

**EİS ECZACIBAŐI İLAÇ, SİNAİ VE FİNANSAL YATIRIMLAR  
SANAYİ VE TİCARET A.Ő.  
ORDINARY GENERAL ASSEMBLY FOR 2012  
INFORMATION DOCUMENT**

The Ordinary General Assembly meeting of our Company will be held on 14 May 2013, Tuesday at 08:30 a.m. at the Mövenpick Hotel located at Büyükdere Caddesi, 4. Levent, Istanbul with the purpose of evaluating the activities performed in 2012 and discussing and resolving the items of the agenda specified below.

The shareholders of our Company may attend the Ordinary General Assembly Meeting personally or via electronic media either in person or via their representatives. Attendance to the meeting via electronic media is possible only based on the secure electronic signature of the shareholders or their representatives. Therefore, the shareholders who will transact through Electronic General Assembly System ("EGKS") should first have secure electronic signature and should be registered with the e-MKK Data Portal of Merkezi Kayıt Kuruluşu A.Ő. ("MKK"). Those shareholders or their representatives, who are not registered with e-MKK Data Portal and who do not have secure electronic signature, shall not be permitted to attend the General Assembly Meeting via electronic media through EGKS.

Pursuant to paragraph 4 of article 415 of the Turkish Commercial Code numbered 6102 and paragraph 1 of article 30 of the Capital Markets Law numbered 6362, the right to attend General Assembly meetings and to cast vote may not be conditioned upon the depositing of the share certificates. Accordingly, there is no requirement for our shareholders that will attend the General Assembly meeting to have their shares blocked by the Merkezi Kayıt Kuruluşu A.Ő. However, those shareholders who do not wish their identity details and information on the shares in their accounts to be notified to our Company and thus, whose details as such cannot be seen by our Company, are required, if they are willing to participate in the General Assembly Meeting, to apply to the broker entity where they hold an account and to ensure that the "restriction" preventing their identity data and information on their shares in their accounts is removed at the latest by one day prior to the General Assembly Meeting until 16:30 hours.

The shareholders or their representatives, who wish to attend the meeting via electronic media, are required to comply their obligations under the "Regulation on the General Assembly Meetings of Joint Stock Companies to be Held via Electronic Media" published on the Official Gazette dated 28 August 2012 and numbered 28395 and "Communiqué on Electronic General Assembly System to be Followed during the General Assembly Meetings of Joint Stock Companies" as published on the Official Gazette dated 29 August 2012 and numbered 28396.

It is sufficient for those shareholders, who will attend the meeting in person, to show their identity cards while entering the meeting venue.

The representatives of the shareholders, who will attend the meeting via representation, are required to submit the proxies issued before notary public in conformity with the sample below by also fulfilling the requirements under the Communiqué Serial IV, No. 8 of the Capital Markets Board.

Open voting method applied by raising hands will be used for voting of the items on the agenda in the General Assembly Meeting provided that the provisions concerning the voting electronically are reserved.

This General Assembly Information Document containing explanations about our Company's Board of Directors' Annual Report for the year 2012, 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 the year 2012 as containing the Board of Directors' profit distribution proposal and the items of the agenda will be made available for review by our shareholders in the Company's head office and on our Company's website ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)) and in the Electronic General Assembly System of the Central Registry Agency for 21 days before the scheduled 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 Serial IV, No 41 titled as the "Communiqué on Principles corresponding to the Corporations subject to Capital Market Law" and the Communiqué Serial 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 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 (17 April 2013) of the agenda for the Ordinary General Assembly Meeting for 2012 are shown below:

Shareholders	Share Amount (TRL)	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.	122,458,591.92	22.34	12,245,859,192	22.34
Public	148,273,039.74	27.04	14,827,303,974	27.04
<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 2012.

### 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 2012 will be discussed.

## **OUR EXPLANATORY NOTES RELATED TO THE ITEMS ON THE AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING DATED 14 MAY 2013**

### **1. Opening and election of the Meeting Board, granting authorization to the Meeting Board to sign the minutes of the meeting;**

The election of the president of the meeting that will moderate the General Assembly Meeting shall be conducted in accordance with the provisions of the "Turkish Commercial Code No. 6102" (TCC) and the "Regulation concerning the General Assembly Meetings of the Capital Stock Companies and the Commissioners of the Ministry of Customs and Trade that will attend such Meetings" (Regulation).

The issue of authorization of the President 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, discussing and acceptance of the Annual Report of the Board of Directors for the year 2012 and the Subsidiaries Report the final part of which is included in the Annual Report;**

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 ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)) for a period of three weeks prior to the General Assembly Meeting in accordance with the provisions of the Turkish Commercial Code, the Regulation and Capital Market Law and relevant regulations will be read and presented for the opinions and approvals of our shareholders at the General Assembly Meeting. 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 2012;**

The reports of the Audit Board and Independent Audit Firm that have been made available for review by our shareholders at our Company's Head Office and in the Company web site ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)) as well as the Electronic General Assembly System of the Central Registry Agency for a period of three weeks prior to the General Assembly Meeting in accordance with the provisions of the Turkish Commercial Code, the Regulation and Capital Market Law and relevant regulations will be read and presented for the opinions and approvals of our shareholders at the General Assembly Meeting.

### **4. Reading, discussion and approval of the Balance Sheet and the Profit/Loss statement for the year 2012;**

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 ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)) as well as the Electronic General Assembly System of the Central Registry Agency for a period of three weeks prior to the General Assembly Meeting in accordance with the provisions of the Turkish Commercial Code, the Regulation and Capital Market Law and relevant regulations and which have been prepared in accordance with the International Financial Reporting Standards ("IAS/IFRS") pursuant to the Capital Market Board's ("CMB") Communiqué Serial XI, No 29 titled as the Communiqué on Principles regarding Financial Reporting in Capital Market ("the Communiqué Serial XI, No 29"), and the presentation principles of which are specified pursuant to 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 2012;**

According to our consolidated financial statements for the fiscal year of 1 January 2012 - December 31, 2012, 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 Serial 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 32.689 thousand TRL 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 in **ANNEX 1** and provided on our Company's web site ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)).

**6. Approval by the General Assembly of Mr. Ferit Bülent Eczacıbaşı, Mr. Rahmi Faruk Eczacıbaşı, Mr. Osman Erdal Karamercan, Mr. Mustafa Sacit Basmacı and Mr. Şenol Süleyman Alanyurt who have been elected as the members of the Board of Directors instead of vacancies during the year in accordance with Article 463 of the Turkish Commercial Code,**

At its meeting dated 7 September 2012, our Board of Directors will submit to the approval of the General Assembly the acceptance of the resignation of Mr. Saffet Ozbay, who has resided as the independent member of Board of Directors due to health reasons and election and appointment of **Mr. Senol Suleyman Alanyurt** instead as the new independent member of the Board of Directors upon proposal made by the Corporate Governance Committee.

It is required, pursuant to Article 25 of the Law No. 6103 on Enforceability and Implementation of Turkish Commercial Code in order to adapt to the relevant provisions of the new Turkish Commercial Code that has been put into force as of 1 July 2012, that natural persons who have been appointed to the boards of directors of joint stock companies as the representatives of legal entities resign within three months from the date of entry into force of the Turkish Commercial Code No. 6102 and that legal entities or others be elected instead. In this respect, the resignation and then re-appointment of **Mr. Ferit Bülent Eczacıbaşı** and **Mr. Rahmi Faruk Eczacıbaşı** at the Board of Directors meeting to be held on 21 September 2012 and **Mr. Osman Erdal Karamercan** and **Mr. Mustafa Sacit Basmacı** at the Board of Directors meeting to be held on 25 September 2012, all of whom have been elected the

members of the Board of Directors at the General Assembly Meeting dated 29 May 2012 shall be submitted to the approval of the General Assembly.

**7. The acquittal of the Members of the Board of Directors for their activities in the year 2012;**

The acquittal of each of the members of our Board of Directors in relation to the activities, transactions and accounts for the year 2012 will be presented separately for approval of the General Assembly in accordance with the provisions of the TCC and the Regulation.

**8. Acquittal of the Auditors for the activities in 2012;**

The acquittal of each of the members of our Audit Board in relation to the activities for the year 2012 will be presented separately for approval of the General Assembly in accordance with the provisions of the Turkish Commercial Code and the Regulation.

**9. Election of the members of the Board of Directors and Independent Members of the Board of Directors, 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 Turkish Commercial Code, Regulation and SPK regulations. In addition, independent member of the Board of Directors shall be elected as part of the compliance with the SPK's Communiqué Serial No. IV/56 on Determination and Application 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 Corporate Governance Committee that evaluated the candidates presented to it based on the criteria specified in the Communiqué Serial IV, No 56 titled as the "Communiqué on Determination and Implementation of Corporate Governance Principles", our Board of Directors resolved at its meeting dated 24 April 2013 that Mr. Akin Dinçoy and Mr. Şenol Süleyman Alanyurt be nominated as the Independent Board Members at 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. Akin Dinçoy (Independent Member) and Mr. Şenol Süleyman Alanyurt (Independent Member) act as the Board members. The appointment of Mrs. Ayşe Deniz Özger as the new member of the Board of Directors instead of Mr. Osman Erdal Karamercan, one of the current members, shall be decided at the General Assembly Meeting.

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 Turkish Commercial Code 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 2013 are provided in **ANNEX-2**; and the said candidates will be elected by the General Office to take office for one year.

**10. Approval of the Independent Audit Firm as selected by the Board of Directors in accordance with the Turkish Commercial Code and Capital Markets Board regulations;**

In accordance with the Turkish Commercial Code and the regulations of the Capital Markets Board, it was decided at our Board of Directors' meeting of 27 March 2013 that, in consultation with the Audit Committee, DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (member of Deloitte Touche Tohmatsu Limited) be appointed for auditing our Company's fiscal year of 2013; and this will be submitted to the approval of the General Assembly.

**11. Discussing and deciding over the amendment to Articles 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 33, 34, 35 and cancellation of Articles 16, 26, 31 and 32 of the Articles of Association provided that required permissions are obtained from the Capital Markets Board and the Ministry of Customs and Trade.**

The amendments made to the Articles of Association of our Company in order to comply with the provisions of the Turkish Commercial Code No. 6102 and Capital Market Law No. 6362 are contained in the **ANNEX-3**.

For the amendment to Article 7 (Registered Capital) of the Articles of Association, required approval has been obtained from the Capital Market Board with its letter No. 2923 of 22 March 2013 and authorization has been obtained from the Ministry of Customs and Trade with the letter No. 2327 of 28 March 2013.

For any other amendments to the Articles of Association except for Article 7, required approval has been obtained from the Capital Market Board with its letter No. 4179 of 19 April 2013 and the required filing has been submitted with the Ministry of Customs and Trade on 24 April 2013. Such authorization of the Ministry shall be obtained prior to the General Assembly Meeting.

The text of amendments to the said articles shall be submitted to the General Assembly for approval.

**12. Discussion on and approval of Internal Guideline of General Assembly as prepared by the Board of Directors in accordance with Article 419 of the Turkish Commercial Code,**

The Board of Directors is, pursuant to Article 419 of the Turkish Commercial Code, obliged to prepare and submit to the approval of the General Assembly, an internal regulation in accordance with the provisions of the "Regulation concerning the General Assembly Meetings of the Capital Stock Companies and the Commissioners of the Ministry of Customs and Trade that will attend such Meetings". The Internal Regulation is registered and announced with the Trade Registry. The Internal Regulation approved by the Board of Directors as contained in **ANNEX-4** will be submitted to the approval of the General Assembly.

**13. Presentation of information to the shareholders on charitable contribution during the reporting period according to the Capital Markets Board regulations and fixing the upper limit for the donations to be made in 2013;**

As per the article 7/b of the Capital Market Board's Communiqué Serial 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. Pursuant to Article 4/g of the Articles of Association, our Company may provide financial support or donations to foundations, associations, universities and similar organizations established with a social purpose provided that the purpose of the Company is not impaired thereby and provided further that the provisions of the Capital Markets Board are satisfied. In accordance to the aforesaid provision, donations at the amount of TRL 53,650 in total (entirely donated to the foundations) were made in the year 2012.

In addition, the upper limit for the donations to be made in 2013 shall be specified at the General Assembly in accordance with article 19/5 of the Capital Market Law No. 6362.

**14. Informing shareholders about the pledges, guarantees and securities granted by the Company to third parties in 2012 pursuant to the Capital Markets Board regulations;**

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 31 December 2012.

**15. Informing shareholders about the "Remuneration Policy" defined for the members of the Board of Directors and Senior Officers pursuant to the Capital Markets Board 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 Serial 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-5**.

**16. Informing shareholders about the "Profit Distribution Policy" of the Company for the year 2013 and subsequent years pursuant to the Capital Markets Board regulations;**

Our Company's "Profit Distribution Policy" as contained in **ANNEX-6** will be presented to the General Assembly for information and made available for review by our



shareholders in the Company's head office and our Company's website ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)) as well as in the Electronic General Assembly System of the Central Registry Agency, and it has also been inserted to article 6 of the Corporate Governance Principles Compliance Report for three weeks prior to the scheduled date of the General Assembly Meeting.

**17. Informing shareholders about the "Common and Continuing Related Party Transactions" conducted during the year pursuant to the Capital Markets Board regulations;**

At the Board of Directors' meeting held on 24 April 2013, the "Common and Continuous Related Party Transactions Report" issued in accordance with the CMB's Communiqué Serial IV, No 41 (Communiqué on Principles Corresponding to the Corporations subject to Capital Market Law) has been discussed, evaluated and approved; and it was resolved that the said report be presented to our shareholders at the Ordinary General Assembly for their information. The said report is contained in **ANNEX-7**.

**18. Informing shareholders about the "Information Policy" of the Company pursuant to the Capital Markets Board regulations;**

The "Information Policy" prepared by our Company in accordance with article 23 of the CMB's Communiqué Serial VIII, No 54 is provided in **ANNEX-8**; and it has also been made available for review by our shareholders at our Company's Head Office and in the Company web site ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)) for a period of three weeks prior to the General Assembly Meeting.

**19. Authorizing: shareholders with management control, members of the Board of Directors, senior officers and their spouses and relatives related by blood or affinity up to the second degree pursuant to Articles 395 and 396 of Turkish Commercial Code and the regulations of the Capital Markets Board, and informing the shareholders conducted in this respect in 2012;**

The members of our Board of Directors may perform the transactions set forth under the paragraph 1 of article 395 of the Turkish Commercial Code (Prohibition of Transaction with the Company and Prohibition of Indebtedness to Company) and article 396 (Non-Competition) only subject to the approval of the General Assembly.

Prior consent of the General Assembly is required pursuant to article 1.3.7 of the Corporate Governance Principles of SPK so that the shareholders with management control, members of the Board of Directors, senior officers and their spouses and relatives related by blood or affinity up to the second degree can engage in any material and competitive activities so as to result in any conflict of interest with the company or its subsidiaries and required information must be supplied to the General Assembly in this respect.

In order to satisfy the requirements laid down in such regulations, the said consent shall be submitted to the General Assembly and information as to whether or not such a transaction has been conducted in 2012 shall be provided.

**20. Informing the shareholders of the process related to the sales / transfer to Beiersdorf AG of the shares held by our Company in EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.Ş.;**

At the Board of Directors meeting held on 5 November 2012, it has been decided that all of our 49,99% share in EBC Eczacıbaşı-Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.Ş. be sold to Beiersdorf AG (partner) in consideration of EUR 24.995.162.5, and that 75% of the profit arising from such sales and transfer of shares be transferred to a special fund account in order to benefit from the corporate tax exemption set forth in Article 5, subsection (1), clause (e) of Corporate Tax Law No. 5520.

Pursuant to the provisions of the Articles of Association and shareholders' agreement as regards the rights and transfer of shares, the sales and transfer of the shares have been completed on 27 December 2012 and the consideration has been collected in full on the same date. The legal profit arising from the sales is TRL 52,491,630. In this respect, the transfer of exceptional earnings of TRL 39,368,723 to the special fund account shall take place between the start of the fiscal year following the year in which the sales has taken place and the date of the corporate tax return related to the period in which the earning has been declared.

The General Assembly shall be duly informed of the said sales and transfer transactions.

**21. Wishes.**

## **ANNEX-1 PROFIT DISTRIBUTION PROPOSAL**

The Board of Directors determined at its meeting held on 22 April 2013 that the Company's net distributable profit as of 31 December 2012 was nil based on the consolidated financial statements prepared as per the Capital Market Board (CMB) regulations and approved by independent auditors; whereas, it was TRL 43,923,018 based on financial statements prepared as per statutory records.

Based on CMB Decree No. 2/51, dated 27 January 2010, it is required to distribute the profit calculated on the basis of the consolidated financial statements prepared and announced to the public in accordance with the CMB Communiqué Serial XI, No: 29 "Principles of Financial Reporting in Capital Markets", "profit from previous years" in the consolidated financial statements and "extraordinary reserves for 2011" in the statutory financial statements have been used in the distribution of the profit for the year 2012.

Accordingly it was resolved to present the following proposal to shareholders at the Ordinary General Assembly Meeting for the 2012 to be held on 14 May 2013:

- 1)** Distribution of dividends at the amount of TRL 54,820,800 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 TRL 1 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)** After deducting the legal obligations from TRL 92,630,624 net profit for the term based on statutory records, the remaining amount will be transferred to Extraordinary Reserves,
- 4)** Distribution will start on 28 May 2013.

**EIS ECZACIBAŞI İLAÇ, SINAİ VE FİNANSAL YATIRIMLAR SAN VE TİC A.Ş.  
PROFIT DISTRIBUTION TABLE FOR 2012 (TRL)**

<b>1.</b>	<b>Paid-in/Issued Capital</b>		548,208,000
<b>2.</b>	<b>Total Legal Reserves (according to Legal Records)</b>		41,868,285
<b>Information about (if any) the privileges in profit distribution granted pursuant to the Articles of Association</b>			No privileged shareholders
		<b>Acc. to CMB</b>	<b>Acc. to Legal Records</b>
<b>3.</b>	<b>Period Profit (*)</b>	2,769,277	53,261,901
<b>4.</b>	<b>Taxes Payable (-)</b>	(9,449,000)	(7,027,145)
<b>5.</b>	<b>Net Period Profit (=)</b>	(6,679,723)	46,234,756
<b>6.</b>	<b>Accumulated Loss from Previous Years (-)</b>	0	0
<b>7.</b>	<b>First Legal Reserves (-)</b>	(2,311,738)	(2,311,738)
<b>8.</b>	<b>NET DISTRIBUTABLE PERIOD PROFIT (=)</b>	(8,991,460)	43,923,018
<b>9.</b>	<b>Donations made during the fiscal year (+)</b>	53,650	
<b>10.</b>	<b>Net distributable period profit including donations, over which first dividend will be calculated</b>	(8,937,810)	
<b>11.</b>	<b>First Dividend to Shareholders</b>		
	-Cash	54,820,800	
	- Bonus Shares	0	
	- Total	<b>54,820,800</b>	
<b>12.</b>	<b>Dividend distributed to the Holders of Privileged Shares</b>	0	
<b>13.</b>	<b>Dividends distributed to the Board members, employees, etc.</b>	0	
<b>14.</b>	<b>Dividends to Redeemed Share Owners</b>	0	
<b>15.</b>	<b>Second Dividend to Shareholders</b>	0	
<b>16.</b>	<b>Second Legal Reserves</b>	2,741,040	
<b>17.</b>	<b>Statutory Reserves</b>	0	0
<b>18.</b>	<b>Special Reserves</b>	0	0
<b>19.</b>	<b>EXTRAORDINARY RESERVES</b>	0	43,923,018
<b>20.</b>	<b>Other Resources planned to be distributed</b>	<b>54,820,800</b>	<b>0</b>
	- Previous Year's Profit	54,820,800	0
	- Extraordinary Reserves	0	0
	- Other Distributable Reserves as per the Law and the Articles of Association	0	0

<b>INFORMATION ON DIVIDEND DISTRIBUTION RATE</b>					
<b>DIVIDEND PER SHARE INFORMATION</b>					
			<b>DIVIDEND CORRESPONDING TO SHARE WITH A NOMINAL VALUE OF 1 TRL</b>		
			<b>TOTAL DIVIDEND AMOUNT (TRL)</b>	<b>AMOUNT (TRL)</b>	<b>RATIO (%)</b>
<b>GROSS</b>	To ordinary shareholders		54.820.800	0,10000	10,00
	<b>TOTAL</b>		<b>54.820.800</b>		
<b>NET (*)</b>	To ordinary shareholders		46.597.680	0,08500	8,50
	<b>TOTAL</b>		<b>46.597.680</b>		

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

<b>RATIO OF THE DISTRIBUTED DIVIDEND TO THE NET DISTRIBUTABLE PERIOD PROFIT INCLUDING DONATIONS</b>	
<b>AMOUNT OF DIVIDENDS DISTRIBUTED TO SHAREHOLDERS (TRL)</b>	<b>RATIO OF DIVIDENDS DISTRIBUTED TO THE SHAREHOLDERS TO THE NET DISTRIBUTABLE PERIOD PROFIT INCLUDING DONATIONS (%)</b>
54.820.800	(613,36)

(\*) Based on the decision of our Board of Directors dated 5 November 2012, it has been decided that 75% of the profit arising from the sales of our shares in EBC Eczacıbaşı - Beiersdorf Kozmetik Ürünler Sanayi ve Ticaret A.Ş. to Beiersdorf AG be transferred to a special fund account in order to benefit from the corporate tax exemption set forth in Article 5, subsection (1), clause (e) of Corporate Tax Law No. 5520. Accordingly, the exemption earnings of TRL 39,368,723 which shall be transferred to the special fund account has been deducted from the profit for the year in the profit distribution table as calculated both in accordance with the SPK and applicable laws.

The transfer of share sales profit to the fund account shall take place between the start of the fiscal year following the year in which the sales has taken place and the date of the corporate tax return related to the period in which the earning has been declared.

## **ANNEX-2 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).

### **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.

### **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.

### **Ayşe Deniz Özger (Member)**

Özger, who commenced her career in 1982 at Eczacıbaşı İlaç Sanayi as Product Manager, has served the same company as Group Product Manager between 1986 – 1988, as Marketing Manager at Eczacıbaşı İlaç Pazarlama between 1989-1991, as Vice General Manager responsible for Marketing and Sales at the same company between 1992-1994. Özger served as the General Manager between 1995-2003 at Eczacıbaşı-Rhone Poulenc.

Ayşe Özger, who served as the General Manager of Eczacıbaşı İlaç Pazarlama between 2003-2011, has been appointed as the Group Vice President (Business Development) effective as of 1 July 2011 as a result of which she will report to the Health Group Directorate and be responsible for the conduct of all business development activities of the group.

Ayşe Özger, who was born in 1959, completed her undergraduate studies at Hacettepe University, Pharmaceuticals Faculty in 1981.

### **Şenol Süleyman Alanyurt (Candidate Independent Member)**

Şenol Süleyman Alanyurt, who was born in 1941 at Samsun Çarşamba, completed his undergraduate studies at İstanbul Technical University and his graduate studies at Istanbul University, Economics Faculty, Institute of Business and Economics.

Şenol S. Alanyurt, who commenced his career in 1968 at Eczacıbaşı İlaç Sanayi as Work Study Supervisor, thereafter served respectively as Baxter Serum Department Supervisor in 1971, Serum Factory Project Manager in 1979, Serum Factory Manager in 1982, Hospital Products General Manager in 1989, Eczacıbaşı-Baxter Hospital Products Board of Directors Member and consultant in 1994, Eczacıbaşı Specific Chemical Products General Manager in 2000 and was retired in 2002.

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

Akın Dinçsoy, who was born in 1943 in Erzincan, completed his undergraduate studies at Istanbul University, Chemistry Faculty, Chemistry Engineering department and his graduate studies at the same department of the same university. Dinçsoy, who started his career at Eczacıbaşı İlaç Sanayi in 1970 as Production Supervisor, was appointed as Production Planning Director in 1980, Production Director in 1989, Production Vice General Manager in 1990 and Production and Technical Affairs Vice General Manager in 2001. He continued this position at Eczacıbaşı Sağlık Ürünleri, which was founded in 2004 and was retired afterwards.

He served as the board of directors member of Eczacıbaşı Özgün Kimyasal Ürünler between 2003-2007 and of Eczacıbaşı Sağlık Ürünleri between 2004-2007. He continued to serve as the General Manager consultant between 2005-2007.

He served between 1985-2005 as Eczacıbaşı İlaç Sanayi responsible manager in connection with the affairs with the Ministry of Health. Together with this position, within the last 10 years, he also continued to serve as the Product Development Sub-Committee Director, Product Development Committee Higher Committee Member, Occupational and Employee Health Committee Director, GMP Committee Director.

## **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.

## **Şenol Süleyman Alanyurt**

### **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-3 AMENDMENTS TO ARTICLES OF ASSOCIATION

PREVIOUS ARTICLE	NEW ARTICLE
<p><b>ARTICLE 1 – FOUNDATION</b></p> <p>A joint stock company was incorporated with the name "Eczacibasi Pharmaceutical and Industrial Investment Company" by general assembly of shareholders of "Eczacibasi Pharmaceutical Limited Company", registered to Istanbul Trade Registry Office with 44943/14094 of registration number, unanimously on 28.03.1968 with the decision numbered 968/4, aiming to change the kind of the company in accordance with the provision of Article 152 of Turkish Commercial Code so as to bring in a body appropriate to extending activities of the company and to utilize it as the continuation of legal personality of "Eczacıbaşı İlaçları Limited Şirketi" and to keep its assets, rights, claims, undertakings, liabilities and obligations, real estates, licenses, permissions, patent and trademark rights as well as all kinds of agreements exactly the same on declaration date of registration (in accordance with the provisions of Turkish Commercial Code on instantaneous foundation of Joint Stock Companies).</p> <p>Aforesaid shareholders of "Eczacibasi Pharmaceutical Limited Company" are the founders of Joint Stock Company by retaining their number of shares in Limited Company exactly the same as stated in this articles of association.</p>	<p><b>ARTICLE 1 – FOUNDATION</b></p> <p>A joint stock company was incorporated with the trade name "Eczacıbaşı İlaç Sanayi ve Ticaret Anonim Şirketi (Eczacibasi Pharmaceutical Industry and Trade Joint Stock Company)" by the shareholders of "Eczacıbaşı İlaçları Limited Şirketi", registered with Istanbul Trade Registry Office with Registry No. 44943, under their decision No. 968/4 which they have unanimously resolved at the general assembly held on 28.03.1968, in order to convert the type of the company in accordance with the provision of Article 152 of Turkish Commercial Code so as to bring in a body appropriate to extending activities of the company and to utilize it as the continuation of legal personality of "Eczacıbaşı İlaçları Limited Şirketi" and to keep its assets, rights, claims, undertakings, liabilities and obligations, real estates, licenses, permissions, patent and trademark rights as well as all kinds of agreements exactly the same on declaration date of registration (in accordance with the provisions of Turkish Commercial Code on instantaneous foundation of Joint Stock Companies).</p> <p>Aforesaid shareholders of "Eczacibasi Pharmaceutical Limited Company" are the founders of Joint Stock Company by retaining their number of shares in Limited Company exactly the same as stated in this articles of association.</p>
<p><b>ARTICLE 2 – FOUNDERS</b></p> <p>This Joint Stock Company was founded in accordance with the provisions of Turkish Commercial Code on sudden foundation of Joint Stock Companies between the real persons whose names and residence addresses are given in the list attached to the articles of association.</p>	<p><b>ARTICLE 2 – FOUNDERS</b></p> <p>This Joint Stock Company has been established by and between the natural persons whose names and residence addresses are written in the enclosed list (Founders of the Company) in accordance with the provisions of Turkish Commercial Code on instantaneous foundation of Joint Stock Companies.</p>

ARTICLE 3 – TRADE TITLE OF THE COMPANY	ARTICLE 3 – TRADE TITLE OF THE COMPANY
The trade title of the company is EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret Anonim Şirketi (EIS Pharmaceutical, Industrial and Financial Investments Industry and Trade Joint Stock Company).	The trade title of the company is EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret Anonim Şirketi (EIS Pharmaceutical, Industrial and Financial Investments Industry and Trade Joint Stock Company). It shall hereinafter be referred to as the "Company".

ARTICLE 4 – PURPOSE AND SCOPE	ARTICLE 4 - PURPOSE AND SCOPE
<p>A. To produce all kinds of medical pharmaceuticals, veterinary medicinal products, chemicals, goods and food products used in cosmetics, medicine and veterinary, all kinds of medical supplies, medical and sanitary papers, real estate and construction materials, and to engage in trade, import and export of such goods. Generation, sales and distribution of all kinds of energy.</p> <p>B. For these purposes; to associate with factories, laboratories and companies through the construction, purchase and establishment of buildings, factories and laboratories, to assume their representatives or sales agencies and to perform manufacturing, import, export, domestic trade and undertaking activities.</p> <p>C. To join the management and capital of the companies founded or to be founded with the commercial, industrial, financial and agricultural objectives related to aforesaid purposes.</p> <p>D. To perform merger with, get into a partnership with, take over, or hand over the companies founded with aforesaid purposes and to enter into all kinds of legal agreements with Holding Companies.</p> <p>E. Provided that it does not have the nature of intermediary activity and portfolio management; to perform the</p>	<p>The operating purposes of the Company is to produce all kinds of medical pharmaceuticals, veterinary medicinal products, chemicals, goods and food products used in cosmetics, medicine and veterinary, all kinds of medical supplies, medical and sanitary papers, real estate and construction materials, and to engage in trade, import and export of such goods, and to generate, sell and distribute all kinds of energy.</p> <p>The company may engage notably in the following transactions in order to realize the operating purposes outlined above.</p> <p>A. To associate with factories, laboratories and companies through the construction, purchase and establishment of buildings, factories and laboratories, to assume their representatives or sales agencies and to perform manufacturing, import, export, domestic trade and undertaking activities.</p> <p>B. To participate in the management and capital of the companies founded or to be founded with the commercial, industrial, financial and agricultural objectives related to aforesaid purposes provided that the provisions of Article 21/1 of the Capital Markets Law are reserved.</p> <p>C. To perform merger with, get into a partnership with, acquire or transfer the companies and to enter into all kinds of legal agreements with Holding Companies.</p> <p>D. Provided that it does not have the nature of intermediary or brokerage activity and portfolio management; to</p>

<p>purchase and sale of all kinds of stocks and bonds, and if necessary, to issue profit and loss sharing certificates (participation bond) and commercial papers to real and legal persons inland or abroad pursuant to legal provisions.</p> <p>Issuing of bonds, profit sharing certificates and financing bonds covered or not covered by a security, as well as determination of maximum profits will be subject to General Assembly resolution. The Board of Directors may authorize the Board of Directors for determination of other conditions.</p> <p>F. To obtain all kinds of purpose and scope related licenses, authorization, patents, trademark patent rights and all similar certificates subject to permission, and to take over, handover or lease them to affiliates or others.</p> <p>G. To perform purchase, sale, construction, leasing, rent all kinds of securities and real estates (including ship) for aforesaid purposes, to buy and sell, lease, rent and take out a loan on real and other rights related to foregoing, to grant real rights for and against securities and real estates, to take, give and release mortgage, to sign surety and give security to third parties and affiliates provided that the requirements of the Capital Markets Board are satisfied.</p> <p>Provided that the requirements of the Capital Markets Board are satisfied; to dispose for third parties, to establish and alienate easement, usufruct, construction servitude, building and construction rights to third parties, to execute and perform all activities permitted by law, to establish such rights and abolish the established ones, to transfer or donate conditionally or</p>	<p>issue all kinds of debentures with or without security, profit and loss sharing certificates (profit participation bond) and the bonds with the right to receive and change and all kinds of securities and other capital market instruments for sale to natural and legal entities at home or abroad.</p> <p>The Company may issue debentures and financing bonds and other capital market instruments as borrowing instruments for sales at home and abroad in accordance with the Capital Market Law, and within the statutory limits set forth in the Turkish Commercial Code, Capital Market Law and other applicable regulations subject to the decision of the Board of Directors. The authority to issue such instrument has been delegated with the Board of Directors perpetually.</p> <p>E. To obtain all kinds licenses, authorization, patents, trademark patent rights and all similar certificates subject to permission, and to acquire over, transfer or lease them to affiliates or others.</p> <p>F. To perform purchase, sale, construction, leasing, rent all kinds of securities and real estates (including ships) for aforesaid purposes, to buy and sell, lease, rent and take out a loan on real and other rights related to foregoing, to grant real rights for and against securities and real estates, to take, give and release mortgage, to sign surety and give security to third parties and affiliates provided that the requirements of the Capital Markets Board are satisfied.</p> <p>Provided that the requirements of the Capital Markets Board are satisfied; to dispose for third parties, to establish and alienate easement, usufruct, construction servitude, building and construction rights to third parties, to execute and perform all activities permitted by law, to establish such rights and abolish the established ones, to transfer or donate conditionally or</p>
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<p>unconditionally part of its property (including power transformers) subject to the plan to government authorities such as municipalities pursuant to the Land Development Legislation.</p> <p>To take all kinds of real and personal securities for the collection and establishment of company rights and receivables, and to perform registration, cancellation and all other transactions before land registry office, tax offices and similar public and private institutions.</p> <p>On the condition to comply with the requirements of the Capital Markets Board, to mortgage company real estates, to lend them as securities and commercial enterprise pledge, to establish property ownership, to establish the rights set forth in Civil Code and Property Ownership Law as rights-holder and obligor, to take over real estate possession of foregoing at land registry office as independent and permanent right with registration on separate papers or perform agreements for the handover of them, to perform modification of type and to annotate personal rights to land registration.</p> <p>H. To provide financial assistance and donation to social institutions such as foundations, associations and universities within the principles determined by Capital Markets Board.</p>	<p>unconditionally part of its property (including power transformers) subject to the plan to government authorities such as municipalities pursuant to the Land Development Legislation.</p> <p>To take all kinds of real and personal securities for the collection and establishment of company rights and receivables, and to perform registration, cancellation and all other transactions before land registry office, tax offices and similar public and private institutions.</p> <p>On the condition to comply with the requirements of the Capital Markets Board, to mortgage company real estates, to lend them as securities and commercial enterprise pledge, to establish property ownership, to establish the rights set forth in Civil Code and Property Ownership Law as rights-holder and obligor, to take over real estate possession of foregoing at land registry office as independent and permanent right with registration on separate papers or perform agreements for the handover of them, to perform modification of type and to annotate personal rights to land registration.</p> <p>G. The company may provide financial support or donations to foundations, associations, universities and similar organizations established with a social purpose provided that the purpose of the Company is not impaired thereby and provided further that the provisions of the Capital Markets Board are satisfied. The upper limit of the donations to be made shall be fixed by the General Assembly. No donation in excess of that limit is allowed and any donations are added to the tax base for distributable profit. The donations should always follow the provisions of the Capital Markets Board as related to the disguised earnings. Special disclosure is made as required for the donations. The donations made throughout the year are communicated to the shareholders at the General Assembly.</p>
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	H. The Company may accept as pledge and/or acquire its own shares in accordance with the relevant provisions of the Turkish Commercial Code and Capital Market Law and other applicable legislation.
<b>ARTICLE 5 – COMPANY HEAD OFFICE AND BRANCHES</b>	<b>ARTICLE 5 – COMPANY HEAD OFFICE AND BRANCHES</b>
The head office of the company is in Istanbul. The Company may open branches within the country and abroad by previously notifying the Ministry of Industry and Trade.	The head office of the company is in Istanbul. Address of the company is Büyükdere Caddesi, Ali Kahya Sokak No: 5, Levent. In case of any changes of address, the new address shall be announced in the Turkish Trade Registry Gazette. Any notices served to such registered and announced addresses shall be deemed to have been duly served to the Company. Should the company fail to register its new address in due time it may be considered a good reason for the termination of the company. The company may open branch offices at home and abroad.
<b>ARTICLE 6 – TERM OF COMPANY</b>	<b>ARTICLE 6 – TERM OF COMPANY</b>
The duration of the Company is unlimited and it expires with a termination decision taken due to legal reasons or taken with two thirds majority at General Assembly Meeting to which shareholders representing three out of four of registered capital attended.	The term of the Company is unlimited and it expires with a termination decision taken due to legal reasons or taken with favorable votes of the shareholders representing at least three fourth of registered capital. In the event that the above mentioned quorum is not satisfied at the first meeting, the same quorum shall also be required for future meetings.
<b>ARTICLE 7 – REGISTERED CAPITAL</b>	<b>ARTICLE 7 – REGISTERED CAPITAL</b>
The company has adopted registered capital system in accordance with the provisions of the Capital Markets Law No. 2499, and has implemented this system with the Authorization No. 333 of 16.5.1991 issued by the Capital Markets Board.  The registered capital of the company is YTL 200,000,000 (Two Hundred Million) and divided into 20,000,000,000 shares each of a nominal value of YKr 1 (One).	The company has adopted registered capital system in accordance with the provisions of the Capital Markets Law No. 2499, and has implemented this system with the Authorization No. 333 of 16.5.1991 issued by the Capital Markets Board.  The registered capital of the company is TRL 548,208,000 (five hundred and forty eight million two hundred and eight thousand) and it is divided into 54,820,800,000 registered shares, each having a nominal value of 1 (One) Kr.

<p>The issued capital of the company is fully paid YTL 548,208,000 (Five Hundred Forty Eight Million Two Hundred Eight Thousand).</p> <p>YTL 291,280.14 (Two Hundred Ninety One Thousand Two Hundred Eighty YTL Fourteen YKr) of the capital is fully paid in cash and at one time. YTL 457,523.10 (Four Hundred Fifty Seven Thousand Five Hundred Twenty Three YTL Ten YKr) of YTL 182,444,719.86 (One Hundred Eighty Two Million Four Hundred Forty Four Thousand Seven Hundred Nineteen YTL Eighty Six YKr) remainder is secured from excess reserves, YTL 28,017,834.45 (Twenty Eight Million Seventeen Thousand Eight Hundred Thirty Four YTL Forty Five YKr) from gains of fixed asset sales, YTL 8,458,865.34 (Eight Million Four Hundred Fifty Eight Thousand Eight Hundred Sixty Five YTL Thirty Four YKr) from growth fund obtained from evaluations with our affiliates, YTL 7,498,396.69 (Seven Million Four Hundred Ninety Eight Thousand Three Hundred Ninety Six YTL Sixty Nine YKr) from profit on real estate sales, YTL 10,805,528.93 (Ten Million Eight Hundred Five Thousand Five Hundred Twenty Eight YTL Ninety Three YKr) from cost increase fund, YTL 2,712,258.15 (Two Million Seven Hundred Twelve Thousand Two Hundred Fifty Eight YTL Fifteen YKr) from increment value fund accrued pursuant to provisions of duplicated Article 298 of Tax Procedure Law on re-evaluation, YTL 14,097,253.13</p>	<p>The authorization granted by the Capital Markets Board for the registered capital cap is valid for the years 2013-2017 (5 years). In the period ended 2017, even if the registered capital ceiling levels are not attained, in order for the Board of Directors to take capital increase decision for the period after 2017, the Board of Directors must get authorization for a new period not exceeding 5 years at the General Assembly from the Capital Market Board for a previously approved ceiling level or a new level. In case the company fails to get such an authorization, it will be considered as signed out from the registered capital system.</p> <p>The issued share capital of the Company being 548,208,000 (five hundred and forty eight million two hundred and eight thousand) TRL has been fully paid up in cash free of any collusive transactions.</p>
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(Fourteen Million Ninety Seven Thousand Two Hundred Fifty Three YTL Thirteen YKr) from revaluation increase fund of tangible fixed assets, YTL 59,629.30 (Fifty Nine Thousand Six Hundred Twenty Nine YTL Thirty YKr) from cost increase fund from affiliates, YTL 3,559.18 (Three Thousand Five Hundred Fifty Nine YTL Eighteen YKr) from the premium on issued shares and YTL 110,333,871.59 (One Hundred Ten Million Three Hundred Thirty Three Thousand Eight Hundred Seventy One YTL Fifty Nine YKr) from the gains of production facilities as they added to newly founded company's real capital. Shares issued in exchange for that sum added to the capital are utilized as burn stocks to the partners based on shareholding rate. YTL 365,472,000 (Three Hundred Sixty Five Million Four Hundred Seventy Two Thousand) is entirely secured from internal resources (private profit on sale fund).

Issued share capital of the Company is divided into 54,820,800,000 shares, each having a value of 1 Kr, all of which are bearer shares.

The Board of Directors of the company is entitled to increase the capital issued to the ceiling of its registered capital whenever it deems necessary in accordance with the provisions of the Capital Markets Law. The Board of Directors is also entitled to make decisions for the restriction of the rights of shareholders to buy new shares and for the issue of premium stocks.

While the nominal value of shares was TL 1,000, it was changed to 1 YKr within the scope of the law concerned amending T.T.K (Turkish Commercial Code) numbered 5274.: Because of such change, total number of

Issued share capital of the Company is divided into 54,820,800,000 shares, each having a value of 1 Kr, all of which are bearer shares.

Shares representing the capital are monitored in line with dematerialization rules.

The share capital may be increased or decreased in accordance with the provisions of the Turkish Commercial Code and Capital Market Legislation.

The Board of Directors is authorized to increase the issued capital when it deems necessary, up to the upper limit of the registered capital, to restrict the rights of the shareholders to acquire new shares and to issue shares below the nominal value in accordance with the provisions of the Capital Markets Law. The authority to restrict the rights to acquire new shares cannot be exercised so as to give rise to any inequality among the shareholders.

Nominal value of shares has been changed in accordance with the Turkish Commercial Code No. 5274, from TRL 1,000 to 1 Ykr. Due to this change, the number of total shares has decreased; therefore a share of 1 Ykr will



<p>shares was decreases and 1 YKr of share will be provided for 10 shares each of a nominal value of TRL 1,000.: The rights of shareholders arising from this change regarding their shares are reserved.</p> <p>Shares representing the capital are monitored in line with dematerialization rules.</p> <p>The Board of Directors is also entitled to make decisions for issuing shares in worth above their nominal values and for the restriction of the rights of shareholders to buy new shares.</p>	<p>be issued in exchange with 10 shares of TRL 1,000 each. The rights of shareholders arising from this change regarding their shares are reserved.</p>
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<p><b>ARTICLE 8 – SPECIALTIES OF SHARES</b></p> <p>Shares of the company are to the bearer.</p> <p>The company accepts one holder per share. In the event there more than one holders for one share, such holders can use their rights through a representative to be selected among them.</p>	<p><b>ARTICLE 8 – SPECIALTIES OF SHARES</b></p> <p>Shares of the company are to the bearer.</p> <p>The company accepts one holder per share. In the event there more than one holders for one share, such holders can use their rights through a representative to be selected among them.</p>
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<p><b>ARTICLE 9 – BOARD OF DIRECTORS</b></p> <p>The Company is administered by a Board of Directors comprising 5-9 members to be elected by the General Assembly as per the provisions of the Turkish Commercial Code.</p> <p>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.</p> <p>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.</p>	<p><b>ARTICLE 9 – BOARD OF DIRECTORS</b></p> <p>The Company is managed and represented by the Board of Directors consisting of at least 5 to maximum nine members to be elected by the general assembly in accordance with the provisions of the Turkish Commercial Code.</p> <p>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.</p> <p>The Board of Directors may establish committees within the Board of Directors in order to ensure that the duties and responsibilities of the Board of Directors are performed properly and the duties and working principles of such committees are determined in accordance with the Turkish Commercial Code, Capital Markets Law, the regulations of the Capital Markets Board as related to the corporate governance and other applicable legislation. It is mandatory under the Turkish Commercial Code to</p>
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<p>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.</p>	<p>establish a Committee for Early Detection of Risks.</p> <p>The members of Board of Directors must bear the qualifications stated in the Turkish Commercial Code and the Capital Market Legislation.</p> <p>The Board of Directors may assign all or part of its authorities and duties for the management of the company to one or more of its members or third persons, in accordance with article 367 of the Turkish Commercial Code. The provisions of he Article 375 of the Turkish Commercial Code are reserved.</p>
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<p>ARTICLE 10 – OFFICE PERIOD OF THE BOARD OF DIRECTORS</p>	<p>ARTICLE 10 – OFFICE TERM OF BOARD OF DIRECTORS</p>
<p>The Directors is appointed for an office period of one year. The Director whose office period has expired may be re-appointed.</p>	<p>The members of the Board of Directors are elected for a period of one year. The Director whose office term has expired may be re-appointed.</p>

<p>ARTICLE 11 – MEETINGS OF THE BOARD</p>	<p>ARTICLE 11 – MEETINGS OF BOARD OF DIRECTORS</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 4-6 members should be present for the Boards comprised of 5-9 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 members of the Board of Directors elect a chairman and a deputy chairman to act in his/her absence among themselves on an annual basis.</p> <p>The meeting of the Board of Directors is held whenever deemed required for the corporate business and transactions.</p> <p>The Board of Directors convenes and resolves with the absolute majority of the members attending at the meeting.</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>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>Unless a discussion is requested by another member, resolutions of the Board of Directors may also be adopted by obtaining approvals of the other members for any proposal made by a member. Such decisions may be adopted subject to the written ratification by the simple majority of the members. The fact that the same proposal has been made to all of the members of the Board of Directors is a precondition of a valid decision to be adopted in that way. It is not necessarily required that the members sign the same paper; but all of the papers signed by the members for approval should be attached to the decision book of the Board of Directors or it should be made into a written decision containing all the signatures of those accepting the proposal and entered into the decision book so that the decision becomes valid.</p>
<p>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 independence of any Independent Board Member or any cases preventing performance of the tasks by any Board Member.</p>	<p>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 lack of independence of any Independent Board Member or any cases preventing performance of the tasks by any Board Member.</p>

<p><b>ARTICLE 12 – REPRESENTATION AND BINDING OF COMPANY</b></p>	<p><b>ARTICLE 12 – REPRESENTATION AND BINDING OF COMPANY</b></p>
<p>The Board of Directors represents the company vis-à-vis third persons.</p> <p>In order that the documents, agreements, written requests, orders and announcements to engage the Company may be valid they must bear the signatures of two members of the board or person or persons authorized under Article 13 of Articles of Association to represent the Company by their signatures affixed under the Company seal.</p>	<p>The Board of Directors represents and binds the company with third parties</p> <p>In order that the documents, agreements, written requests, orders and announcements to engage the Company may be valid they must bear the signatures of two members of the board or person or persons authorized under Article 13 of Articles of Association to represent the Company by their signatures affixed under the Company seal.</p>

ARTICLE 13 – DUTIES OF THE BOARD OF DIRECTORS	ARTICLE 13 – DUTIES OF THE MEMBERS OF BOARD OF DIRECTORS
<p>Company’s administration and representation might be divided among the Members of Board. In this case, the Board of Directors may entitle one or more members with the authority to administer and represent the Company severally and jointly at all or particular issues by acting jointly in the capacity of executive director.</p> <p>The Board of Directors may also establish technical committees from among the shareholders or from outside, appoint manager or managers, representatives or agents and grant the authority to represent and bind the Company at all or particular issues.</p>	<p>The Board of Directors represents and binds the company. The Board of Directors may entitle one or more members with the authority to administer and represent the Company severally and jointly at all or particular issues by acting jointly in the capacity of executive director.</p> <p>The Board of Directors may also establish technical committees from among the shareholders or from outside, appoint manager or managers, representatives or agents and grant the authority to represent and bind the Company at all or particular issues in accordance with Article 366 of the Turkish Commercial Code. It is mandatory that at least one of the members of the Board of Directors has representation powers.</p>

ARTICLE 14 – SALARIES AND HONORARIA OF THE MEMBERS OF BOARD	ARTICLE 14 - REMUNERATION AND HONORARIA OF BOARD OF DIRECTORS
<p>The remuneration, honoraria and the other financial benefits payable to the Chairman and members and the Delegate 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 honoraria payable to such Board members.</p> <p>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.</p>	<p>The remuneration, honoraria and other financial benefits to be paid to the Chairman, Deputy Chairman, members and executive members of the Board of Directors are determined by the General Assembly.</p> <p>The General Assembly may decide that bonus be paid, in addition to regular remuneration and honoraria, to the executive member and the members of the Board of Directors who are assigned for specific matters for their services and performances based on any benefits provided thereby to the Company.</p> <p>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 to the Chairman, Deputy Chairman and Members of the Board of Directors and senior officers. Share options or performance-based remuneration plan of the Company will not be used for remuneration of the independent Board members.</p>

ARTICLE 15 – AUDITORS	ARTICLE 15 - AUDIT
<p>The Board of Directors elects, for a term of office of maximum one year, 1-3 auditors either from among the shareholders or from outside. The auditors may be re-elected. The monthly or annual wages of auditors are fixed by the General Assembly.</p>	<p>The audit of the Company and other particulars set forth under the Turkish Commercial Code and Capital Market Law and other applicable regulations shall be subject to the provisions of Turkish Commercial Code and Capital Market Law. The Board of Directors may create committees and commissions for the internal audit of the Company in accordance with Article 366 of the Turkish Commercial Code.</p>

ARTICLE 16 – DUTIES OF THE AUDITORS	
<p>The auditors are obliged to perform the duties required by Article 353 of Turkish Commercial Code as well as to make any suggestions to the Board of Directors in order to maintain well operating condition of the Company and preserving its interests and taking all measures related thereto and invite the General Assembly to meet when necessary, to determine the agenda of such meetings and to prepare the report stated in Article 354 of Turkish Commercial Code. The auditors are obliged to perform such duties immediately in important and urgent cases. The auditors are solely and severally obliged to perform the duties obliged on them by the laws and Articles of Association.</p>	Cancelled.

ARTICLE 17 – GENERAL ASSEMBLY	SECTION 16 – GENERAL ASSEMBLY
<p>The Ordinary and Extraordinary General Assembly are held under the presidency of President of the Board, or vice president in his/her absence.</p> <p>The Ordinary General Assembly meets within 3 months following the end of Company's fiscal year and once a year at least. In such meetings, previous years' general assemblies and accounts and other issues written in the agenda are handled and resolutions are rendered accordingly.</p>	<p>The General Assembly meetings are held ordinarily and extraordinarily; and the chairman of the Board of Directors, or in his absence, the deputy chairman of the Board of Directors shall act as president at general assembly meetings.</p> <p>The ordinary general meeting of shareholders shall be held once a year within three months following the expiration of the operating period. At such meetings, the shareholders discuss and decide over the election of the management bodies, financial statements, the annual report of the Board of Directors, use of the profit, determination of the distribution ratio of the profit and earnings, acquittal of the members of the Board of Directors and any other matters related to the operating period or which are deemend</p>

<p>Extraordinary General Assembly meets in cases when required by the operations of the Company as per the provisions given hereunder and the required resolutions are rendered.</p> <p>In General Assemblies, two persons authorized to collect votes and one secretary among the persons holding most of the shares. Secretary might be elected from outside. Meeting minutes are signed by government commissar, president, vote collectors and secretary.</p>	<p>necessary.</p> <p>The extraordinary general assembly meeting is held whenever deemed required for the corporate business and transactions in accordance with the provisions of the law and the articles of association.</p> <p>A president and, if required, a vice president, who may not necessarily be a shareholder, is elected who shall be in charge of the management of the general assembly, among the candidates proposed during the opening of the general assembly meeting. Then, the president delegates at least one secretary and, if deemed necessary, a vote counter. The president, vote counter and secretary constitute the meeting board.</p> <p>The minutes of the meeting is issued and countersigned by the president of the meeting and observer of the Ministry, if attended, in accordance with the applicable legislation. The Board of Directors is obliged to immediately provide the notarized copy of the minutes to the Trade Registry Office and to perform the registration and announcement of the particulars specified therein; the minutes is also uploaded in the website of the Company.</p>
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<p>ARTICLE 18 – MEETING PLACE</p>	<p>ARTICLE 17 – MEETING PLACE AND ATTENDANCE AT GENERAL ASSEMBLY MEETING ELECTRONICALLY</p>
<p>The General Assemblies are held at the head office of the Company or in a convenient place of the city where the head office of the Company is situated.</p>	<p>The General Assembly meetings may be held in the head office of the company, or in another place determined by the Board of Directors, in the city of the head office, provided that it is announced beforehand.</p> <p>The persons entitled to attend the general assembly meetings of the Company may also attend such meetings by electronic means pursuant to Article 1527 of the Turkish Commercial Code. The Company may install electronic general meeting system to enable the relevant persons to attend the general assembly meetings by electronic means, to state their opinions, to make proposals and cast vote or outsource such a system from third parties pursuant to the provisions of the Regulation on General Assembly Meetings of</p>

	Joint Stock Companies to be Held Electronically. At all the general assembly meetings, it is ensured that all the eligible persons and their representatives to exercise their relevant rights over that electronic system installed pursuant to this provision of the articles of association.
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ARTICLE 19 – ATTENDANCE BY COMMISSAR IN MEETINGS	ARTICLE 18 – ATTENDANCE OF THE OBSERVER OF THE MINISTRY AT THE MEETINGS
The presence of a commissar of the Ministry of Industry and Trade in all meetings is obligatory. The resolutions that will be rendered during absence of the commissar are not applicable.	In the ordinary and extraordinary meetings of General Assembly, an observer from the Ministry of Customs and Trade is required to attend the meetings and countersign the minutes if it is compulsory to do so in accordance with the applicable legislation.

ARTICLE 20 – QUORUM FOR THE MEETINGS	ARTICLE 19 – QUORUM FOR THE MEETINGS
Unless otherwise provided in Turkish Commercial Code and this Articles of Association, General Assembly is held with the attendance of the shareholders representing minimum twenty-five percent of the share capital of the Company. In the event that such quorum can not be obtained at the first meeting, General Assembly is authorized to discuss issues and render resolutions regardless of the rate of the shares represented by the attending shareholders.	Unless otherwise provided for in Turkish Commercial Code, Capital Market Law and relevant regulations, General Assembly is held with the attendance of the shareholders or their proxies representing minimum twenty-five percent of the share capital of the Company. In the event that such quorum can not be obtained at the first meeting, General Assembly is authorized to discuss issues and render resolutions regardless of the rate of the shares represented by the attending shareholders.

ARTICLE 21 – VOTING RIGHT	ARTICLE 20 - VOTING RIGHT
Each shareholder or proxy attending the Ordinary or Extraordinary Assembly Meetings shall be vested with one (1) vote for each share. The provisions of Article 373 of Turkish Commercial Code are reserved. The resolutions in General Assembly Meetings shall be rendered with the majority of attendees personally or by proxy, save for the exceptional cases considered in Turkish Commercial Code.	The shareholders and their assignees presenting in the ordinary and extraordinary company meetings will have one (1) vote for each share. In case of shares with different nominal values, the voting rights are exercised in proportion to the total nominal value. The resolutions in General Assembly Meetings shall be rendered with the majority of attendees personally or by proxy, save for the exceptional cases envisaged under the Turkish Commercial Code.

ARTICLE 22 – REPRESENTATION OF SHAREHOLDERS	ARTICLE 21 – REPRESENTATION OF SHAREHOLDERS
In General Assembly, shareholders may, according to provisions of second paragraph of Article 360 of Turkish Commercial Code, have themselves represented by	The shareholders are entitled to represent themselves by the proxies in the general assembly meetings appointed through the other shareholders or some other people that

representatives they shall appoint either from among other shareholders or from outside, save for their rights are reserved. The representatives who are also shareholder will be entitled to cast their votes, in addition to the shareholder they will be representing. The format of the letter of authorization is determined by the Board of Directors.	they may time to time assign among independent persons. The proxies who are having their own shares in the company are entitled to vote for their own as well as the vote entitled by the shareholder whom he/she represents in the meeting. The regulations of the Capital Markets Board and Capital Market Legislation regarding the voting by proxy are complied with.
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<b>ARTICLE 23 – VOTING PROCEDURE</b>	<b>ARTICLE 22 – VOTING PROCEDURE</b>
Votes at the General Assembly meetings are casted by show of hands. However upon request of the shareholders representing minimum ten percent (1/10) of the shares attending the meeting then voting by ballot shall be required.	Voting is conducted by raising hands at the general meetings of shareholders. However, upon request of the shareholders representing minimum ten percent (1/10) of the shares attending the meeting then voting by ballot shall be required. The provisions of the applicable legislation shall apply with respect to the General Assembly Meetings to be Held Electronically at Joint Stock Companies.

<b>ARTICLE 24 – NOTICES</b>	<b>ARTICLE 23 – ANNOUNCEMENTS</b>
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.	Without prejudice to the provisions of the Paragraph 4 of Article 35 of the Turkish Commercial Code, the announcements related to the Company are made in accordance with the provisions of the Turkish Commercial Code and Capital Market Law and other applicable regulations.
The announcements related to the call of the General Assembly to the meeting should be published at least three (3) weeks before the meeting excluding the announcement and meeting dates in accordance with the provisions of Article 368 of the Turkish Commercial Code.	Announcements related to the call of the General Assembly to the meeting are published at least 3 (three) weeks prior to the meeting, excluding the announcement and meeting days, in accordance with the relevant provisions of the Turkish Commercial Code and Capital Markets Law.
In case of decrease of capital or liquidation, the provisions of articles 397 and 439 of the Turkish Commercial Code shall apply.	Announcements related to reducing the capital or liquidation of the company are made in accordance with the relevant provisions of the Turkish Commercial Code.

<b>ARTICLE 25 – AMENDMENTS IN THE ARTICLES OF ASSOCIATION</b>	<b>ARTICLE 24 – AMENDMENT TO ARTICLES OF ASSOCIATION</b>
The maturation and application of all amendments to this Articles of Association shall be subject to consent of the Ministry of Industry and Trade and provisions of Articles 385 and 386 of Turkish Commercial Code. Such amendments shall be deemed as valid	Any amendments to the articles of association shall be decided at a duly convened General Assembly meeting in accordance with the applicable laws, regulations of the Board and the provisions of the articles of association after required



upon their announcement following the approval in due form and registration to Trade Registry.	authorization is obtained from the Capital Markets Board and the Ministry of Customs and Trade. Such amendments shall be deemed as valid upon their announcement following the approval in due form and registration with the Trade Registry.
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<b>ARTICLE 26 – ANNUAL REPORTS</b>	
The reports of the directors and auditors as well as three (3) copies of statement indicating names and shares of shareholders present at the General Assembly shall be submitted to the Ministry of Industry and Trade within at least one month prior to last General Assembly meeting or handed to commissar present at the meeting.	<b>Cancelled.</b>

<b>ARTICLE 27 – ANNUAL ACCOUNTS</b>	<b>ARTICLE 25 - FISCAL YEAR</b>
The fiscal period of the Company begins on the first day of the month of January last day of the month of December. However, the first fiscal period begins on the date at which the Company was definitely incorporated and ends on the last day of December of that year.	The fiscal year of the Company begins on the first day of the month of January and ends at the last day of the month of December.

<b>ARTICLE 28 – PROFIT AND DISTRIBUTION</b>	<b>ARTICLE 26 - DISTRIBUTION OF PROFIT</b>
The net profit, as indicated in the annual balance sheet, found after deducting from the revenue of the Company, the amounts required to be paid or reserved by the Company like general expenses and various depreciation and the taxes required to be paid by the Company, following the deduction of the losses of the past years, is distributed in the following priority.	After having deducted the general expenses of the company and other depreciation costs which constitute the compulsory amounts to be paid or retained by the company from the company revenues specified by the end of the year, the remaining amount as indicated in the annual balance sheet will constitute the net profit of the Company which shall be distributed in the following manner after deducting the losses of previous years, if any:
<b><u>Primary Legal Reserve:</u></b>	<b><u>Statutory Legal Reserve:</u></b>
A. 5% is allocated as legal reserves,	A. Statutory reserve fund at the rate of 5% is set aside until the sum equals to the one fifth of the paid in capital.
<b><u>First Dividend:</u></b>	<b><u>First Dividend:</u></b>
B. First dividend is allocated at the rate and amount as determined by Capital Market Board.	B. First dividend is set aside in the amount to be obtained by adding the amount of donation, if any, made during the year and at such rate as specified in accordance with the Turkish Commercial Code and Capital Market Law and

<p><b><u>Second Dividend:</u></b></p> <p>C. After deducting from the net profit the amounts indicated in clauses (a) and (b) above, the General Assembly is entitled to resolve either to distribute as second dividend or to reserve as extraordinary reserve fund, the entire or any portion of the balance.</p> <p><b><u>Second Legal Reserve:</u></b></p> <p>D. Secondary reserve is reserved according to Article 466, paragraph 2, clause 3 of Turkish Commercial Code in the rate of one tenth of the amount found after deducting the profit share in the rate of 5 % of the issued share capital from the amount resolved to be distributed to the shareholders and those entitled to participate the profit.</p> <p>E. Unless legal reserves required by law and the first dividend determined in the Articles of Association for the shareholders are reserved, no resolution may be adopted to reserve other reserve funds, to transfer profit to the coming year, and unless first dividend is paid in cash and/or in share certificates, no resolution may be adopted to distribute profit to the privileged shareholders in profit distribution, to the holders of participation, founder and ordinary interest certificates, to the members of the Board and officers, employees and workers, to the trusts established for various purposes and similar persons and/or institutions.</p> <p>Dividends are distributed equally regardless of entire shares present as of the fiscal period and the dates of issue and acquisition.</p>	<p>regulations, out of the amount remained.</p> <p><b><u>Second Dividend:</u></b></p> <p>C. The General Assembly is authorized to decide that the sum remaining after deducting the sums indicated in (A) ve (B) above from the net profit is distributed partly or totally as the second dividend or to set aside as extraordinary reserve fund pursuant to article 521 of the Turkish Commercial Code.</p> <p>D. One tenth of the sum remaining after deduction of the dividend at the rate of 5% of the paid up capital from the portion decided to be distributed to the shareholders and other eligible parties is set aside as the second general dividend in accordance with the Article 519 (2) (c) of the Turkish Commercial Code.</p> <p>E. No other reserve may be set aside nor any profit may be transferred to the following year unless the statutory reserves mandated by the law, as well as the first dividend determined in the articles of association for shareholders are distributed in cash and/or in form of shares; and no share of profit may be distributed to the Board members, to employees and workers, to the foundations established for different purposes, and to persons/entities of the same nature, unless the first bracket profit share is paid either in cash or in the form of bonus share certificates.</p> <p>The dividend is distributed to all the present shares equally as of the dividend distribution date, regardless of their date of issue and acquisition.</p>
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ARTICLE 29 – FORM OF PAYMENT OF THE PROFIT	ARTICLE 27 – FORM OF PAYMENT OF THE PROFIT
<p>General Assembly determines the time, way and form of the payment of the annual profit. General Assembly may grant the determination of time, way and form of the payment of profit to the Board of Directors. In case the Board of Directors has the authority for payment of profit, then it maintains such payment in a particular month each year and in a consistent way. However, when determining the payment date, the periods specified in Bulletins issued by the Capital Market Council are observed.</p> <p>The profits distributed in accordance with the provisions of this Articles of Association cannot be taken back.</p>	<p>General Assembly determines the date and the method of distribution of annual profit to shareholders upon proposal of the Board of Directors. However, when determining the payment date, the periods specified in Bulletins issued by the Capital Market Council are observed.</p> <p>The decision to distribute profit as made by the General Assembly in accordance with the provisions of this articles of association may not be revoked.</p> <p>The profit share may also be distributed in advance. In distributing the profit share in advance, the regulations of the Capital Market Board shall be observed.</p>

ARTICLE 30 – RESERVE FUNDS	ARTICLE 28 - RESERVE FUND
<p>In the event that for any reason, the legal reserve fund falls below the amount representing one fifth of the paid-in capital of the Company, then legal reserve fund will continue to be reserved from net profit at twenty-five percent (5%) until it reaches this amount again.</p> <p>The legal reserve fund stated in Article 28 shall be used to cover the losses of the Company, to operate the Company when the business is not progressing well and to prevent unemployment or to mitigate its consequences.</p> <p>The Board of Directors is free in the utilization of reserves for contingencies and special funds.</p>	<p>In the event that for any reason, the legal reserve fund falls below the amount representing one fifth (1/5) of the paid-in capital of the Company, then legal reserve fund will continue to be reserved from net profit at twenty-five percent (5%) until it reaches this amount again.</p> <p>The legal reserve fund stated in Article 26 shall be used to cover the losses of the Company, to operate the Company when the business is not progressing well and to prevent unemployment or to mitigate its consequences.</p>

ARTICLE 31 – PRINT AND DISTRIBUTION OF ARTICLES OF ASSOCIATION	
The Company will have this Articles of Association printed, then distribute to the shareholders and submits ten (10) copies to the Ministry of Industry and Trade.	Cancelled.

ARTICLE 32 – SETTLEMENT OF DISPUTES	
<p>The disputes to be arisen between the Company and shareholders or only among the shareholders either during the business activities or liquidation except the disputes within the duty of courts as required by mandatory provisions of the law shall be resolved through arbitration.</p> <p>In cases the submission to the court is required; the court situated at where the head office of the Company is located shall have the judicial power.</p>	Cancelled.
ARTICLE 33 – LEGAL PROVISIONS	ARTICLE 29 – LEGAL PROVISIONS
<p>In cases for which there are no provisions presented in this Articles of Association, the provisions of the Turkish Commercial Code and Capital Market Legislation apply.</p>	<p>Any matters not covered in this articles of association shall be governed by the provisions of the Turkish Commercial Code, Capital Market Law and other applicable regulations.</p>
SUPPLEMENTARY ARTICLE – 34	ARTICLE 30 - TERMINATION AND LIQUIDATION
<p>In cases of dissolution or termination of the Company, the liquidation is subject to the provisions of Turkish Commercial Code.</p>	<p>In cases of dissolution or termination of the Company, the liquidation is subject to the provisions of Turkish Commercial Code.</p>
ARTICLE 35 – COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	ARTICLE 31 – COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
<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>	<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 favor of third persons.</p>

FOUNDERS OF THE COMPANY	ENCLOSED LIST – FOUNDERS OF THE COMPANY
M. Nejat Eczacıbaşı: Turkish Citizen, residing at Köybaşı Cad. Kirazlıbağlar Cad. No: 10 Yeniköy, İstanbul	M. Nejat Eczacıbaşı: Turkish Citizen, residing at Köybaşı Cad. Kirazlıbağlar Cad. No:10 Yeniköy, İstanbul
Melih Eczacıbaşı: Turkish Citizen, residing at Halaskargazi Caddesi, Baştimar Apt. Daire: 2 Şişli, İstanbul	Melih Eczacıbaşı: Turkish Citizen, residing at Halaskargazi Caddesi, Baştimar Apt. Daire:2 Şişli, İstanbul
Haluk Eczacıbaşı: Turkish Citizen, residing at Koruyolu Koruçesme Sok., No: 22, Daire 4 Emirgan İstanbul	Haluk Eczacıbaşı: Turkish Citizen, residing at Koruyolu Koruçesme Sok., No: 22, Daire 4 Emirgan İstanbul
Kemal Eczacıbaşı: Turkish Citizen, residing at Şehit Nevres Bulvarı, No: 7, Daire 10 Alsancak İzmir	Kemal Eczacıbaşı: Turkish Citizen, residing at Şehit Nevres Bulvarı, No: 7, Daire 10 Alsancak İzmir
M.Şakir Eczacıbaşı: Turkish Citizen, residing at Silahhane Cad. Feza Apt. No: 18, Maçka, İstanbul	M. Şakir Eczacıbaşı: Turkish Citizen, residing at Silahhane Cad. Feza Apt. No:18, Maçka, İstanbul

# **ANNEX-4 INTERNAL REGULATION ON THE WORKING PRINCIPLES AND PROCEDURES OF THE GENERAL ASSEMBLY OF SHAREHOLDERS**

## **FIRST SECTION**

### **Objective, Scope, Grounds and Definitions**

#### **Purpose and Scope**

**ARTICLE 1** - (1) The purpose of this Internal Regulation is to determine the working principles and procedures of the General Assembly of Shareholders of EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret Anonim Şirketi in line with the Law, relevant legislation and the provisions fo the articles of association. This Internal Regulation governs all ordinary and extraordinary General Assembly of Shareholders meetings of EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret Anonim Şirketi.

#### **Grounds**

**ARTICLE 2** - (1) This Internal Regulation has been prepared by the Board of Directors in line with the provisions fo the Regulation on the Procedure and Principles governing the General Assembly Meetings of Joint Stock Companies and the Ministry of Customs and Trade Representatives that will Attend these Meetings.

#### **Definitions**

**ARTICLE 3-** (1) When used in this Internal Regulation, the following words shall have the following meanings:

- a) Session: The one-day meetings of the General Assembly of Shareholders,
- b) Law: Turkish Commercial Code dated 13 January 2011 and numbered 6102,
- c) Sitting: Each part of a Session intersected with rests, meal breaks and similar reasons;
- ç) Meeting: Ordinary and extraordinary General Assembly of Shareholders meetings;
- d) Meeting Chairmanship: The Committee consisting the meeting chairman elected by the General Assembly in line with paragraph 1 of article 419 of the Law to preside the meeting, the deputy chairman elected by the General Assembly if need be, the secretary designated by the meeting chairman and the vote collector if considered necessary by the meeting chairman.

## **SECOND SECTION**

### **Working Procedures and Principles of the General Assembly of Shareholders**

#### **Provisions to be Complied with**

**ARTICLE 4** – (1) The meeting is held in conformity with the provisions of the Law, the relevant legislation and the articles of association regarding General Assembly of Shareholders.

## **Entry to the Meeting Venue and Preparations**

**ARTICLE 5** – (1) The shareholders registered in the list of attendees prepared by the Board of Directors or their representatives, Board of Directors members, the auditor (if any), the Ministry representative (if appointed) and those persons elected or appointed to the Meeting Chairmanship, those persons that will be given an assignment in connection with Electrical General Assembly of Shareholders System, persons such as the other managers, employees of the Company and the guests, voice and video recording technicians and journalists may enter the meeting venue.

(2) During the entry to the meeting venue, it is required for the real person shareholders and those representatives appointed from the electronic General Assembly system established pursuant to article 1527 of the Law to show their identity cards, for the representatives of the real person shareholders to show their proxy together with their identity cards, for the representatives of the legal entity shareholders to submit their authorization certificate and then to sign these spaces allocated to them in the list of attendees. The said transactions for control shall be carried out by the Board of Directors or one or more Board of Directors members appointed by the Board of Directors or by those person(s) assigned by the Board of Directors.

(3) Duties for the preparation of the meeting venue so that all shareholders may fit in, to make all stationary, documents, equipment to be necessitated during the course of the meeting available at the meeting venue shall be performed by the Board of Directors. Save for the provisions of the legislation governing Electronic General Assembly Systems, the meeting may be recorded by voice or video recorder.

## **Opening of the Meeting**

**ARTICLE 6** – (1) The meeting shall be opened at the registered address of the company or another venue that the Board of Directors shall designate and notify in advance, at a pre-announced time by the President or Vice President or a member of the Board of Directors upon determination that the quorums set out in article 29 of the Capital Markets Law are met.

## **Forming the Meeting Chairmanship**

**ARTICLE 7** – (1) During the chairmanship of the person that opened a meeting in line with article 6 of this Internal Regulation, first a Chairman, who shall be responsible for presiding the General Assembly and who is not required to be a shareholder, shall be elected from among the nominees, and then if considered necessary a Vice Chairman shall be elected.

(2) The Chairman shall designate at least one secretary and if considered necessary, sufficient number of vote collectors. Furthermore, the meeting chairman may appoint specialists for these to carry out the technical steps necessary to ensure participation to the General Assembly meetings via electronic media at the time of the meeting.

(3) The Meeting Chairmanship is authorized to sign the meeting minutes and the other documentation constituting basis for these minutes.

(4) While presiding the General Assembly meeting, the chairman of the meeting shall act in compliance with the Law, articles of association and this Internal Regulations.

## **Duties and Authorities of the Chairman of the Meeting**

**ARTICLE 8 – (1)** The Meeting Chairmanship shall perform the following duties while the Chairman presides the meeting:

a) to review whether the meeting is held at the address indicated in the announcement and if the articles of association designates a meeting venue, then to review whether the actual meeting venue is in compliance therewith;

b) to review whether the General Assembly has been called to meeting in line with the procedure set out in the articles of association, and via an announcement published at its website (if it is a company required to operate a website) and Turkish Trade Registry Gazette, whether such announcement has been made at least three weeks prior to the meeting date (excluding the announcement and the meeting dates), whether notification has been served to the shareholders whose names indicated in the share ledger or who have informed the company of their address by showing their share certificate or other documents evidencing their shareholding in respect of the meeting date and the gazettes where the agenda and announcement thereof has been published via registered mail with return receipt and to have these reflected in the meeting minutes;

c) to control whether those persons, who do not have the authority to enter into the meeting venue, have entered to the meeting and whether the duties set out in article 5, paragraph 2 of this Internal Regulation have been performed by the Board of Directors;

d) to confirm that the articles of association including amendments (if any), the share ledger, the Board of Directors annual activity report, auditors' reports, financials, agenda, the amendment proposal to the articles of association prepared by the Board of Directors (if such amendments are indicated in the agenda), if any amendments to the articles of association is subject to the approval of the Ministry of Customs and Trade, then the approval of the Ministry and the amendment proposal annexed thereto, the list of attendees prepared by the Board of Directors, if the present General Assembly has been called subsequent to a postponed General Assembly meeting, then the postponement minutes of the preceding General Assembly meeting and the other necessary documents relating to the meeting are present at the meeting venue in a complete manner and to indicate the results of such review in the meeting minutes;

e) to check the identities of those persons attending to the General Assembly in person or in representation by signing the list of attendees upon objection or as necessary and to check the validity of the proxies;

f) to confirm that the executive directors and at least one Board of Directors member and an auditor (if the respective company is subject to audit) are present at the meeting and to indicate the results in the meeting minutes;

g) to chair the General Assembly of Shareholders works within the framework of the agenda, to prevent stepping out of the agenda other than in line with the exceptions designated in the Law, to ensure the order of the meeting and to take the necessary measures for this;

ğ) to open and close sessions and sittings and to close meetings;

h) to read out loud the decisions, proposals, minutes, reports, suggestions and similar documents (either in their entirety or their summaries) relating to the matters under



discussion to the General Assembly of Shareholders and to give word to those who would like to make a speech about these;

i) to hold voting regarding the decisions to be adopted by the General Assembly and to announce the results;

i) to monitor whether the minimum quorum for meetings are met at the beginning, during the course of and at the end of the meetings, whether the decisions are adopted in conformity with the quorums set out in the Law and the articles of association;

j) to prevent those who do not have voting rights in line with article 436 of the Law to cash votes in respect of matters set out therein, to monitor all kinds of restrictions set out in the Law and the articles of association in relation to voting rights and privileged voting rights;

l) upon the request of the shareholders holding 20% of the share capital, to postpone the negotiation of the financials and the associated matters to be discussed in the meeting to be held one month later without any need for the General Assembly to resolve on this matter;

m) to have minutes relating to the General Assembly works to be prepared, to have the objections reflected to the minutes, to sign the resolutions and minutes, to indicate in the meeting minutes the votes cast in favor and against the decisions adopted during the meeting without giving rise to any doubt;

n) to deliver the meeting minutes, Board of Directors annual activity report, auditors' reports (if the company is subject to audit), financials, the list of attendees, agenda, proposals, the voting papers collected during voting (if any) and the relevant minutes and all documents relating to the meeting to one of the Board of Directors members present at the meeting at the end of the meeting upon undersigning of minutes.

### **Transactions to be Carried out prior to Discussing the Agenda Items**

**ARTICLE 9 –** (1) The chairman of the meeting reads out loud or has another person read out loud the meeting agenda to the General Assembly of Shareholders. The chairman asks whether there is any proposal to change the sequence of negotiating the agenda items and if there is a proposal to this affect, then this proposal shall be submitted to the approval of the General Assembly. The negotiation sequence of the agenda items may be changed upon a decision adopted with the majority of the votes present at the meeting.

### **Agenda and Discussions over the Agenda Items**

**ARTICLE 10 –** (1) It is mandatory for the following items to be included in the ordinary General Assembly of Shareholders meetings:

a) Opening and formation of the Meeting Chairmanship;

b) Negotiation of the Board of Directors annual activity report, auditors' reports in companies subject to audit and financials;

c) Release of the Board of Directors members and the auditors (if any);

ç) Election of the Board of Directors and the auditors (in companies subject to audit) to replace those, whose term of office have expired;

d) Determination of the fees and attendance fees, bonuses and premiums of the Board of Directors members;

e) Determination of the manner of use, distribution of dividends and determination of the earnings ratio;

f) Negotiation of the amendment proposal to the articles of association;

g) Other matters deemed necessary;

(2) The agenda of the extraordinary General Assembly meeting shall consist of those reasons requiring the convening of a meeting.

(3) Other than those exceptions set out below, the matters not indicated in the meeting agenda may not be discussed and resolved:

a) If all the shareholders are present at a meeting, an item may be added to the agenda upon unanimous vote.

b) Pursuant to article 438 of the Law, a special audit request of any shareholder shall be resolved by the General Assembly of Shareholders regardless of whether a relevant item is included in the agenda or not.

c) Dismissal and replacement of the Board of Directors members shall be deemed to be inclusive of the agenda item relating to negotiation of the year-end financials and shall be resolved directly regardless of whether there is a specific agenda item upon request.

ç) Regardless of the existence of a relevant agenda item, in case of just reasons such as corruption, incompetence, violation of loyalty obligation, difficulty in the performance of duties due to board membership in multi-companies, incompatibility, misuse of influence, items relating to dismissal and replacement of board members shall be added to the agenda with the unanimous vote of those present at the General Assembly meeting.

(4) Any agenda item negotiated and resolved at a General Assembly meeting may not re-negotiated and resolved without those present at a General Assembly meeting unanimously agreeing to do so.

(5) Those matters desired to be negotiated at the General Assembly meeting of the Company by the Ministry upon the audit conducted or due to any reason shall be added to the agenda.

(6) The agenda shall be determined by that person calling the General Assembly for a meeting.

### **Taking the Floor during Meetings**

**ARTICLE 11** – (1) These shareholders and other persons concerned, who wish to take floor on a negotiated agenda item, shall inform the Meeting Chairmanship of such situation. The chairmanship shall announce those persons who shall take the floor and gives the floor to these persons according to their sequence of application. Save for the provisions relating to Electronical General Assembly meetings, if the person, whose turn of speech has come, is not present at the meeting venue, then that person loses his right to take the floor. The speeches shall be made at the spot allocated therefor to the attention of the General Assembly. The persons may change their sequence of speech among themselves. In case of a limitation to

the time periods of speeches, a person whose turn has come and who has made his speech may only continue his speech provided that the person to take the floor immediately after permits him to take his place and that the speech is completed within the talking period of the subsequent person. Otherwise, the talking period may not be extended.

(2) The meeting chairman may give word to the Board of Directors members and auditor, who wish to make explanations on the matters being discussed, without regarding the sequence of speech.

(3) The talking times are determined by the General Assembly of Shareholders upon the proposal of the Chairman or the shareholders taking into consideration the fullness of the agenda, the number of matters to be discussed, the importance of these and the number of those who wish to take the floor. In such cases, the General Assembly resolves first on whether it is necessary to limit the talking periods and then on this period separately through voting.

(4) The procedures and principles set out in article 1527 of the Law and its relevant secondary legislation shall apply to the submission of the opinions and proposals of these shareholders or their representatives who attend General Assembly meetings via electronic means.

### **Voting and Procedure to Cast Votes**

**ARTICLE 12** – (1) Before starting to vote, the meeting chairman announces the matter to be voted to the General Assembly of Shareholders. If the draft of a resolution shall be voted, voting shall be started upon the relevant draft being prepared and read out loud. After it is announced that the voting shall start, floor can be taken only in order to talk about the procedure. In the meanwhile, if there are any shareholders who are not given the floor to speak although requested, shall use its right to speech provided that it reminds and the Chairman confirms this matter. No floor for speech shall be given once the voting process is started.

(2) Votes relating to those matters discussed during the meeting shall be casted by raising hands or standing up or saying accepted or rejected one by one. These votes shall be counted by the Meeting Chairmanship. If need be, the chairmanship may appoint a sufficient number of people to assist in the counting of votes. Those who did not raise hands, stood up or otherwise made a statement shall be considered to cast “non-affirmative” vote and these votes shall be accepted to be against the proposed item in the counting.

(3) The procedures and principles set out in article 1527 of the Law and its relevant secondary legislation shall apply to the casting of votes by these shareholders or their representatives who attend General Assembly meetings via electronic means.

### **Preparing the Meeting Minutes**

**ARTICLE 13** – (1) The chairman of the meeting shall undersign the list of attendees naming the shareholders or their representatives, the number, type, group and nominal value of shares owned by these, and shall ensure that the questions asked and responses given during the General Assembly meeting are reflected in brief, the resolutions adopted and the number of affirmative and non-affirmative votes for each resolution are reflected explicitly in the meeting minutes and that the minutes are prepared in a manner in conformity with the principles set out in the Law and the relevant legislation.

(2) The General Assembly meeting minutes shall be prepared at the meeting venue and during the meeting with typewriter, computer or with handwriting in pen in a legible manner. In order for the meeting minutes to be typed in computer, there should be a printer enabling to print these minutes at the meeting venue.

(3) The minutes shall be prepared as at least two original copies and each page of the minutes shall be signed by the Meeting Chairmanship and if attended, the Ministry representative.

(4) In the meeting minutes, the company title, meeting date and venue, the total nominal value of the shares of the company and the number of shares, the total number of shares represented in the meeting in person and in representation, the name and surname of the Ministry representative (if any) and the date and number of his appointment letter, if the meeting is convened with an announcement, the means of the announcement and if it is convened without an announcement, than this situation should be indicated.

(5) The number of votes relating to the resolutions adopted during the meeting are provided in figures and writing in the meeting minutes without giving rise to any doubts.

(6) The names, surnames and the opposition reasons of those persons who have casted non-affirmative vote to the resolutions adopted during a meeting and who wish to have their opposition reflected to the meeting minutes.

(7) If the opposition reason is submitted in written form, then such letter is annexed to the meeting minutes. It shall then indicate in the meeting minutes the name and surname of the shareholder or its representative stating its opposition and that the opposition letter is annexed thereto. The opposition letter annexed to the minutes shall be signed by the Meeting Chairmanship and the Ministry representative (if attended to the meeting).

### **Transactions to be Realized at the End of the Meeting**

**ARTICLE 14-** (1) The meeting chairman shall deliver at the end of the meeting a copy of the meeting minutes and all other documents relating to the General Assembly to a Board of Directors member present at the meeting.

(2) Save for the longer periods envisaged under Law for specific transactions, the Board of Directors is obliged to submit a copy of the meeting minutes approved by the notary public to the trade registry directorate at the latest within 15 days following the meeting date and to have the matters subject to registration and announcement in the meeting minutes registered and announced.

(3) The meeting minutes shall be posted promptly on the website of the company, Public Disclosure Platform and the Electronic General Assembly System.

(4) The meeting chairman shall further deliver a copy of the list of attendees, the agenda and the General Assembly meeting minutes to the Ministry representative (if attended).

### **Participation to the Meetings via Electronic Means**

**ARTICLE 15-** (1) When article 1527 permits attendance to the General Assembly meetings via electronic means, the transactions to be performed by the Board of Directors and the Meeting Chairmanship shall be performed by taking into consideration article 1527 of the Law and the relevant legislation.

## **THIRD SECTION**

### **Miscellaneous**

#### **Attendance of the Ministry representative and documents relating to General Assembly meeting**

**ARTICLE 16** – (1) The provisions of the Procedures and Principles regarding the General Assembly Meetings of Joint Stock Companies and the Representatives of the Ministry of Customs and Trade to Attend these Meetings shall be reserved in connection with requesting a representative for the meetings where participation by the Ministry representative is mandatory and with the duties and authorities of such representative.

(2) It is required to comply with the provisions of the Regulation mentioned in the first paragraph in preparing the list of those who may attend the General Assembly meeting and the list of attendees, and the proxies to be used for purposes of the General Assembly and the meeting minutes.

#### **Matters not Envisaged in the Internal Regulation**

**ARTICLE 17** – (1) In case a situation not envisaged in this Internal Regulation is met during the meetings, the meeting shall be proceeded upon the resolution to be adopted by the General Assembly of Shareholders.

#### **Acceptance of the Internal Regulation and Amendments**

**ARTICLE 18** – (1) This Internal Regulation shall be enforced, registered and announced by the Board of Directors of EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret Anonim Şirketi upon the approval of the General Assembly of Shareholders. Amendments to the Internal Regulation shall be subject to the same procedure.

#### **Effectiveness of the Internal Regulation**

**ARTICLE 19** – (1) This Internal Regulation has been accepted during the General Assembly Meeting of EİS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret Anonim Şirketi dated 14 May 2013 and shall be effective upon announcement of the same at the Turkish Trade Registry Gazette.

## **ANNEX-5**

# **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-6 PROFIT DISTRIBUTION POLICY**

At a meeting on March 29, 2013, the Board of Directors adopted the application of a profit distribution policy as described below within the framework of the provisions of the Turkish Commercial Code, Capital Markets Legislation, Tax Regulations and other relevant legislation as well as the provisions of our Articles of Association governing the distribution of profits.

- In principle, based on the net profit of the period shown in the financial statements prepared and independently audited in accordance with the Capital Markets Legislation, it has been adopted to distribute dividends in cash and/or in terms of free shares over the "distributable profit of the period" as calculated according to the Capital Markets Legislation and other applicable legislation.
- Our articles of association does not contain a special provision about preferred shares, founder redeemed shares and distribution of profit to members of the Board of Directors and employees regarding distribution of profit.
- 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.
- Dividend payments (cash and / or bonus shares) are made as soon as possible after the General Assembly and within the legal time limit set by legislation.



## **ANNEX-7 COMMON and CONTINUOUS RELATED PARTY TRANSACTIONS REPORT**

### **COMMON AND CONTINUOUS RELATED PARTY TRANSACTIONS REPORT FOR THE FISCAL YEAR OF JANUARY 1 – DECEMBER 31, 2012**

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

##### **1.1 PURPOSE**

This report has been arranged in accordance with the Communiqué Serial 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 Serial 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 – 31 December 2012 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 – 31 December 2012 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 TRL 1,697,256 thousand in the fiscal year of January 1 – 31 December 2012; and its consolidated total assets was determined as TRL 3,480,072 thousand as of 31 December 2012.

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 TRL 320,170 thousand in total within the fiscal year of January 1 - 31 December 2012.

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

<b>Company's</b>	<b>İpek Kağıt Sanayi ve Ticaret A.Ş.</b>
<b>Address</b>	Kavacık Ofis, Rüzgarlıbahçe Mah. Kavak Sok. No 20, 34805, Beykoz/İstanbul
<b>Phone No.</b>	0216 333 77 00
<b>Fax No.</b>	0216 333 70 83

İpek Kağıt Sanayi ve Ticaret A.Ş. is a Corporate Tax taxpayer registered at Large Taxpayers' Tax Office with the registration number of 4790029819.: Head Office of the company is located at Kavacık Ofis, Rüzgarlıbahçe Mah., Kavak Sk., No 20, 34805, Beykoz/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 0216 333 77 00 and the fax number of 0216 333 70 80.

## 3. INFORMATION ABOUT RELATED PARTY TRANSACTIONS

The information on the related party transactions performed by our Company in 2012 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 subsidiaries in which we have a shareholding by 48,13%, 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 TRL 320,170 thousand were purchased from İpek Kağıt Sanayi ve Ticaret A.Ş. according to the "Comparable Uncontrolled Price Method" in 2012. 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 EIS Eczacıbaşı İlaç, Sınai ve Finansal Yatırımlar Sanayi ve Ticaret A.Ş. from a related company considered under the scope of this report in 2012 are at arm's length and were performed targeting to add maximum value to the shareholders.

Yours sincerely,

### BOARD OF DIRECTORS

24 April 2013

## ANNEX-8 INFORMATION DISCLOSURE POLICY

- 1. Purpose:** The Information Policy aims to share complete, fair, sound and comprehensive information concerning the Company's past performance, future expectations, strategies, objectives, vision and the knowledge base, excluding trade secrets; with the public, respective authorities, current and potential investors and shareholders equally, so that active and open communications preserved.

Our Company shows utmost care to comply with the Capital Markets Legislation, ISE regulations, and the Corporate Governance Principles issued by the CMB in implementing its information policy.

- 2. Authority and Responsibility:** The Board of Directors has the authority and the responsibility to establish, control, review and develop the Company's Information Policy. Once approved by the Board of Directors, the Information Policy is made available to public through the Company's website. The head of the Investor Relations Department is responsible for the coordination of the Information Policy. This department performs its responsibility in close cooperation with the Board of Directors and the Corporate Governance Committee.

Those responsible also cooperate closely with the Investor Relations officers of the Eczacıbaşı Holding A.Ş.

- 3. Public Disclosure Methods and Instruments:** Our Company uses 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 our Company's Internet website both in Turkish and English languages),*
- The financial statements and their footnotes as well as the independent audit report and statements prepared in BIY environment and announced to the public electronically via the PDP *(The said reports are also published in our 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 our Company's Internet website)*
- The Company's Website, and the Website containing the Investor Relations details ([www.eis.com.tr](http://www.eis.com.tr), [www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)),
- Central Registry Agency's "e-YONET: Corporate Governance and Investor Relations Portal"
- Notices and announcements made through the Turkish Trade Registry Gazette and Daily Newspapers;
- Press disclosures made via the printed and visual media;
- The disclosures made to the data delivery institutions such as Reuters, Foreks, Bloomberg, etc.;
- 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.

- The texts of prospectuses, circulars, announcements and the other documents required to be arranged as per the provisions of the Capital Market Law.

**4. Public Disclosure of Material Events and Authorized Persons:** Disclosure of any material events is prepared and signed by the Financial Affairs Director and the Investor Relations Department Officer and then made available to the public via the "Public Disclosure Platform" ([www.kap.gov.tr](http://www.kap.gov.tr)) in a timely, accurate, complete, straightforward, comprehensible, interpretable, cost-effective and easily-accessible manner in order to allow the persons and entities that will benefit from such disclosures to take any decisions in relation thereof. 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 ([www.eczacibasi.com.tr](http://www.eczacibasi.com.tr)) containing the Company's Investor Relations information. Such material event disclosures are stored on the Internet site for five years.

**5. Public Disclosure of Financial Statements:** The Company's 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 the Company's 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 are 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 provided from the Investor Relations Department.

**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 material transactions 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 Company's 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 Department.

**10. Company Website:** The Website containing the Investor Relations information on the Company's Internet address ([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 Investor Relations Department is responsible for the preparation and updating of the information contained in 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 partitioned accordingly. All kinds 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 our Company's 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 details
- Details on shares and share performance
- 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 policy
- Remuneration policy for the Board of Directors and Senior Officers
- Ethic rules disclosed to the public as part of the disclosure policy
- Detailed information on corporate social responsibility

**11. Meetings and Discussions with Investors and Analysts:** The Investor Relations Department has been established under the structure of the Financial Affairs Department 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 department is responsible for notifying all meeting requests received from the shareholders to the top level managers and to organize such meetings.

In order to ensure that our Company's operational and financial performance, vision, strategy and goals are communicated in the best manner to the shareholders, the top management of the company and Investor Relations Department frequently meet with the intermediary firms, analysts and investors. All meeting requests from shareholders are welcomed and fulfilled with opportunities for meetings at the highest level possible. Shareholders and analysts may closely follow events concerning the Company through the website which is updated regularly.

Our company 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:** Our company abstains from discussing the financial results and the other 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 our company, the silent 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;

- Our company's 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, our company does not disclose any opinion about the news and speculations in the market. In case of any unfounded news rumored or gossiped in the market, the persons authorized to make public disclosures may publish a press release indicating that it is a part of our company's Information Disclosure Policy not to make any comments and not to disclose any opinions about the news that are rumored 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:** Our company does not provide any statements about expectations regarding interim period and yearly operating results. Instead, it 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, our

company may, from time to time, make prospective statements about the situations that are of great significance. In such case, it should be taken into account that the prospective statements provided in the written documents of our company are made according to some specific assumptions; and serious variations may occur between the actual results achieved and the results expected from prospective 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 our company.