

COMPLIANCE REPORT ON PRINCIPLES OF CORPORATE GOVERNANCE

1. Compliance Statement On Corporate Governance Principles

We attribute great importance and added value to the implementation of Corporate Governance Principles in the development of local and international capital markets and for the benefit of our company.

Our company aims to comply with these principles at the highest level and strives towards ensuring this goal.

Our Company is aware that a solid strategy for good corporate governance can be achieved through effective risk management and internal control mechanisms, setting ethical rules, carrying out full public disclosure under the scope of the existing information policy and transparency in the Board of Directors activities.

In accordance with principles of Corporate Governance, İş Leasing manages the rights and responsibilities of its shareholders, employees, clients and all related parties utilizing the universal principles of accountability, equality, transparency and responsibility encompassed within the perspective of effective management and control.

İş Leasing closely monitors the development of the Corporate Governance concept, in the belief that compliance with Corporate Governance Principles is as important as financial performance for maintaining successful business practices and providing long-term added value for its investors.

Our company's evaluation and determination of its level of compliance with corporate governance principles as well as its considerations on developing the scope and nature of its compliance are presented below:

PART I - SHAREHOLDERS

2. Investor Relations Unit

A unit responsible for relations with shareholders has been formed within our company.

Mrs. Nida Çetin, Mr. Onan Keleş, Mrs. Neslihan Oruç and Mrs. Hamide Akçal serve within the investor relations unit.

Mrs. Nida Çetin heads the investor relations unit.

Contact information of the members of the unit:

Name Surname	Phone Number	Electronic Address
Mrs.Nida Çetin	+90 212 350 74 00	nidacetin@isleasing.com.tr
Mr. Onan Keleş	+90 212 350 74 50	onankeles@isleasing.com.tr
Mrs. Neslihan Oruç	+90 212 350 74 70	neslihanoruc@isleasing.com.tr
Mrs. Hamide Akçal	+90 212 350 74 76	hamideakcal@isleasing.com.tr

In her responsibility as head of unit, Mrs. Nida Çetin reports directly to Mr. Suat İnce who is the Head of the Corporate Governance Committee as well as the Chairman of the Board of Directors.

The unit is active in overseeing the exercise of the rights of shareholders and ensures communication between the shareholders and the Board of Directors.

The activities of the unit are regularly reported to the Board of Directors and to the Corporate Governance Committee.

The Investor Relations Unit essentially fulfills the following responsibilities:

- Ensures that the records concerning shareholders are kept in a sound, secure and up-to-date manner,
- Provides written answers to requests by shareholders for information on the company's activities, with the exception of trade secrets, confidential information or information that has not been publicly disclosed,
- Ensures that the General Assembly meeting is held in accordance with applicable legislation, the company's articles of association and other internal regulations,
- Prepares the documents to be used by shareholders during the General Assembly,
- Keeps voting records and ensures that shareholders are sent reports on the results,
- Ensures and monitors all subjects related to informing the public, as required by applicable legislation including the company's disclosure policy.
- Preparation of informational reports for domestic and international investors and, when necessary, the organization of related presentations and meetings

3. The Use of Shareholders' Rights of Obtaining Information

All of our shareholders' requests for information are attended to in accordance with legislation, except those relating to trade secrets or information undisclosed to the public.

During the period in question, no written request for information was received from our shareholders,

During the period in question, responses were given by the Investor Relations Unit to all of the 17 oral requests for information.

Requests for information from our shareholders are evaluated by our colleagues at the Assistant General Manager level at minimum, safeguarding the boundaries of trade secrets and confidentiality. Care is given to respond to such requests fully, in a timely fashion, and accurately.

Information on subjects for which our shareholders frequently seek explanations as well as on developments that may have an impact on the way they exercise their rights, can be found on our web site at www.isleasing.com.tr.

According to the applicable legislation, minority shareholders entitled to request the appointment of a special auditor from the General Assembly in order to examine facts pertaining to certain events.

In 2010, none of our shareholders requested the appointment of a special auditor from the General Assembly.

In our company's articles of association, the request for the appointment of a special auditor has not been included as an individual right.

Given the fact that the General Assembly is obligated –as required by the applicable legislation- to implement any request for the appointment of a special auditor, and such requests constitute an exception to the principle of adhering to the agenda, we plan to tackle the issue of possibly converting such requests into an individual right in our articles of association in the light of future developments, mainly due to concerns about the possibility of creating problems in the preservation of information containing trade secrets or the confidentiality of information as yet undisclosed to the public.

All the necessary information regarding the appropriate use of shareholder rights is provided on our website, in our Annual Report and our periodic disclosures of special circumstances. Individual requests are handled by the relevant unit in our company.

We also respond –within the boundaries of legislation- to requests for information coming from our shareholders as to the legal and commercial relations of our company with real or legal persons that are directly or indirectly affiliated with our company in capital, management or auditing-related areas.

In order to enhance our shareholders' rights to access information, all topical information is provided for their use electronically.

4. Information on the General Assembly

In 2010, one General Assembly meetings took place: namely, the regular General Assembly meeting of 2009 held on 22.3.2010.

The regular General Assembly Meeting of 2009 was held with the participation of our shareholders who represent 58% or 144,6 million TL of our paid-in capital of 250 million TL.

The meeting was not attended by the media or other stakeholders except for our shareholders.

The announcement of the place, day, time, agenda and a sample of a power of attorney was published in the Turkish Commercial Registry Gazette, in the Referans and Dünya newspapers as well as in the İstanbul Stock Exchange (İMKB) bulletin three weeks prior to the date of the meeting.

Information concerning the meeting was also faxed and sent by registered mail within the same timeframe to holders of shares registered in the stock ledger. Information concerning the meeting was also made accessible to all shareholders on our company's website at www.isleasing.com.tr.

No timeframe has been set for registering the owners of nominal shares so as to allow for their participation in the General Assembly meeting.

The following documents are made available at our company's headquarters and branches for the scrutiny of our shareholders following the date of the invitation to attend the General Assembly: financial statements and reports, including the Annual Report, proposals for profit distribution, the information document prepared to reflect the necessary agenda items for the General Assembly and other documents supporting the agenda items, as well as the latest version of the articles of association, and, in cases where changes are foreseen to the articles of association, the text of the amendment and related reasoning.

Starting from 2005, the above-mentioned information and documents are accessible on our website at www.isleasing.com.tr.

None of the shareholders used the right to ask a question during the General Assembly held in 2010.

According to our articles of association, important decisions, such as the following, fall under the authority of our company's Board of Directors:

- The establishment of affiliates and partnerships or their liquidation,
- The purchase of real estate in the company's name, the leasing of such, its sale or development.

There is no provision in our articles of association regarding the decision-making of the following in the General Assembly:

- the changes in company's capital, managerial and asset structure through divisions and changes of shares; purchase, sale, lease or rent of significant amounts of tangible/intangible assets; making donations or distributing aids; issuing sureties, mortgages or other types of collateral in favor of third parties

We believe that the inclusion of such provisions in our articles of association could give rise to undesirable consequences for our stakeholders by:

- Decreasing the effectiveness of management,
- Unfavorably affecting our competitive strength, causing to miss out on important opportunities.

In an attempt to facilitate participation in General Assembly meetings, utmost attention is paid to strict compliance with applicable legislation. We believe that our shareholders do not encounter any difficulties in being able to attend our general assemblies. In fact, no negative feedback has been received from our shareholders to date.

The minutes of the General Assembly are provided to shareholders at the conclusion of the meeting. Starting from 2005, the minutes are also available on our website at www.isleasing.com.tr and are made accessible to those shareholders who are unable to attend the meeting.

According both to applicable legislation and to our articles of association, the regular General Assembly meetings are to take place within three months of the end of the accounting period.

Our regular General Assembly meeting takes place no later than three months after the end of each accounting period, or earlier, at the company headquarters in a venue allowing for the participation of all our shareholders.

5. Voting and Minority Rights

Each share has one voting right according to our articles of association.

Our company's capital consists of (A) and (B) group shares. Members of the Board of Directors and the auditors are elected from among those nominated by our (A) group shareholders, and any changes to be made to the articles of association are subject to the (A) group shareholders' approval.

There is no reciprocal affiliate arrangement between any of our shareholders and our company.

There are no representatives of minority rights in our Board of Directors, which is elected in accordance with the decision of the General Assembly.

There is no provision in our articles of association for a cumulative voting process at the General Assembly meeting, nor is there a provision to the effect of representing minority shares.

There is no upper limit to the number of votes our shareholders can use during the General Assembly.

There are no rules in our articles of association to prevent persons who do not hold shares, from representing a shareholder by proxy or from voting.

6. Profit Distribution Policy and Timing Thereof

Our company's Profit Distribution Policy is as follows:

"According to our company articles of association, the first dividend is paid from the distributable profit in accordance with the rates and amounts set forth by the Capital Market Board (SPK).

Proposals for profit distribution submitted by our Board of Directors for approval to the General Assembly are prepared taking the following into account:

- Avoiding an imbalance between the expectations of the shareholders and the need for company's growth.
- Profitability of our company.

Within this framework, our Board of Directors submits, as a principle, a proposal to the General Assembly to distribute at least 20 % of the distributable profit as bonus shares or on a cash basis.

Dividend payments take place within the legal time limits.

No privileged share exists for distribution of dividends.

Members of our Board of Directors and our employees do not receive dividends based on founder preferred shares.

There is no mechanism in our articles of association foreseeing advance payments for dividends."

Payment of dividends for 2009 took place within legal time limits.

Our Board of Directors proposed the distribution of 30% of distributable profit in 2010 in the form of first dividends, and submitted this proposal to the approval of the General Assembly.

We always try to make sure that the payment of dividends in the form of bonus company shares takes place as soon as possible and no later than the end of the sixth month as stipulated for in the applicable legislation. If the General Assembly agrees with the Board of Director's proposal, dividends for 2010 will be distributed in the form of company shares.

The total of aids and donations extended during the year amounts to 40 thousand TL.

7. Transfer of Shares

Our company's articles of association include no provisions that restrict the transfer of shares.

The same treatment applies to both minority and foreign shareholders.

PART II – INFORMING THE PUBLIC AND TRANSPARENCY

8. Company's Disclosure Policy

Company's Disclosure Policy came into effect with the our Board of Director's decision no 934 dated February 7, 2006. During the year, the Company's Disclosure Policy has been updated in accordance with the Capital Markets Board Communique Serial:VIII No:54 on the Principles of Public Disclosure of Material Events and shared with the public. The aim of the policy is to achieve compliance with the Corporate Governance Principles published by the Capital Markets Board, Capital Markets legislation and other applicable regulations at a minimum, thus ensuring timely, complete, accurate and efficient information provision to the public.

Disclosure Policy is published in Turkish and English on our website.

Our Company has a Corporate Governance Committee, upon which the Chairman of our Board of Directors, Mr. Suat İnce, and Member Mrs. Hansu Uçar serve under the chairmanship of Mr. Suat İnce.

The Investor Relations Unit is in charge of implementing the disclosure policy.

The company's main policy is to publicly disclose company-related information – except trade secrets - in a manner to ensure timely, accurate, complete, clear, construable, low-cost and easy access to such information by all of our shareholders and relevant individuals and organizations.

9. Disclosure of Material Events

17 special case disclosures were made by our company in 2010 in line with the notifications of the SPK.

There has been no additional information on a special case due to belated disclosure following requests for additional details by the SPK or the İMKB (İstanbul Stock Exchange).

Mrs. Hamide Akçal in the Investor Relations Unit is exclusively in charge of observing and following up on all issues related to informing the public. Investors, financial analysts, members of the press and representatives of like organizations are also referred to this unit.

In addition, subsequent changes and developments pertaining to information already made public are regularly updated and are publicized, including:

- Accurate information on applied accounting policies and results of activities in line with the principles of transparency,
- Developments which could influence our company's capital market instruments within the timeframe determined by applicable legislation,
- Necessary information on any important changes in our company's financial situation and/or in its activities, or cases where important changes are foreseen in the near future, provided that provisions of relevant regulations remain as they are.

Our ethical standards have been made known to the public within the framework of our information policy.

10. The Company's Website and its Contents

Our company's website address is: www.isleasing.com.tr

Our website features information on our commercial registry, our latest partnership and management structure, detailed information on our preferred shares, the latest version of our articles of association, disclosures of special circumstances, our annual reports, periodic financial statements and reports, rating reports, investor presentations, agendas of our general assemblies, attendance lists, agendas and proxy voting forms, requests for information from the company under the heading of frequently asked questions, and replies to queries and warnings.

The information on our website has also been prepared in English in order to facilitate the access of foreign investors.

Our company's website also contains current pricing information, electronic quotation request forms, on-line electronic tracking of quotations, electronic application forms, insurance operations, second hand equipment advertisements, information on frequently used vendors, definition of leasing, advantages of leasing, the leasing guide, information on the leasing sector, relevant legislation as well as a company satisfaction survey that is available for all users.

Our website address appears on the company's letterhead.

11. Disclosure on Real Persons as Ultimate Controlling Shareholders

There is no real person ultimate controlling shareholder in our company.

The composition of our company's shareholding structure is shown below:

Partners	Capital	
	Contribution (TL)	Ratio
Türkiye İş Bankası A.Ş.	81.992.659	27,79%
Türkiye Sınai Kalkınma Bankası A.Ş.	84.252.000	28,56%
T.Şişe ve Cam Fabrikaları A.Ş.	225.000	0,08%
Nemtaş Nemrut Liman İşl. A.Ş.	2.655.020	0,90%
Other	125.875.321	42,67%
Total	295.000.000	100,00

12. Information to the Public on Persons Privy to Inside Information

Every precaution has been taken to ensure that inside information remains confidential and employees were informed. İş Leasing employees may not disclose any information obtained about individuals, institutions and customers due to their titles and duties.

Pursuant to the Capital Markets Board Communique Serial:VIII No:54 on the Principles of Public Disclosure of Material Events, the Company prepared a list of those working for the Company based on an employment contract or otherwise who have regular access to insider information, and obtained a letter of undertaking concerning the protection of insider information from each one of these individuals. The List of people who have access to insider information, is ready to be sent on request to the Capital Markets Board and to the related Exchange in accordance with the capital markets legislation.

PART III - STAKEHOLDERS

13. Information to Stakeholders

We try to ensure that written agreements -where applicable- are reached between our company and our shareholders, employees, creditors, clients, suppliers, government and civil society organizations, and potential investors in our company, and try to ensure that information is provided to these stakeholders in writing.

In the event that the rights of stakeholders are not covered by applicable legislation or contracts, the interests of the stakeholders will be protected through principles of good faith and the company's capabilities while respecting the company's prestige.

The Board of Directors, Corporate Governance Committee, Board of Auditors and managers responsible for financial management and reporting as well as the Investor Relations Unit are responsible for informing stakeholders within the framework of company information policies.

14. Inclusion of Stakeholders in Company Management

No provision exists in the company articles of association for the inclusion of stakeholders in the company's management.

The views of the company's employees are sought twice a year through an "employee satisfaction survey"; the results of these surveys are evaluated by the management, communicated to the employees, and considered while formulating the company's policies.

In addition, in order to keep the employees informed of and to seek their opinions on the company's general activities and development, "general evaluation" meetings are organized and the company's financial structure and performance data are evaluated together with the employees.

Meanwhile, stakeholders are encouraged to fill out the satisfaction survey on the company's website, thus giving them the opportunity to provide the management with their views on the company's policies and their application.

15. Human Resources Policy

The fundamental principles of our company's human resources policy are outlined below:

Job descriptions and relevant assignments as well as performance criteria have been identified by the company's management, and the employees have been informed accordingly.

The principle of providing equal opportunities to people of equal standing has been adopted; the hiring criteria have been spelled out in writing on the basis of titles, and these criteria are adhered to in practice.

Every effort is made, as far as possible, to ensure that decisions on trainings, appointments, and promotions are taken objectively and with the company's interests in mind.

Plans aiming to improve our employees' knowledge and skills are being put in place.

An "employee satisfaction survey" is organized twice a year to solicit the views of our employees. The results of the survey are then evaluated by the company's management, shared with the employees and considered for inclusion the company's policies.

We constantly strive to ensure safe working conditions for our employees and work toward improving these conditions as called for by social and technological needs.

In an attempt to contribute to the training, personal and performance development of our employees, we make sure that they participate in trainings, courses, panels and other necessary events in and outside of the company. This is done within the framework of an annual training program.

Decisions pertaining to developments which have an impact on our employees are communicated to them.

Measures are taken to ensure that there is no racial, religious and linguistic or gender discrimination among our employees that respect for human rights is observed and that our employees are protected within the company against physical, mental and emotional ill-treatment.

There is no provision to appoint a representative to manage relations with our employees.

16. Information Concerning Relations with Clients and Suppliers

Our company ensures quality in all phases of services related to financial leasing.

Requests from clients are promptly responded to during all stages of service and the clients are informed of any delays.

In addition, up-to-date information on the status of the service rendered and the name of the party responsible for its execution can be promptly found on the e-leasing website accessible only by the company's clients.

Care is taken to preserve the confidentiality of clients and suppliers concerning trade secrets.

17. Social Responsibility

We do our best to ensure that the projects we finance are in accordance with applicable regulations with respect to the environment and public health.

Our company has never faced charges or sanctions due to any wrongdoing associated with the protection of the environment.

In the context of social responsibility, our company engages in efforts to recycle used paper.

PART IV – THE BOARD OF DIRECTORS

18. Structure and Composition of the Board of Directors, and Independent Members

Our Board of Directors is composed of non-executive members.

Our company does not have any members on the Board of Directors that bear the independence criteria stipulated in the Corporate Governance Principles.

Board Of Directors

Suat İnce	Chairman
Burak Akgüç	Vice Chairman
Onur V. İzci	Member
Ozan Gürsoy	Member
İnci Önal	Member
Z. Hansu Uçar	Member
Ömer Eryılmaz	Member

In carrying out its decision-making responsibilities, the Board of Directors acts on the following basic premises:

- Taking our company's market value to the highest possible level,
- Managing our company's activities so as to ensure long-term and stable earnings for our stakeholders,
- Avoiding disruption to the delicate balance between our stakeholders and our company's need to grow.

The following points are considered in the formation of the Board of Directors:

- That the candidates be present at the Board of Directors' elections,
- That information about the candidates be given to shareholders,
- That shareholders have the right to ask questions to the candidates,
- That shareholders be informed during our General Assembly meetings as to whether candidates to the Board of Directors serve on the boards of other organizations and whether the company's exclusive internal regulations are complied with.

Our Board of Directors ensures that it meets regularly at least once a month.

Since our Board members serve as the representatives of legal entities, there is no obligation under applicable legislation to be a shareholder as a result of their duties as members of the Board.

The obligation of our Board Members to deposit shares as guarantees is carried out by the legal entities they represent.

No member of our Board of Directors holds shares in our company.

Our articles of association do not include any provision for the practice of a cumulative voting system for the election of Board members.

Although there are no rules regulating the work of our Board of Directors members outside of our company, our Board members do not hold offices other than their duties in the companies that they represent and in participations of those companies.

19. Qualifications of the Members of the Board of Directors

Our articles of association require that Board members be equipped with the qualifications set out in the relevant legislation and the minimum requirements for prospective members has been determined through “Directive on Establishment and Operating Principles for Financial Leasing, Factoring and Financing Companies”, published by the Banking Regulation and Supervision Agency.

All the members of our current Board of Directors are university graduates and managers experienced in their fields. Each of the members possess all the qualifications outlined above. Our Board of Directors consists of 7 members and this number ensures that the Board’s activities are organized effectively.

20. The Company’s Mission, Vision and Strategic Goals

- Our company’s vision is to “become one of the leaders in our sector by providing our clients, our shareholders and other stakeholders with quality services in accordance with ethical rules and international standards, thus creating added value”.
- Our mission is “to place priority on providing resources to SMEs and creating a wide-ranging portfolio, to respond to our clients’ requests promptly and efficiently while offering them quality solutions, to continue to provide added value to our shareholders with consistency, and to make the necessary investments required to encourage and train our employees who are important partners in our success”.

Our Company’s vision and mission are available to the public on our website at www.isleasing.com.tr.

Our strategic goals are submitted for the approval of the Board of Directors once they have been formulated by our managers, taking into account competitive conditions, the general economic context, the expectations of national and international financial markets and our company’s medium and long-term targets.

Our Board of Directors discusses the proposed strategic goals thoroughly and from every angle. Developments relative to the approved strategy and goals are reviewed monthly while evaluating the company’s activities, financial structure and performance in Board of Directors meetings.

As a matter of principle, our Board of Directors meets once a month in order to fulfill its supervisory and control functions effectively and with continuity.

During these meetings, the Board essentially evaluates the company’s activities, the status of implementation of the approved yearly budget and goals, the company’s standing within the sector, the state of its financial structure and performance, and the degree of conformity of its reports and activities with international standards.

21. Risk Management and Internal Control Mechanism

The catalog of risks defining the potential risks our company could be exposed to has been approved by the Board of Directors and has been communicated to the employees.

Risk policies which have been formulated to address the most important risk categories for the operations of our company are put into effect upon approval by the Board of Directors. Documentation regarding all practices, procedures and work flows in line with the risk policies was completed in 2005.

Within the framework of the "Risk Catalog", prepared to measure, evaluate and manage the risks faced by our Company, the Risk Management Committee has put in place a scheme for risk management and internal control activities to be carried out in an organized fashion under the supervision of the Board of Directors.

The Risk Management Committee reports its activities to the Board of Directors on a monthly basis. An internal auditor directly reporting to a Board Member has been appointed, relevant procedures and audit plan has been approved by the Board of Directors and internal audit reporting is conducted on a quarterly basis.

22. Powers and Responsibilities of Members of the Board of Directors and Managers

Our Board of Directors manages and represents the company. The Board is responsible for all the duties and obligations other than those that have been extended to the General Assembly in accordance with applicable legislation and our articles of association, and it possesses all the powers required by such duties.

The following areas fall under the authority of our Board of Directors according to our articles of association:

- Ensuring that all transactions necessary for our company's activities are completed and necessary decisions are taken,
- Identifying, according to our company's goals, the internal regulations and general rules related to the company's policies; determining which individuals are authorized to sign on the company's behalf,
- Ensuring that all necessary guarantees are given for credits to be obtained from banks and other credit organizations,
- Establishing affiliates and partnerships or deciding to dissolve them,
- Purchasing, leasing out, selling or building on real estate in the company's name.

Our Board of Directors uses its authority with prudence and good faith while ensuring that it has access to all the information necessary to duly carry out its responsibilities.

Under the stipulations in our articles of association, our General Manager is responsible for the functioning of the company's daily operations within the principles and boundaries laid out by the Board of Directors. The transfer of the power to conduct company activities onto executive organs takes place within the scope of the list of authorized signatures.

The sanctions to be applied in the case of operations that violate the procedures and/or the legislation are spelled out in our Personnel Regulation approved by our Board of Directors.

Members of our Board of Directors set aside sufficient time to conduct the business at hand.

Our Board of Directors has taken the necessary measures to ensure that information on the company which is undisclosed to the public and/or which pertains to trade secrets is not divulged outside of the company.

The Board of Directors takes a separate decision concerning the acceptance of regular financial statements and the annual report.

Our Board of Directors fulfills responsibilities outside of those outlined above by seeking the views of the executive organs and committees. These other responsibilities include:

- Approval of the company's yearly budget and work plan,
- Preparation and finalization of the annual reports with a view to submitting them to the General Assembly,
- Ensuring that the General Assembly meetings are in conformity with applicable legislation and the company's articles of association,
- Ensuring the implementation of the General Assembly's decisions,
- Controlling significant expenditures which surpass 10% of the total assets on the previous year's balance sheet,
- Approval of the career plans and rewarding of managers,
- Formulating policies concerning the company's shareholders, stakeholders, and public relations,
- Formulating the company's information policy,
- Formulating the ethical rules for the company and its employees,
- Identifying the working principles of committees, ensuring that their work is effective and productive,
- Taking the necessary measures to ensure that the company's organizational structure is in line with the current requirements,
- Examining the previous board's activities.

23. Fundamental Principles of the Board of Directors' Activities

The draft agenda of the Board of Directors meeting is prepared by our General Manager and is finalized in light of the suggestions provided by the Chairman of the Board and Board members.

Our Board of Directors meets regularly at least once a month as envisaged, and holds extra meetings if the need arises. The Board met 5 times during 2010.

We do our best to set a meeting date that enables all of the members to attend. Outside of exceptional situations, the meetings of the Board of Directors are attended by all of the Board members.

Invitations to the meeting of the Board of Directors are first made orally by telephone, and are followed up in writing by fax. A secretariat in charge of ensuring timely information and contacts with the members of our Board of Directors and Auditors has been established.

While there is an advantage in entering reasons for dissenting opinions in the minutes of decisions of the Board of Directors and in communicating them in writing to the Auditors of our company, none of our members used an opposing vote against the decisions of the Board of Directors in 2010.

The first meeting of our Board of Directors preferably takes place on the date of the election.

During the first meeting, besides the election of the Chairman of the Board of Directors and his/her deputy, decisions are taken on the distribution of tasks and the formation of committees.

Particular care is taken to make sure that the documents and information related to the Board of Directors' meeting agenda are submitted at least seven days before the meeting to our Board members for their scrutiny. In the event that this timing cannot be ensured, it is necessary to make sure that an equal flow of information is provided to the members of the Board.

Each member of the Board of Directors has one voting right, and our members do not enjoy weighted vote or veto rights.

According to our articles of association, the presence of one member over half the number of members constitutes the quorum of Board meetings, and decisions at meetings are taken on a majority basis.

24. Prohibition of Conducting Transactions and Entering into Competition with the Company

The members of our Board of Directors do not engage in any activity or operation falling under the prohibition on conducting transactions and entering into competition with the company, which would require the approval of the General Assembly.

25. Ethical Rules

Ethical rules, have been generated from Board of Directors and came into effect on February 9, 2006. These principles, determine that, the Company and its employees within the framework of existing laws and regulations in carryin out their activities. The rules also constitute the basis for sanctions to be applied by the Company in cases of their violation. Our ethical rules are shared with the public with our website in accordance with the Information Policy and published in Turkish and English on our website.

26. Number, Structure and Independence of Committees Appointed by the Board of Directors

A Credit Committee, an Audit Committee, a Corporate Governance Committee and a Credit Management Committee exist within our company.

At least one non-executive board member is also a member in each committee. Our Board Members have adopted a principle not to take part in more than one committee.

We have completed the majority of our work on putting the principles of existing committees in writing while there is also work in progress to establish a strategic planning committee, a reconciliation committee and an ethics committee.

Taking into account the fact that there is no real person with ultimate controlling shareholding in our company, we believe that the members of our Board of Directors can act freely, and thus hold the company's interests and those of our stakeholders above all other considerations while enjoying the advantage of acting impartially in their decision-making.

27. Financial Rights Granted to the Board of Directors

No compensation is given to the members of our Board of Directors outside of honorarium payments (attendance fees) while honorariums are not paid to our members, but to the organizations they represent.

The amounts of the honorarium payments are determined by the General Assembly in accordance with proposals made by the shareholders.

No Board member has ever obtained cash or non-cash credits from our company either directly or indirectly.