same university and thus, became a Chemical Engineer, M. Sc.

Starting to work in 1970 as the production supervisor at Eczacıbaşı Pharmaceuticals, Dinçsoy was appointed as the Production Planning Manager in 1980, Production Manager in 1989, Assistant General Manager for Production in 1990, and Production and Technical Assistant General Manager in 2001. After continuing to serve in this position at Eczacıbaşı Sağlık Ürünleri Sanayi ve Ticaret A.Ş., which was founded in 2004, he retired.

He served as a board member at EÖS Eczacıbaşı Özgün Kimyasal Ürünler Sanayi ve Ticaret A.Ş. between the years of 2003-2007 and at Eczacıbaşı Sağlık Ürünleri Sanayi ve Ticaret A.Ş. between the years of 2004-2007. He also served as the advisor to the General Manager between the years of 2005-2007.

He served as the manager of EİS Eczacıbaşı İlaç Sanayi ve Ticaret A.Ş. responsible before the Ministry of Health between the years of 1985-2005; and in addition to this position, he has also acted as the Chairman of the Product Development Sub-Committee, Member of the Supreme Board of Product Development, the Chairman of the Occupational Health and Safety Committee, and the Chairman of GMP (Good Manufacturing Practice) Committee in the last 10 years.

Being a non-executive member, Akın Dinçsoy meets the independent member qualifications as per the CMB Corporate Governance Principles. The tasks assumed by him in the last ten

years are essentially described above; and he has resigned from such positions upon expiry of his term of office. He has not had any relationship with EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. and its related parties in the last five years. There are not any conditions likely to affect the Company's activities in case of his election as the Member of the Board of Directors.

## **STATEMENT OF INDEPENDENCE**

I hereby declare that I am a candidate as an "independent member" of the Board of Directors of EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar San. ve Tic. A.Ş. ("Company") in accordance with the legislation, articles of association and the criteria determined by the Corporate Governance Principles announced by the Capital Market; and accordingly;

- There has not been any direct or indirect relationship of interest in terms of employment, capital or significant trade or commerce between the Company, any of the Company's related parties or the shareholders directly or indirectly holding 5% or more of the capital of the Company and myself, my spouse and my relatives by blood or by marriage up to third degree within the last 5 years;
- I have not been employed by any of the companies fully or partially undertaking the activities or organization of the Company under any contract, including particularly the companies providing auditing, rating and consultancy services for the Company, and I have not served as a board member in such companies in the last 5 years;
- I have not been a shareholder, employer or a Board Member in any of the companies providing significant services and products for the Company in the last 5 years;
- The shares that I hold in the capital of the Company is less than 1% and these shares are not privileged shares;
- As it can be seen from my curriculum vitae enclosed, I have the professional training, knowledge and experience in order to fulfil the tasks that I will assume as an independent member of the board of directors;
- Currently, I am not a full-time employee of any of the public authorities and institutions;
- I am considered as a resident in Turkey in respect of the Income Tax Law;
- I can make positive contributions in the Company's activities, I will protect my impartiality in the conflicts of interest among the Company's shareholders, and I will freely take my decisions considering the rights of the stakeholders;
- I will spare the time for the Company's affairs in order to follow-up the functioning of the Company's activities and to fully meet the requirements of the tasks that I will assume.

**Saffet Özbay**



## STATEMENT OF INDEPENDENCE

I hereby declare that I am a candidate as an "independent member" of the Board of Directors of EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar San. ve Tic. A.Ş. ("Company") in accordance with the legislation, articles of association and the criteria determined by the Corporate Governance Principles announced by the Capital Market; and accordingly;

- There has not been any direct or indirect relationship of interest in terms of employment, capital or significant trade or commerce between the Company, any of the Company's related parties or the shareholders directly or indirectly holding 5% or more of the capital of the Company and myself, my spouse and my relatives by blood or by marriage up to third degree within the last 5 years;
- I have not been employed by any of the companies fully or partially undertaking the activities or organization of the Company under any contract, including particularly the companies providing auditing, rating and consultancy services for the Company, and I have not served as a board member in such companies in the last 5 years;
- I have not been a shareholder, employer or a Board Member in any of the companies providing significant services and products for the Company in the last 5 years;
- The shares that I hold in the capital of the Company is less than 1% and these shares are not privileged shares;
- As it can be seen from my curriculum vitae enclosed, I have the professional training, knowledge and experience in order to fulfil the tasks that I will assume as an independent member of the board of directors;
- Currently, I am not a full-time employee of any of the public authorities and institutions;
- I am considered as a resident in Turkey in respect of the Income Tax Law;
- I can make positive contributions in the Company's activities, I will protect my impartiality in the conflicts of interest among the Company's shareholders, and I will freely take my decisions considering the rights of the stakeholders;
- I will spare the time for the Company's affairs in order to follow-up the functioning of the Company's activities and to fully meet the requirements of the tasks that I will assume.

**Akın Dinçsoy**

## **ANNEX-2 REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND TOP-LEVEL MANAGERS**

This policy document defines the system and practices for remuneration of our Board members and top-level managers assuming administrative responsibilities under the scope of the CMB regulations.

The wage management in Eczacıbaşı Group is essentially based on determination of the wages considering the employees' education levels, competencies, performances and market values. In this context, market wage surveys are performed every year by the Human Resources Group Directorate of Eczacıbaşı Group including also our Company; and each company's wage structure is compared considering the companies out of the Group and as a result, the senior managements of the companies are duly informed. Since all information related to wages are considered private and personal, confidentiality is essential and our employees are requested to pay attention to this issue.

Any extra fee for membership has not been paid to the members of the board of directors in our company for long years; and the executive board members are remunerated under the scope of the policy determined for top-level managers as detailed below.

The Company's performance-based remuneration plans cannot be used for remuneration of the independent board members.

The Board members are paid on a pro rata basis considering their period of service as of the dates of appointment to and resignation from office; and the costs and expenses incurred by the board members (the expenses such as transportation, telephone, insurance, etc.) due to their contributions in the Company may be borne by the Company.

The top-level manager wages are comprised of two different parts such as fixed payments and performance-based payments.

Our remuneration policy is arranged and applied considering the wage and fringe benefits management; and the fair, objective, and competitive criteria appreciating, rewarding and motivating high performance.

Our remuneration policy is based on the concepts of volume of business, performance, contribution in the activities, knowledge/skills and competencies; and aims recruitment and retention by our Company of the workforce with desired qualifications that will allow for establishment of intra-company and inter-company wage balance and the market competitiveness, motivating the employees and increasing their loyalty and achievement of our company's objectives.

The Job Family Model that we apply under the structure of our Company is based on an objective system; in this model, the roles in the organization, the basic responsibilities, knowledge/skills/experience and competencies and performance indicators are defined and the fixed wages are determined accordingly.

The Variable Wage Management, which is similarly applied in our Company, aims to reward success and to encourage our employees to display superior performance and to completely establish target-oriented performance culture in our company in order to achieve our Company's budget targets and to support the achievement of business results exceeding such targets.

The "fringe benefits" intended to support the wage management with additional benefits are taken as an important integral part of the total reward management; and the fringe benefits that we provided as a company are at arm's length and also bear the competitive and equitable characteristics.

## **ANNEX-3 PROFIT DISTRIBUTION POLICY**

At a meeting on March 15, 2006, the Board of Directors adopted the application of a profit distribution policy as described below under the scope of the "Corporate Governance Principles":

- The Articles of Association do not contain any clause about privileged shares, founder benefit shares and the distribution of profit to members of the Board of Directors and employees as well as the distribution of profit advance payments.
- In our Company's Articles of Association, the principle of distribution of first dividend from the distributable profit based on the ratio and amount determined by the CMB has been adopted.
- In preparing its profit distribution proposals presented to the approval of the General Assembly, the Board of Directors takes into consideration the sensitive balances between the Company's existing profitability, the probable expectations of our shareholders and prescribed growth strategies of our Company.
- Due attention is paid to perform dividend payments (cash and / or bonus shares) as soon as possible after the General Assembly meeting and within the legal time limit set by legislations.

## **ANNEX-4 COMMON and CONTINUOUS RELATED PARTY TRANSACTIONS REPORT**

### **COMMON AND CONTINUOUS RELATED PARTY TRANSACTIONS REPORT FOR THE FISCAL YEAR OF JANUARY 1 – DECEMBER 31, 2011**

#### **1. PURPOSE AND SCOPE OF THE REPORT**

##### **1.1 PURPOSE**

This report has been arranged in accordance with the Communiqué Series: IV, No: 41 published by the Republic of Turkey, Prime Ministry, Capital Market Board and titled as the "Communiqué on Principles Corresponding to the Corporations subject to Capital Market Law" (Communiqué), which was published in the Official Gazette no. 26821 dated March 19, 2008, and the Communiqué Series: IV, No:52 amending the said Communiqué, which was published in the Official Gazette no. 28000 dated July 20, 2011, and the Capital Market Board's Decision no. 19/598 dated June 17, 2011 containing such Communiqué amendments.

The purpose of the report is to disclose the terms and conditions about the related party transactions performed by EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. in the fiscal year of January 1 – December 31, 2011 as defined in the International Accounting Standards numbered 24 under the CMB Legislation providing that such information should not be considered as trade secrets, and to effectively inform the investors about the fact that such transactions did not yield any negative results against our Company when compared to arm's length transactions.

##### **1.2 SCOPE**

The report covers the information about the transaction conditions and market conditions of the common and continuous transfers of assets, services and liabilities performed between our Company and the related parties, for which the related amount recorded in the fiscal year of January 1 – December 31, 2011 reaches to or exceeds 10 percent of the total assets or total gross sales as specified in the annual financial statements to be disclosed to public as per the Capital Market Board's regulations.

#### **2. INFORMATION ABOUT THE RELATED COMPANIES CONSIDERED UNDER THE SCOPE OF THE REPORT**

Our Company's total consolidated gross sales amounted to 1.496.264 thousand TL in the fiscal year of January 1 – December 31, 2011; and its consolidated total assets was determined as 3.031.767 thousand TL as of December 31, 2011.

Under the scope of this report, there is only one related company reaching to or exceeding 10% of the total assets or total gross sales as specified in our Company's annual consolidated financial statements disclosed to public as per the Capital Market Board's regulations; and a common and continuous transaction of purchase of goods was performed with the related company at the amount of 243.381 thousand TL in total within the fiscal year of January 1 - December 31, 2011.

## 2.1 İPEK KAĞIT SANAYİ ve TİCARET A.Ş.

Company's Trade-Name	İpek Kağıt Sanayi ve Ticaret A.Ş.
Address	Kanyon Ofis, Büyükdere Cad, No:185, Kat:16 Levent
Phone No.	Şişli/İSTANBUL
Fax No.	0212 353 13 43

İpek Kağıt Sanayi ve Ticaret A.Ş. is a Corporate Tax taxpayer registered at Large Taxpayers' Tax Office with the registration number of 4790029819. Its Head Office is located at Kanyon Ofis, Büyükdere Cad, No:185, Kat:16 Levent Şişli/İstanbul. The Company is engaged in production and sales of any kind of sanitary and cleaning papers in its plants located in Altınova/Yalova and in Manisa. It uses the phone number of 0212 371 70 00 and the fax number of 0212 353 13 43.

## 3. INFORMATION ABOUT RELATED PARTY TRANSACTIONS

The information on the related party transactions performed by our Company in 2011 is provided below as detailed by the transactions:

### 3.1 TRANSACTIONS WITH İPEK KAĞIT SANAYİ ve TİCARET A.Ş.

#### Purchase of Finished and Commercial Goods

Eczacıbaşı Girişim Pazarlama Tüketim Ürünleri Sanayi ve Ticaret A.Ş., one of our Company's affiliates in which we have a shareholding by 47,13, performs the sales and distribution of pharmaceuticals and consumption products of Eczacıbaşı Group. In this context, goods are purchased from İpek Kağıt Sanayi ve Ticaret A.Ş.

Eczacıbaşı Girişim Pazarlama Tüketim Ürünleri Sanayi ve Ticaret A.Ş. is the sole authorized distributor of the products of İpek Kağıt Sanayi ve Ticaret A.Ş. within the country; and it conducts the sales and distribution of products to the traditional food channel, chain stores, non-household use and hairdressing products markets all around Turkey.

Finished and commercial goods amounting to 243.381 thousand TL were purchased from İpek Kağıt Sanayi ve Ticaret A.Ş. according to the "Comparable Uncontrolled Price Method" in 2011. The products purchased from İpek Kağıt Sanayi ve Ticaret A.Ş. are sold by Eczacıbaşı Girişim Pazarlama Tüketim Ürünleri Sanayi ve Ticaret A.Ş. to the domestic companies over the same prices.

As a conclusion, the methods applied in the purchases of finished and commercial goods from the related party are in line with arm's length principle and statutory regulations and add value to our company.

## 4. CONCLUSION

As described in details in the section 3 of the report, the purchases of goods performed by EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. from a related company considered under the scope of this report in 2011 are at arm's length and were performed targeting to add maximum value to the shareholders.

Yours sincerely,

**BOARD OF DIRECTORS**

## ANNEX-5 INFORMATION DISCLOSURE POLICY

- 1. Purpose:** The Information Disclosure Policy aims to share the past performance, future expectations, strategies, knowledge other than those involving trade secrets, goals and the vision of EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. (EIS) with the public, related authorities, existing and potential investors and shareholders in a complete, fair, timely, clear and equal manner in order to maintain active and transparent communications at all times.

While pursuing this policy, EIS shows utmost attention to comply with legal regulations, the Capital Market Board's (CMB) and Istanbul Stock Exchange (ISE) regulations and the principles specified in Corporate Governance Principles issued by the CMB.

- 2. Authority and Responsibility:** At EIS, The Board of Directors has the authority and the responsibility to establish, control, review and develop the Company's Information Disclosure Policy. Once approved by the Board of Directors, the Information Disclosure Policy is made available to public through the Company's website. The Capital Market and Shareholders Relations Unit is responsible for coordination of the Information Disclosure Policy. This unit fulfils its responsibility in close coordination with the Board of Directors and the Audit Committee.

This power and responsibility is fulfilled in close cooperation with the Investor Relations officials of Eczacıbaşı Holding A.Ş.

**3. Public Disclosure Methods and Instruments:** EIS utilizes the following methods and instruments for determining its public disclosure and information policy in accordance with the CMB and ISE regulations and the provisions of the Turkish Commercial Code:

- Material event disclosures arranged in the Notifications Software (BİY) environment and announced to the public electronically via the Public Disclosure Platform (PDP) (The said disclosures are also published in the Company's Internet website both in Turkish and English languages);
- Periodical financial reports prepared in BİY environment and announced to the public electronically via the PDP (The said reports are also published in the Company's Internet website both in Turkish and English languages);
- Annual reports (The said reports are made available for the related persons and authorities both in Turkish and English languages in the form of printouts and electronically on the Company's Internet website.);
- The publications and announcements made through the Turkish Trade Registry Gazette and Daily Newspapers;
- The texts of prospectuses, circulars, announcements and the other documents required to be arranged as per the provisions of the Capital Market Law;
- The disclosures made to the data delivery institutions such as Reuters, Foreks, Bloomberg, etc.;
- Press disclosures made via the printed and visual media;
- The Company's Website, and the Website containing the Investor Relations information ([www.eis.com.tr](http://www.eis.com.tr), [www.eczacibasi.com.tr](http://www.eczacibasi.com.tr));

- The information meetings and discussions held with the capital market participants face-to-face or via telephone calls;
- The disclosures made by using the methods and means of communications such as telephone, electronic mail, telefax, etc.

**4. Public Disclosure of Material Events and Authorized Persons:** The material event disclosures are prepared and signed by the Chief Financial Officer and the Shareholders Relations Unit Contact Person and disclosed to the public via the PDP. In case of absence of the related persons, such disclosures are signed by the General Manager and the members of the Board of Directors. After such disclosure on the PDP, they are published on the Website containing EIS' Investor Relations information ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)). Such material event disclosures are stored on the Internet site for five years.

**5. Public Disclosure of Financial Statements:** EIS' consolidated financial statements and the related footnotes are prepared in accordance with the International Financial Reporting Standards and within the framework of the provisions specified in the CMB laws and disclosed to the public once they are audited by an independent company according to the International Standards on Auditing.

Before public disclosure of financial statements and the related footnotes, the assent of the Audit Committee is received and they are submitted to the Board of Directors for approval purposes as per the Capital Market Laws. Once the related statement of responsibility is signed by the General Manager and the Chief Financial Officer, the financial statements, the related footnotes, and, if any, the independent audit report, and The Board of Directors' Annual Report are forwarded to the PDP in accordance with the Capital Market Law and the ISE regulations. The said reports can be found both in Turkish and English languages retrospectively on the Website containing EIS' Investor Relations information ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)).

**6. Public Disclosure of the Annual Report:** The contents of the annual report are prepared in a manner to contain the minimum elements specified in the CMB's Corporate Governance Principles and in specific details to allow the public to obtain any kind of information about the Company's activities in accordance with the Capital Market laws. After arrangement of the annual report, it is approved by the Board of Directors and disclosed to the public together with the financial statements. The annual report is available in Turkish and English languages on the Website containing the Investor Relations information ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)) and its printout copies can be obtained from the Capital Market and Shareholders Relations Unit.

**7. The Publications and Announcements made through the Turkish Trade Registry Gazette and Daily Newspapers:** As per the Capital Market Law, Turkish Commercial Code and the Articles of Association, the announcements regarding the General Assembly, increase of capital and dividend payments are made through both the Turkish Trade Registry Gazette and daily newspapers.

- 8. Disclosures regarding the Exercise of Participating Rights:** In accordance with the Capital Market regulations, the shareholders are informed via the prospectus and announcement texts about the issues that are of concern for the shareholders such as General Assembly, increase of capital, dividend payments, merger and split-off, etc. The said documents are also provided on the Website containing the EIS' Investor Relations information.
- 9. Press Disclosures made via the Printed and Visual Media:** The communications with printed and visual media are conducted jointly with Eczacıbaşı Holding A.Ş. Corporate Communication and Sustainable Development Group Directorate.
- 10. Company Website:** The Website containing the Investor Relations information on the Company's Internet address of [www.eczacibasi.com.tr](http://www.eczacibasi.com.tr) is actively used for public disclosure purposes as recommended by the CMB Corporate Governance Principles. The Capital Market and Shareholders Relations Unit is responsible for arrangement of the information published on the Website.

All public disclosures made by our company are accessible via the Website ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)). The Website is configured and divided into sections accordingly. Any kind of measures related with the security of the Website are taken duly. The Website is prepared in Turkish and English languages and in the form and substance as stipulated by the CMB Corporate Governance Principles and it is constantly updated and developed.

The main headings that can be viewed on the Website are listed below:

- Detailed information on corporate identity
- Information regarding the members of the Board of Directors and the top management of the company
- Company organization and shareholding structure
- Company's Articles of Association
- Trade registry information
- Financial data and indicators
- Press disclosures
- Material event disclosures
- Information document on the meeting date, agenda and the items of the agenda of General Assembly
- The minutes of the General Assembly and the list of attendants
- Form of Proxy
- Presentations made in the General Assembly meeting
- Corporate governance practices and compliance report
- Dividend distribution policy, history and increases of capital
- Information disclosure policy
- Detailed information on corporate social responsibility

- 11. Meetings and Discussions with Investors and Analysts:** The Capital Market and Shareholder Relations Unit has been established under the structure of the Financial Affairs Directorate for performing the activities aimed at regularly conducting the



relations with both existing and potential shareholders, answering and resolving the investor issues in the most effective manner and increasing the company's value. This unit is responsible for notifying all meeting requests received from the shareholders to the top level managers and to organize such meetings.

EIS considers the analyst reports as the property of the company preparing such analyst reports and does not publish them on the Website ([www.eis.com.tr](http://www.eis.com.tr) or [www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)); in addition, it does not review, verify, approve, undertake the responsibility of or distribute the analyst reports or the income models, either.

**12. Silent Period:** EIS avoids discussing the financial results and the other related issues with the capital market participants during specific periods of the calendar year in order to prevent asymmetrical distribution of information and unauthorized disclosures about operating results. This period is called as "silent period". For EIS, the silence period starts from the 15<sup>th</sup> day of the month following the month when the quarterly or annual fiscal period ends and it ends by one business day after the date of disclosure of financial reports.

During such silent period;

- EIS' financial situation will not be discussed in the one-to-one or group meetings to be held with the capital market participants excluding publicly disclosed information;
- Unless required otherwise and without prejudice to the provisions of the Capital Market Laws, any opinions about the activities and financial status will not be disclosed;
- Excluding publicly disclosed information about the financial results; any questions directed personally or in small groups will not be answered; no statements will be given to such types of groups. In such cases, the statements shall be published on the Website ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)).

**13. Unfounded News spread in the Market:** In principle, EIS does not disclose any opinion about the news and speculations in the market. In case of any unfounded news rumoured or gossiped in the market, the persons authorized to make public disclosures may publish a press release indicating that it is a part of EIS' Information Disclosure Policy not to make any comments and not to disclose any opinions about the news that are rumoured or gossiped in the market. However, if required conditions arise, the "confirmation obligation" is fulfilled as regulated by the Capital Market Laws and statements are made about the rumours and gossips spread in the market.

**14. Disclosures related with Future Expectations:** EIS does not provide any statements about expectations regarding interim period and yearly operating results. Instead, EIS prefers to disclose to the capital market participants the important items allowing a better understanding about the critical issues affecting the operating results, its strategic approaches, the related sector and the environment that the company operates in.

In non-public interviews held with the capital market participants, any important / private (internal) information that is not yet publicly disclosed is not disclosed at all. However, EIS may, from time to time, make forward-looking statements about the situations that are of great significance. In such cases, it should be taken into account that the forward-looking statements provided in the written documents of EIS are made according to some specific assumptions; and serious variations may occur between the actual results achieved and the results expected from the forward-looking statements due to the risks, uncertainties and other factors. Unless specified otherwise in the information disclosure policy, only the persons authorized to make public disclosures may make communications with the capital market participants on behalf of EIS.

## **ANNEX-6 AMENDED ARTICLES IN THE ARTICLES OF ASSOCIATION**

<b>FORMER TEXT</b>	<b>NEW TEXT</b>
<b>Article 9: Board of Auditors</b>	<b>Article 9: Board of Auditors</b>
<p>The Company is administered by a Board of Directors comprising 3-7 members to be elected by the General Assembly as per the provisions of the Turkish Commercial Code.</p>	<p>The Company is administered by a Board of Directors comprising <b>5-9</b> members to be elected by the General Assembly as per the provisions of the Turkish Commercial Code.</p> <p><b>The number and qualifications of the independent members to be elected to the Board of Directors are determined in compliance with the Capital Market Board's corporate governance regulations and according to the provisions of the Capital Market Law.</b></p> <p><b>While the Board of Directors fulfils its duties and responsibilities, the committees are established in compliance with the Capital Market Board's corporate governance regulations and according to the provisions of the Capital Market Law.</b></p> <p><b>It is required that the majority of the Board Members should be Turkish citizens and meet the qualification criteria specified in the Commercial Code and the capital market laws.</b></p>

FORMER TEXT	NEW TEXT
<p><b>Article 11: Meetings of the Board of Directors</b></p> <p>The Board of Directors elect one chairman and one vice chairman to represent him in his absence among its members every year.</p> <p>The Board of Directors convenes as and when required by the affairs and transactions of the Company.</p> <p>For taking any resolutions in the Board of Directors' meetings, one more than half of its members should be present in the meeting and in any event, at least two and three members should be present for the Boards comprised of three and five persons.</p> <p>The Board of Directors' resolutions shall be taken by the majority vote of the members present in the meeting.</p> <p>The Board of Directors may also take resolutions by obtaining written approvals of the members of the Board of Directors in accordance with the provision of the article 330 of the Turkish Commercial Code.</p> <p>The Board of Directors' resolutions are recorded in the book of resolutions and signed by the present chairman and members of the Board of Directors.</p>	<p><b>Article 11: Meetings of the Board of Directors</b></p> <p>The Board of Directors elect one chairman and one vice chairman to represent him in his absence among its members every year.</p> <p>The Board of Directors convenes as and when required by the affairs and transactions of the Company.</p> <p>For taking any resolutions in the Board of Directors' meetings, one more than half of its members should be present in the meeting and in any event, at least <b>4-6</b> members should be present for the Boards comprised of <b>5-9</b> persons.</p> <p>The Board of Directors' resolutions shall be taken by the majority vote of the members present in the meeting.</p> <p>The Board of Directors may also take resolutions by obtaining written approvals of the members of the Board of Directors in accordance with the provision of the article 330 of the Turkish Commercial Code.</p> <p>The Board of Directors' resolutions are recorded in the book of resolutions and signed by the present chairman and members of the Board of Directors.</p> <p><b>The Capital Market Board's regulations in accordance with the provisions of the Turkish Commercial Code and the provisions of the Capital Market Law shall apply for the mode of meeting, the meeting and resolution quorums, the use of votes, the duties and authorities of the Board of Directors, resignation or death of any Board Member, and election of new member for any vacancy arising from the loss of independency of any Independent Board Member or any cases preventing performance of the tasks by any Board Member.</b></p>

FORMER TEXT	NEW TEXT
<b>Article 14: Remuneration and Attendance Fees for the Members of the Board of Directors</b>	<b>Article 14: Remuneration and Attendance Fees for the Members of the Board of Directors</b>
<p>The remuneration payable to the delegate members and the attendance fee and any other benefits payable to the Members of the Board of Directors are determined by the General Assembly.</p> <p>The General Assembly may also decide for any bonus payments to the Delegate members and the Board members assigned for certain tasks as a result of the services performed and the achievements displayed by the Board Members taking into consideration the contributions made by them for the Company in addition to any remuneration and attendance fees payable to such Board members.</p>	<p><b>The remuneration, attendance fee and the other financial benefits payable to the Chairman and members and the Delegate members of the Board of Directors</b> are determined by the General Assembly.</p> <p>The General Assembly may also decide for any bonus payments to the Delegate members and the Board members assigned for certain tasks as a result of the services performed and the achievements displayed by the Board Members taking into consideration the contributions made by them for the Company in addition to any remuneration and attendance fees payable to such Board members.</p> <p><b>The Capital Market Board's regulations on corporate governance in accordance with the provisions of the Capital Market Law shall apply for the financial rights and benefits granted for the Chairman, and members of the Board of Directors and for top-level managers.</b></p>

FORMER TEXT	NEW TEXT
<b>Article 24: Announcements</b>	<b>Article 24: Announcements</b>
<p>Without prejudice to the provisions of the Paragraph 4 of the Article 27 of the Turkish Commercial Code, the announcements related to the Company are made through a newspaper circulated in the region where the Company's head office is located.</p> <p>The announcements related to the call of the General Assembly to the meeting should be published at least two (2) weeks before the meeting excluding the announcement and meeting dates in accordance with the provisions of Article 368 of the Turkish Commercial Code.</p> <p>In case of decrease of capital or liquidation, the provisions of articles 397 and 439 of the Turkish Commercial Code shall apply.</p>	<p>Without prejudice to the provisions of the Paragraph 4 of the Article 27 of the Turkish Commercial Code, the announcements related to the Company are made through a newspaper circulated in the region where the Company's head office is located.</p> <p>The announcements related to the call of the General Assembly to the meeting should be published at least <b>three (3)</b> weeks before the meeting excluding the announcement and meeting dates in accordance with the provisions of Article 368 of the Turkish Commercial Code.</p> <p>In case of decrease of capital or liquidation, the provisions of articles 397 and 439 of the Turkish Commercial Code shall apply.</p>

FORMER TEXT	NEW TEXT
	<b>Article 35: Compliance with Corporate Governance Principles</b>
None.	<p>The compulsory Corporate Governance Principles stipulated by the Capital Market Board are followed.</p> <p>Any transactions made and any resolutions taken by the board of directors without compliance with such compulsory principles shall be considered null and void and contrary to the articles of association.</p> <p>The Capital Market Board's corporate governance regulations in accordance with the provisions of the Capital Market Law are followed in any transactions considered significant in respect of implementation of the Corporate Governance Principles, any related party transactions of the Company and the transactions for establishing securities, mortgages and pledges in favour of third persons.</p>