

**Minutes of the 2011 Ordinary General Meeting of  
VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ Held on June 19th, 2012**

A general meeting for 2011 of the Board of Directors of Vestel Elektronik Sanayi ve Ticaret A.Ş. was held on June 19th, 2012 at 10:00am at Zorlu Plaza 34310, Avcılar/ISTANBUL under the supervision of ministry commissioner Ms. Ceyda Çalık, who had been appointed by virtue of the letter dated June 18th, 2012 and numbered 35652 of the Ministry of Science, Industry and Technology / Istanbul Provincial Directorate of Trade and Industry.

The convocation was summoned as required by law and the Articles of Association and including the agenda, being declared in the 8076 issue of the Turkish Trade Registry Gazette of May 25<sup>th</sup>, 2012, Milliyet newspaper of May 25<sup>th</sup>, 2012 and Dünya newspaper of May 25<sup>th</sup>, 2012 as well as at [www.vestel.com.tr](http://www.vestel.com.tr).

The ministry commissioner affirmed and noted that there appearing from the examination of the list of attendees that out of 33,545,627,500 stocks corresponding to the Company's total capital of 335,456,275.00 TL, 26,350,849,456 stocks corresponding to 263,508,494.560- TL were represented in person, and accordingly a quorum required by law and the Articles of Association was present, and therefore the agenda items were tabled.

1. Following a one-minute of silence held upon the invitation of Mr. Alp Dayı for Great Leader ATATÜRK, his companions-in-arms and our dead soldiers, the meeting was called to order. Mr. Alp Dayı read out the motion to appoint Mr. Atty. Aydın Temel, Ms. Atty. Mine Orhun Aydın, and Ms. Atty. Ebru Kurt as Chairman of the Meeting Council, Secretary and Vote Counter of the meeting respectively. The motion was unanimously approved by all present.

2. It was proposed that the Meeting Council to be authorized to sign the minutes and documents of the general meeting on behalf of the General Assembly. The motion was put to the vote and unanimously approved by all present.

3. Proceeded with the 3<sup>rd</sup> item on the agenda. Mr. Ahmet Nazif Zorlu made an explanation on behalf of the Board of Directors about the Company's activities and accounts in 2011 and read out the Annual Report. Mr. Şerif Arı read out the audit report. Hayati Özer representing IBM 401K Plus Plan holding 19,245,200 stocks, Hayati Özer representing Maryland State Retirement And Pension System holding 3,217,400 stocks, Vedat Akarsu representing Ohio School Employees Retirement System holding 18,273,200 stocks, Vedat Akarsu representing State Of Wisconsin Investment Board holding 28,140,300 stocks, Vedat Akarsu representing Ford Motor Company Us Defined Benefit Master Trus holding 1,038,800 stocks, Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund holding 33,686,200 stocks, and Vedat Akarsu representing Lsv Emerging Markets Small Cap Equity Fund Lp holding 35,330,200 stocks declared abstention on this item.

4. The abstract of the Independent External Auditing Company's report for the financial year 2011 was read out by Ms. Ebru Kurt and discussed. Hayati Özer representing IBM 401K Plus Plan holding 19,245,200 stocks, Hayati Özer representing Maryland State Retirement And Pension System holding 3,217,400 stocks, Vedat Akarsu representing Ohio School Employees Retirement System holding 18,273,200 stocks, Vedat Akarsu representing State Of Wisconsin Investment Board holding 28,140,300 stocks, Vedat Akarsu representing Ford Motor Company Us Defined Benefit Master Trus holding 1,038,800 stocks, Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund holding 33,686,200 stocks, and Lsv Emerging Markets Small Cap Equity Fund Lp holding 35,330,200 stocks declared abstention on this item.

5. The balance sheet and profit-and-loss statement for the financial year 2011 were read out Mr. Alp Dayı, discussed and put to the vote. The balance sheet and profit-and-loss statement were unanimously approved by all present.

6. The ratification for their activities and operations in 2011 of Board Members Mr. Ahmet Nazif Zorlu, Mr. Olgun Zorlu, Mr. Ömer Yüngül, Mr. Mehmet Emre Zorlu, Mr. Enis Turan Erdoğan, Mr. Recep Yılmaz Argüden, Mr. Ekrem Pakdemirli, and Mr. Mümin Cengiz Ultav was put to the vote separately. The ratification was confirmed and approved where the members did not cast a vote in their own ratification, by 26,317,162,558 in favor and 33,686,200 abstentions of Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund.

7. The ratification for their activities and operations in 2011 of Auditor Mr. Şerif Arı and Mr. Ahmet Günaydın Hızarcı was put to the vote separately. The ratification was confirmed and approved by 26,317,162,556 votes in favor and 33,686,200 abstentions of Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund.

8. Proceeded with the 8<sup>th</sup> item on the agenda. It was proposed that the number of members of the Board of Directions be set at six and that Mr. Ali Akın Tarı, identified with Turkish identification number 39715591572, and Mr. Hacı Ahmet Kılıçoğlu, identified with Turkish identification number 17339096086, proposed as candidates by Board resolution No. 2012/29 of May 18th, 2012 and present in the meeting, be elected as independent Board members to the Board of Directors of the Company, each making a statement of independence that they hold all the qualifications for independent

Board membership in accordance with the criteria for independent Board membership as defined in the Corporate Governance Principles Communiqué § 4.3.7, and Mr. Ahmet Nazif Zorlu, identified with Turkish identification number 24844596260, present in the meeting and coming forward as a candidate by word of mouth, Ms. Selen Zorlu Melik, identified with Turkish identification number 24823596908, present in the meeting and coming forward as a candidate by word of mouth, Mr. Mehmet Emre Zorlu, identified with Turkish identification number 24811597344, present in the meeting and coming forward as a candidate by word of mouth, and Mr. Mümin Cengiz Ultav, identified with Turkish identification number 27313131528, present in the meeting and coming forward as a candidate by word of mouth, be elected as Board members, all are to hold office until the 2012 Ordinary General Meeting. The résumés of Ms. Selen Zorlu Melik, Mr. Hacı Ahmet Kılıçoğlu and Mr. Ali Akın Tarı, who were now proposed as Board members, were submitted for the information of the General Assembly in accordance with the Corporate Governance Principles. There being no further motion, the motions were put to the vote. It was resolved that the number of Board members be and is set at six and Mr. Ahmet Nazif Zorlu, Ms. Selen Zorlu Melik, Mr. Mehmet Emre Zorlu and Mr. Mümin Cengiz Ultav be and hereby are elected as Board members and Mr. Hacı Ahmet Kılıçoğlu and Mr. Ali Akın Tarı be and hereby are elected as independent Board members, by 26,317,163,256 votes in favor and 33,686,200 abstentions of Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund.

9. It was proposed that the number of auditors be set at two and Mr. Şerif Arı, residing at Yalova yolu, Buttım Plaza Kat:17 16250 Bursa, present in the meeting and coming forward as a candidate by word of mouth, and Mr. Ahmet Günaydın Hızarcı, residing at Yalova yolu, Buttım Plaza Kat:17 16250 Bursa, noting to give his consent if appointed by the deed of consent issued on May 14<sup>th</sup>, 2012 by Notary Public 17 for Bursa assigning roll number 12830, be appointed as auditors to hold office until the 2012 Ordinary General Meeting. The motion was put to the vote. It was resolved by 26,317,163,256 votes in favor and 33,686,200 abstentions of Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund that the proposed candidates be and are hereby as auditors to hold office until the 2012 Ordinary General Meeting.

10. The motion to grant each Board member a gross fee of 85,000.00 TL per annum for the financial year 2012, was read out, put to the vote and approved by 26,317,163,256 votes in favor and 33,686,200 abstentions of Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund.

11. Proceeded with the 11<sup>th</sup> item on the agenda. The motion to grant each Auditor a gross remuneration of 2,916.00 TL per annum for the financial year 2012, was read out, put to the vote and approved by 26,317,163,256 votes in favor and 33,686,200 abstentions of Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund.

12. The Board Resolution 2011/26 of May 18<sup>th</sup>, 2012 that information should be provided about the loss in general meeting since no profit could be distributed as the financial statements prepared in accordance with the Capital Markets Board and the Communiqués showed a loss and the General Assembly was informed accordingly. Hayati Özer representing IBM 401K Plus Plan holding 19,245,200 stocks, Hayati Özer representing Maryland State Retirement And Pension System holding 3,217,400 stocks, Ohio School Employees Retirement System holding 18,273,200 stocks, State Of Wisconsin Investment Board holding 28,140,300 stocks, Ford Motor Company Us Defined Benefit Master Trus holding 1,038,800 stocks, 1199 Seiu Healthcare Employees Pension Fund holding 33,686,200 stocks, and Lsv Emerging Markets Small Cap Equity Fund Lp holding 35,330,200 stocks declared abstention on this time.

13. Proceeded with the 13<sup>th</sup> item on the agenda. With respect to the profit distribution policy in 2012 according to the Corporate Governance Principles, the General Assembly was informed on the proposal that the Board Resolution No. 2007/6, dated March 19<sup>th</sup> 2007 that at least 25 percent of the net distributable profit, including the profit for the financial year 2007, shall be distributed to the shareholders as dividend in cash or in the form of stock in accordance with the profit distribution policy adopted in the meeting of the Board of Directors of Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi held on March 19<sup>th</sup>, 2007. The amount of dividends to be distributed depending on the local and global economic conditions and the Company's growth plan shall be proposed each year in Ordinary General Meeting by the Board of Directors shall remain unchanged in 2012. It was unanimously resolved that the profit distribution policy defined in the Board Resolution No. 2007/9, dated 7 May 2007 shall also be applied in 2012. Hayati Özer representing IBM 401K Plus Plan holding 19,245,200 stocks, Hayati Özer representing Maryland State Retirement And Pension System holding 3,217,400 stocks, Ohio School Employees Retirement System holding 18,273,200 stocks, State Of Wisconsin Investment Board holding 28,140,300 stocks, Ford Motor Company Us Defined Benefit Master Trus holding 1,038,800 stocks, 1199 Seiu Healthcare Employees Pension Fund holding 33,686,200 stocks, and Lsv Emerging Markets Small Cap Equity Fund Lp holding 35,330,200 stocks declared abstention on this time.

14. The motion submitting for approval of the General Assembly the Board Resolution No. 2012/28, dated May 18<sup>th</sup>, 2012 that an independent external auditing service agreement shall be entered into with Eren Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş., noting by its letter, dated May 8<sup>th</sup>, 2012 and numbered 859/2012-251, to have the

qualifications required by Section III(6)(3), as amended, of the Communiqué, Serial: X, No: 22, on Independent Auditing Standards on Capital Markets by the Capitals Markets Board for independent external auditing of the financial statements for the financial year 2012 and this shall be submitted for approval of the General Assembly was read out, put to the vote and approved by 26,317,162,556 votes in favor and 33,686,200 abstentions of Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund.

15. Proceeded with the 15<sup>th</sup> item on the agenda. Mr. Alp Dayı furnished the General Assembly with information about the “Remuneration Policy” for Board Members and Executive Managers adopted by the Board Resolution No. 2012/30, dated May 18<sup>th</sup>, 2012 and posted on the Company’s website. Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund holding 33,686,200 stocks disapproved this item.

16. Proceeded with the 16<sup>th</sup> item on the agenda. The motion to empower the controlling shareholders, the executive managers of the company and their spouses and second degree relatives (by blood or marriage) to perform transactions, to compete with the Company or its affiliates that may constitute a conflict of interest; taking the resolution of authorizing the members of the Board of Directors to carry out operations within or out of the engagement of the Company in person or on behalf of others and to participate in companies carrying such operations and to carry out other operations according to Articles 334 and 335 of the Turkish Trade Act was put for approval of the General Assembly. It was approved by 26,133,124,056 votes in favor to 19,245,200 votes of Hayati Özer representing IBM 401K Plus Plan holding, 900,000 votes of Hayati Özer representing College Retirement Equities Fund, 53,736,000 votes of Hayati Özer representing California Public Employees Retirement System, 3,217,400 votes of Hayati Özer representing Maryland State Retirement And Pension System, 18,273,200 votes of Vedat Akarsu representing Ohio School Employees Retirement System, 1,038,800 votes of Vedat Akarsu representing Ford Motor Company Us Defined Benefit Master Trus and 28,140,300 votes of Vedat Akarsu representing State Of Wisconsin Investment Board against, with 33,686,200 abstentions by Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund and 35,330,200 abstentions by Vedat Akarsu representing Lsv Emerging Markets Small Cap Equity Fund Lp.

17. Mr. Alp Dayı furnished the shareholders with information on the donations totaling 1,121,200.29 TL made in the financial year 2011 pursuant to Article 7(b) of the Communiqué Serial: IV, No: 27, of the Capital Markets Law. Hayati Özer representing IBM 401K Plus Plan holding 19,245,200 stocks, Hayati Özer representing Maryland State Retirement And Pension System holding 3,217,400 stocks, Vedat Akarsu representing Ohio School Employees Retirement System holding 18,273,200 stocks, Vedat Akarsu representing State Of Wisconsin Investment Board holding 28,140,300 stocks, Vedat Akarsu representing Ford Motor Company Us Defined Benefit Master Trus holding 1,038,800 stocks, Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund holding 33,686,200 stocks, and Lsv Emerging Markets Small Cap Equity Fund Lp holding 35,330,200 stocks declared abstention on this item.

18. Proceeded with the 18<sup>th</sup> item on the agenda. The motion concerning the “Corporate Donation and Charity Policy” adopted by the Board Resolution No. 2012/31, dated May 18<sup>th</sup>, 2012 was read out, submitted for approval of the General Assembly and unanimously approved by all present.

19. Mr. Alp Dayı furnished the General Assembly with information on the guarantees, pledges and mortgages granted to third parties by the Company and the income or benefit obtained there from. Hayati Özer representing IBM 401K Plus Plan holding 19,245,200 stocks, Hayati Özer representing Maryland State Retirement And Pension System holding 3,217,400 stocks, Vedat Akarsu representing Ohio School Employees Retirement System holding 18,273,200 stocks, Vedat Akarsu representing State Of Wisconsin Investment Board holding 28,140,300 stocks, Vedat Akarsu representing Ford Motor Company Us Defined Benefit Master Trus holding 1,038,800 stocks, Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund holding 33,686,200 stocks, and Vedat Akarsu representing Lsv Emerging Markets Small Cap Equity Fund Lp holding 35,330,200 stocks declared abstention on this item.

20. The amendment of Articles 3, 6,12, 17, 21, 31 and 35 to read as follows and the annulment of Articles 36 and 37 of the Articles of Association in accordance with the Board Resolution No. 2012/25, dated May 11<sup>th</sup>, 2012, confirmed, ratified and approved by the permit, dated May 18<sup>th</sup>, 2012 and numbered B.02.6.SP.K.0.13.00-110.03.02-1371, of the Capital Markets Board and the permit, dated May 23<sup>rd</sup>, 2012 and numbered B.21.0.İT.G.0.10.00.01/431.02-24529-491619-3867- 3876, of the General Directorate of Domestic Trade of the Ministry of Customs and Trade, was approved by 26,247,248,356 votes in favor to 19,245,200 votes of Hayati Özer representing IBM 401K Plus Plan holding, 3,217,400 votes of Hayati Özer representing Maryland State Retirement And Pension System, 18,273,200 votes of Vedat Akarsu representing Ohio School Employees Retirement System, 1,038,800 votes of Vedat Akarsu representing Ford Motor Company Us Defined Benefit Master Trus, 28,140,300 votes of Vedat Akarsu representing State Of Wisconsin Investment Board and 33,686,200 votes of Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund against.

FORMER WORDING	NEW WORDING
<p><b>Article 3</b> <b>Subject and Object:</b></p> <p>The Company’s object is manufacturing of electronic equipment, tools, devices, spare parts, accessories components, video and television.</p> <p>The Company may also engage in the following activities in order to achieve its objective.</p> <p>A-) Within the scope of Company’s subject, Import, export, production of machinery , components, accessories and systems to be used in processing of raw material, semi-finished and finished products, B-) Within the scope of Company’s object, export, import, production, farming-out, domestic trade, brokerage, contracting and national and international representation, marketing activities, C-) In order to provide sustainability of operations, the Company may obtain long, mid and short term loans from the local and foreign markets, tourism and similar finance facilities, merchandise and produce loans, letter of credit investment loans, open (bank) credits, advance and similar credits against stocks and bonds, D-) Within the scope of Company’s object, the Company may involve in industrial and commercial investments, E-) In order to achieve the targeted object, the Company may carry out all kinds of financial, industrial, administrative activities and administrative transactions, F-) The Company may enter into partnerships with real/ legal entities, form joint ventures, and may participate in existing trading enterprises within the scope of its subject; excluding brokerage and portfolio management, it may acquire, sell, exchange, pledge shares, bonds and other movable properties and offer the same as guarantee. Also, pursuant to article 468 of TCC, the Company may establish foundations, or participate in the existing foundations in conformity with the Capital Market legislation, provided that the activities are maintained within its subject and may not create hindrance to operations. It may further set aside share from the net profit for the established foundations under the Decision of the General Assembly and in compliance with the Capital Market Law,</p>	<p><b>Article 3</b> <b>Subject and Object:</b></p> <p>The Company’s object is manufacturing of electronic equipment, tools, devices, spare parts, accessories components, video and television.</p> <p>The Company shall test the quality and conformity to applicable technical regulations, of any electronic equipment, tools, devices, spare parts, accessories components, video and television, conduct quality control, conducts tests to improve their quality and carry out any related activities.</p> <p>The Company may also engage in the following activities in order to achieve its objective.</p> <p>A-) Within the scope of Company’s subject, Import, export, production of machinery , components, accessories and systems to be used in processing of raw material, semi-finished and finished products, B-) Within the scope of Company’s object, export, import, production, farming-out, domestic trade, brokerage, contracting and national and international representation, marketing activities, C-) In order to provide sustainability of operations, the Company may obtain long, mid and short term loans from the local and foreign markets, tourism and similar finance facilities, merchandise and produce loans, letter of credit investment loans, open (bank) credits, advance and similar credits against stocks and bonds, D-) Within the scope of Company’s object, the Company may involve in industrial and commercial investments, E-) In order to achieve the targeted object, the Company may carry out all kinds of financial, industrial, administrative activities and administrative transactions, F-) The Company may enter into partnerships with real/ legal entities, form joint ventures, and may participate in existing trading enterprises within the scope of its subject; excluding brokerage and portfolio management, it may acquire, sell, exchange, pledge shares, bonds and other movable properties and offer the same as guarantee. Also, pursuant to article 468 of TCC, the Company may establish foundations, or participate in the existing foundations in conformity with the Capital Market legislation, provided that the activities are maintained within its subject and may not create hindrance to operations. It may further set aside share from the net profit for the established foundations under the Decision of the General Assembly and in compliance with the Capital Market Law,</p>

<p>G-) The Company may acquire, transfer and waive, lease, rent machinery and plants, immovable properties and may establish liens, usufruct, servitude, and liabilities, flat ownership and usufruct on the immovable, including acquisition, transfer, waiver of factories, outlet stores and administrative buildings,</p> <p>H-) Within the scope of Company's object, it may receive and extend mortgage, pledge, security and other guarantees, and lift mortgages and pledges, in part or as a whole (release of mortgage) to cover the Company's debts and receivable,</p> <p>Save as that compliance with the principles stipulated in the capital market legislation is provided in establishment of lien, including guarantee, surety, warranty or mortgage in its own or 3rd party's favor.</p> <p>I-) In order to provide sustainability of operations, the Company may further acquire, transfer necessary vehicles (including ship) and may constitute jus in personam and jus in rem on these properties,</p> <p>J-) In connection with the Company's object, it may acquire, transfer/waive trade marks, patents, know-how and other industrial properties and may enter into license agreements relating to these properties,</p> <p>K-) For and in connection with its objects, the Company may open, operate customs warehouses and engage in customs clearance activities.</p> <p>Whenever required to engage in activities other than the activities and transactions listed above, the Board Directors shall submit its proposal to the General Assembly for approval and the Company will be entitled to undertake such activities based on the relevant decision.</p> <p>In this context, prior approval and consent of the Capital Market Board and Ministry of Industry shall be referred to for amendment of the Company's Statutes.</p> <p><b>Article 6</b> <b>Company's Capital:</b></p> <p>The Company adopted the registered capital system in accordance with the provisions of Capital Market Law no 2499 amended by the Law No 3794 and the operations are conducted according to this system based on the consent of the Capital market Board dated 22/11/1990 and No 877.</p> <p>The registered capital of the Company is TL 440,000,000 (Four Hundred Forty Million Turkish Lira), divided into 44,000,000,000 (Forty Four Billion) share, each with a nominal value of 1 Kuruş.</p> <p>The registered capital ceiling granted by the Capital Market Board is valid between the years 2008-2012 (for 5 years). If the Company does not reach the</p>	<p>G-) The Company may acquire, purchase, sell, transfer and waive, lease, rent machinery and plants, immovable properties and may establish liens, usufruct, servitude, and liabilities, flat ownership and usufruct on the immovable, including acquisition, transfer, waiver of factories, outlet stores and administrative buildings,</p> <p>H-) Within the scope of Company's object, it may receive and extend mortgage, pledge, security and other guarantees, and lift mortgages and pledges, in part or as a whole (release of mortgage) to cover the Company's debts and receivable,</p> <p>Save as that compliance with the principles stipulated in the capital market legislation is provided in establishment of lien, including guarantee, surety, warranty or mortgage in its own or 3rd party's favor.</p> <p>I-) In order to provide sustainability of operations, the Company may further acquire, transfer necessary vehicles (including ship) and may constitute jus in personam and jus in rem on these properties,</p> <p>J-) In connection with the Company's object, it may acquire, transfer/waive trade marks, patents, know-how and other industrial properties and may enter into license agreements relating to these properties,</p> <p>K-) For and in connection with its objects, the Company may open, operate customs warehouses and engage in customs clearance activities.</p> <p>Whenever required to engage in activities other than the activities and transactions listed above, the Board Directors shall submit its proposal to the General Assembly for approval and the Company will be entitled to undertake such activities based on the relevant decision.</p> <p>In this context, prior approval and consent of the Capital Market Board and relevant Ministry shall be referred to for amendment of the Company's Statutes.</p> <p><b>Article 6</b> <b>Company's Capital:</b></p> <p>The Company adopted the registered capital system in accordance with the provisions of Capital Market Law no 2499 amended by the Law No 3794 and the operations are conducted according to this system based on the consent of the Capital market Board dated 22/11/1990 and No 877.</p> <p>The registered capital of the Company is TL 1,000,000,000 (One Billion), divided into 100,000,000,000 (One Hundred Billion) share, each with a nominal value of 1 Kuruş.</p> <p>The registered capital ceiling granted by the Capital Market Board is valid between the years 2012-2016</p>
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granted registered capital ceiling at the end of 2012, the Board of Directors has to obtain a authorization from the General Assembly for entitlement to a new period for the previous ceiling or the new ceiling to be granted under the consent of the Capital Market Board in order to take capital increase decision. In case of non-awarding of authorization, the Company is considered to have withdrawn from the registered capital system.

The issued capital of the Company is TL 335.456.275,00 (Three Hundred Thirty Five Million Four Hundred Fifty Six Thousand Two Hundred Seventy Five), which is fully paid up.

The shares representing the capital are as follows:

Type : Bearer

Number of Shares : 33,545,627,500

Share Amount (TL) : 335,456,275.00

Between 2008 and 2012, whenever deemed necessary, the Board of Directors is authorized to raise the increased capital by issuing bearer shares according to the provisions of Capital Market Law up to the registered capital ceiling. The Board of Directors is also empowered to issue shares above the nominal value and to bring limitation to new share acquisition rights of the shareholders. The items within the content of this article are announced according to the Company's Articles of Association, Turkish Commercial Code, Capital Market Law and relevant legislation. No bearer share can be issued unless the share amounts are fully paid.

Without prejudice to the provisions of Turkish Commercial Code, Capital Market Law and this Articles of Association, the Company's shares can be freely transferred.

While the nominal value of the shares was 1.000.- TL, later on, pursuant to the Law amending Turkish Commercial Code No 5274, it was converted into 1 New Kuruş and with a subsequent adaptation in the Ministers Council Decision dated 4 April 2007 and No 2007/11963, the expression "New" used in New Turkish Lira and New Kuruş is repealed as of 1 January 2009 and accordingly, the nominal value is revised as 1 Kuruş. Based on this amendment, there has been decrease in total number of shares, and 1 share with a nominal value 1 Kuruş is granted against 10 shares with nominal value TL 1000. The rights vested in the shareholders by virtue of shares hold as a result of the above mentioned amendment are reserved. The use of expression "Turkish Lira" in this Articles of Association is due to enforcement of a/m Ministers' Council Decision.

The quoted shares are pursued in accordance with the quotation principles.

(for 5 years). If the Company does not reach the granted registered capital ceiling at the end of 2016, the Board of Directors has to obtain a authorization from the General Assembly for entitlement to a new period for the previous ceiling or the new ceiling to be granted under the consent of the Capital Market Board in order to take capital increase decision. In case of non-awarding of authorization, the Company is considered to have withdrawn from the registered capital system.

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The quoted shares are pursued in accordance with

<p><b>Article 12</b> <b>Board of Directors:</b></p> <p>The Company is administered, represented and bound by the Board of Directors comprising at least three, at most eleven members to be selected by the General Assembly among the shareholders. The membership of the real persons elected to the Board of Directors in representation of partner legal entity automatically terminates upon their cease of relation with the partner legal entity.</p> <p>The majority of the members in the Board of Directors consist of individuals who have no function in other executive committees.</p> <p>The members of the Board of Directors are nominated among the eligible persons, preferably with high education and fully equipped with knowledge on the activities and management of the Company and relevant sector, at the same time, who has the capacity to read and understand the financial tables and reports, and to participate in the meetings organized by the Board of Directors to discuss the annual budget , and to provide support by sharing knowledge on legal adaptations observed by the Company during daily and long-term transactions and dispositions.</p> <p>The age limit for the members of the Board of Directors is 75.The members over the age of 75 are imposed to resign.</p> <p>The Board of Directors may delegate part of its authority and duties to a managing director or any other manager(s).</p> <p>The Board of Directors must have at least two independent directors.</p> <p>The Chairman or Vice Chairman of the Board of Directors is selected among the independent directors.</p> <p>The independent directors must possess the credentials announced in the Corporate Governance principles published by the Capital Market Board CMB (or Vestel A.Ş. Sovereignty Criteria).</p> <p><b>Article 17</b> <b>Main Duties and Functions of the Board of Directors:</b></p>	<p>the quotation principles.</p> <p><b>Article 12</b> <b>Board of Directors:</b></p> <p>The Company is administered, represented and bound by the Board of Directors comprising at least five, at most eleven members to be selected by the General Assembly among the shareholders. The membership of the real persons elected to the Board of Directors in representation of partner legal entity automatically terminates upon their cease of relation with the partner legal entity.</p> <p>The majority of the members in the Board of Directors consist of individuals who have no function in other executive committees.</p> <p>The members of the Board of Directors are nominated among the eligible persons, preferably with high education and fully equipped with knowledge on the activities and management of the Company and relevant sector, at the same time, who has the capacity to read and understand the financial tables and reports, and to participate in the meetings organized by the Board of Directors to discuss the annual budget , and to provide support by sharing knowledge on legal adaptations observed by the Company during daily and long-term transactions and dispositions.</p> <p>The age limit for the members of the Board of Directors is 75.The members over the age of 75 are imposed to resign.</p> <p>The Board of Directors may delegate part of its authority and duties to a managing director or any other manager(s) among Board members except for independent Board members.</p> <p>The number and qualifications of independent members to serve in the Board of Directors shall be determined according to the Capital Market Law and regulations of the Capital Markets Board related to corporate governance.</p> <p>The Chairman or Vice Chairman of the Board of Directors is selected among the independent directors.</p> <p><b>Article 17</b> <b>Main Duties and Functions of the Board of</b></p>
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The Board of Directors performs and executes the functions delegated to it under the resolutions of Company's General Assembly by considering the requirements of the Capital Market Law, Turkish Commercial Code and this Articles of Association. The powers and responsibilities of the Board of Directors are listed below:

- To sign, prepare the Company's contracts and to execute transactions relating to purchases,
- To determine the Company's profit, amount of ordinary and extraordinary reserves, appropriations and redemption costs to be allocated from this profit,
- To call the General Assembly for ordinary and extraordinary meetings, to undertake preparation and announcement of the agenda, -To represent the Company before the shareholders and third parties,
- To designate, approve and implement Company's strategies,
- To launch and publicly promote Company's mission, vision and values,
- To approve the Company's annual budget and work program,
- To prepare Company's annual reports and to present them to the General Assembly,
- To designate the Company's policies in respect of shareholders and stakeholders,
- To develop and implement corporate ethics,
- To form committees reporting to the Board of Directors, to select members and to designate working principles of these committees,
- To ensure preparation of Company's annual balance sheet and profit/loss accounts, to submit the annual report to the General Assembly,
- To pass resolution on the subject of appointment, promotion and dismissal of the Company's signatories, consultants, supervisors and controllers,
- To determine and to approve the wages, positions and annual expenses of the Company's signatories, consultants, supervisors and controllers,
- To decide on new activities and investments, to determine the limits of authority, and if necessary, capital fund to be reserved,
- To determine Company's risk management principles and to establish necessary units in order to develop an effective risk management.

These powers are not subject to any limitation. The Board of Directors is authorized to undertake all responsibilities that are not restricted by the law.

#### **Directors:**

The Board of Directors performs and executes the functions delegated to it under the resolutions of Company's General Assembly by considering the requirements of the Capital Market Law, Turkish Commercial Code and this Articles of Association. The powers and responsibilities of the Board of Directors are listed below:

- To sign, prepare the Company's contracts and to execute transactions relating to purchases,
- To determine the Company's profit, amount of ordinary and extraordinary reserves, appropriations and redemption costs to be allocated from this profit,
- To call the General Assembly for ordinary and extraordinary meetings, to undertake preparation and announcement of the agenda, -To represent the Company before the shareholders and third parties,
- To designate, approve and implement Company's strategies,
- To launch and publicly promote Company's mission, vision and values,
- To approve the Company's annual budget and work program,
- To prepare Company's annual reports and to present them to the General Assembly,
- To designate the Company's policies in respect of shareholders and stakeholders,
- To develop and implement corporate ethics,
- To form committees reporting to the Board of Directors, to select members and to designate working principles of these committees,
- To ensure preparation of Company's annual balance sheet and profit/loss accounts, to submit the annual report to the General Assembly,
- To pass resolution on the subject of appointment, promotion and dismissal of the Company's signatories, consultants, supervisors and controllers,
- To determine and to approve the wages, positions and annual expenses of the Company's signatories, consultants, supervisors and controllers,
- To decide on new activities and investments, to determine the limits of authority, and if necessary, capital fund to be reserved,
- To determine Company's risk management principles and to establish necessary units in order to develop an effective risk management.

These powers are not subject to any limitation. The Board of Directors is authorized to undertake all responsibilities that are not restricted by the law.

Corporate Governance Principles imposed by the Capital Markets Board shall be observed. Any acts done and any resolutions made without complying with the obligatory principles shall be invalid and deemed to be contrary to the Articles of Incorporation.

In principles, the Board of Directors may neither engage in a transaction nor enter into competition with the Company pursuant to articles 334 and 335 of the Turkish Commercial Code. Such tendency can be adopted only with the approval of  $\frac{3}{4}$  of the shareholders present in the General Assembly.

**Articles 21  
Ordinary and Extraordinary General Assembly  
and Quorum for Decision:**

The Company's General Assembly convenes in the form of ordinary and extraordinary meeting.

The ordinary General Assembly meeting is held at least once a year, within three months as of the end-of-Company's fiscal year. The extraordinary General Assembly meets whenever required for conduct of Company's business, in accordance with the principles stipulated in the law and this Articles of Association.

The General Assembly meeting and meeting quorum is subject to the provisions of Turkish Commercial Code. In the General Assembly meetings to be hold for the subjects written in subsections 2 and 3, article 388 of the Turkish Commercial Code, the meeting quorum designated in article 372 of TCC is applied. The meeting place of General Assembly is Headquarters.

Upon request of the Board of Directors, another suitable place in the city where the administrative building is located can be designated for the meeting. This change is notified in the call letters and announcements.

The announcement for the General Assembly meeting is made at least three weeks before the meeting date. The call announcement can also be made through Company's web site.

The announcement calling General Assembly meeting must contain meeting agenda and proxy form for those who will cast vote by proxy.

In addition to the announcement, it is statutory to exhibit in the Company's Headquarters and the

The capital market law and regulations of the Capital Markets Board related to corporate governance shall be applicable to transactions significant for implementation of the Corporate Governance Principles and the Company's any transactions in any relationship and any transactions in relation to giving securities, pledge and mortgage to third parties.

In principles, the Board of Directors may neither engage in a transaction nor enter into competition with the Company pursuant to articles 334 and 335 of the Turkish Commercial Code. Such tendency can be adopted only with the approval of  $\frac{3}{4}$  of the shareholders present in the General Assembly.

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Upon request of the Board of Directors, another suitable place in the city where the administrative building is located can be designated for the meeting. This change is notified in the call letters and announcements.

The announcement for the General Assembly shall be made in accordance with the provisions of Article 31 of the Company's Articles of Incorporation. The announcement of General Assembly meeting as well as announcements and statements required by the by-laws shall be available at the Company's website.

branches, the meeting agenda, the current version of the Articles of Association, financial tables and footnotes, profit distribution proposal, annual report and other information relating to the agenda.

The documents related to the meeting are displayed also in the web-site.

The Ministry of Commerce may invite the General Assembly for meeting whenever deemed necessary. Attendance of the individuals nominated as candidate for the Board of Directors, Board members, auditors, and the persons responsible for preparation of financial tables in the General Assembly meetings are admitted. Those not attending must disclose his/her excuse.

The shareholders are furnished detailed information about the candidates nominated for membership in the Board of Directors and the Auditors' Board. (This information on the candidates and auditors must contain profile, education level, present occupation, other duties undertaken in addition to the Board membership (if any), the positions hold during the last five years, nature of his/her relation with the company and the governing shareholders, experience, independency/financial status, and other points which may effect service as member of the Board of Directors).

## **Miscellaneous Provisions**

### **Article 31**

Notwithstanding the provisions of subsection 4, Article 37 of Turkish Commercial Code, the announcement related to General Assembly meetings, decrease of capital and liquidation, and the announcements involving Company are made in any one of National newspapers at least 15 days before.

The mandatory provisions of Turkish Commercial Code, Capital Market Law relating to form and period of announcement are reserved.

The provisions of Articles 397 and 438 are applicable to the announcements relating to decrease of capital and liquidation.

In addition to the announcement, it is statutory to exhibit in the Company's Headquarters and the branches, the meeting agenda, the current version of the Articles of Association, financial tables and footnotes, profit distribution proposal, annual report and other information relating to the agenda.

The documents related to the meeting are displayed also in the web-site.

The relevant Ministry may invite the General Assembly for meeting whenever deemed necessary. Attendance of the individuals nominated as candidate for the Board of Directors, Board members, auditors, and the persons responsible for preparation of financial tables in the General Assembly meetings are admitted. Those not attending must disclose his/her excuse.

## **Announcements**

### **Article 31**

Save for the provisions of the Turkish Commercial Code, the Company's announcements shall be made through a daily newspaper published in the place where the registered office is located.

In relation to General Assembly, the period of notice stipulated in the applicable Turkish Commercial Code, Capital Market Law and Corporate Governance Principles of the Capital Markets Board shall be observed. An announcement of General Assembly shall be made at least three weeks prior to the date of General Assembly, in addition to the means stipulated by the law, by a newspaper of country-wide circulation and any means of communication, including electronic communication, to ensure distribution to as many shareholders as possible.

The applicable provisions of the Turkish Commercial Code in effect shall apply to any notice of capital reduction and liquidation.

**Article 35  
Committees**

The Board of Directors forms as Corporate Governance Committee and Audit Committee reporting directly to the Board of Directors in the direction of the Corporate Governance Principles of the Capital Markets Board. The members of the Committees are nominated and appointed by the Board of Directors. The working principles of the Committee are specified in writing and submitted for the information of the shareholders, investors and public opinion. The working principles of the Committee are also published on the Company's web site. The Board of Directors is the approval authority with respect of changes in working principles of the committees.

The committees comprise at least 2 members. The chairmen of the committees are selected among the independent members of the Board of Directors. The majority of the Committee members are nominated among the members who do not have executive duty. The committee members may not take office in more than one Committee.

Where deemed necessary, the Board of Directors may select committee members among the experts who are specialized on the subject involved. The Committees meet upon call of the Chairman. The Secretariat reporting to the Board of Directors is authorized to issue and to keep the minutes of meeting in the archives. The information related to Committees is exhibited in writing and stored in the archives upon registration.

**Article 36  
Audit Committee**

An audit committee has been formed to ensure the financial and operational activities are carried out efficiently. This Committee meets at least 4 times in a year on quarterly basis. The individuals from outside can be invited to the committee meetings to furnish information on the agenda items.

**Article 37  
Corporate Governance Committee**

This Committee is formed to pursue compliance of the Company with Corporate Governance Principles and to submit proposals to the Board of Directors in connection with the appointments. The Committee convenes at least 3 times in a year.

The Chief Executive Officer of the Company may not become a member of the Committee. The individuals from outside can be invited to the

**Article 35  
Committees**

The formation, function, duties and working principles of committees that the Board of Directors is obligated to form in accordance with the capital market legislation and related regulations as well as their relationship with the Board of Directors shall be governed by the provisions of applicable regulations.

**Article 36  
Audit Committee**

REMOVED

**Article 37  
Corporate Governance Committee**

REMOVED

<p>committee meetings to furnish information on the agenda items.</p> <p>An Investor Relations Unit is established within the body of the Company to report to the Corporate Governance Committee in order to conduct a sound tracking of investors and to encourage relations between the investors and to improve consistency of public disclosures.</p>	
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21. Proceeded with the 21<sup>th</sup> item on the agenda. Mr. Alp Dayı furnished the General Assembly with information on the related party transactions performed within the year. Hayati Özer representing IBM 401K Plus Plan holding 19,245,200 stocks, Hayati Özer representing Maryland State Retirement And Pension System holding 3,217,400 stocks, Vedat Akarsu representing Ohio School Employees Retirement System holding 18,273,200 stocks, Vedat Akarsu representing State Of Wisconsin Investment Board holding 28,140,300 stocks, Vedat Akarsu representing Ford Motor Company Us Defined Benefit Master Trus holding 1,038,800 stocks, Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund holding 33,686,200 stocks, and Vedat Akarsu representing Lsv Emerging Markets Small Cap Equity Fund Lp holding 35,330,200 stocks declared abstention on this item.

22. The shareholders took the floor and expressed their wishes. Hayati Özer representing IBM 401K Plus Plan holding 19,245,200 stocks, Hayati Özer representing Maryland State Retirement And Pension System holding 3,217,400 stocks, Vedat Akarsu representing Ohio School Employees Retirement System holding 18,273,200 stocks, Vedat Akarsu representing State Of Wisconsin Investment Board holding 28,140,300 stocks, Vedat Akarsu representing Ford Motor Company Us Defined Benefit Master Trus holding 1,038,800 stocks, Vedat Akarsu representing 1199 Seiu Healthcare Employees Pension Fund holding 33,686,200 stocks, and Vedat Akarsu representing Lsv Emerging Markets Small Cap Equity Fund Lp holding 35,330,200 stocks declared abstention on this item.

There being no further business to discuss, Chairperson Mr. Atty. Aydın Temel closed the meeting and caused all those present in the meeting to set their hand to these minutes of the meeting. Done this the 19<sup>th</sup> day of June, 2012 at 10:00am.

<b>MINISTRY COMMISSIONER</b>	<b>CHAIRPERSON</b>	<b>SECRETARY</b>	<b>VOTE COUNTER</b>
Ceyda ÇALIK	Aydın TEMEL	Mine ORHUN AYDIN	Ebru KURT