

**TAT KONSERVE SANAYİİ A.Ş.**  
**AGENDA OF THE ORDINARY GENERAL ASSEMBLY DATED 21.03.2012**

- 1- Opening and election of the Presidency Council,
- 2- Presentation of the Reports of the Board of Directors and Audit Reports about the operations and accounts of the year 2011 and summary Independent Audit Report of the independent audit company (DRT Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.) and negotiation of the same; acceptance, acceptance by amendment or rejection of the proposal of the Board of Directors regarding Balance Sheet and Income Statement of year 2011,
- 3- Approval of the changes to the memberships of the Board of Directors that took place during the year under article 315 of the Turkish Commercial Code,
- 4- Release of the members of the Board of Directors and Auditors individually for the Company's operations in year 2011,
- 5- Acceptance, acceptance by amendment or rejection of the proposal of the Board of Directors regarding the distribution of profit and the date for the distribution of profit for year 2011,
- 6- Provided that the permits are received from the Capital Market Board and the Ministry of Customs and Trade of the Republic of Turkey; approval of the amendments to the article 4 of the articles of association named "Manners of Operation", article 11 named "Board of Directors", article 13 named "Provisions Regarding the Board of Directors" and article 14 named "Powers of the Board of Directors" and also addition of article 35 named "Compliance with the Corporate Governance Principles",
- 7- Determining the number and period in office for the Board of Directors, election according to the determined number of members, determining the Independent Members of the Board of Directors,
- 8- Determining the number of the auditors and election according to the determined number,
- 9- Determining the "Remuneration Policy" for Members of the Board of Directors and Top Management under the Corporate Governance Principles,
- 10- Determining the gross monthly remuneration for members of the Board of Directors, Independent Members of the Board of Directors and Auditors,
- 11- Approval of the independent audit company designated by the Board of Directors upon the proposal of the Audit Committee under the Communiqué Regarding Independent Audit Standards in Capital Market issued by the Capital Market Board,
- 12- Authorization of the shareholders with dominance in management, Members of the Board of Directors, top managers and their spouses and their blood relatives or relatives by marriage up to second generation to engage in transactions that may cause conflict of interest with the company or affiliates, to engage into competition and to engage in businesses included in the Company subject in person or on behalf of others and to become a shareholder in companies engaging in such businesses and to engage in other transactions and authorization of the Board of Directors under articles 334 and 335 of the Turkish Commercial Code and informing the General Assembly about the transactions that took place within the year within this scope,
- 13- Informing the General Assembly about the transactions with related parties in year 2011 within the scope of regulations of the Capital Market Board,
14. Informing the General Assembly about the "Profit Distribution Policy" of the company

regarding to year 2012 and succeeding years under the Corporate Governance Principles,

15. Informing the General Assembly about the “Company Disclosure Policy” of the Company under the Corporate Governance Principles,

16. Informing the General Assembly about the donations and grants provided by the Company to the foundations and associations for social relief purposes in year 2011,

17. Execution of the Minutes of the General Assembly by the Presidency Council on behalf of the shareholders and authorization for such signatures to be sufficient,

18. Comments and opinions.

**INFORMATORY DOCUMENT  
REGARDING THE ORDINARY GENERAL ASSEMBLY OF YEAR 2011**

The Ordinary General Assembly of Shareholders of our Company shall take place on 21.03.2012, Wednesday at 10:00 hours at Divan Istanbul Elmadağ Hotel Askerocağı Cad. No:1 34347 Şişli/Istanbul in order to review the operations of year 2011 and to discuss and decide about the following agenda. We request our shareholders to be received information from our head office about the place of the meeting.

Our shareholders, who will not be able to attend the meeting in person, need to issue their power of attorneys according to the following sample or to get sample power of attorney form from Yapı Kredi Yatırım Menkul Değerler A.Ş. (Yapı Kredi Plaza/Levent-Istanbul) and our head office (Taşdelen Çamlık Mah. Sırrı Çelik Bulvarı No:7 Çekmeköy/Istanbul) or the Company website at [www.tatkonserve.com](http://www.tatkonserve.com) and to submit such power of attorneys duly certified by the Notary for signature to our Company's head office by also observing the requirements of Communiqué of the Capital Market Board Series: IV, No. 8.

Among our shareholders who would like to attend the General Assembly, the shareholders whose shares are deposited in investor deposit accounts under Brokerage Companies before the Central Registry Agency, should act in accordance with the provisions of the "General Assembly Blockage" transactions of the "Principles and Rules for Business and IT Applications" Guide provided at the website of Central Registry Agency (Merkezi Kayıt Kuruluşu A.Ş. - MKK) at [www.mkk.com.tr](http://www.mkk.com.tr) and to register themselves in the General Assembly Blockage List. Moreover, they can receive the necessary information from Hello MKK (444 0 655) line. Our shareholders are herewith informed that the shareholders who do not register themselves in the Blockage List before MKK may not participate in the assembly under the applicable laws.

Our shareholders, who physically possess their shares, are kindly requested to apply to the Investor Relations Department at head office of our company at Taşdelen Çamlık Mah. Sırrı Çelik Bulvarı No:7 Çekmeköy/Istanbul (Tel: 0216 430 00 00) or to Yapı Kredi Yatırım Menkul Değerler A.Ş. responsible from blockage and registration transactions on behalf of our company by not later than 1 week in advance of the General Assembly date for General Assembly Blockage transactions.

Moreover, under Provisional Article 6 of the Capital Market Board amended by article 157 of the Code numbered 6111 enforced following publication in Official Gazette dated 25th February 2011, any shares of our shareholders held physically in possession remaining unregistered until 31st December 2012 shall be legally transferred to our company on such date and any rights of the shareholders thereon shall expire automatically on the said date. Accordingly, our shareholders, who have not registered their shares, yet, should register their shares to Merkezi Kayıt Kuruluşu A.Ş. as soon as possible so that they will not lose entitlement to the rights thereon.

The detailed information note, which includes Report of the Board of Directors and Audit Report as well as the Balance Sheet, Income Statement and Independent Audit Report, Proposal Regarding to the Distribution of Profit and Annual Report and the attached Corporate Governance Compliance Report for the Year 2011 and the mandatory explanations about the items on the agenda necessary within the scope of the Corporate Governance Principles, shall be made available at the company's head office and the company's website at [www.tatkonserve.com](http://www.tatkonserve.com) for examination by our shareholders during the legal period starting from 21 days in advance of the assembly.

Voting shall take place through open vote by raising hands at the General Assembly.

All the holders of the right and all the beneficiaries as well as the press and media organizations are invited to our General Assembly.

The shareholders of the registered shares enlisted in stock exchanges or other organized markets shall not be notified by registered letter under article 11 of the Capital Market Code ("Code").

## OUR ADDITIONAL EXPLANATIONS WITHIN THE SCOPE OF THE REGULATIONS OF THE CAPITAL MARKET BOARD

The additional explanations about the items on the agenda as required under the Capital Market Board's "Communique Regarding the Principles to be Observed by the Incorporated Companies Governed by the Capital Market Code" with Series: IV and No: 41 and "Communique Regarding the Determination and Implementation of the Principles of Corporate Management" Series: IV and No: 57 are provided in the relevant item on the agenda, while general explanations are provided hereinbelow:

### 1. Shareholder Structure and Voting Rights

There is no privilege regarding the exercise of voting rights in our Company under our articles of association.

Name or Title of the Shareholder	Shareholding Rate (%)	Share Amount (TL)	Voting Right Rate (%)	Voting Right
Koç Holding A.Ş.	43,65	59.364.947,17	43,65	5.936.494.717,00
Temel Ticaret Yat.A.Ş.	3,26	4.427.888,60	3,26	442.788.860,00
Koç Hold.Em.Yardıı San.Vakfi	1,05	1.427.231,37	1,05	142.723.137,00
Vehbi Koç Vakfi	1,09	1.487.987,56	1,09	148.798.756,00
Aygaz A.Ş.	0,08	108.922,00	0,08	10.892.200,00
Arçelik A.Ş.	0,34	466.800,26	0,34	46.680.026,00
Kagome Co Ltd.	3,73	5.071.168,20	3,73	507.116.820,00
Sumitomo Corp.	1,53	2.077.983,34	1,53	207.798.334,00
Public Portion	31,38	42.676.800,00	31,38	4.267.680.000,00
Other	13,89	18.890.271,50	13,89	1.889.027.150,00
<b>TOTAL SHARES</b>	<b>100</b>	<b>136.000.000,00</b>	<b>100</b>	<b>13.600.000.000,00</b>

### 2. Information Regarding the Demands of the Shareholders, CMB or other Public Authorities for Inclusion of Certain Items in the Agenda:

No such demand has been communicated for the Ordinary General Assembly, during which the activities for year 2011 shall be negotiated.

## **EXPLANATIONS ON THE AGENDA OF THE GENERAL ASSEMBLY**

### **1. Opening and election of the Presidency Council**

The President and the Presidency Council to preside over the General Assembly shall be appointed within the framework of the provisions of the "Turkish Commercial Code" (TCC) and the Regulations of the Ministry of Customs and Trade Regarding the General Assemblies of Capital Companies (Regulations).

### **2. Presentation of the Reports of the Board of Directors and Audit Reports about the operations and accounts of the year 2011 and summary Independent Audit Report of the independent audit company (DRT Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.) and negotiation of the same; acceptance, acceptance by amendment or rejection of the proposal of the Board of Directors regarding Balance Sheet and Income Statement of year 2011**

Within the framework of the provisions of the TCC and the Regulations, the report of the board of directors, audit report, external audit report, which have been made available for examination by our shareholders for 21 days preceding the General Assembly at our Head Office and at the address [www.tatkonserve.com](http://www.tatkonserve.com) of our Company, shall be presented during the general assembly and shall be submitted to our shareholders to seek their opinions and approval. The said reports, annual report, which includes the corporate governance compliance report and other relevant documentation, have been made available for examination on the website of our company.

### **3. Approval of the changes to the memberships of the Board of Directors that took place during the year under article 315 of the Turkish Commercial Code**

Our Member of the Board of Directors, Güçlü Toker, left membership as of 31.10.2011, and he was replaced on 14.12.2011 by Arzu Aslan Kesimer.

### **4. Release of the members of the Board of Directors and Auditors individually for the Company's operations in year 2011**

Within the framework of the provisions of TCC and Regulations, the release of the members of the Board of Directors and Supervisory Board for the activities, transactions and accounts of year 2011.

### **5. Acceptance, acceptance by amendment or rejection of the proposal of the Board of Directors regarding the distribution of profit and the date for the distribution of profit for year 2011**

According to our financial statements pertaining to the account 01.01.2011-31.12.2011 issued by our Company in accordance with the International Financial Reporting Standards within the framework of the provisions of the Communiqué of the Capital Market Board with Series: XI, No: 29 sayılı and audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., "Consolidated Net Profit for Period" is TL 8.989.169.

In parallel with the following suggestion for distribution of profit, the suggestion of our board of directors to reserve the net profit of TL 8.989.169 as reserve fund according to the decision to be made at the general assembly shall be submitted to our shareholders for approval.

<b>TAT KONSERVE SANAYİİ A.Ş. Profit Distribution Statment for Year 2011 (TL)</b>			
<b>1. Paid-in/Issued Capital</b>		<b>136.000.000</b>	
<b>2. Total Legal Reserve Fund (According to Legal Records)</b>		<b>3.137.820</b>	
<b>In case of any privileges in distribution of profit under the articles of association, information relating to such privilege</b>		<b>-</b>	
		According to CMB	According to Statutory Accounts
<b>3.</b>	<b>Profit</b>	4.961.458	20.600.666
<b>4.</b>	<b>Taxes Payable ( - )</b>	2.332.949	-
<b>5.</b>	<b>Net Profit for the Period (=) (*)</b>	8.989.169	20.600.666
<b>6.</b>	<b>Losses of the Preceding Years ( - )</b>	-	19.062.127
<b>7.</b>	<b>First Order of Legal Reserves ( - )</b>	-	-
<b>8.</b>	<b>NET DISTRIBUTABLE PROFIT ( = )</b>	8.989.169	1.538.539
<b>9.</b>	Donations within the Year ( + )		
<b>10.</b>	Net Distributable Period Profit Including the Donations, based on which First Dividend shall be calculated	8.989.169	-
<b>11.</b>	First dividend to shareholders (*)	-	
	- Cash	-	
	- Bonus Shares	-	
	- Total	-	
<b>12.</b>	Dividend distributed to preferred capital stock	-	
<b>13.</b>	Dividend to the Members of the Board of Directors, Employees etc.	-	
<b>14.</b>	Dividend Distributed to Holders of Dividend Shares	-	
<b>15.</b>	Second Dividend to Shareholders	-	
<b>16.</b>	Second Order Legal Reserve Fund	-	
<b>17.</b>	Statutory Reserves	-	
<b>18.</b>	Special Reserves	-	
<b>19.</b>	<b>EXTRAORDINARY RESERVES</b>	8.989.169	1.538.539
<b>20.</b>	<b>Other Resources Stipulated for Distribution</b>		
	- Profits of the Preceding Years		
	- Extraordinary Reserves		
	- Other Reserves Distributable under the Laws and Articles of Association		

(\*) TL 8.989.169 Being main shareholding rate, total minority share is TL ( 6.360.660 )

6. Provided that the permits are received from the Capital Market Board and the Ministry of Customs and Trade of the Republic of Turkey; approval of the amendments to the article 4 of the articles of association named “Manners of Operation”, article 11 named “Board of Directors”, article 13 named “Provisions Regarding the Board of Directors” and article 14 named “Powers of the Board of Directors” and also addition of article 35 named “Compliance with the Corporate Governance Principles”The following Amendments to the Articles of Association shall be submitted to the General Assembly for approval to ensure Compliance with the mandatory Corporate Governance Principles of the Capital Market Board for our Articles of Association. CMB has already been applied for such amendments to the articles of association.

## AMENDMENTS TO THE ARTICLES OF ASSOCIATION

### FORMER TEXT:

#### Article 4 : MANNERS OF OPERATION :

In order to fulfill the subject and object mentioned above, the Company;

- a) may participate in export companies, any companies engaging in food, stock-farming, can industry and seed trade and stud production, power generating companies in order to supply cheap power and commercial banks and may terminate any such partnership when required. The ability to participate in any companies established and to be established in relation with its subject matter depends on the authorization of the General Directorate of Foreign Capital under the Prime Ministry of the Republic of Turkey.
- b) May establish and operate sampling farms, seedbeds, factories and workshops, and frigorific stores. May engage in any research, development, training and advertising activities with a view to enhancing productivity, profitability and efficiency in its own subject matter, may establish and operate labs, pilot plants and enterprises related therewith.
- c) May manufacture, procure and import and may cause the manufacture, procurement and import of agricultural products related to its efforts, which constitute the raw materials for the same.
- d) May engage in wholesale of products domestically. May open stores for this purpose and may appoint agents, representatives and vendors, may act as a commission agent or may authorize others for such purposes. May establish and cause the establishment of factories and plants related to the field of activity of the company in and out of Turkey, may extend and develop the same. May accept to act as a branch and vendor, may accept to act as the representative, general or secondary vendor of the domestic and foreign firms producing such goods. May establish wholesale and retail stores, offices, traveling sale and distribution organization, may establish storage and cool air depots. May establish packing facilities necessary to supply the food stuff to the consumers.
- e) May export its products and any relevant substances. May engage in official and private contracting relating to the subject matters of work.
- f) May engage in and exercise any commercial, industrial and financial transactions and discretion as a legal person. May enter into any agreements regarding design, purchase, manufacture, construction, operation and maintenance of the systems relating to the subject and object. May purchase machinery, spare parts, equipment and materials domestically or may import the same or supply the same through lease, may sell, export, let on lease the same. May engage in actions such as purchase of transportation vehicles relating to the company activities, leasing and selling the same.
- g) May make available in-kind and cash loans to sellers and purchasers or may attest for making available of loans.
- h) May engage in all such works directly or through participation in private partnerships and public companies.
- i) May acquire, sell, use as necessary, let on lease or supply through leasing any movables and real estates related to the subject and object of the company, may create any pledges over any movables and real estates of others or may receive and cancel mortgages and may create any other in-kind rights. When necessary, may grant guarantee, surety and warranty for the Company or to the favor of third parties or may register and cancel any rights on the existing movables and real estates through pledging or mortgaging the same, provided that the principles laid down by the Capital Market Board shall be observed.
- j) May provide donations and aids to the foundations, associations, universities and similar organizations established for social purposes within the principles laid down by the Capital Market Board.
- k) May act as insurance agency. May purchase and sell and may acquire any rights over debentures and any securities, provided that any such action shall not have the nature of brokering and portfolio management.
- l) May receive short, middle and long term loans from domestic and foreign financing markets and any guarantee loans and may create mortgage over the company's real estates if necessary for this purpose, may create mortgage and other similar in-kind rights to the favor of third parties, provided that the necessary disclosure sought by the Capital Market Board shall be made within the scope of special circumstances in order to inform the investors and also that the principles laid down by the Capital Market Board shall be observed.
- m) May acquire intangible rights such as trademarks, models, special operational methods, knowhow and patent rights in relation with the goals and subject matters of activity of the company and may enter into any commercial transactions over such intangible rights acquired and may exercise any discretion and may

have such rights registered or canceled. May enter into agreements of license, know-how, technical cooperation and assistance and otherwise with Turkish and foreign natural and legal persons, provided that the authorizations sought in the applicable legislation shall be received. May offer knowledge and experiences to others, engaging in consulting activities.

n) May establish companies, may become partner of the companies already established or may establish any partnerships with any domestic or foreign natural or legal persons. May participate in partnerships or other companies relating to the goals and fields of activity of the company and may do all of the foregoing jointly with Turkish and foreign natural and legal persons, provided that any necessary legal requirements shall be met. If, in future, any intention arises to engage in any works, which are considered as beneficial and necessary for the company, in addition to the transactions provided above, then the company may engage in any works after the matter is submitted to the General Assembly for approval upon the suggestion of the Board of Directors and a resolution is made in this respect. However, for such resolutions, which have the nature of an amendment to the articles of association, to be applicable, the necessary authorizations shall be received from the Ministry of Industry and Trade, Capital Market Board and other competent authorities in cases required.

#### **REVISED TEXT :**

##### **Article 4 : MANNERS OF OPERATION :**

In order to fulfill the subject and object mentioned above, the Company;

a) may participate in export companies, any companies engaging in food, stock-farming, can industry and seed trade and stud production, power generating companies in order to supply cheap power and commercial banks and may terminate any such partnership when required. The ability to participate in any companies established and to be established in relation with its subject matter depends on the authorization of the General Directorate of Incentive Implementation and Foreign Capital of the Ministry of Economy under the Prime Ministry of the Republic of Turkey.

b) May establish and operate sampling farms, seedbeds, factories and workshops, and frigorific stores. May engage in any research, development, training and advertising activities with a view to enhancing productivity, profitability and efficiency in its own subject matter, may establish and operate labs, pilot plants and enterprises related therewith.

c) May manufacture, procure and import and may cause the manufacture, procurement and import of agricultural products related to its efforts, which constitute the raw materials for the same.

d) May engage in wholesale of products domestically. May open stores for this purpose and may appoint agents, representatives and vendors, may act as a commission agent or may authorize others for such purposes. May establish and cause the establishment of factories and plants related to the field of activity of the company in and out of Turkey, may extend and develop the same. May accept to act as a branch and vendor, may accept to act as the representative, general or secondary vendor of the domestic and foreign firms producing such goods. May establish wholesale and retail stores, offices, traveling sale and distribution organization, may establish storage and cool air depots. May establish packing facilities necessary to supply the food stuff to the consumers.

e) May export its products and any relevant substances. May engage in official and private contracting relating to the subject matters of work.

f) May engage in and exercise any commercial, industrial and financial transactions and discretion as a legal person. May enter into any agreements regarding design, purchase, manufacture, construction, operation and maintenance of the systems relating to the subject and object. May purchase machinery, spare parts, equipment and materials domestically or may import the same or supply the same through lease, may sell, export, let on lease the same. May engage in actions such as purchase of transportation vehicles relating to the company activities, leasing and selling the same.

g) May make available in-kind and cash loans to sellers and purchasers or may attest for making available of loans.

h) May engage in all such works directly or through participation in private partnerships and public companies.

i) Provided that the arrangements under article 35 of these Articles of Association shall be reserved, may acquire, sell, use as necessary, let on lease or supply through leasing any movables and real estates related to the subject and object of the company, may create any pledges over any movables and real estates of others or may receive and cancel mortgages and may create any other in-kind rights. When necessary, may



grant guarantee, surety and warranty for the Company or to the favor of third parties or may register and cancel any rights on the existing movables and real estates through pledging or mortgaging the same, provided that the principles laid down by the Capital Market Board shall be observed.

j) May provide donations and aids to the foundations, associations, universities and similar organizations established for social purposes within the principles laid down by the Capital Market Board.

k) May act as insurance agency. May purchase and sell and may acquire any rights over debentures and any securities, provided that any such action shall not have the nature of brokering and portfolio management.

l) May receive short, middle and long term loans from domestic and foreign financing markets and any guarantee loans and may create mortgage over the company's real estates if necessary for this purpose, may create mortgage and other similar in-kind rights to the favor of third parties, provided that the necessary disclosure sought by the Capital Market Board shall be made within the scope of special circumstances in order to inform the investors and also that the principles laid down by the Capital Market Board shall be observed.

m) May acquire intangible rights such as trademarks, models, special operational methods, knowhow and patent rights in relation with the goals and subject matters of activity of the company and may enter into any commercial transactions over such intangible rights acquired and may exercise any discretion and may have such rights registered or canceled. May enter into agreements of license, know-how, technical cooperation and assistance and otherwise with Turkish and foreign natural and legal persons, provided that the authorizations sought in the applicable legislation shall be received. May offer knowledge and experiences to others, engaging in consulting activities.

n) May establish companies, may become partner of the companies already established or may establish any partnerships with any domestic or foreign natural or legal persons. May participate in partnerships or other companies relating to the goals and fields of activity of the company and may do all of the foregoing jointly with Turkish and foreign natural and legal persons, provided that any necessary legal requirements shall be met. If, in future, any intention arises to engage in any works, which are considered as beneficial and necessary for the company, in addition to the transactions provided above, then the company may engage in any works after the matter is submitted to the General Assembly for approval upon the suggestion of the Board of Directors and a resolution is made in this respect. However, for such resolutions, which have the nature of an amendment to the articles of association, to be applicable, the necessary authorizations shall be received from the Ministry of Customs and Trade, Capital Market Board and other competent authorities in cases required.

#### **FORMER TEXT :**

##### **Article 11 : BOARD OF DIRECTORS :**

The company's management and businesses are carried out by a Board of Directors consisting of minimum 3 and maximum 13 members, who shall be elected by the General Assembly among the shareholders under the provisions of the Turkish Commercial Code. The Board of Directors may distribute the management and representation tasks among the board members or may leave the same to executive directors, who are members of the board of the directors, or to managers, who do not necessarily need to be shareholders, in part or in full.

The board of directors is authorized for distributing the management and representation tasks in the said manner.

The board of directors determines the powers and responsibilities of the executive directors and managers and may assign any powers and responsibilities vested in the Board of Directors to the relevant persons subject to the terms, provisions and restrictions to be determined by the Board of Directors and may amend, modify or retrieve any or all of such powers whenever deemed necessary.

The board of directors may create committees or subcommittees of consulting, coordination and others of similar nature in matters deemed appropriate by the board of directors consisting of the people who are and/or are not members of the board of directors for matters considered appropriate by the Board of Directors.

The principles for meeting, working and reporting activities of the Chairman and members of the committees are determined, arranged and amended by the board of directors. The Members of the Board of Directors may be paid remuneration within the scope of the provisions of the Turkish Commercial Code. The members of the board of directors and the above-mentioned committees may be paid any payments, bonuses or premiums in addition to the remuneration for the services they provide to the company within

the framework of membership of the board of directors and committees. The form and amount of any payments made to the Members of the Board of Directors, including executive directors, for their membership of the Board of Directors shall be determined by the General Assembly, while the form and amount of any payments made to the committee members for their committee membership services shall be determined by the Board of Directors in accordance with the applicable legislation.

**REVISED TEXT :**

**Article 11 : BOARD OF DIRECTORS :**

The company's management and businesses are carried out by a Board of Directors consisting of minimum 5 and maximum 13 members, who shall be elected by the General Assembly under the provisions of the Turkish Commercial Code and the provisions of Corporate Governance Principles of the Capital Market Board. The number and qualifications of the number of independent members in the Board of Directors shall be determined according to the Corporate Governance regulations of the Capital Market Board.

The Board of Directors may distribute the management and representation tasks among the board members or may leave the same to executive directors, who are members of the board of the directors, or to managers, who do not necessarily need to be shareholders, in part or in full. The board of directors is authorized for distributing the management and representation tasks in the said manner.

The board of directors determines the powers and responsibilities of the executive directors and managers and may assign any powers and responsibilities vested in the Board of Directors to the relevant persons subject to the terms, provisions and restrictions to be determined by the Board of Directors and may amend, modify or retrieve any or all of such powers whenever deemed necessary.

The board of directors may create committees or subcommittees of consulting, coordination and others of similar nature in matters deemed appropriate by the board of directors consisting of the people who are and/or are not members of the board of directors for matters considered appropriate by the Board of Directors. The structure of the committees to be established shall be determined according to the regulations of the Capital Market Board regarding Corporate Governance.

The principles for meeting, working and reporting activities of the Chairman and members of the committees are determined, arranged and amended by the board of directors.

The Members of the Board of Directors may be paid remuneration within the scope of the provisions of the Turkish Commercial Code and regulations of the Capital Market Board. The members of the board of directors and the above-mentioned committees may be paid any payments, bonuses or premiums in addition to the remuneration for the services they provide to the company within the framework of membership of the board of directors and committees. The form and amount of any payments made to the Members of the Board of Directors, including executive directors, for their membership of the Board of Directors shall be determined by the General Assembly, while the form and amount of any payments made to the committee members for their committee membership services shall be determined by the Board of Directors in accordance with the applicable legislation. A payment plan based on company performance may not be used for remuneration of the independent members of the board of directors.

**FORMER TEXT :**

**Article 13 : PROVISIONS REGARDING THE BOARD OF DIRECTORS :**

The rights, obligations, liabilities and responsibilities of the Board of Directors, manner and quorum of meetings, cases of withdrawal, death and excuse from performance for any member, election for the vacated positions by the Board of Directors, remunerations and other issues relating to the Board of Directors shall take place according to the provisions of the Turkish Commercial Code. However, for vacated positions, if the vacated position is one of the members of the shareholders mentioned in article 11, and then the new member is nominated by the said shareholders again, which nomination shall be submitted to approval of the general assembly by the Board of Directors.

**REVISED TEXT :**

**Article 13 : PROVISIONS REGARDING THE BOARD OF DIRECTORS :**

The rights, obligations, liabilities and responsibilities of the Board of Directors, manner and quorum of meetings, cases of withdrawal, death and excuse from performance for any member, election for the vacated positions by the Board of Directors, remunerations and other issues relating to the Board of Directors shall take place according to the provisions of the Turkish Commercial Code and the regulations

of the Capital Market Board. In case any vacant position arises in the Board of Directors membership or in case an Independent Member of Board of Director ceases to be independent, then an appointment takes place under the provisions of the Turkish Commercial Code and the regulations of the Capital Market Board and shall be submitted to the first General Assembly to follow.

However, the provisions of article 35 of these Articles of Association shall be reserved for quorums for meetings and decision-making of the Board of Directors.

**FORMER TEXT :**

**Article 14 : THE POWERS OF THE BOARD OF DIRECTORS :**

The Board of Directors is authorized to make and implement any decisions except for the transactions, for which a general assembly decision should be made in any case under the Turkish Commercial Code and these articles of association.

The following matters require a Decision by the Board of Directors;

- 1- Employment of managers, vice managers and accountants and persons authorized to sign for the company or persons employed by a contract, their dismissal and determination of their manner of work and powers and execution of contracts with managers extending beyond the period of the board of directors, (which period may not exceed the period of the next board of directors.)
- 2- Opening and closing down or terminating branches and industrial facilities,
- 3- Issuing instructions to be implemented in the company,
- 4- Creation of pledge and mortgage over company's assets and real estates for loans provided to the benefit of the company,
- 5- Creation and dissolution of subsidiaries and joint partnerships,
- 6- Purchase and sale of real estates on behalf of the company, having the same constructed and leasing the same,
- 7- Election of executive directors and determination of remunerations and powers for both the executive director and the managers,
- 8- Entering into agreements regarding trademarks, brands, technical assistance and international sale with foreign firms,
- 9- Entering into distributorship agreements for domestic sales,
- 10- Annual work schedule, budget and staffing and amendments thereto,
- 11- Determination of balance sheets, profit and loss accounts and activity reports and delivering the same to the auditors and submitting the same to the general assembly,
- 12- Granting or not granting bonus for the managers, officials, employees and workers in an amount up to 5% of the profit in the balance sheet

**REVISED TEXT :**

**Article 14 : THE POWERS OF THE BOARD OF DIRECTORS :**

The Board of Directors is authorized to make and implement any decisions except for the transactions, for which a general assembly decision should be made in any case under the provisions of the Turkish Commercial Code, regulations of the Capital Market Board and these articles of association.

The following matters require a Decision by the Board of Directors;

- 1- Employment of managers, vice managers and accountants and persons authorized to sign for the company or persons employed by a contract, their dismissal and determination of their manner of work and powers and execution of contracts with managers extending beyond the period of the board of directors, (which period may not exceed the period of the next board of directors.)
- 2- Opening and closing down or terminating branches and industrial facilities,
- 3- Issuing instructions to be implemented in the company,
- 4- Creation of pledge and mortgage over company's assets and real estates for loans provided to the benefit of the company,
- 5- Creation and dissolution of subsidiaries and joint partnerships,
- 6- Purchase and sale of real estates on behalf of the company, having the same constructed and leasing the same,
- 7- Election of executive directors and determination of remunerations and powers for both the executive director and the managers,

- 8- Entering into agreements regarding trademarks, brands, technical assistance and international sale with foreign firms,
- 9- Entering into distributorship agreements for domestic sales,
- 10- Annual work schedule, budget and staffing and amendments thereto,
- 11- Determination of balance sheets, profit and loss accounts and activity reports and delivering the same to the auditors and submitting the same to the general assembly,
- 12- Granting or not granting bonus for the managers, officials, employees and workers in an amount up to 5% of the profit in the balance sheet.

**CURRENT TEXT :**

**Article 35 : COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES:**

The Corporate Governance Principles made mandatory for implementation by the Capital Market Board shall be observed. Any actions taken without observing the mandatory principles and any decisions by the Board of Directors to meet the same shall be invalid and shall be considered as in violation of the articles of association.

For actions considered important in terms of implementation of the Corporate Governance Principles and for any related party transactions involving the company and for issuing guarantees, pledges and mortgages to the favor of third parties, the regulations of the Capital Market Board regarding corporate governance shall be observed.

**7. Determining the number and period in office for the Board of Directors, election according to the determined number of members, determining the Independent Members of the Board of Directors,**

The new members of the Board of Directors shall be elected to replace the members, whose period in office expired, under the TCC and Regulations with due consideration of the principles contained in the articles of association regarding the election of the members for the Board of Directors. Moreover, independent members shall be elected to ensure compliance with the Communiqué of the Capital Market Board Series: IV, No: 57.

Under article 11 of our articles of association, our Company is managed by a Board of Directors with minimum 5 and maximum 13 members to be elected by the General Assembly within the scope of the Turkish Commercial Code (in case amendment to the articles of association is accepted in this General Assembly). The General Assembly may decide for the renewal of the Board of Directors even if the period in office of the Board has not expired.

2 of the Members of the Board of Directors to be elected have to qualify for the independence criteria as described in the mandatory Corporate Governance Principles the Capital Market Board.

Mr. Arif Nuri Bulut and Mr. Mansun Özgün are nominated for the position of Independent Members of the Board of Directors by a decision made by our Board of Directors upon the suggestion of our Audit Committee that duly took into consideration the candidates communicated to them.

The backgrounds of our candidates for Board of Directors are provided below.

**Mustafa Rahmi Koç**

He got his higher education in the Industrial Shipment and Administration Department of in John Hopkins University (USA). He started his career in 1958 by working in Otokoç A.Ş. affiliated to Koç Group. Then he served in different senior positions within the Koç Holding. In 1980, he was elected as the Chairman of Administrative Committee and then was appointed as the Chairman of Board of Directors in Koç Holding in 1984. Starting from 2003, he continued working with the title of Honorary President for Koç Holding. Rahmi M. Koç served as President for the International Chamber of Commerce during 1995-1996 and currently he has been also serving as Deputy President for Board of Trustees of Vehbi Koç Foundation, President for Board of Trustees of Koç University, Founder and Chairman of Board of Directors for Rahmi M. Koç Museum and Culture Foundation, Chairman of Board of Directors for VKV American Hospital, Founding Member and Honorary President for TURMEPA/ Deniz Temiz Association, Honorary President for TÜSİAD Supreme Consultation Council, Member for TİSK Advisory Group, Honorary Member for

Foreign Policy Association, Member of Honorary Board of Trustees of New York Metropolitan Art Museum and Founding Member for Global Relations Forum Association.

Currently Mustafa Rahmi Koç is a member having no execution authority in accordance with the Corporate Management Principles set forth by the Capital Market Board and he is not entitled to act as independent member. The tasks he assumed in the past ten years have been listed above and he currently serves in the board of directors of certain companies affiliated to Koç Group.

### **Dr.Nüsret Arsel**

He was graduated from the Law Faculty of Ankara University and he got his master's degree and doctorate degree from University of Paris-France Sorbonne. In 1942, he started his career in the Central Bank of Turkey and he worked as lawyer during the period 1952-1954. In the period 1953-1958, he served as Vice General Director in Koç Ticaret, in the period 1958-1964, he served as General Director for Siemens AG-Koç Holding, in the period 1964-1987, he served as the Chairman of Board of Directors in Simko, TSS Türk Siemens, Etmaş, Hataş, Siemens AG-Koç Holding. Starting from 1987, he continues working as President for Aransem-Koç Allianz. He also serves as Board Member for Tat Konserve Sanayii A.Ş., Tat Tohumculuk A.Ş. and Düzey Pazarlama A.Ş. He has been also serving as Honorary Consul General of Malaysia.

Currently Dr. Nüsret Arsel is a member having no execution authority in accordance with the Corporate Management Principles set forth by the Capital Market Board and he is not entitled to act as independent member. The tasks he assumed in the past ten years have been listed above and he currently serves in the board of directors of certain companies affiliated to Koç Group.

### **Mustafa Vehbi Koç**

After completing his education in Lyceum Alpinum Zuoz in Switzerland, in 1984 he was graduated from the Department of Business Management of George Washington University in USA. He started his career in 1984 as Consultant in Tofaş and then he served in senior positions as Sales Director and Vice General Director, Sales for Ram Dış Ticaret. He was employed by Koç Holding in 1992 and served as Vice President, President, Board Member and Deputy Chairman of Board Directors respectively. Since 2003, he is the Chairman of Board of Directors of Koç Holding. Mr. Koç is currently serving as Honorary President of Supreme Consultation Board for the Turkish Association of Industrialists and Businessmen and as Member of Istanbul Chamber of Industry and Foreign Economic Relations Board and has been appointed as the Honorary Consul of Finland. He is also member to the Kuwait National Bank and Rolls-Royce International Consultation Boards. In addition to these tasks, he is serving as member of Young Presidents Organization and in the International Council of JP Morgan. In 2005, he was awarded with Cavaliere D'Industria Medal by the Italian Government. Mustafa V. Koç gives great importance to economic and social development and because of these efforts, he was awarded by reputable organizations such as World Monuments Fund, Carnegie Foundation and BNP Paribas. He made considerable contributions to the social and cultural life on behalf of Koç family. He is currently serving as Board Member of Vehbi Koç Foundation and as Member of Board of Trustees for the Turkish Education Volunteers Foundation.

Currently Mustafa Vehbi Koç is a member having no execution authority in accordance with the Corporate Management Principles set forth by the Capital Market Board and he is not entitled to act as independent member. The tasks he assumed in the past ten years have been listed above and he currently serves in the board of directors of certain companies affiliated to Koç Group.

### **Mehmet Ömer Koç**

He was graduated from the Columbia College (USA) with BA degree. He worked in Kofisa Trading for one year. He got MBA degree from Columbia Business School (1989). After working for Ramerica International Inc., he joined to Koç Group in 1990 and he served as Director for Gazal A.Ş. and as Finance Coordinator and Energy Group Vice President and President in Koç Holding. In 2004, he became the Board Member of Koç Holding. Since May 2008, he has been serving as the Deputy Chairman of Board of Directors. At the same time, he is serving as President for Turkish Education Foundation, President for Geyre Foundation, Chairman of Board of Directors for Yapı Kredi Kültür Sanat Yayıncılık and Chairman of Board of Directors for Tüpraş.

Currently Mehmet Ömer Koç is a member having no execution authority in accordance with the Corporate Management Principles set forth by the Capital Market Board and he is not entitled to act as independent member. The tasks he assumed in the past ten years have been listed above and he currently serves in the board of directors of certain companies affiliated to Koç Group.

### **Semahat Sevim Arsel**

After graduating from Americal Girls College, Semahat Arsel participated in German language training programs in Goethe Institute and she speaks English and German. She started her career as the Board member of Koç Holding in 1964 and now in addition to this position, she is serving as the Chairman of Board of Directors for Vehbi Koç Foundation, Chairman of Board of Directors for Tourism Group, President for Semahat Arsel Nursery Training and Research Center and Second President for Florance Nightingale Health-Care College. She is also the founder of Health-Care College of Koç University.

Currently Semahat Sevim Arsel is a member having no execution authority in accordance with the Corporate Management Principles set forth by the Capital Market Board and he is not entitled to act as independent member. The tasks he assumed in the past ten years have been listed above and he currently serves in the board of directors of certain companies affiliated to Koç Group.

### **Yıldırım Ali Koç**

He completed his higher education in the Management Faculty of Rice University (USA) and attended to the master's degree program in Harvard University (USA). In the period 1990-1991, he participated in Manager Training Program provided by American Express Bank and worked as analyst in Morgan Stanley Investment Bank during 1992-1994. In the period 1997-2006, he served in senior positions for Koç Holding such as New Business Development Coordinator and Information Group President. During 2006-2010, he served as the President of Corporate Communication and Information Group of Koç Holding. Since 30.01.2008, he is the Board Member of Koç Holding.

Currently Yıldırım Ali Koç is a member having no execution authority in accordance with the Corporate Management Principles set forth by the Capital Market Board and he is not entitled to act as independent member. The tasks he assumed in the past ten years have been listed above and he currently serves in the board of directors of certain companies affiliated to Koç Group.

### **İbrahim Tamer Haşimoğlu**

He completed his higher education in the Mechanical Engineering Department of Istanbul Technical University and participated to the master's degree program for International Business Management provided by the Business Economy Institute of Istanbul University. He started his career as Training Personnel in the Planning Coordination Division of Koç Holding in 1989 and then he was employed as Expert, Director and Coordinator. In January 2004, Mr. Haşimoğlu was assigned as Deputy President for the Strategic Planning Group of Koç Holding and in the period May 2004-April 2011, he continued to serve for Koç Holding as the President of Strategic Planning Division. Since April 2011, he has been serving as the President of Tourism, Food and Retail Group of Koç Holding.

Currently İbrahim Tamer Haşimoğlu is a member having no execution authority in accordance with the Corporate Management Principles set forth by the Capital Market Board and he is not entitled to act as independent member. The tasks he assumed in the past ten years have been listed above and he currently serves in the board of directors of certain companies affiliated to Koç Group.

### **Arzu Aslan Kesimer**

Arzu Aslan Kesimer started her career in Marmara Bank in 1992 and joined to Koç Group in 1995. She was employed in different positions in Koçtaş Yapı Marketleri A.Ş. until November 2011. Recently Mrs. Kesimer successfully served as the Vice General Director responsible for Store Planning, Category Management and Marketing departments of Koçtaş and in November, 2011 she was appointed as General

Manager for Tat Food Group, a company affiliated to the Koç Group of Companies. Arzu Aslan Kesimer has been serving as General Manager in the Tat Food Group that holds patent for well-known brands such as SEK, Maret, Pastavilla and Tat Konserve and she was graduated from the Business Management of Marmara University providing education in English. Later she got her master's degree in Economy from the Social Sciences Institute of Bosphorus University. Arzu Alsan Kesimer also attended training programs abroad provided in the fields of Public Relations, Business Management, Retail Strategic Planning and Management, Total Quality, Young Leader Training and Visual Sales and Store Planning. She is married and has 2 children. She speaks English and German.

Currently Arzu Aslan Kesimer is a member having no execution authority in accordance with the Corporate Management Principles set forth by the Capital Market Board and he is not entitled to act as independent member. The tasks he assumed in the past ten years have been listed above and he currently serves in the board of directors of certain companies affiliated to Koç Group.

### **Arif Nuri Bulut**

Arif Nuri Bulut is the General Manager and Board member of İzocam Ticaret ve Sanayi A.Ş. and he was born in Ankara in 1953. He completed his primary education in Saint Josep High School (1972) and his higher education in the Machine Faculty of Istanbul Technical University (İTÜ) (1977). He got his master's degree from İTÜ (1979) and completed his EMBA education in Koç University (1995). In 1981, he started his career as Production Chief of İzocam Ticaret ve Sanayi A.Ş. and later he worked in different positions. In 1996, he was appointed as Technical Vice General Manager and as General Manager in 2002. Since 2002 onwards, he has been serving as Board Member and General Manager for this company. He is also the Board Member of Doğaner Alçı Maddeleri Enerji İthalat İhracat Pazarlama Ticaret ve Sanayi A.Ş. In the period 2005-2007, he served as the Chairman of Board of Directors for İzoder Association of Heat, Water, Sound and Fire Insulation and he is currently the Member of İzoder Board of Presidents and the Board Member of İMSAD.

Currently Arif Nuri Bulut is a member having no execution authority but he is entitled to act as independent member in accordance with the Corporate Management Principles set forth by the Capital Market Board. The tasks he assumed in the past ten years have been listed above. In the past five years, he has no relations with Tat A.Ş. and its affiliated parties.

### **Mansur Özgün**

He was born in Polatlı, Ankara in 1939. He completed his primary education in Polatlı and then in 1956, he graduated from Kabataş Boys High-School. He completed his higher education in the Department of Industry, Business Management and Finance of the Academy of Economic and Commercial Sciences in Ankara. He started his career in 1958 Account Examiner in the Accounting Directorate of the General directorate for Foundations while he was continuing his higher education. In the period 1963-1970, he was employed as Account Expert for the Ministry of Finance. In the period 1971-1973, he served as Vice Director of Financial Affairs for Koç Holding; in the period 1974-1983, he served as Vice General Manager for Ormak A.Ş. and in the period 1984-1999, he served as the Coordinator of Financial Affairs for Koç Holding. He retired on 31.12.1999 but continued to work as Certified Accountant in the period 2000-2004.

Currently Mansur Özgün is a member having no execution authority but he is entitled to act as independent member in accordance with the Corporate Management Principles set forth by the Capital Market Board. The tasks he assumed in the past ten years have been listed above. In the past five years, he has no relations with Tat A.Ş. and its affiliated parties.

### **Kunihiko Sato**

He was graduated from the Tohoku University. He started his career in Kagome Co. Ltd. In 1975 and he served as President for Kagome Foods USA in 1989, as Department Manager for Tokio Production Technologies in 1994, as President for Kagome Inc. USA in 1998, as General Manager of Tokio in 2002 and as General Manager for Nasu Plant in 2004. Since April, 2007, he continues to serve as Senior Manager responsible for Procurements.

Currently Kunihiro Sato is a member having no execution authority but he is not entitled to act as independent member in accordance with the Corporate Management Principles set forth by the Capital Market Board. The tasks he assumed in the past ten years have been listed above.

#### **8. Determining the number of the auditors and election according to the determined number,**

The auditors shall be elected under the TCC and the Regulations, with due consideration of the provisions contained in our articles of association.

Under article 16 of our articles of association; Auditor: The General Assembly elects two auditors every year, both among the shareholders or from without.

#### **9. Determining the “Remuneration Policy” for Members of the Board of Directors and Top Management under the Corporate Governance Principles**

Under the mandatory principle numbered 4.6.2 of Corporate Governance of the Capital Market Board, the principles for the remunerations of the members of the Board of Directors and top management should be laid down in writing and should be submitted to the shareholders to inform them during General Assembly as a separate item, enabling the shareholders to state their opinions in this respect. The remuneration policy issued for this purpose is provided below.

#### **REMUNERATION POLICY FOR TOP MANAGEMENT AND MEMBERS OF THE BOARD OF DIRECTORS**

This policy document defines the remuneration system and practices for our members of the Members of the Board of Directors and top management within the scope of those with an administrative responsibility within the scope of the Capital Market Board regulations.

Each year, fixed remuneration is determined during general assembly, which shall be valid for all the members of the board of directors.

The executive members of the board of directors shall be paid remuneration within the scope of the policy determined for top management as detailed below.

The members of the board of directors, who will participate in the committees to be established by the board of directors in the company, may be paid premiums in an amount as determined by the board of directors within the framework of the opinion of Corporate Governance Committee based on their contribution, attendance to the meetings and their functions at the end of the year.

For remuneration of the independent members of the board of directors, payment plans based on the performance of the Company may not be used.

The members of the board of directors are made payments on a pro rata basis with consideration of the period in office with regards to date of their appointment and leaving. The expenses of the members of the board of directors may be covered by the company due to their contribution to the company (costs of transport, telephone, insurance etc.).

The remuneration for the top management, on the other hand, consists of two elements, being fixed and performance-based.



The fixed remunerations for top management are determined in accordance with international standards and legal liabilities with due consideration of the macroeconomic data in the market, remuneration policies applicable in the market, company size and long-term goals and positions of the people.

Top Management premiums, on the other hand, are calculated based on premium basis, company performance and individual performance. The information related to the criteria is summarized below:

- **Premium Basis:** Premium Basis is updated on each New Year's Day and varies depending on the job size of the management position. While updating premium basis, the top management premium policies in the market are taken into consideration.
- **Company Performance:** Company performance is obtained by measuring the financial and operational (market share, export, export operations, efficiency etc.) set for the company on each New Year's Day at the end of the period. While setting the company's goals, sustainable success and improvements as compared to the preceding years are principles that are taken into consideration with emphasis.
- **Individual Performance:** In determining the individual performance, the employee, customer, process, and technology goals and long-term strategies are taken into consideration. In measuring the individual performance, the principle of long-term sustainable improvement is taken into consideration in parallel with the company performance and in addition to financial grounds.

Total amounts determined according to the foregoing principles and paid to the Top Management and Members of the Board of Directors are submitted to the information and/or approval of the shareholders during the general assembly to follow in accordance with the legislation.

#### **10. Determining the gross monthly remuneration for members of the Board of Directors, Independent Members of the Board of Directors and Auditors**

The monthly gross remuneration for members of the board of directors and auditors shall be determined within the framework of the principles as set out in the provisions of TCC and Regulations and our articles of association.

#### **11. Approval of the independent audit company designated by the Board of Directors upon the proposal of the Audit Committee under the Communiqué Regarding Independent Audit Standards in Capital Market issued by the Capital Market Board**

During the meeting of our Board of Directors held on 16.02.2012, a decision was made to appoint DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi to audit the financial statements of our Company for the year 2012 in accordance with the principles of Communiqué Regarding Independent Audit in Capital Market issued by the CMB and by also seeking the approval of the Audit Committee, and such appointment shall be submitted to the General Assembly for approval.

**12. Authorization of the shareholders with dominance in management, Members of the Board of Directors, top managers and their spouses and their blood relatives or relatives by marriage up to second generation to engage in transactions that may cause conflict of interest with the company or affiliates, to engage into competition and to engage in businesses included in the Company subject in person or on behalf of others and to become a shareholder in companies engaging in such businesses and to engage in other transactions and authorization of the Board of Directors under articles 334 and 335 of the Turkish Commercial Code and informing the General Assembly about the transactions that took place within the year within this scope,**

The Members of the Board of Directors of our Company may engage in transactions included within the scope of article 334 named "Prohibition of Engaging in Transactions with the Company" and article 335 named "Prohibition of Competition" of the Turkish Commercial Code only upon the approval of the General Assembly. Under Corporate Management Principle numbered 1.3.7 of the CMB, in order for the shareholders, who have majority in management, the Members of the Board of Directors, top management staff and their spouses and relatives by blood or marriage up to second generation to be able engage in transactions that may cause a conflict of interest and to be able to compete with the company or subsidiaries thereof, General Assembly should consent in advance and General Assembly should be informed about such transactions. In order to act duly under such regulations, the approval of our shareholders shall be sought for such authorization and also our shareholders shall be informed about the transactions of this nature realized within the year.

**13. Informing the General Assembly about the transactions with related parties in year 2011 within the scope of regulations of the Capital Market Board,**

Under article 5 of the Communiqué, Series: IV, No: 41 amended by the Communiqué dated 20.07.2011, Series: IV, No: 52, the principles for the asset, service and liability transfers with related parties, which are extensive and lasting in nature, of the partnerships, whose shares are listed in stock exchange, are determined by a resolution of the board of directors. If the share of such transactions within an accounting period reaches or exceeds 10% of the total assets or total gross sales included in the annual financial statements to be disclosed to public under the regulations of the CMB, then the Board of Directors of the partnership issues a report regarding the terms of transactions and comparison thereof with market conditions. Such report shall be made available for examination by shareholders 15 days in advance of the annual ordinary General Assembly, and the shareholders are informed about such transactions during General Assembly.

Within this scope, our shareholders shall be informed about our transactions of the specified nature that took place in year 2012, and the issued reports are as follows.

## **REPORT REGARDING THE RELATED PARTY TRANSACTIONS IN YEAR 2011**

### **General Information**

This report is issued within the scope of article 5 of the Communiqué Regarding the Principles to be Observed by the Incorporations Subject to Capital Market Board, Series: IV, No: 41 amended by the Communiqué dated 20.07.2011, Series: IV, No: 52 (Communiqué) of the Capital Market Board (CMB). Under the said article, the share of asset, service and liability transfers with related parties, which are extensive and lasting in nature, of the partnerships, whose shares are listed in ISE, within an account period reaches or exceeds 10% of the total assets or total gross sales included in the annual financial schedules to be disclosed to public under the regulations of the CMB, then it is mandatory for the Board of Directors of the company to issue a report regarding the terms of transactions and comparison thereof with market conditions.

The purpose of this Report is to disclose the terms of transactions undertaken by Tat Konserve Sanayii A.Ş. (our Company) with related parties as defined in International Accounting Standard numbered 24 (IAS 24) within the framework of CMB legislation, provided that such disclosures are not included in the scope of confidential secrets, and to show that no result to the disadvantage of our Company occurred as compared to the market conditions.

Detailed information about the transactions undertaken with the parties related to Tat Konserve Sanayii A.Ş. in year 2011 is disclosed in footnote no 36 of our financial statements disclosed to public in relation with our operations in year 2011, and this Report only evaluates the transactions exceeding 10% for conformity with market conditions.

#### **Information Regarding Tat Konserve Sanayii A.Ş.**

Being Corporate Tax Payer of Büyük Mükellefler Tax Office Directorate under account no 8300038990, Tat is registered in Istanbul Trade Registry Office under no 96638. Having established its first factory in 1967 in M.Kemalpaşa, Bursa, Tat remains a large organization engaging in food production in Turkey with 6 factories as of end of 2011. Engaging in production of tomato paste, ketchup, fruit juice, canned vegetables, ready-to-eat food, meat and meat products, milk and dairy products, flour, semolina and pasta at the address Taşdelen Çamlık Mahallesi Sırrıçelik Bulvarı No:7 Çekmeköy - ISTANBUL, the company has 6 factories located in Bursa Mustafakemalpaşa, İzmir Torbalı, Bursa Karacabey, Istanbul Tepeören Village and İzmir Bornova.

The capital of our company is TL 136.000.000 TL, and its shareholder structure is presented in the table below.

#### **Information regarding company shareholders is as follows:**

<b>Name or Title of the Shareholder</b>	<b>Shareholding (%)</b>	<b>Amount (TL)</b>
Koç Holding A.Ş.	43,65	59.364.947,17
Temel Ticaret Yat.A.Ş.	3,26	4.427.888,60
Koç Hold.Em. Yardım San. Vakfı	1,05	1.427.231,37
Vehbi Koç Vakfı	1,09	1.487.987,56
Aygaz A.Ş.	0,08	108.922,00
Arçelik A.Ş.	0,34	466.800,26
Kagome Co Ltd.	3,73	5.071.168,20
Sumitomo Corp.	1,53	2.077.983,34
Public Portion	31,38	42.676.800,00
Other	13,89	18.890.271,50
<b>TOTAL SHARES</b>	<b>100,00</b>	<b>136.000.000,00</b>

#### **Information Regarding Düzey Tüketim Malları Sanayi Pazarlama ve Ticaret A.Ş.**

Düzey Tüketim Malları Sanayi Pazarlama ve Ticaret Anonim Şirketi is registered in Istanbul Trade Registry Office under registration no 131496 and it engages in wholesale marketing and trade of food, drinks and cleaning products at Çamlık Mah. Sırrı Çelik Bulvarı No:7 Çekmeköy Istanbul.

The Company is a tax payer under Büyük Mükellefler Tax Office Directorate under no 3230016157.

The company was founded on 25.02.1975 in order to market any non-durable consumer goods in order to focus on non-durable consumption market, especially including food. Starting out selling light bulbs, matches and Tat products, the company extended its organization in time, becoming one of the leading firms of the market with its sales, profit and operations.

While engaging in sale and distribution of fast consumption goods with a long shelf life mostly until 1988, the company has also become responsible to sell and market Maret products starting from this year. Thus, the company established cold chain sale organizations serving directly to the retailers in cities Istanbul, İzmir, Ankara, Bursa, Adana and Antalya and also appointed sole vendors in other cities.

Starting from 01.12.1995, pasta branded Kartal, Lunch&Dinner, and Pastavilla; and starting from 01.06.1997, milk products branded Sek have been included in the product portfolio.

The company started to act as the exclusive authorized distributor of British American Tobacco products as a result of the "Exclusive Distributorship" agreement signed by the company with British American Tobacco on 26.06.2001.

On 01.09.2009, the company started to sell and distribute Kotanyi spices and spice mixtures by cooperating with Kotanyi, the leading spice firm in Europe with 127 years.

On 25.07.2011, the company started to sell and distribute the products of Ferrero branded Nutella and Kinder.

With over 36 years of experience in the market, today the company has food products branded Tat, Maret, Sek, and Pastavilla produced by Tat in its portfolio. In addition, its portfolio also includes General Electric light bulbs, Landlite power saving bulbs, Kiler legumes and rice, Noba legumes and rice, Prenses sugar, Şölen tea, Ekin frozen potatoes, Rest cleaning products, EDT sunflower oil, Freshies mouth freshener, Minsalt healthy salt, Sony batteries, Kotanyi spices and spice mixtures, Ekin rice-legumes and bulgur in bulk and in packs, products branded Nutella, Kinder and Rocher.

Düzey has a capital of TL 5.766.000 and Tat has a share of 1,1% in Düzey. Düzey is not publicly open.

### **Information Regarding the Terms of the Transactions Between the Related Parties and Conformity with Market Conditions**

Tat's domestic marketing and sale operations are performed by Düzey Tüketim Malları Sanayi Pazarlama A.Ş. ("Düzey"), a Koç Group company.

With the extensive, strong and reliable distribution network that Düzey offers to Tat, Tat has a chance to deliver the sector products that require refrigerated vehicles such as milk, butter, cheese, yogurt and delicatessen products to the consumers on due time and as fresh.

Our sales to Düzey in 2011 amount to TL 563.977.480, with a share of 74% in total sales, and "Resale Pricing Method" is applied. In this method, the price that is applicable for similar goods is found by the subtracting a reasonable gross sale profit (discount) from the price to be applicable in case of the resale of the goods or services in question to natural or legal persons that are unrelated. Therefore, this method, which can also be used for transactions involving different products as well, is accepted to yield reliable results, especially for transactions such as marketing and distribution, in which the related company sells the purchased goods and services to unrelated parties. Within this scope, it is the best method to use in our relations with Düzey, having the nature of a marketing and distribution company.

The trade relationship between Tat and Düzey is determined by an agreement of sale signed on 01.01.2007 and updated through protocols in parallel with any changes in the conditions. The conditions of work for Tat with Düzey, discount rates by products groups, periods and other conditions are determined clearly in this agreement. As also mentioned in the agreements, the products produced by Tat are dispatched from Tat factories to storages and distributors of Düzey with discounts. The price lists used for the final consumers are recommended by Tat according to market conditions. The discount rates applicable for Düzey are determined taking into consideration criteria such as the shelf life of the products in question, opportunities for marketing and distribution, conditions for transport and storage taşıma and also taking into account the functions and risks applicable at the time of transaction in accordance with the market conditions and the assumed risks and functions.

## **Result**

As the amount of the product sale transactions with an extensive and lasting nature of our company with Düzey A.Ş. within an account period exceeds 10% of the total assets or total gross sale included in the annual financial statements to be disclosed to public based on the Communique of the Capital Market Board, Series: IV, No: 41, this report discloses the terms of transactions with Düzey A.Ş., method to determine price and grounds for choosing such method and provides information about the status of such transaction in the light of the market conditions.

### **14. Informing the General Assembly about the “Profit Distribution Policy” of the company regarding to year 2012 and succeeding years under the Corporate Governance Principles**

The profit distribution policy of our company as provided below shall be submitted to the general assembly for informing purposes and it is also announced on the website at [www.tatkonserve.com](http://www.tatkonserve.com).

There is no privilege regarding distribution of profits in our company. The profit distribution policy of our company, which is disclosed to public and also announced to our shareholders during the general assembly, is implemented within the framework of article 28 regarding "Distribution of Profit" of Articles of Association. In distribution of dividends, a decision is made to distribute a portion, which portion shall be determined by the General Assembly provided that it shall not be less than the rate specified in the Communique of the CMB, Series: IV, No. 27, of the distributable profit calculated according to the communiqués of the Capital Market Board taking into regard the long-term strategies, investment and financial policies of our company and profitability, be distributed in cash or as bonus shares and in cash by certain proportions, with the General Assembly having the authority to decide.

According to the articles of association of our company, advance payments may be made on dividends, provided that the Board of Directors is authorized by the General Assembly to do so and provided that the CMB Code and the regulations of the CMB in this respect are duly observed. Such power granted by the General Assembly to the Board of Directors is limited to the year, in which such authorization is granted.

### **15. Informing the General Assembly about the “Company Disclosure Policy” of the Company under the Corporate Governance Principles**

Under article 23 of the Communique of the CMB, Series:VIII, No:54, the Company is to issue “Disclosure Policy” and to inform the shareholders by including an item in the agenda. The information policy of our company is provided below and is also announced in the investor relations section at [www.tatkonserve.com](http://www.tatkonserve.com).

## **PURPOSE**

The Purpose of the Disclosure Policy of our Company is to inform the shareholders and investors about the operations of the company in accordance with the provisions of the Capital Market Board and other laws and to disclose important information promptly in a full, accurate, open, transparent and complete manner.

## **PEOPLE IN CHARGE**

The Board of Directors is responsible to create, supervise and update the Disclosure Policy. Disclosure Policy approved by the Board of Directors is submitted to the shareholders during General Assembly and is also disclosed to public on the website.

## **SPOKESPERSONS**

The spokespersons of the Company: Members of the Board of Directors, Company's General Manager, Assistant General Managers, Accounting Manager, Finance Manager and Capital Market Board and Sales Accounting Manager. No director or company employee other than the authorized spokespersons shall be authorized to answer the questions or provide information about the financial and operational activities of the company without the consent of the senior management of the Company.

No employee other than the authorized spokespersons may answer the inquiries received from the investor community or media unless especially demanded by an authorized spokesperson. Any demands within this scope shall be referred to the authorized company spokespersons.

## **METHOD AND TOOLS**

Our company uses the following methods and tools while determining the public disclosure and disclosure policy within the framework of the provisions of Capital Market Board, Istanbul Stock Exchange (ISE) and Turkish Code of Commerce:

- 1- Disclosure of material events delivered to ISE
- 2- Financial statements and footnotes thereto sent to ISE periodically
- 3- Annual Report
- 4- Website
- 5- Press releases made through published and visual media
- 6- Announcements and notices issued through the Trade Registry Gazette and daily newspapers
- 7- Information and presentation documents issued for the investors
- 8- Meetings with the investors and analysts conducted face to face or through means of telecommunication

## **DISCLOSURE of MATERIAL EVENTS**

Disclosure of material events of our company are issued by the Accounting and Finance Department and signed by the General Manager, Assistant General Manager- Accounting and Finance in principle and sent to the ISE. In case the relevant people are absent, Accounting Manager and Finance Manager shall be authorized. The disclosure of Material Events are delivered in electronic media as KAP (Kamuoyunu Aydınlatma Platformu - Public Disclosure Platform) notice. Disclosure of material events are announced on company website following publication in KAP.

## **Criteria used in Determining the People with Administrative Responsibility**

The people to be included in the list of the people with administrative responsibility in our Company consists of the members of management and audit persons of our Company and people with direct or indirect regular access to the insider information and people with administrative decision-making authority with an impact on the future development and goals of the company. Managers and other staff, who have detailed information about a part of the company operations and limited information about the entirety, are not considered within the scope of people with access to insider information.

Information regarding such people is filed and updated by Central Registry Agency.

## **Disclosure of Information about Future**

If information requiring a disclosure of material event is disclosed to public, then the assumptions foreseen to be in conformity with the financial standing and operative of the company and the data, on which such assumptions are based, shall also be disclosed. In case the estimations and grounds for information about future disclosed to the public do not become actual or in case it is found that they will not become actual, this is disclosed to public immediately along with the relevant reasons.

### **Following the News and Hearsay about the Company**

The news relating to Koç Group in leading national press is followed up through Koç Holding Corporate Communication Directorate. Within this scope, every morning the news is referred to the Top Management of the Company and Corporate Communication department. Moreover, through subscribed data distribution companies such as Reuters and IBS, news about our Company is followed up.

If the company intends to make an explanation about the news and hearsay that appear in the press and media, about which the company does not actually have to make a disclosure of material event under the communiqué, then the matter will be brought to attention by Assistant General Manager, Accounting and Finance.

### **Fulfilling the Liability to Verify**

In case of news and hearsay in press-media organizations that may have an impact on the investment decisions of the investors or the prices of the capital market tools and that originate from people who are not authorized to represent the company, an explanation will be made as to whether the same is true or sufficient or not. If the stories that appear do not have the nature of insider information, then no explanation will be made. In case of information, which may be considered as insider information and for which no disclosure of material event has been made, an explanation will be made under the communiqué.

### **News about the Information Postponed for Disclosure**

It is a principle to remain silent about any information postponed for disclosure in order to protect the legitimate interests of the Company, if any such news appears in the press despite all the measures taken in order to ensure the confidentiality of the same. However, if it is necessary for protecting the interests of the Company and the investors, then disclosure may take place in relation with any such news.

Throughout the postponement period, no disclosure is made to conflict with the news or no other comment is made. It may be stated that no information may be provided about the process and that a public disclosure will take place when the developments are clear.

### **Ensuring confidentiality of the information that should be disclosed publicly**

Company employees with insider information are liable to protect the confidentiality of such information until disclosure to ISE.

Any information that can be defined as trade secrets gained throughout employment, that is proprietary to the company and that is not wished to be in the domain of anyone other than the people with a need to know, is considered as “Company Information”. All the employees protect the company information during and after their employment at the company and they do not use such information directly or indirectly. No company employee may engage in any activities to create gains through the purchase and sale of stocks of our Company or any other Koç Group company based on the insider information received due to the position of such employee.

## **PERIODICAL DISCLOSURE OF THE FINANCIAL STATEMENTS**

The financial statements of our Company are issued within the scope of the provisions of the Capital Market Board. Annual and semi-annual financial statements are subjected to independent audit according to the International Audit Standards and are disclosed to public.

Our financial schedules are audited by the Committee in Charge of Audit and submitted to the Board of Directors for approval before public disclosure under the provisions of the Capital Market Board and any two officials among the General Manager, Assistant General Manager-Accounting and Finance or members of the Board of Directors sign a statement of accuracy and submit it to the ISE. It is announced in the company website as well following release by ISE.

## **ANNUAL REPORT**

The Annual Report is issued according to the provisions of the Capital Market Board and Corporate Governance Principles and approved by the Board of Directors and disclosed publicly through the company website and ISE by not later than 21 days before the Ordinary Annual General Assembly.

Moreover, hard copies thereof may be received from the Investor Relations Department as well. Interim reports issued quarterly are disclosed to public through ISE and offered to the investors on company website.

## **WEBSITE**

The website of our Company ([www.tatkonserve.com](http://www.tatkonserve.com)) is prepared to contain different information enabling all the beneficiaries to benefit from it. There is a section prepared in order to maintain more efficient and faster communication with the shareholders and investors and to stay in touch with the shareholders at all times; and the contents of such section is determined by the Investor Relations Department. The important issues that may be followed up on the Company's website are summarized below.

- Share Info
- Trade Registry Info
- Articles of Association of the Company
- Shareholding Structure of the Company
- Board of Directors and their Curriculum Vitae
- Company Organization Chart and Curriculum Vitae of Top Management
- Date and Agenda of General Assembly and Explanations on the Items on the Agenda
- Sample Power of Attorney
- Minutes of the General Assembly and List of Attendance
- Report of Compliance with the Principles of Corporate Governance
- Disclosure Policy
- Human Resources Policy
- Annual Reports
- Profit Distribution Policy
- Periodical Financial Reports
- Disclosure of Material Events for CMB
- Investor Presentation

## **PRESS RELEASES**

In addition to routine disclosures, in cases where the public needs to be informed about various developments that take place, the press is sent written releases. The information sought by the press about the developments and general state of operations is evaluated in writing and positive or negative feedback is provided.

## **ANNOUNCEMENTS AND NOTICES ISSUED THROUGH TURKISH TRADE REGISTRY GAZETTE AND DAILY NEWSPAPERS**

Under Capital Market Board Code and Code of Commerce and our Articles of Association, the announcements pertaining general assembly, capital increase and dividend payment are made in the Turkish Trade Registry Gazette and through daily newspapers.

## **INFORMATION AND PRESENTATION DOCUMENTS ISSUED FOR INVESTORS**

In our Company, Investor Relations Department was created under the Assistant General Management, Accounting and Finance in order to maintain regular relationships with both existing and potential shareholders, to respond to the investor questions with the highest accuracy possible and to enhance the company value. Relationships with shareholders take place under the coordination of Investor Relations Department.



The Top Managers of the Company often meet with the brokerage houses, analysts and investors in order to communicate and introduce the operational and financial performance, vision, strategies and goals, and the added value that our company creates for the investors to the shareholders and analysts.

Investor Relations intends to ensure that the investors are informed in the best manner through tools such as presentations, summary information, website, annual report, meetings with the investors etc., and makes sure that all these tools are prepared, published and updated in conformity with the regulations. The officials of the company, who strive to meet all the demands for contact throughout the year, regularly attend the meetings organized in Turkey and abroad, and hold meetings with investors to inform them face-to-face. Thus the communication of the shareholders and potential investors with the Top Management becomes more effective. Presentations of financial results are prepared quarterly in order to ensure that the financial results of the company are communicated in a better way, and they are shared with the investors and analysts by Assistant General Manager, Accounting and Finance through e-mail and website.

#### **GENERAL COMMENTS ABOUT EXERCISING THE SHAREHOLDING RIGHTS**

It is made sure that the shareholders are informed about any general assembly, capital increase, dividend payments, merger and split through explanatory notes and announcements within the framework of the Capital Market regulations.

Such documents are also announced in the company website in addition to the channels of announcement as provided for in the respective regulations, enabling easy access to such documents by the investors.

#### **16. Informing the General Assembly about the donations and grants provided by the Company to the foundations and associations for social relief purposes in year 2011**

Under article 7 of the Communique of the Capital Market Board, Series: IV, No:27, the donations that took place within the year should be submitted to the general assembly for informing purposes. Said article does not involve approval by the general assembly and it is aimed at informing only. In year 2011, total TL 165.529 was donated in accordance with the relevant provisions of the articles of association of our company.

#### **17. Execution of the Minutes of the General Assembly by the Presidency Council on behalf of the shareholders and authorization for such signatures to be sufficient**

Authorization of the Presidency Council to duly record the resolutions made during the general assembly in minutes shall be submitted to the approval of our shareholders within the framework of the provisions of TCC and Regulations.

#### **18. Comments and opinions**