

Akdeniz University
Institute of Social Sciences

University of Hamburg
School of Business, Economics and Social Sciences

Gökhan Aktuğ

**Corporate Governance Practices in Turkey during the European Union Harmonization
Process:
Voting Results in General Meetings**

Joint Master's Programme European Studies Master Thesis

Antalya / Hamburg, 2011

Akdeniz University
Institute of Social Sciences

University of Hamburg
School of Business, Economics and Social Sciences

Gökhan Aktuğ

**Corporate Governance Practices in Turkey during the European Union Harmonization
Process:
Voting Results in General Meetings**

Supervisors

Assoc. Prof. Can Deniz Köksal
Prof. Dr. Wolfgang Voegeli

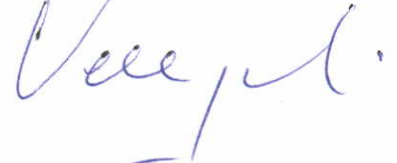
Joint Master's Programme European Studies Master Thesis

Antalya / Hamburg, 2011

Akdeniz Üniversitesi
Sosyal Bilimler Enstitüsü Müdürlüğüne,
Akdeniz Universität
Institut für Sozialwissenschaften

Gökhan AKTUĞ'un bu çalışması, jürimiz tarafından Uluslararası İlişkiler Ana Bilim Dalı Avrupa Çalışmaları Ortak Yüksek Lisans Programı tezi olarak kabul edilmiştir.
Diese Arbeit von Gökhan AKTUĞ wurde durch die Prüfungskommission als Masterarbeit des Fachbereichs Internationale Beziehungen, Europastudien Antalya angenommen.

Başkan : Prof. Dr. Wolfgang VOEGELİ



Üye (Danışman) : Doç. Dr. Can Deniz KÖKSAL



Üye : Yrd. Doç. Dr. Sanem ÖZER



Tez Konusu:

Corporate Governance Practices in Turkey during the European Union Harmonization Process:
Voting Results in General Meetings

Avrupa Birliği Uyum Sürecinde Türkiye'de Kurumsal Yönetim Uygulamaları: Genel Kurullarda
Oy Sonuçları

Onay : Yukarıdaki imzaların, adı geçen öğretim üyelerine ait olduğunu onaylarım.

Tez Savunma Tarihi : 21/03/2011

Mezuniyet Tarihi : 29/06/2011

Prof. Dr. Mehmet ŞEN
Müdür

.....

Table of Contents

List of Tables	iii
List of Charts	iv
List of Graphs	iv
List of Abbreviations.....	v
ÖZET.....	vi
SUMMARY	vii
INTRODUCTION.....	1
1. Corporate Governance at a Glance	3
1.1. Definition	3
1.2. Why Need Corporate Governance?.....	4
1.2.1. Micro Level.....	4
1.2.2. Macro Level	5
2. Corporate Governance in Turkey.....	6
2.1. Political, Economical and Financial Environment	6
2.2. Capital Market Environment.....	12
2.2.1. Equity Market: Istanbul Stock Exchange.....	13
2.2.2. Investors	14
2.3. Corporate Governance Framework	16
2.3.1. Ownership Concentration.....	16
2.3.2. Legal Framework and Institutional Bodies	18
2.3.3. Corporate Governance Principles of Turkey.....	19
2.3.4. ISE Corporate Governance Index.....	20
2.3.5. The Draft Turkish Commercial Code.....	21
2.4. Shareholder Rights in Turkey	22
3. Shareholder Meetings in Turkey	25
3.1. Background	25
3.2. Methodology	27
3.2.1. Overview	27
3.2.2. Market Coverage / Limitation	28
3.2.3. Data	28
3.2.4. Attendance and Dissent.....	29
3.2.5. Items Discussed.....	29
3.3. Participation Rates.....	29
3.3.1. Disclosure of Shareholder Attendance	30
3.3.2. Shareholder Attendance Rates.....	31

3.3.3.	Ownership Concentration and Voter Turnout	34
3.3.4.	Administrative Requirements.....	35
3.3.5.	Participation Rates: Conclusion	36
3.3.6.	Participation Rates: Recommendations.....	37
3.4.	Voting Results	38
3.4.1.	Disclosure of Voting Results.....	39
3.4.2.	Dissent Rates: All votes not cast in line with management proposals	39
3.4.3.	Reasons of Low Dissent Rate.....	41
3.4.4.	Voting Results per Theme	43
3.4.4.1.	Presiding Council	43
3.4.4.2.	Annual Report and Income Allocation.....	44
3.4.4.3.	Discharge.....	45
3.4.4.4.	Board Election and Remuneration	46
3.4.4.5.	External Auditors	47
3.4.4.6.	Capital Authorization	48
3.4.4.7.	Ordinary Business	49
3.4.4.8.	Bylaw Amendments	50
3.4.4.9.	Merger and Acquisitions	51
3.4.5.	Voting Results: Conclusion.....	52
3.4.6.	Voting Results: Recommendations	53
	CONCLUSION.....	55
	BIBLIOGRAPHY	56
	APPENDIX I: ISE30 Significant Shares and Attendance Rates.....	61
	APPENDIX II: ISE30 Voting Results	62
	CURRICULUM VITAE	74
	DECLARATION OF AUTHORSHIP	75

List of Tables

Table 2.1: Number of Companies with Foreign Capital by Year According to Their Mode of Establishment and FDI Inflows	9
Table 2.2: Savings of Domestic Investors	12
Table 2.3: Savings of Foreign Investors	13
Table 2.4: Equity Ownership by Investor Categories.....	14
Table 2.5: Minority Shareholder Protection Index	23
Table 3.1: 2010 Attendance Rates Compared to Important Shareholders	32
Table 3.2: Presiding Council	44
Table 3.3: Annual Reports and Income Allocation	45
Table 3.4 Discharge.....	46
Table 3.5: Board Election and Remuneration	47
Table 3.6: External Auditors	48
Table 3.7: Capital Authorization	49
Table 3.8: Ordinary Business	50
Table 3.9: Bylaw Amendments	51
Table 3.10: Merger and Acquisitions	52

List of Charts

Chart 2.1: Privatization Implementations by Years.....	8
Chart 2.2: Institutional Investors' Assets in Turkey.....	15

List of Graphs

Graph 2.1: Opacity vs. Equity Market Capitalization	11
Graph 3.1: Shareholder Meeting Frequency in Turkey	28
Graph 3.2: Disclosure of Participation	31
Graph 3.3: Meeting Attendance Distribution in Turkey.....	33
Graph 3.4: Ownership Structure and Voter Turnout in Turkey	34
Graph 3.5: Average Dissent per Issue	40
Graph 3.6: Number of Proposal Types in 2010 Turkey	43

List of Abbreviations

AGM	Annual General Meeting
CEO	Chief Executive Officer
CLSA	Credit Lyonnais Securities Asia
CMB	Capital Markets Board of Turkey
CML	Capital Market Law
CPI	Corruption Perceptions Index
EGM	Extraordinary General Meeting
EU	European Union
FDI	Foreign Direct Investment
FX	Foreign Exchange
GCP	Corporate Governance Principles
GDP	Gross Domestic Product
IFRS	International Financing Reporting Standards
IMF	International Monetary Fund
ISE	Istanbul Stock Exchange
ISS	Institutional Shareholders Service Inc
KAP	Public Disclosure Forum
MSCI	Morgan Stanley Capital International Inc
MSP	Minority Shareholder Protection
M&A	Merger & Acquisition
OECD	Organization for Economic Co-Operation and Development
RMG	RiskMetrics Group Inc
SEE	State Economic Enterprises
TCC	Turkish Commercial Code
TL	Turkish Lira
TSPAKB	Association of Capital Market Intermediary Institutions of Turkey
TUSIAD	Turkish Industrialists' and Businessmen's Association
UK	United Kingdom
USD	United States Dollar

ÖZET

AVRUPA BİRLİĞİ UYUM SÜRECİNDE TÜRKİYE'DE KURUMSAL YÖNETİM UYGULAMALARI: GENEL KURULLARDA OY SONUÇLARI

Kurumsal Yönetim, bir şirketin paydaşları, idaresi ve yönetim kurulu arasındaki ilişkileri tanımlayan bir dizi kurallar zinciridir. Özünde ise mülkiyet ve kontrol ayrışımından ortaya çıkan sonuçlarla ilgilenir. Fakat, bu demek değildir ki kurumsal yönetim sadece hissedarlar ile yöneticilerin arasında vuku bulur. Güçlü yönetim standartlarının varlığı sermaye ve ekonomik büyümeye kolay nüfuz hakkı sağlar. Doğru tasarlanmış yönetim kuralları adillik, şeffaflık, hesap verilebilirlik ve sorumluluk ilkelerine dayanmaktadır. İyi ve doğru kurumsal yönetimin hayata geçirilebilmesi için, özel mülkiyet hakkı, çerçeve kanunlar ve basın özgürlüğü gibi ilkeler olmazsa olmazlar arasındadır. Bir bütün olarak, kurumsal yönetim sadece şirket performansı değil, aynı zamanda toplumun ve ekonominin performans göstergesidir.

Bu çalışma Avrupa Birliği üyeliğinde ilerleyen Türkiye'deki kurumsal yönetim anlayışını ve buna verilen önemi incelemektedir. Bu doğrultuda kurumsal yönetimin ülkedeki gelişimi ele alınıp, bugünkü durum ışığında gelecek dönemler için öneriler sunulmaktadır. Yanısıra, Türkiye'deki hissedarların genel kurullara katılım seviyeleri ve oy sonuçları incelenerek, hissedar eylemciliğinin boyutları ve Avrupa Birliği ülkelerine nazaran hangi konumda bulunduğu çalışma içinde ortaya konulmaktadır.

Anahtar Kelimeler: Kurumsal yönetim, Türkiye, Avrupa Birliği, Genel kurul, Oylama sonuçları

SUMMARY

Corporate governance is a chain of a set of rules which describes the relationships between shareholders, executives and board of a company. In its essence, corporate governance deals with the results of the dispersion between ownership and control. However it is not the fact that corporate governance is an issue between only shareholders and management. It has wide social and institutional aspects. The presence of strong governance standards creates smooth penetration paths to capital and economic growth. The properly designed governance rules are based on principles of responsibility, accountability, transparency and fairness. Principles such as protection of the private property, proper functioning judicial system and freedom of press are the prerequisites for good and sound corporate governance. As a whole, corporate governance is an indicator of both a company and the society with its economy.

In that sense, this study emphasizes the necessity in Turkey to adopt better corporate governance practices during the convergence process of companies' bylaw and national law pursuant to the *acquis communautaire* of the European Union accession process. Development of corporate governance in Turkey and the future recommendations are discussed accordingly. Furthermore, the study reveals the shareholder activism in Turkey and compares it with Europe by examining the attendance levels and voting results of the general meetings.

Keywords: Corporate Governance, Turkey, European Union, General Meetings, Voting Results

INTRODUCTION

It is fair to say that corporate governance offers delightful challenges to study social market economy. If the financial markets are the linchpin of the social market economy, then corporate governance deserves to be the key, as it is a set of rules which describes the relationships between shareholders, and the managers of the company. In its essence, corporate governance deals with the results of the dispersion between ownership and control. Thus, it is an articulation of the core principle which declares that private property does not come along with possession.

However it is not the fact that corporate governance is an issue between only shareholders and management. It has wide social and institutional aspects. The presence of strong governance standards creates smooth penetration paths to capital and economic growth. The properly designed governance rules are based on principles of responsibility, accountability, transparency and fairness. In order to be governed effective and efficient, not only business world but also our institutional environment has to depend on these rules. Thus the principles such as protection of the private property, proper functioning judicial system and freedom of press are the prerequisites for good and sound corporate governance. As a whole, corporate governance is an indicator of both a company and the society with its economy.

Corporate governance became very popular trend for the businessmen in last decades. Both developed countries and emerging markets give remarkable attention to these issues. The business fiascos and bankruptcies like Parmalat in Italy and well-known Enron scandal in the US initiated efforts for companies to take action in corporate governance structures to reassure stakeholder confidence. Furthermore, not only companies but also states took further steps to call reforms for accounting and auditing implementations such as enacting Sarbanes Oxley act of 2002. Notion of 'sound corporate governance' placed at the agenda of many countries as well as companies to fulfill shareholder rights and enable better governance practices. Late 90s were the times in US to enhance this structure while old-continent Europe performed rather poorly by initiating the reforms in last four years.

In that sense, Turkey would present an interesting stage to this ongoing transformation trend. While it would be adaptation and convergence process of companies' bylaw and national law pursuant to the *acquis communautaire* in the European Union (EU) accession process; it will also present a diligence to improve competitiveness and attract foreign (institutional) investors. Just like any other chapters opened in EU – Turkey accession

process, corporate governance issues occupy an important space in to-do list of Turkish authorities. In the light of that knowledge, the study focuses on the corporate governance developments and trends in Turkey as an EU candidate country. In order to reveal the ground for shareholder activism, it poses the question of *whether investors have an option to value their rights by participating shareholder meetings in Turkey.*

The first part of the study constructs common framework of the corporate governance and argues the indispensable need for a better practice both in macro and micro levels.

Second part, which is relatively more extensive, studies the Turkish experience on corporate governance. Following a brief political and economical insight of the country, the corporate governance framework is presented together with the legal and cultural heritages. This chapter tried to highlight the obstacles before the evolution of the financial culture in Turkey by aiming ownership concentration and legislative framework. Market mechanisms are explained in the following and an overview on EU Directives and Regulations are given. Hence, the ground for the argument is established.

Next chapter of the study focuses on the shareholder rights and investor reactions (behaviours) through examining the shareholder meetings among ISE 30 companies and finally argues that Turkey has yet to evolve in corporate governance to raise the consciousness of investors. A practical implementation of the Turkey's position to corporate governance is basically illustrated in this part. A set of recommendations are also outlined for further developments in Turkey.

In conclusion part, findings are summarized and a broad evaluation of the study is presented as a usual manner.

1. Corporate Governance at a Glance

1.1. Definition

Corporate governance relates to number of various economic, social and financial determinants which makes it controversial in its definition. What constitutes corporate governance differs from an approach to another and from a country to another. Although there is a fact that no single corporate governance model is valid for every country, at least in its essence we are able refer to a set of common corporate interactions between its *internals*¹ and *externals*.² In that aspect, OECD defines corporate governance structure as the “distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and other stakeholders, ...and it spells out the rules and procedures for making decisions on corporate affairs”.³ Tirole harmonizes this clarification by suggesting a consequence when management internalizes the welfare of the stakeholders.⁴ Also Shleifer and Vishny project the shareholder aspect by stating that corporate governance is an assurance for the suppliers of finance to have return on their investments.⁵ Thus, it is hard to talk about a universally accepted single definition. However, every effort to define corporate governance comprises common elements inside. As aforementioned, it is formed around the conflict of interests of insiders and outsiders, with an emphasis on debate arising from the *ownership* and *control*. Separation between ownership and control is the key problem in corporate governance issues. Briefly, delegating the management to an agent (manager) entails the risk that the agent may not run the company in the owners (shareholders) interest.

The divergence of interest can have various dimensions such as an inefficient investment undertaken by the manager despite it is disadvantageous for shareholders. In that case, shareholders would restrain from that investment since they would be better off when the investment have not been undertaken. More likely, managers may look after their own

¹ *Internals* are subjects of the “insider model” that is oriented on stakeholders. It is mainly used by Continental Europe, Japan and most of the emerging market countries.

² *Externals* however, are subjects of “outsider model” that focuses on shareholders and it is common in Anglo-American countries like UK, US and Ireland.

³ OECD, *OECD Principles of Corporate Governance* (Paris: OECD Publications, 1999)

⁴ Jean Tirole, “Corporate Governance,” *Econometrica* 69 (2001), 1-35.

⁵ Andrea Schleifer and Robert W. Vishny, “A Survey of Corporate Governance” *Journal of Finance* 52 (1997), 737.

personal interest at the expense of shareholders or in contrast to that vice-versa may occur. Thus, the conflict of interest grows and finds itself in an idle loop.

There are two ways to mitigate the adverse effect of separation of ownership and control; first, by aligning managerial incentives through fiduciary duties and executive compensation. Secondly, through creation of a monitoring structure for boards, dispersing ownership concentration and establishing a market for corporate control. In that sense, governance mechanism can be classified as external and internal tools. Mechanisms that are outside of the company are able to constitute an external governance framework. They can be named as legal rules, norms and market practices, public opinion and auditors. Moreover, the mechanisms that are inside the company, like large investors, board of directors and executive compensations may impose firm to structure its attitudes. In a nutshell, they are all together called corporate governance.

1.2. Why Need Corporate Governance?

This part of the study will focus on the motivations behind corporate governance and assess the benefits of good governance for the companies at micro level and for the countries at macro level.

1.2.1. Micro Level

Before getting into corporate governance, we have to find out the reason behind public offerings. Why do companies go public?

Firms issue new shares and distribute it to people because it is a way to increase company's base capital. Going public is an alternative to traditional financing methods of borrowing from bank or waiting for a silver spoon. It increases growth, development and investment while promoting the recognition of the company. Concisely, going public is an opportunity. So, companies which adopted better corporate governance practice would benefit ample opportunities. An idol of a good governance corporation would access more stable source of financing by borrowing larger sums with more favorable conditions than poorly governed companies. Consequently, good practice will have lower capital cost. The advanced source of external capital results in larger investment returns that bring rapid growth and development along. It also allows better allocation of resources and better management owe to the transparency inside the company. Sound corporate governance eliminates corruption, fraud, tunneling and many other issues that may lead to collapse of the company.

To sum up, good corporate governance and best practices would bring along following benefits to companies; i) low capital cost, ii) liquidity and further development possibilities, iii) shield for crises, iv) better reputation and increased credibility, and v) eliminating risk factors.

There are large number of researches and empirical studies that focus on the correlation between a company's performance and its corporate governance practices. Klapper and Love stress the high correlation rate between performance and governance in company's valuation.⁶ Their study that based on firm level corporate governance ranking across 14 emerging markets shows that better corporate governance is highly related with better operating performance. In 2001, Credit Lyonnais Securities Asia (CLSA) conducted a survey on 495 firms from 18 sectors in 25 markets and concluded that stocks of the companies with better corporate governance practices have higher price appraisals. It showed that total average return for the top 100 largest companies in emerging markets was 127% while the return for in the top corporate governance quartile ranking was more than 267%.⁷ Another survey conducted by McKinsey and Company in 2002 indicates that majority of the shareholders are willing to pay a premium for a good governed company. Also same study reports that family-owned companies are resisting corporate governance reforms since they are convinced that these reforms are not for their own interest.⁸ There also some other studies analyze the results of poor corporate governance in the terms of weak legal systems. According to Claessens growth rate of small and medium sized enterprises are adversely affected by the less protection of shareholders and property rights.⁹ When the legal systems are weak, then cost of the capital is high.

1.2.2. Macro Level

In addition to the correlation between good corporate governance and improved company performance, there is also a similar tendency in macro level. Effective corporate governance would bring healthy financial markets along, as well as an economic development that rephrases rules, principles, and codes of companies to meet the challenges of contemporary market. Implementation of best corporate governance practice promotes know-

⁶ Leora Klapper and Inessa Love, "Corporate Governance, Investor Protection, and Performance in Emerging Markets," *Journal of Corporate Finance* (Elsevier, 2004), vol. 10(5), 703-728.

⁷ UNCTAD, *Review of the Implementation Status of Corporate Governance Disclosures and the Role of Such Disclosures in Adding Sustainable Value* (Geneva: UNCTAD Secretariat, 2004), 15.

⁸ McKinsey and Company, *Global Investors Opinion Survey on Corporate Governance* (London, 2002).

⁹ Stijn Claessens, *Corporate Governance and Development* (Oxford University Press, 2006).

how and technology transfers, enhances import and export volumes, improves legislation and judiciary system and establishes trust among the global partners. Corporate governance principles assist a country to; i) establish a better image, ii) higher level of prosperity, iii) prevent outflow of domestic capital, iv) increase foreign direct investments and competitiveness, v) sustainable development, and vi) financial austerity against crises.

Various researches and empirical studies verified the positive effects of corporate governance on macro level. For instance, McKinsey and Company stated in its survey that more than 80 percent of the policymakers argue that corporate governance reforms have serious economic benefits.¹⁰ The reason is that, investors identify risks at three levels¹¹ and the biggest impact on their investment decisions are taken on the broad country level factors such as property rights, pressure on corruption, bankruptcy regulations, fiscal environment and banking system.¹² Given that the corporate governance reform is a solution for above mentioned situations, the benefits unfold step by step.

Studies discussed above present the impact of the good governance practices on the performance of the enterprises and states, as well as increasing shareholder value in the long run. Whether it is considered in micro level or taken into account at macro level, corporate governance occupies an important space in our agenda.

2. Corporate Governance in Turkey

2.1. Political, Economical and Financial Environment

In order to understand the business structures and the company cultures in Turkey, we need to take a historical look to the Turkish corporate governance system. A brief overview on the foundations of the capital market and the legacy of the economical transformation of the country would be a fundamental starting point for this chapter.

The period between the establishment of the Republic (1923) and the early in 1980s is considered as the import-substitute and state-oriented planned economy. Almost six decades of the economy in Turkey based upon the state economic enterprises' (SEEs) domination. SEEs are dated back to 1930s where the strong debates on the liability of the market system

¹⁰ McKinsey and Company, *Emerging Market Policymaker Opinion on Corporate Governance: Key Findings* (London, 2002).

¹¹ Three levels of risk are corporate factors, capital market factors and broad country level factors.

¹² McKinsey and Company, *McKinsey Global Investor Opinion Survey on Corporate Governance* (London, 2002), 9.

were appeared along with the direct impact of Great Depression on Turkish economy. Therefore, first attempts on establishing a modern economy and institution building efforts were oriented around the concerns of optimal resource allocation.¹³ While the SEEs were being promoted and enlarging in size by the government supports, competition and the opportunities for newcomers minimized to the lowest level. State intervention and restrictions on market entry prevented the development of private sector and monopolized the economic environment. State was the owner and the only manager of the large industrial firms.¹⁴ Also, low demand on private investment capital led the state to guarantee the careless credit flows for private equity financing which was in line with the government sponsorship for private sector through subsidized loans and government contracts¹⁵. Many of the leading industrial giants of the modern Turkey had followed the same path during 1950s and 1960s by establishing close relations with the government and bureaucrats.

Following the period of “experiments with planned economy” years, 1980s were presented as a new age where the economic liberalism was on the stage.¹⁶ By the early 1980s, the government policy in Turkey shifted from protectionism to liberally fostered export-led system. Structural adjustment reforms started to take place in order to establish a liberal market economy. Hence, as an eventual consequence of a liberalizing etatisme, privatization process began within the 1985 as it has been one of the most fundamental reforms on the agenda of many other nations. It was not only a tool to remove the financial and administrative burden of SEEs on national budget, but also an attractive offer for investors to contribute the development of capital markets in Turkey.

Hence, many state-owned enterprises moved in the private sector through block sale, public offering or asset sale, and the process is still carried on by the Privatization Administration of Turkey. The authorities have declared total of gross USD 38.62 billion revenue from the privatization process between 1985 and 2010.¹⁷ In line with the liberalization of the economy, Capital Markets Board of Turkey (CMB) and Istanbul Stock Exchange were established following the enactment of Capital Markets Law in 1981.

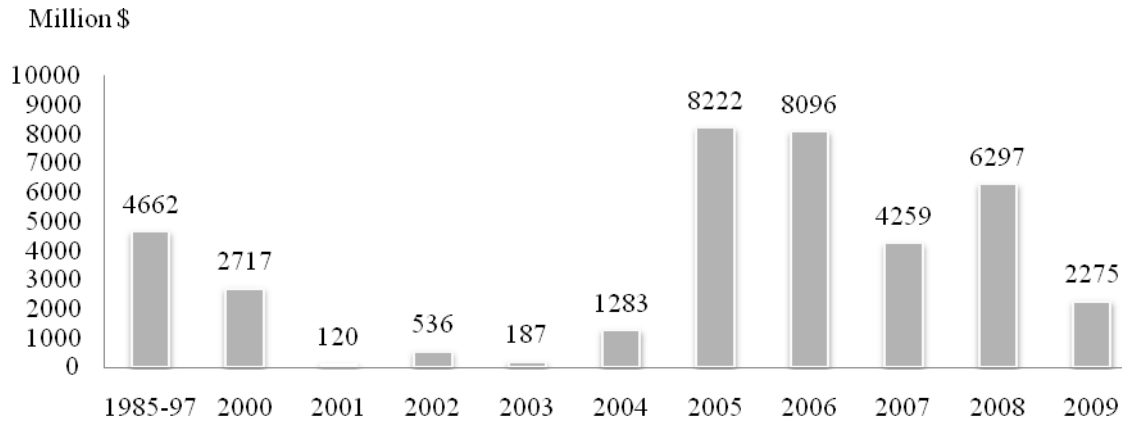
¹³ Ayşe Buğra, *State and Business in Modern Turkey: A Comparative Study* (New York: State University of New York Press, 1994), 100.

¹⁴ Elif Gönencer, “Development of Corporate Governance in the European Union and in Turkey as a Candidate Country: An Assessment of Theoretical, Legal and Practical Aspects” Dissertation Thesis (Paris, 2008), 98.

¹⁵ Institute of International Finance Equity Advisory Group, “Corporate Governance in Turkey – An Investor Perspective” *Task Force Report* (Washington DC, 2005), 6.

¹⁶ Ayşe Buğra, *State and Business in Modern Turkey: A Comparative Study* (New York: State University of New York Press, 1994).

¹⁷ Privatization Administration Official Website, <http://www.oib.gov.tr> Accessed on 06.09.2010



Source: *Republic of Turkey Prime Ministry Privatization Administration, 2010*

Chart 2.1: Privatization Implementations by Years

On the other hand, liberalization endeavours have not always been encouraging for private investments. High budget deficits financed by central bank lending caused hyperinflation rates reaching 50 percent in 1980s and 70 percent in 1990s. Real interest rates escalated over 30 percent and eventually led stagnation in economic growth. Furthermore, incompetent governments were interrupted by military interventions and short-winded administrations created an unstable political environment which peaked interest rates further and suppressed private sector investments.¹⁸ Instable atmosphere in macroeconomic environment created diversified business groups as industrial-financial conglomerate structures. Burcin Yurtoglu states the period of 1987 – 1997 as a restructuring phase for large shareholders in Turkish companies to create their ownership within business groups.¹⁹ Family-owned enterprises turned into cross-holdings and pyramid structured groups and now almost every private bank is under control of conglomerates which consists of financial and industrial family companies.²⁰

Turkish economy was hit by the deepest economic crises of its history in early 2001. Credit volume declined by almost 50 percent because of the crowding out impact of the high public borrowing and fragile banking sector opting for attractive returns offered by

¹⁸ Institute of International Finance Equity Advisory Group, “Corporate Governance in Turkey – An Investor Perspective” *Task Force Report* (Washington DC, 2005), 6.

¹⁹ Burçin Yurtoglu, “Ownership, Control and Performance of Turkish Listed Firms” *Empirica* 27-2 (Springer, 2000), 193-222.

²⁰ *Ibid.* 195.

government.²¹ Right after the 2001 crises, IMF receipt for recovery was undertaken through a number of reforms, particularly on bank restructuring. IMF sponsored program carried the country to another stage where the annual growth rate reached 7.25 percent between 2002 and 2006.²²

Besides, inflation rate was pushed down fewer than 10 percent following the implementation of reforms. Eurostats statistics indicate the 2009 annual inflation rate in Turkey as 6.3 percent whereas it was stated as 56.8 percent in 2001. Also after 2001, Turkey performed a constant growth in GDP, which is very in line with the global trend, until the last global crises. The World Bank reports GDP per capita in Turkey equivalent to USD 8,248 which increased 140 percent between 2002 and 2010.²³

Table 2.1: Number of Companies with Foreign Capital by Year According to Their Mode of Establishment and FDI Inflows

Year	Company Establishment	Participation	Branch Office	Total	FDI Inflows (USDMillion)
1954-2002 (Cumulative)	4,221	871	202	5,294	9,551(est.)
2003	800	198	31	1,029	1,702
2004	1,440	446	62	1,948	2,785
2005	2,081	478	62	1,948	10,031
2006	2,473	633	63	3,169	20,185
2007	2,913	655	61	3,629	22,046
2008	2,695	638	64	3,397	18,187
Total	16,623	3,919	537	21,079	

Source: *Turkish Undersecretariat of Treasury, 2009*

The blossoming financial environment and the (re)kick-started accession process towards EU promoted the sense of trust in economy and eventually attracted the foreign investors. Sure that, above mentioned privatization also determined the feasibility of this progress. Since 2005 Turkey is performing an upsurge in inward foreign direct investment (FDI) flows. The dominant motive in this trend has been the merger and acquisitions (M&A)

²¹ Melsa Ararat and Mehmet Uğur, "Corporate Governance in Turkey: An Overview and Some Policy Recommendations" *Corporate Governance: International Journal of Business in Society* 3-1 (2003), 63.

²² Elif Gönençer, "Development of Corporate Governance in the European Union and in Turkey as a Candidate Country: An Assessment of Theoretical, Legal and Practical Aspects" Dissertation Thesis (Paris, 2008), 95.

²³ The World Bank Statistics, <http://data.worldbank.org/country/turkey> Accessed on 03.10.2010

and privatization process. The number of companies operating with FDI between 1954 and 2002 was 5,294 whereas it has risen to 21,079 as of 2008. 81 percent of these are companies and branch offices established by foreign capital and 19 percent are domestic companies which were participated by foreign capital. These firms are operating mostly as financial intermediaries and transportation and communication companies. Furthermore, the number of companies with foreign capital has parallel progress with the FDI inflows to Turkey, which was at the level of USD 22.0 billion in 2007, slightly declined to USD 18.2 billion in 2008.

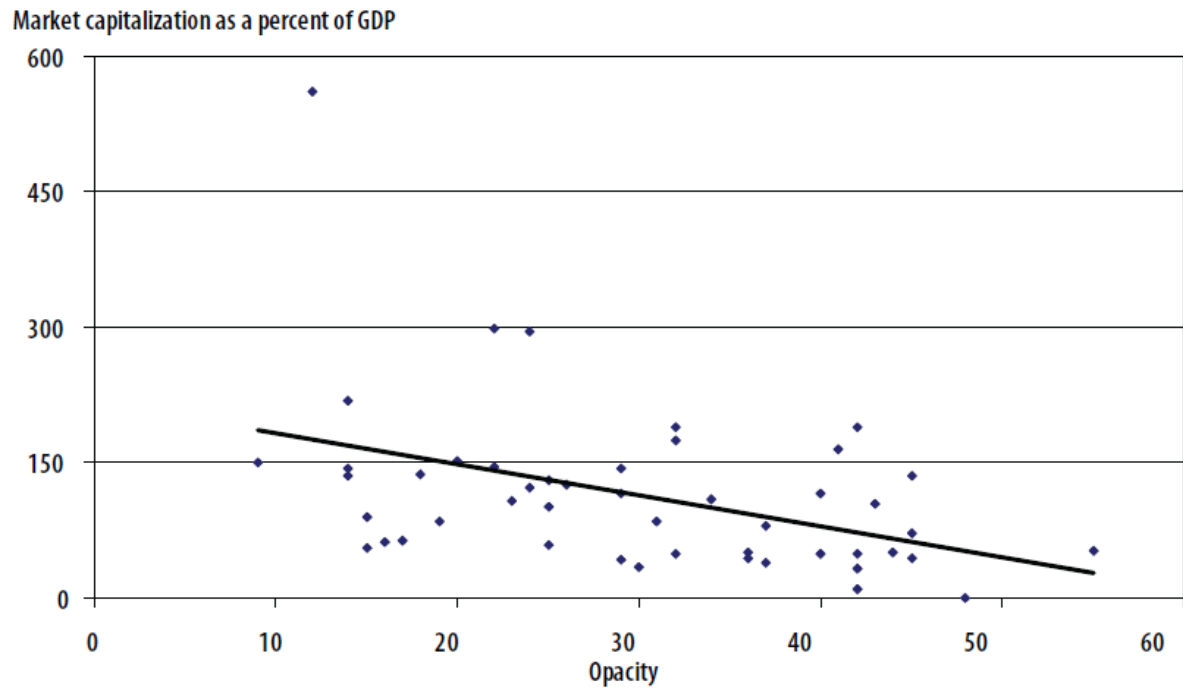
On the dark side of the moon, Turkey is described as country of conflicts and uncertainties. Remarkable underperformance of Turkish economy and lagging capital market is closely related with investor and analyst perceptions of Turkey's governance structure.²⁴ Transparency International ranked Turkey 58th on the 2008 Corruption Perceptions Index (CPI) that listed 180 countries around the world. On a scale from zero (highly corrupt) to ten (very clean), Turkey shared the score at 4.6 with Poland and Lithuania. Furthermore, Milken Institute's Opacity Index 2009 which deals not only with Public sector, ranked Turkey 31st among 48 countries between Mexico and Italy. This index is composed of corruption, legal system inadequacies, economic enforcement policies, accounting standards, corporate governance and regulation.²⁵

The opacity or/and transparency level of a country is correlated with the competitiveness of its market. First of all, researches on transparency and GDP growth draw an analogy with each other. If the transparency level in a country is low (or opacity is high), it is more likely that wealth would be in the possession of a single group or community where the egalitarian distribution of income cannot be achieved. In accordance with that, the levels of foreign direct investment and equity capitalization will be suppressed due to contentious nature of the country. Graph 2.1 on opacity and equity market capitalization illustrates the nature of capital accumulation fostered with better opacity rates.

In short, transparency is a must that has to be obtained in order to attract foreign investment and develop in capital markets.

²⁴ Melsa Ararat and Ceyhun Göcenoğlu, "Drivers for Sustainable Corporate Responsibility, Case of Turkey" *Sabancı University Corporate Governance Forum* (2006), 3. Available at www.csr-weltweit.de/uploads/tx_jpdnloads/CSRTurkeyMDF5.pdf 03.11.2010

²⁵ Joel Kurtzman and Glenn Yago, *2009 Opacity Index: Measuring Global Risks* (Milken Institute, 2009), 1.



Source: *Milken Institute, Opacity Index 2009*

Graph 2.1: Opacity vs. Equity Market Capitalization

It is widely known that opacity and corruption levels are highly related with the role of the state in economy and its interaction with business. In that sense, Whitley categorizes Turkey as an example of state dependent business system.²⁶ Many conglomerates, majority of the private sector had idiosyncratic conditions in their developments. As early mentioned, most of the giant companies in Turkey had close relations with governments but their positioning in Turkish society had not intercepted with individuals so lately. The concept of shareholder values is really a new notion and it has just started to be voiced in society. The businessmen in Turkey are still trying to establish their role in society. However the sense of apology about their wealth and the public doubts on their fortune lead these gigantic companies to strive for pursuing legitimacy in society. As a result, most of the companies spare an agenda item at their annual meetings to inform shareholders about their charities and donations.

²⁶ Richard Whitley, "Dominant forms of economic organization in market economies" *Organization Studies* 15-2 (1994), 153-152.

2.2. Capital Market Environment

Foundations of modern securities market in Turkey dates back to 1980s and therefore the financial services industry is an early stage of development.²⁷ It is basically dominated by the banking sector via deposits that covers 72% of the domestic investment shares alone with domestic (TL) and foreign (FX) currency deposits. Non-banking financial institutions such as mutual funds, insurance companies and private pension account less than 7% of financials in domestic investment environment. Government borrowing in bonds followed a trend of 10% in 2010 with a slight decline compared to 2008 and 2009. Equity investments, or on the other words common stocks, only constitutes 7% of the domestic savings. The table below also presents the up-rise in capital markets of Turkey. Savings keep increasing since the 2008 crisis and by the 2009 total savings reached to TL 748.115 million with a 22% increase in total.

Table 2.2: Savings of Domestic Investors

Residents' Investment Breakdown				
Million TL	2008	2009	2010/06	2010 Share
TL Deposits	268.803	305.201	328.393	51%
FX Deposits	127.823	139.334	133.807	21%
Participation Bank Funds	18.796	26.625	28.879	4%
Bonds/Bills	62.747	64.761	59.955	9%
Eurobonds	4.478	5.237	5.037	1%
Mutual Funds	24.200	29.606	29.562	5%
Repo	2.199	1.383	1.983	0%
Pension Funds	6.042	9.105	10.348	2%
Equities	19.623	40.666	45.551	7%
Total	534.711	621.918	643.515	100%

Source: TSPAKB, *Capital Market Factsheet 2010*

As of June 2010, foreign investors hold 18% of the total savings. According to Table 2.3 below, foreign investors have different preferences. Equities occupy 61% of the foreign investment portfolio, while deposits are limited to 10%. That also reveals the foreign investor dominated free-float equity market in Turkey.

²⁷ Lalit Raina, Marie-Renée Bakker, *Non-bank financial institutions and capital markets in Turkey: World Bank Country Study* (Washington: World Bank Publications, 2003).

Table 2.3: Savings of Foreign Investors

Non Residents' Investment Breakdown				
Million TL	2008	2009	2010/06	2010 Share
Equities	35.417	82.631	89.529	61%
Bonds/Bills	30.221	30.765	39.797	27%
Eurobonds	927	1.227	1.426	1%
Deposits	9.972	11.574	15.161	10%
Total	76.537	126.197	145.913	100%

Source: TSPAKB, *Capital Market Factsheet 2010*

2.2.1. Equity Market: Istanbul Stock Exchange

Istanbul Stock Exchange (ISE) was established in 1985. It is a quasi-governmental institution that the Chairman is appointed by the government but the other four board members are elected through the general assembly. In that sense, ISE is a semi-autonomous establishment with a self-governing budget but binding on CMB on major decisions. Its main purpose is to ensure a secure and stable environment for security trades. There are three core markets at ISE, respectively Stock Market, Bond and Bills Markets, and Foreign Securities Market.²⁸ Following parts of the study will focus on Stock Markets as it is the one related to Corporate Governance.

To assess the market value of a company, its share price is multiplied the number of outstanding shares. Thus, sum of the domestically listed companies' market value gives the market capitalization of a country. Market capitalization of 334 listed companies in Istanbul Stock Exchange was reported as USD 246.72 billion in 2010 which is equivalent to 39 percent of the GDP.²⁹ In Europe, market capitalization of listed companies' ratio to GDP is equal to 47 percent and it goes up around 128 to 105 percent in developed countries like in United Kingdom and United States.³⁰ The development since 2001 economic crisis points a

²⁸ Alparslan Budak and Gokben Altas, *The Structure of the Turkish Capital Markets 2010*, ed. Ekin Fikirkoça (Istanbul: TSPAKB, 2010), 32.

²⁹ Capital Markets Board of Turkey, *Recent Developments in Turkish Capital Markets: Bulletin of the Capital Markets Board of Turkey* (Istanbul: CMB, 2010), 2.

³⁰ The World Bank, *World Development Indicators 2009*
<http://data.worldbank.org/indicator/CM.MKT.LCAP.GD.ZS> Accessed on 17.10.2010

growing interest in the Turkish stock exchange and stimulates better corporate governance, stronger regulations and market-related information.³¹

In short, compared to Europe and other financial centres, Istanbul Stock Exchange represents a young but developing market which offers investment opportunities to both international and domestic investors.

2.2.2. Investors

An investor is basically an individual or a company that buys and sells the possible financial assets in financial markets. According to Bulletin of the Capital Markets Board of Turkey published in September 2010, there are 1,030,418 investors in ISE.³² As of June 2010, 67% of the total portfolio is foreign oriented.³³ Besides the national categorization, investors can also be separated as Institutional Investors, Corporate Investors and Individual Investors.

Table 2.4: Equity Ownership by Investor Categories

Investor Category	Portfolio Size (TL)	Share in Total Portfolio
Domestic/Institutional	4.617.069.485	3,71%
Domestic/Corporate	11.469.681.657	9,23%
Domestic/Individual	24.504.644.426	19,72%
Domestic/Total	40.591.395.568	32,66%
Foreign/Institutional	59.588.535.566	47,94%
Foreign/Corporate	23.667.259.473	19,04%
Foreign/Individual	440.567.541	0,35%
Foreign/Total	83.696.362.580	67,34%
TOTAL	124.287.758.147	100,00%

Source: TSPAKB, *Capital Market Factsheet 2010*

The rapid developments in cross-border flows have brought changes at the investor base. Institutional investors (pension funds, insurance companies, and mutual funds) have become more important actors in global financial markets, challenging the dominant position of banking system as the household savings are becoming controlled more through

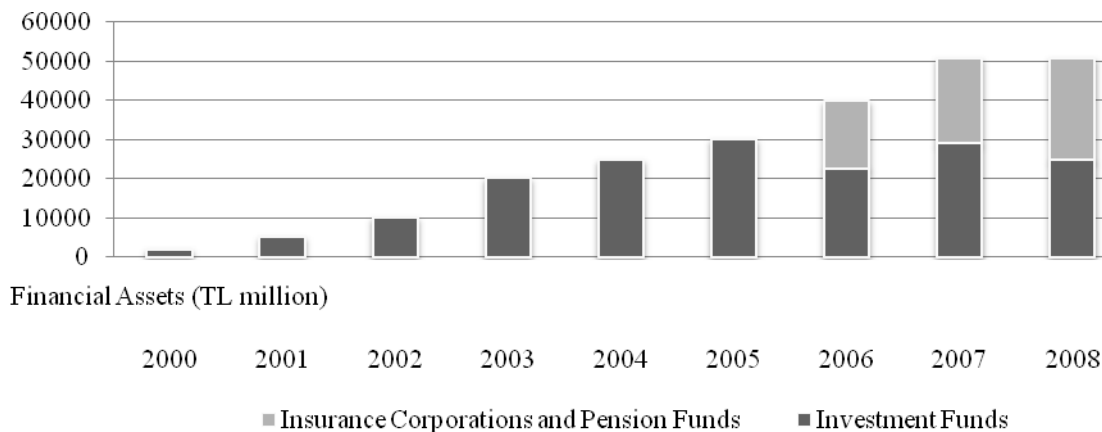
³¹ The World Bank, *Turkey Investment Climate Assessment: From Crisis to Private Sector Led Growth* (2010), 54.

³² Capital Markets Board of Turkey, *Recent Developments in Turkish Capital Markets: Bulletin of the Capital Markets Board of Turkey* (Istanbul: CMB, 2010), 2.

³³ See Table 2.2, Table 2.3 and Table 2.4.

institutional investors. As a consequence of ageing population, due to rise in longevity and decline in fertility, a larger proportion of household savings are shifted to privately funded pensions and life insurance policies that provide broader financial base to institutional shareholders.³⁴ Assets of these investors increased from around USD 21 trillion in 1995 to about USD 53 trillion in 2005.³⁵

However, emergence of institutional investors in Turkey is lagged behind the financial markets. The table below illustrates that insurance companies and pension funds are relatively a brand new phenomenon in Turkey, as it only started to accumulate financial assets in 2006, whereas the legislation on individual pension system enacted in 2001.



Source: *OECD.Stats2010*

Chart 2.2I: Institutional Investors' Assets in Turkey

As a result of immense spread of institutional shareholders in equity markets, they became very important external control mechanisms over managements of companies. They hold more assets than individual investors and more controlling rights thereof. In contrast to individual investors, institutional shareholders are more likely to contribute in sound corporate governance practices as they have less volume in equity trading despite the large amount of shares they own.³⁶

³⁴ Committee on Global Financial System, *CGFS Papers No 27: Institutional Investors, Global Savings and Asset Allocation* (Bank for International Settlements, 2007), 35.

³⁵ Ceyla Pazarbaşıoğlu, Mangal Goswami, and Jack Ree, "The Changing Face of Investors," *Finance and Development* (2007), Vol.44 Nr.1

³⁶ Alparslan Budak and Gokben Altas, *The Structure of the Turkish Capital Markets 2010*, ed. Ekin Fikirkoça (Istanbul: TSPAKB, 2010), 57.

2.3. Corporate Governance Framework

Corporate governance in Turkey is formed by the characteristics of the Turkish capital market and one of the most important factor that determines the features of capital markets is the legal systems. Legal systems are basically divided into two as Anglo-Saxon (common law) and European Continental legal system (civil law) whereas European legal system has sub-systems such as French, German and Scandinavian civil laws. La Porta *et al* states that the countries under French legal system have the least protective approach to the minority shareholder rights.³⁷ Turkey is a country which follows French tradition. The basis of the corporate governance legislative framework in Turkey, the Turkish Commercial Code, was adopted from French Commercial Code and altered in early days of republic with the articles taken from German, Italian and Swiss law. Although the latest version of Capital Markets Law which provides legislative framework for market activities and establishes the Capital Markets Board of Turkey, have provisions taken from Anglo-Saxon legal system, it has still roots in civil law.³⁸ So, if the legal protection itself is not sufficient to give enough control rights to small investors; like in the case of Turkey, then investors will have tendency to going large by owning more shares in the company.³⁹ In accordance with this situation it is easy to observe high concentration of ownership in Turkish companies.

2.3.1. Ownership Concentration

Similar to other emerging market economies, largest Turkish companies are mostly family-owned ones. The business in Turkey is dominated by either a single family or small number of affiliated families. A single shareholder has the control over more than half of the voting rights in the 45 percent of the listed companies at ISE.⁴⁰ Albeit the data in various researches vary, the family ownership in Turkish companies is reported around 75 percent. According to latest 2010 data derived from the Association of Capital Market Intermediary Institutions of Turkey (TSPAKB), there are 334 different securities listed in ISE, having 279 of the companies with an average free float rate of 31.9% in market capitalization.⁴¹ If we

³⁷ Rafael La Porta et al., "Legal Determinants of External Finance," *The Journal of Finance* 52-3 (1997), 1131-1150.

³⁸ Melsa Ararat and Mehmet Uğur, "Corporate Governance in Turkey: An Overview and Some Policy Recommendations" *Corporate Governance: International Journal of Business in Society* 3-1 (2003), 68.

³⁹ Andrea Schleifer and Robert W. Vishny, "A Survey of Corporate Governance" *Journal of Finance* 52 (1997), 753.

⁴⁰ Institute of International Finance Equity Advisory Group, "Corporate Governance in Turkey – An Investor Perspective" *Task Force Report* (Washington DC, 2005), 7.

⁴¹ TSPAKB, *Capital Market Factsheet* at www.tspakb.org.tr Accessed on 06.10.2010

consider the low number of institutional shareholders in the ISE which is 7% in total,⁴² the rest of the stocks in market certainly belong to the families or holdings.⁴³ Yurtoğlu defined the existence of diverse companies under common ownership as the “*business groups*”.⁴⁴ According to his study, largest corporations in Turkey are allied in business groups and organized around a core holding company where the resources can be evenly distributed under this coherent body.⁴⁵ In order to realize the breakdown of these groups in market, ISE presents a good study. In 2008, three largest business groups in Turkey (Koc Group, Sabancı Group and Is Bank) had the 33 percent of the volume in stock exchange market. Associated companies in this business groups are usually operating at irrelevant sectors in order to disperse the risk factors.

The separation of control and ownership is achieved by (i) pyramidal ownership structure, (ii) complex inter-corporate shareholdings or (iii) establishing coalitions with other families or foreign investors.⁴⁶ Typically in Turkish experience, chain of ownership started at the top of the pyramid and cascaded downward in the correlation with the given amount of invested capital. Having the high ownership concentration on a single entity, the control is held by top of the hierarchy.

Relationship between ownership structures and the good corporate governance practices is a matter of debate. In the first place, separation of ownership and control was considered as a source of agency problem among large and minority shareholders when the interests of the owners diverge from the directors’ and managers’.⁴⁷ So, ownership concentration was required to disarm both agency and *free-ride* problems. However, when the performance outputs of US and UK markets overwhelmed the old continent Europe, since their free float rate is drastically higher than the European companies; the ownership trend raised a question mark in minds. Hence, higher free float means the better governance

⁴² *Ibid.*

⁴³ Also 14 percent of the companies have golden shares in their capital structure. Typically, firms which have been privatized and have strategic importance such as Turkiye Petrol Rafinerleri A.S. that provides fuel to Turkish armed forces or Turk Telekom which is the key telecommunication operator, have golden shares in their capital.

⁴⁴ Burçin Yurtoğlu, “Ownership, Control and Performance of Turkish Listed Firms” *Empirica* 27-2 (Springer, 2000), 193-222.

⁴⁵ *Ibid.* 196.

⁴⁶ *Ibid.* and Serap Atakan et al., “Implementation of good corporate governance in Turkey: The case of Dogan Yayin Holding” *Human Systems Management*, 27-3 (2008), 201-216.

⁴⁷ Adolf A. Berle and Gardiner C. Means, *The Modern Corporation and Private Property* (1932; reprint, Transaction Publishers, 1991).

because *democratization of the ownership and transparency on data* are the key factors in implementing free-float.⁴⁸

Nevertheless, the study of Gursoy and Aydogan on the impact of concentrated ownership level revealed that the higher concentration leads to a better market performance in Turkey in the sense of average returns and earnings per share, whereas it causes lower accounting performance being return on assets.⁴⁹ Ownership concentrations is a key determinant in Turkey but legal framework that protects investors have more gravity. Himmelberg *et al.* states that in countries like Peru and Turkey where the investor protectionism is weaker, the ownership structure is solid and stronger.⁵⁰ Thus, by dissolving ownership structures to some extent and promoting large shareholders as well as minorities, the initiatives before investor protectionism and good corporate governance would be enacted.

In that sense, next section deals with legal framework of the corporate governance issues in Turkey.

2.3.2. Legal Framework and Institutional Bodies

Turkish Commercial Code (TCC), Capital Market Law (CML) and Capital Markets Board of Turkey (CMB) are the main three regulators on corporate governance issues in Turkey. In its legal framework and law enforcement, Turkey is witnessing severe problems. First of all, it is slow, complicated and costly. By the amendment to CMB enforced in 1999, it is empowered to resort administrative pecuniary punishment as well as suspension and delisting of companies. Also legal prosecution can be applied. However CMB decisions often appealed to the Supreme Court where they may be overturned. In addition to that, average time required between first verdict and appeal is approximately one year.

In accordance with integration in international markets and increasing number of foreign investors, corporate governance practices are required to be developed and enhanced. First domestic reaction to this requirement was from Turkish Industrialists' and Businessmen's Association (TUSIAD) by proposing its *Corporate Governance Code of Best Practice: Composition and Functioning of the Board of Directors* in May 2002. Even though

⁴⁸ P. Chandra Biswal, "Free-float Sensex is a Better Index" *ISID Working Papers 2003/3* (New Delhi: Institute for Studies in Industrial Development, 2003).

⁴⁹ Gursoy and Aydogan 2002, quoted in Halit Gönenç, "Ownership Concentration and Corporate Performance: A Simultaneous Equation Framework for Turkish Companies" *Forthcoming Chapter in the Turkish Economy* (Routledge, 2007).

⁵⁰ Charles P. Himmelberg et al., "Understanding the Determinants of Managerial Ownership and the Link Between Ownership and Performance." *Journal of Financial Economics* 53-2 (1998), 353-384.

it only deals with the one aspect of the corporate governance principles, it may be considered as the first initiative that is taken by the businessmen in Turkey. Capital Markets Board of Turkey also initiated a project for creating its own Corporate Governance Principles (CGP) by setting up a work group responsible on defining the local conditions for corporate governance and proposing best guides to adjust the companies in line with the global practices. This working group was composed of experts from various institutions and non-governmental organizations such as ISE, Corporate Governance Forum of Turkey and TUSIAD. The pivot point for this set of principles was the OECD Corporate Governance Principles that declared in 1999.

2.3.3. Corporate Governance Principles of Turkey

Finally, in 2003 CMB has issued the Corporate Governance Principles of Turkey and amended in 2005 parallel to the revised OECD Principles. “Comply and explain” approach is the basis of these principles. Due to this approach, listed companies are required to disclose a Corporate Governance Compliance Report. If they are not willing to do, they have to state their reason and explain whether there are any plans to alter this attitude in following years. In addition to that, some other predetermined principles are only recommendations and they *may* be subject of “comply and explain” approach in medium or long run. The principles are categorized in four core sections; shareholders, disclosure and transparency, stakeholders and board of directors.

First part deals with the shareholders’ rights and their equal treatment. It covers the rights of voting, participation in meeting, obtaining information and having dividend and minority rights. Briefly, the remarkable changes introduced by the CGP include the requirement that the board presents detailed information of proposals ahead of shareholder meetings. This recommendation includes time mannerly disclosure of the annual report, dividend proposals, draft texts of amendments to company bylaws, and information on proposed candidates to the board of directors. However, under current terms of practices, this information is rarely made available ahead of shareholder meetings.

The Principles also make strong recommendations supporting the adoption of a ‘one share - one vote’ principle in Turkish companies. Consequently, the CGP stands against voting ceilings, privileged voting rights, and other violations to this principle. Under current practices, Turkish companies frequently employ a multiple share class structure conferring different sets of voting rights. They are determined as share classes for founding members (family), contributing partner (foreign allies) and free-float. Additionally, the CGP stresses

the use of electronic means to promote disclosure to shareholders and recommend measures to ensure equal treatment of foreign shareholders and facilitate proxy voting, which remains a cumbersome administrative process in Turkey because of vote-blocking compulsion.

Disclosure and transparency section discusses the principles for establishment of information policies in companies with respect to shareholders such as periodical financial and statutory statements, annual reports and functioning of audits. The framework also comes up with strict recommendations for disclosure of transactions with related parties since one of the reasons of 2001 crises is seen as the “tunnelling” of the non-transparent companies.

Third section, namely stakeholder part, regulates the relations between company and the interest groups who are related to the company through its objectives or operations. The CGP advocates the need for companies to establish mechanisms to encourage participation of stakeholders in the management of the company. The recommendations in this section aim for companies to set formal policies on their dealings with interested parties and handling any conflicts of interest thereon. This part contains ethical and social responsibilities of the company.

Last section includes principles on functions, duties, composition, independence, remuneration and responsibilities of board members and committees, having most extensive and comprehensive set of recommendations. The CGP recommends that at least one third of board members and no fewer than two should be independent. Additionally, the establishment of audit and corporate governance committees is clearly outlined and recommendations for their composition put forward. These committees should generally consist of at least two, preferably independent, directors. Finally, the CGP provides general guidelines for director and executive remuneration.

2.3.4. ISE Corporate Governance Index

In order to contribute in the development of better corporate governance practices in Turkey, the ISE has established a stock index to benchmark the performance of companies whose strong governance practices have been confirmed by independent ratings agencies. Calculations of the index started in 2007 and it currently comprises 12 listed companies that have met certain standards in the area of compliance with corporate governance best practice guidelines set out in the CGP. To remain in the index, companies must be reviewed on an annual basis and their continued compliance with best practice confirmed. Although the level of interest in this index still remains relatively low, the CMB continues to encourage

companies listed on the ISE to obtain a rating of their corporate governance practices as a way to increase their attractiveness to foreign investors. As an incentive of participation, ISE offers discounted listing fees to all companies attaining membership in this index. For the companies listed in ISE Corporate Governance Index, the annual listing and registration fee is discounted by 50 percent of the tariff for the first two years and increases to 90 percent over time.⁵¹

2.3.5. The Draft Turkish Commercial Code

In recent years, an overall effort to modernize company law in Turkey has concluded in the draft Turkish Commercial Code. The draft TCC contributes to corporate governance principles and practices in Turkey by providing many concrete solutions to existing inadequacies in corporate legal provisions. The proposals are expected to bring Turkish practice further in line with corporate governance frameworks in more established markets in Europe. Although originally scheduled to come into force in 2007, its final approval by Parliament and wider implementation has been delayed and is expected by late 2010. Some of the key changes that foreign investors are anticipating by the implementation of the draft TCC are highlighted below:

- Companies will be required to set up a website, a provision aimed at improving disclosure of information to shareholders. Companies may publish corporate information, documents, reports, statements, and meeting announcements on their websites. The draft TCC also specifies the information that must be included in the company's annual report and establishes a timetable for its publication and submission for shareholder approval at annual meetings.

- Shareholder rights will be increased by introducing the possibility of online attendance and voting at shareholder meetings. This will improve shareholder participation at company meetings and fill the existing power vacuum to reinforce shareholder control of company affairs. Shareholders will also be granted the right to request information from the company's board of directors.

- Provisions for 'multi-company groups' will be introduced. These guidelines will deal with entities formed when a corporation, directly or indirectly, is in control of or able to exercise the majority of voting rights in another corporation. By explicitly defining "multi-company groups," the legislation aims at achieving transparency, accountability, and a balance of interests in transactions between the parent and affiliate companies. This provision

⁵¹ ISE Official Website, <http://www.ise.org/Indexes/StockIndexesHome/CorporateGovernanceIndex.aspx>
Accessed on 06.10.2010

is expected to regulate the conglomerate model characteristic of Turkish businesses by improving the rights of shareholders and affiliated companies to contest actions taken by parent companies.

- The statutory audit requirement currently imposed on joint stock corporations in Turkey will no longer apply. Under the system prescribed by the draft TCC, auditing of joint stock corporations of all sizes shall generally be conducted by independent audit firms. Publicly held companies will need to be audited according to Turkish Accounting Standards in line with International Financial Reporting Standards (IFRS) or based on specially approved accounting standards for certain companies considered exceptional cases.

2.4. Shareholder Rights in Turkey

Frankly, it would not be dramatized to state that there is no shareholder culture at all in Turkey. Istanbul Stock Exchange is considered as an instrument where domestic investors can make short-term profits. Given the fact that predominant role of the state in Turkish culture (in every aspects of life), investors may expecting a top-down regulation to set market mechanism, rather than individually being active and involved in the process.⁵² Turkey has a premature NGO culture, due to its cultural heritage and shareholder activism is restricted parallel to this attitude. Shareholder participation to general meetings is relatively low. Shareholders do not exercise their right to request information and there has been not a single shareholder proposal taken place in Turkish market so far. Also, concept of private funds in Turkey is recently introduced and still underdeveloped. Large institutional investors and pension funds are restricted under the existing legislation to vote for corporate directors. Thus, the numbers of caring institutional investors are remarkably low compared to other emerging markets.

Shareholder protection is still poor in Turkey. Considering the conflict between large shareholder and minority shareholders, the pyramidal structures and ownership groups continue to constitute a gap in resolution process. Furthermore, expensive and prolonged judicial procedures make the shareholder protection nothing but impossible. According to the one of the most frequently used indicator to measure the corporate governance systems, Minority Shareholder Protection Index (MSP Index), Turkey has ranked at the bottom of the table. Where the MSP is high, markets would be more integrated, investment is liberal and the ownership is more diffused. However when the protection for minority shareholder is low,

⁵² Elif Gönençer, "Development of Corporate Governance in the European Union and in Turkey as a Candidate Country: An Assessment of Theoretical, Legal and Practical Aspects" Dissertation Thesis (Paris, 2008), 105.

such in the case of Turkey, investment will also be low and shareholders would be concentrated in blocks.⁵³

Table 2.5: Minority Shareholder Protection Index

Country	Information	Oversight	Control	Incentive	Total MSP
US	86	100	100	100	97
Singapore	89	71	80	97	84
Canada	83	71	100	78	83
UK	81	60	100	53	74
Australia	75	71	80	59	71
Hong Kong	85	14	100	81	70
Ireland	69	71	80	59	70
Malaysia	84	36	80	69	67
South Africa	73	43	100	41	64
Chile	35	14	100	66	54
France	64	37	60	47	52
Spain	57	14	80	50	50
Norway	66	29	80	16	48
Sweden	67	36	60	22	46
Japan	66	0	80	0	37
South Korea	65	21	40	22	37
Denmark	44	43	40	16	36
Germany	44	29	20	41	33
Greece	53	14	40	0	27
Mexico	59	14	20	9	26
Portugal	43	0	60	0	26
Italy	69	7	20	0	24
Turkey	51	0	40	0	23
China	25	0	20	0	11

Source: *Gourevitch and Shinn, 2005*

⁵³ Peter Gourevitch, "Explaining Corporate Governance Systems: Alternative Approaches" *Workshop on Corporate Governance* (Amsterdam Research Centre for Corporate Governance Regulation, 2004), 8.

Another comparative research on corporate governance which was introduced by La Porta *et al.* ranks Turkey below the average by scoring two out of six.⁵⁴ This integrated approach to law and finance, ranges scores from zero to six in the sense of compliance to one-share-one-vote principle, proxy voting rights, cumulative voting, pre-emptive rights and more. The higher score indicates better corporate governance practice respect to shareholder protection. In that sense Turkey underperformed in shareholder's sphere.

According to Capital Markets Law, minority shareholders individually or collectively holding at least 5 percent have certain rights such as adding an item to meeting agenda, requesting extraordinary meeting, demanding special auditors to inspect company's actions, initiate legal proceedings against board members and to veto the discharge of the board. Although the CGP promote the participation of minority shareholders in the governance of the company, very little direction concerning the fair treatment of minority shareholders is given to board members. Under current practice, majority shareholders dominate the vote on director elections at shareholder meetings, and minority investors rarely gain representation on the board.

⁵⁴ Rafael La Porta, *Investor Protection and Corporate Governance* (June 1999). Available at SSRN: <http://ssrn.com/abstract=183908> or doi:10.2139/ssrn.183908 Accessed on 03.11.2010

3. Shareholder Meetings in Turkey

The most essential way for a shareholder to exercise its ownership on the invested company, is through using the entitled voting rights. For decades, investors have exercised their voting rights strategically on various incidents to shift the invested firms' policies, structures and even behaviors. Thus, shareholder voting remains as the most efficient tool that investors are granted to influence company management.⁵⁵

3.1. Background

Corporate Governance term has been in the Europe's limelight in the last couple of years, in respect to financial crises, corporate scandals and legislative developments such as Transparency Directive (2004/109/EC), the Cross-Border Mergers Directive (2005/56/EC) and the Directive on Shareholders Rights (2007/36/EC).

The sub-prime mortgage crisis and its domino effect on banking and investment sector created a global financial turmoil. The improving interconnectedness of international capital markets made it once again clear that no part of financial community in this globe would be left impervious to catastrophes. As the policy makers of the developed world took first initiatives to mend the wreck, market participants swiftly highlighted the problems as well as the ones who shall pick up the bill. Irrelevant auditors, averse regulators and incompetent directors are staged as the leading actors whose recklessness caused spill-over effect of the current crises. In addition to those headliners, shareholders are also listed in black-book of the usual suspects. Having a say in corporate governance, shareholders were held responsible for the careless governance practices that contributed in crises. Many market analysts have stressed that passive stockholders originated the incompetent boards, and some motivated the directors by short-term incentives which favoured short-term thinking and greater risk-taking.⁵⁶ Rakesh Khurana, a professor at Harvard Business School and Andy Zelleke, co-director of the Center for Public Leadership at Harvard's John F. Kennedy School of Government, argue that such stockholders seem to have no long-term interest in governance and may be responsible for excessive risk-taking in very short investment horizons.⁵⁷ The

⁵⁵ Alan MacDougall, "Shareholder Voting," *The Handbook of International Corporate Governance: A Definitive Guide*, ed. Institute of Directors (London and Philadelphia: Kogan Page), 48.

⁵⁶ Anthony Bolton, "Don't blame shareholders for the crisis" *Financial Times*. March 6 2009

⁵⁷ Rakesh Khurana and Andy Zelleke, "You Can Cap the Pay, But the Greed Will Go On" *Washington Post*, 8 February 2009.

argument continues as; if the shareholders had taken more active role, better management would have been set in and companies would have been in better position against the bed of nails.

Whilst different actors come up with different arguments in this discussion, the financial crisis definitely increased the awareness of corporate governance as one of the essential factor affecting performance of a company. Since a corporate governance action is a product of the decisions taken at shareholder meetings, shareholders had a tendency to become more sensitive and more engaged through greater and active participation at meetings. For instance, the increased shareholder activism towards executive remuneration became apparent at the Annual General Meeting of Bellway one of Britain's biggest house builders, held in January 2009. At this meeting, the Company's remuneration report was rejected by its shareholders following the Remuneration Committees' decision to award its Executive Directors discretionary bonuses based on targets that were determined retrospectively.⁵⁸ Furthermore, shareholder revolt over the executive compensation in Dutch petrol giant Royal Dutch Shell⁵⁹ and government interventions in Belgian banks⁶⁰ provided solid information on engaged shareholder values and exceptional instances of activism in European continent.

Besides the compulsory circumstances of financial crisis that force shareholders to be more active and interested; the Shareholders' Rights Directive, which aims to foster the dialogue between the board and investors, is being realized across the European Union. This binding legislation is to enhance investor rights and to promote their participation at shareholder meetings in Europe. As both the corporate scandals that pictured flaws in existing governance practices and the financial crisis that underlined the lack of regulatory frameworks, the Shareholders' Rights Directive demonstrated that the solution is at the role of the shareholders.

In that sense Turkey, as a country on the verge of European Union membership and at the recovery of financial crisis, is to challenge corporate governance developments. Since shareholder value and better engagement are the two essential parts of this development,

⁵⁸ Jill Treanor, "Bellway bonuses anger investors" *The Observer*, Sunday 4 January 2009
<http://www.guardian.co.uk/business/2009/jan/04/bellway-directors-bonuses>

⁵⁹ Rowena Mason, "Shell overhauls executive pay in response to shareholder revolt" *Telegraph* 16 February 2010 <http://www.telegraph.co.uk/finance/newsbysector/epic/rdsb/7248761/Shell-overhauls-executive-pay-in-response-to-shareholder-revolt.html>

⁶⁰ Mayer Brown LLC, *Summary of Government Interventions Belgium* (2009).

looking at voter turnout in Turkey, compared to Europe, will benchmark the projected developments. So, this study aims to take a closer look at above mentioned arguments by assessing the extent of the shareholder involvement in general and extraordinary meetings of 2010 in Turkey. A comparative study is necessary to scale Turkish practice to European standards. The following chapter not only examines the general participation level of the shareholders in meetings but also studies detailed firm agendas and voting behaviours. Hence, it gives an insight to the corporate governance patterns of Turkey.

3.2. Methodology

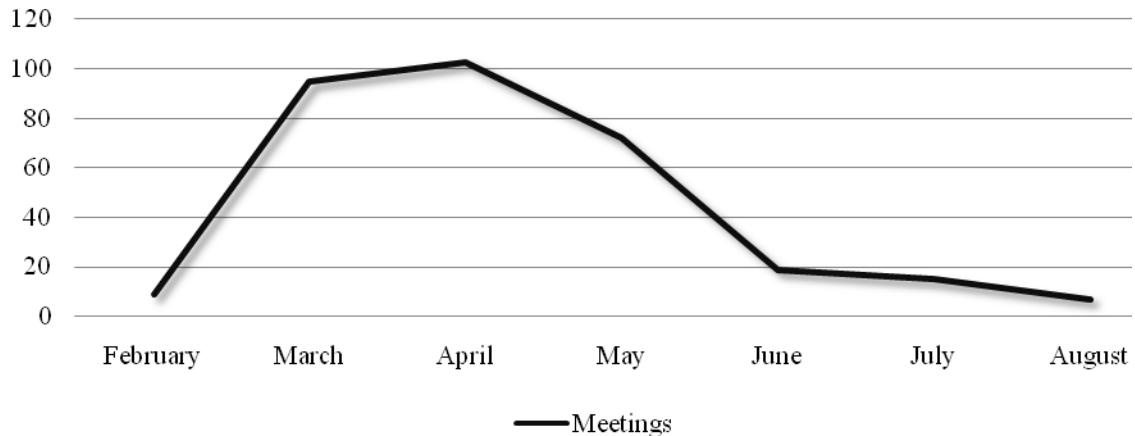
Before getting into details, it would be appropriate to refer to the Voting Results Report of the RiskMetrics Group/ISS that is published since 2008. RiskMetrics Group (RMG), which was recently acquired by Morgan Stanley Capital Indices (MSCI), is an international provider of risk management products and corporate governance services. The Institutional Shareholder Services (ISS) department of the RMG particularly deals with the proxy voting and corporate governance issues. The ISS Governance Services analysts, who are market experts and genuinely competent on European corporate governance practices, publish Voting Results Reports on European shareholder meetings on annual basis. These reports briefly cover turnout rates and voting results of various key markets in Europe, except Turkey.

The methodology followed in this research corresponds to the methodology of ISS reports. Since the RiskMetrics Group/ISS does not cover Turkey in European market, this paper projects the regular slant to Turkish shareholder meetings and examines the pattern while comparing and contrasting with European markets.

3.2.1. Overview

This research studies participation rates and voting results at shareholder meetings in Turkey and compares the results with key markets in Europe. The sampled data has been gathered from both annual and extraordinary general meetings held during the peak of the voting seasons of Turkey and Europe, which is between 1 January 2010 and 30 June 2010. The graph below shows the monthly rate of the meetings in mentioned period in Turkey.

The company board is obliged to convene Annual General Meetings (AGM) within three months of the fiscal year's end which is usually December 31st. However, most AGMs take place as late as April or May due to the time needed to comply with external audit requirements.



Source: *Appendix II*

Graph 3.1: Shareholder Meeting Frequency in Turkey

A press announcement including the agenda of the meeting and proxy form must be made public at least fifteen days in advance of the meeting date. The announcement of the AGM and the agenda must be filed with the ISE. The announcement is then published by the ISE on its Daily Bulletin as well as the 'Company News' section on its website.

3.2.2. Market Coverage / Limitation

As it is mentioned before, there are 334 companies listed in ISE as of June 2010 and it designs various types of indices to enable investors to track markets. In that sense, there are 44 stock market indices and the prominent ones are ISE100, ISE50 and ISE30. In order to have a fair comparison with European markets, this study has to use the same sample quantity and quality which ISS based on its researches. ISS takes the local core indices for its European coverage; therefore Turkish market sample is represented by the ISE30 companies.

3.2.3. Data

The data used in this analysis have been obtained from the following sources;

- Kamuyu Aydınlatma Platformu: Public Disclosure Platform (www.kap.gov.tr) is an online electronic system which is created within the framework of Capital Markets Board of Turkey's 'Communiqué Regarding Principles of Submitting Electronically Signed Information, Documents and Notifications to the Public Disclosure Platform', to disseminate the company notifications required by the capital markets and ISE regulations.⁶¹

⁶¹Public Disclosure Forum Official Website, <http://kap.gov.tr/yay/English/ek/KapHakkinda.aspx> Accessed on 30.09.2010

- Company Websites: Section 1.11 of the Corporate Governance Principles of Turkey issued by CMB states that the company's website should be actively used as a means of public disclosure and significant information such as agendas of the general shareholders' meetings and list of participants and minutes of the general shareholders' meeting are to be published on the company's website.⁶²

3.2.4. Attendance and Dissent

Voter turnouts are determined as the total number of shares represented at the meeting in proportion to the shares outstanding. Since there are no double voting and multiple voting rights in Turkey, attendance in capital gives the direct percentage of attendance in voting as proposed in "one share one capital" principle.

For the rationale of this study, dissenting votes are regarded as the votes that deliberately not cast "For" a resolution and comprise both "Abstain" and "Against" votes. The study aims to capture noteworthy voting patterns and dissent ratios on following items.

3.2.5. Items Discussed

Besides the voter turnout levels in shareholder meeting, this study aims to present voting results per item and key issues discussed under these agendas. Therefore, various voting items are assembled in a thematic approach and identified as follows;

- Presiding Council
- Annual Reports and Income Allocation
- Discharge
- Board Election and Remuneration
- External Auditors
- Capital Authorization
- Ordinary Business
- Bylaw Amendments
- Merger and Acquisitions

3.3. Participation Rates

One of the key purposes of this study is to reveal the shareholder activism in Turkey by posing the question of whether investors value their rights by participating shareholder

⁶² Capital Markets Board of Turkey, *Corporate Governance Principles* (Istanbul, 2003; Amended 2005).

meetings in Turkey. Attendances to shareholder meetings and participation in that manner, is the key instrument for shareholder to influence in decision related governance practices and long term goals. The participation rates of the shareholders to these meetings project the desire of engagement with management and the value that shareholders bear.

This part will cover the attendance rates to shareholder meetings, while the next chapter, named voting results, will focus on the dissent levels of the shareholder and try to examine voting behaviours in Turkey. First step to analyze participation rates is to find out the disclosure of the meetings and the participants. Secondly, results of the voter turnouts will be elaborated in line with the encouraging and discouraging factors. Finally, some recommendations will be highlighted to enhance the participation rates in Turkey. During the entire study, paper will compare and contrast the outcomes with European practices.

3.3.1. Disclosure of Shareholder Attendance

In majority of the corporate governance realms, disclosure plays an essential role. Strong governance systems are built upon the key element of disclosure and voluntary actions. Although all existing corporate governance codes are non-statutory in its nature and not subject to any binding force; there are significant shifts in legalisation of the corporate governance implementations. Communiqué Serial: IV, No: 41 on Principles to be followed by the Joint Stock Companies Subject to the Capital Markets Law (Communiqué) of Turkey, in that sense, is an illustration of disclosure policy among many others. Pursuant to Chapter 7 of the Communiqué, companies are obliged to summon Investor Relations Department, which is responsible from dissemination of materials related to shareholder meetings including minutes of the meeting.⁶³

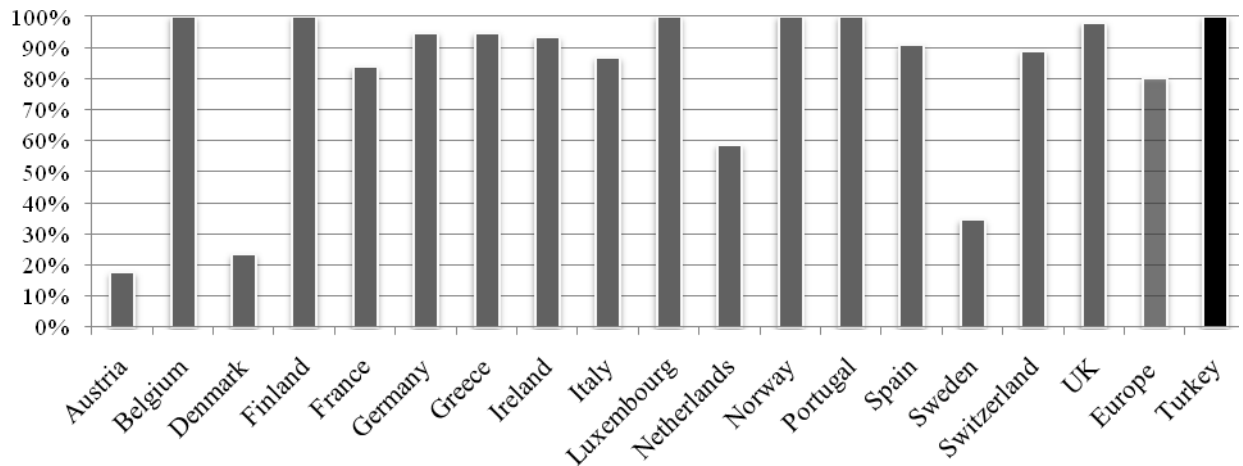
CMB imposes fiscal penalties in case of infringement of public disclosure requirements. Lack of compulsory disclosures may also cause a trading halt or delisting from the stock exchange pursuant to ISE regulations.⁶⁴

Due to above mentioned obligations, shareholder attendances in terms of shares and voting rights are made available to shareholders through Public Disclosure Forum and company website. Therefore, disclosure of voter turnout follows a flawless rate in Turkish

⁶³ Capital Markets Board of Turkey, *Sermaye Piyasası Kanunu'na Tabi Olan Anonim Ortaklıkların Uygulanması Esasları Hakkında Tebliği* translated as *Communiqué on Principles to be followed by the Joint Stock Companies Subject to the Capital Markets Law (Seri: Iv, No: 41)*, (2008).

⁶⁴ Article 25 of ISE Regulation and Article 24 of ISE Quotation Regulation at <http://www.ise.org/Regulations/Bylaws.aspx> Accessed on 19.10.2010

market. No company among the research sample has failed to disclose shareholder attendances to meeting. The graph below displays the percentage of the disclosure of voter participation in Turkey, compared to Europe.



Source: ISS 2010 Voting Results Report Europe

Graph 3.2: Disclosure of Participation

It is clearly stated in the graph that there is a high level of compliance to voter turnout disclosure in Turkey. The low level of disclosure in some developed markets such as Denmark and Austria indicates that there is still no unique corporate governance pattern of disclosure in Europe.

3.3.2. Shareholder Attendance Rates

The table below indicates the average shareholder participation rate in Turkey among ISE30 Companies and in European indices alike ISE30 in 17 different countries. Top five and last five companies are also stated in following table to illustrate the gap between participation champions and the bottom of the list.

Table 3.1: 2010 Attendance Rates Compared to Important Shareholders

Companies in Turkey	Attendance in Capital	Important Shareholders
Top 5	Maximum	Maximum
Turk Telekomunikasyon AS (SPECIAL)	89.57%	85.00%
Turk Telekomunikasyon AS	89.53%	85.00%
Yapi Ve Kredi Bankasi AS	88.61%	81.80%
Turk Ekonomi Bankasi A.S.	85.00%	84.37%
Enka Insaat ve Sanayi A.S.	84.26%	69.20%
Last 5	Minimum	Minimum
Turkiye Garanti Bankasi	58.48%	51.37%
Haci Omer Sabanci Holding A.S (SPECIAL)	57.10%	57.56%
Turk Hava Yollari	51.63%	49.12%
Eregli Demir ve Celik Fabrikalari TAS	50.23%	52.37%
Kardemir Karabuk Demir Celik Sanayi ve Ticaret	27.32%	31.56%
Average	Attendance in Capital	Important Shareholders
ISE30 Turkey Average	79.27%	71.79%
European Average	61.5%	35.0%

Source: ISS 2010 Voting Results Report Europe and Appendix I

According to Table 3.1, the special meeting of the Turk Telekomunikasyon AS has attracted the highest rate of shareholder participation. On June 8, 2010 the extraordinary general assembly meeting of Turk Telekomunikasyon AS was summoned to approve the acquisition of Invitel Holdings A/S' international wholesale business, including the entire issued shares of subsidiary firms.⁶⁵ Almost 90 percent of the capital and votes were represented in this meeting.

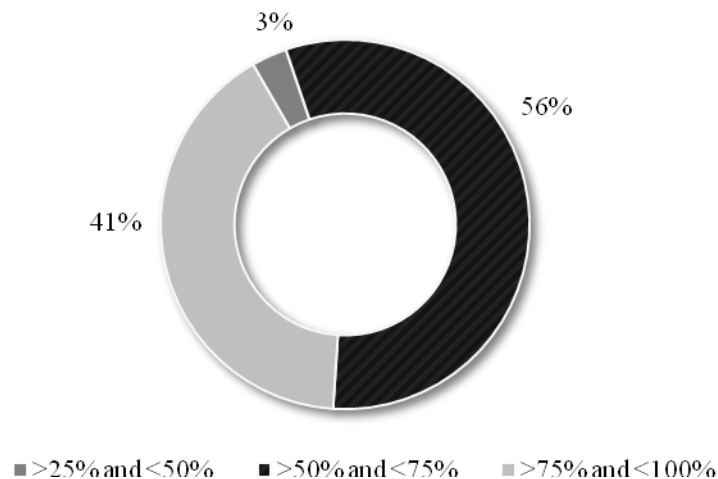
On the other hand, the lowest participation percentage was recorded in Kardemir Karabuk Demir Celik Sanayi ve Ticaret's ordinary shareholder general assembly. Only 27 percent of the shareholders attended to meeting which is slightly above the quorum

⁶⁵ <http://www.turktelekom.com.tr/tt/portal/News/Archive/From-The-Chairman-Of-The-Board-Of-Directors-Of-Turk-Telekomunikasyon-AS-Invitation-to-the-Extraordinary-General-Assembly-Meeting>, Accessed on 10/07/2010.

requirement. According to the TTC, except for the cases subject to qualified quorum, the general assembly meeting of public companies shall convene with at least one fourth of the share capital.

The average attendance rate in capital to 2010 shareholder meetings in Turkey is indicated around 80%. The same item in Europe is shown as 61.5% by ISS' 2010 Voting Results Report Europe. Despite the expectations towards greater participation rate triggered by the negative developments in financial markets, the attendance levels in Europe during 2010 is decreased compared to 2009 results.⁶⁶ Since there are no previous researches on voting results of shareholders in Turkey, we are unable to assess whether stakeholders act purely reactionary or affected by structural patterns as in Europe.

Meeting Attendance Distribution of ISE30 firms in Turkey



Source: *Appendix I*

Graph 3.3I: Meeting Attendance Distribution of ISE 30 firms in Turkey

Graph 3.3 shows that only 3% of the meetings had attendance levels of 25% - 50% of the total voting shares; 41% of the meetings were attended by over 75% of voting capital, and attendances levels between 50% and 75% occupies the largest share in Turkish meetings. It should be noted down that the companies covered in this study is comprised by the top 30 firms of Turkey and mostly leading companies in their sectors. Thus, it may raise another question. Does a broader sample, or on the other words the average of the whole stock exchange has a possibility to give completely different voting participation rates?

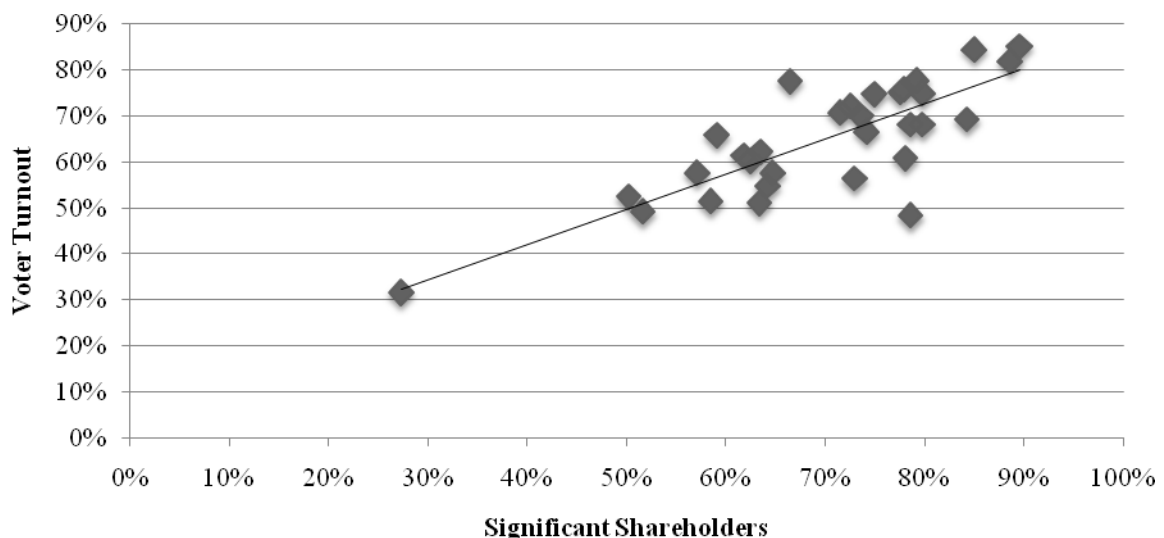
⁶⁶ ISS, *2010 Voting Results Report: Europe* (Brussels: 2010).

The answer is simply no and the reason is the inducement structures for investors to use their rights to take part in shareholder meetings. These structures are briefly ownership concentration and administrative requirements.

3.3.3. Ownership Concentration and Voter Turnout

Ownership concentration is one of the key structures that have influence in shareholder participation. Unlike the financial market developments, increasing free float level of a company and projecting it to whole market require cohesion, but not coercion.

A closer look at the participation rate and the restricted shares suggests that there is a high correlation between these two items. According to Graph 3.4, level of attendance is linked to company's capital composition. For instance, Turk Telekomunikasyon AS where the 85% of the share capital under control of significant shareholders⁶⁷ had the highest participation rate (89.57%) among the ISE30 companies. Similarly, Kardemir Karabuk which has the lowest shareholder concentration with 31.56% showed the lowest level of voter turnout in shareholder meeting (27.32%).



Source: *Appendix I*

Graph 3.4: Ownership Structure and Voter Turnout in Turkey

The graph above frankly illustrates the high correlation between voter turnout and significant shareholder in Turkey. Since the average free float rate of ISE market

⁶⁷ Significant shareholders are defined by the CMB as the shareholders in possession of more than 5 percent of share capital.

capitalization has been declared as 32%, it would be proper to expect an average attendance rate above 70% in general.

The reason behind the strong participation rates in Turkey is linked to solid concentration of the ownership in a company. In Turkish case, similar to South European experience, companies are rather owned by a single shareholder that holds the vast majority of outstanding share capital. For instance, only one shareholder controls 81.8% shares of Yapı ve Kredi Bankası AS. At annual general meeting of this company, 88.6% of share capital was represented during the voting. In that sense, attendance of majority holder itself is more than enough to register an incredible turnout rate. Ownership structure predetermines the meeting outcome while excluding minority shareholders and their interests. This results in a lack of interest for foreign investors to participate both in company and in general meetings. Hence, above given figures must be taken into consideration with caution. In Turkey, high level of shareholder participation does not mean better legal frameworks and lower administrative costs promoting shareholder turnout in meetings.

Europe, in that manner, is a good example of shareholder awareness. In 2010, voter participation in Europe turnouts to be 61% while the shareholder concentration is only around 30%.⁶⁸ Thus it is right to talk about diffusion in the ownership structure of Europe and functioning incentives that attract shareholders to involve in shareholder meetings.

3.3.4. Administrative Requirements

Although the voter participation at shareholder meetings is above the European average, it is limited to shareholder concentration in Turkey. It raises the question whether the investors do not value their rights to participate at meetings. As we have already discussed in above chapters, shareholders have a claim on their rights and they are already granted up to some extent by administrative and legal authorities. However, their efficiency is under cloud.

First of all, all shareholders are entitled to attend shareholder meetings, and this right cannot be restricted by imposing minimum ownership or any other requirements. Shareholders can either personally attend the general meetings or be represented through a proxy. In the case of representation, a proxy form must be signed by the attorney to enable the representation of the shareholder through a proxy vote. Proxies do not have to be company shareholders unless required by a company's articles. A shareholder may assign discretionary or directed proxies. In general, this procedure is costly and not practical.

⁶⁸ ISS, *2010 Voting Results Report: Europe* (Brussels: 2010).

Furthermore, share blocking is an obligation to fulfill, in order to cast vote in general meetings. The number of shares held, has to be blocked by the custodian typically seven business days before the meeting in order to gain voting rights. Current proxy requirements make it expensive and burdensome to cast a vote. These kind of discouraging practices are restricted within the new EU Directive on Shareholder's Rights (2007/36/EC) by introducing electronic-voting and online participation to meetings. Unfortunately it is not the current case in Turkey. However, proposed reforms to the TCC foresee the possibility of electronic attendance at shareholders meetings.

On the EU side, the introduction of EU Shareholders' Rights Directive had encouraged the market experts on tackling obstacles in different EU markets. However Member States' failure of implementing the directive fell short of expectations. On June 24, 2010 European Commission has referred 8 member states (Belgium, Cyprus, Greece, Spain, France, Luxembourg, The Netherlands and Sweden) to the Court of Justice for late implementation of the Shareholders' Rights Directive.⁶⁹ The directive introduces basic standards to guarantee that shareholders have timely access to the related information before the general meeting and simple means to distance voting.⁷⁰ Therefore, it contains important terms relating to the removal of time-consuming administrative requirements such as share-blocking. The directive should have been fully absorbed by the end of 2009; however eagerness of the national authorities to chase the spirit of legislation is not in line with the supranational objectives. Also, there is still no clear agenda for when these countries will completely implement the directive.

3.3.5. Participation Rates: Conclusion

In short, this part of the study revealed that there is a high rate of voter participation in general meetings in Turkey, which is above the European average. However, the reason behind this good performance is not really related to the shareholder value. Graph 3.4 clears out the strong correlation between participation rates and important shareholder blocks. Given that the founder family is usually the ultimate shareholder of the company; management is run by the only controlling stake. Therefore, presence of large strategic shareholders in general meetings has a crowding out effect on attendance of small shareholders. As a result, ownership concentration becomes a strong variable in voter turnout issues in Turkey.

⁶⁹ Europa Press Releases, Reference: IP/10/815 accessed on 07.10.2010
<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/815&format=HTML&aged=0&language=EN&guiLanguage=en>

⁷⁰ *Ibid.*

Besides the high concentration rate causing limited free float, there is a structural difficulty of administrative burdensome in Turkish market. Current practice is far from encouraging investor participation in the corporate life and, thus, the exercise of the voting rights. Whenever this type of red tape is abolished, stakeholders will be urged to grab their voting rights. Together with the dispersion of important shareholders who own more than 20% of the market capitalization, shareholder will feel that they are granted a better degree of influence in company management and affecting the key outcomes thereon.

Current shareholder participation degree in Turkey could be stated around 7%, as it is the ratio left after deducting the significant shares from attendance rates.⁷¹ Since the average important shareholder rate is close to 72% and the attendance rate in 2010 occurred as 79%, the gap between these two data gives the amount of the small shareholders that exercised voting rights. It is important to remind that, the same data in Europe is announced around 26%.

3.3.6. Participation Rates: Recommendations

The above mentioned circumstance in Turkey is actually a reflection of the contemporary situation in country. It basically states that there is more than enough space to enlarge and grow. The market is available for new capital and investors. In order to increase shareholder participation in general meetings and to convergence of the corporate governance practices with Europe, the further steps should be as following:

- **Dispersion of ownership:** In a company which has an ultimate shareholder in possession of more than 51% share, which is quite common in Turkey, has two options to crack that ownership concentration. The ultimate shareholder who is probably the board itself, can either choose to sell the vast majority of its shares; or the board can decide to issue new shares. In one way or another, the company will profit through accessing external capital rather than using its own resources or borrowing credits.
- **Lower administrative costs:** Administrative burdensome is one of the key variable that keeps shareholders away from attending shareholder meetings. In that sense, implementation of Shareholder's Rights Directive would be a proper solution to remove the obstacles before investor to exercise their voting rights. Abolition of share-blocking, introduction of electronic voting and facilitation of proxy voting would be

⁷¹ See Table 3.1.

important step to boost shareholder awareness in country. Moreover, it would be a great success to align the legislation with directive, and to achieve the conditions of full membership. Any reduction in administrative costs will serve to enhance collective objectives.

- **Attracting investors:** It is not only legislative or structural duty to ease the shareholder participation in general meetings, but also companies have certain responsibilities. For instance in Spain, where the shareholder structure is similar to Turkey, companies are gradually adopting payment of cash bonuses to investors who are participating in general meetings. Iberdrola, an energy provider, declares to pay an attendance bonus in the gross amount of 0.005 EUR per share to the shareholders present or represented by proxy at the 2010 general shareholders' meeting.⁷² 2008 voting results report of RiskMetrics Group has mentioned the drastic increase in voter turnout of the company between 2006 (55.4%) and 2008 (80%).⁷³ The company has announced that 81% of the capital was present in person or by proxy at the latest annual general meeting, which is a better rate than average of Spanish companies (70.4%).⁷⁴ It is also worth to mention that, the company has no significant shareholder with more than 12% of the total voting power. In that manner, this case proves that companies are also able to motivate a wide and detached shareholder base to involve actively in annual general meetings.

3.4. Voting Results

In addition to attendance rates in general meetings, the study examines whether shareholders display an active participation through systematic voting models in Turkey. Therefore, the question takes the study one step further, beyond the structural, legal and administrative restriction, and focuses on the issues that are supported or rejected in line with shareholder expectations.

First step in this part is to analyze disclosure of the voting results in general meetings. Secondly, the paper will focus on the general dissent levels among the decisions taken in

⁷² Iberdrola Notice to Call for the 2010 General Shareholders' Meeting, <http://www.iberdrola.es/webibd/corporativa/iberdrola?IDPAG=ENWEBACCJUNTA10ANUNCIO> Accessed on 09.10.2010

⁷³ RiskMetrics Group, *Voting Results in Europe: Shareholder Voice on the Rise at General Meetings* (Brussels: 2008), 23.

⁷⁴ Iberdrola Web Site, <http://www.iberdrola.es/webibd/corporativa/iberdrola?IDPAG=ENWEBACCJUNTA10VOTAYACU&codCache=12866272885446513> Accessed on 09.10.2010

ISE30 companies' general meetings. Following the general dissent trends, voting patterns per theme will be examined. Finally, remarkable conclusions and some recommendations will be underlined to improve shareholder value in Turkey. During the entire study, the findings will be compared and contrasted to European experience.

3.4.1. Disclosure of Voting Results

Since the voting results of the meetings are published in the same document with voter turnout rates, the disclosure of voting results follows the same trend as disclosure of attendance rates. Having the previously mentioned obligations, voting results of the general meetings are made available to shareholders through Public Disclosure Forum and company website. As a common practice, results are published in minutes of the meetings. In our data sample, only one company did not disclose the full details in its meeting. *Turkiye Halk Bankasi AS* has refrained from giving the exact number of votes casted against or in favor of the items. Only information regarding the *Halkbank's* general meeting is whether the items are accepted or rejected. Since it is not possible to determine dissent level in given meeting, it is not taken into consideration during the analysis.

At the European side, disclosure of the voting results also follows the same trend with disclosure of the attendance rates. According to ISS experts, disclosure practices among European companies differ across markets. Whilst some listed firms provide full information on voting results, Danish market made limited information available rather than complete breakdown of the voting results.⁷⁵

3.4.2. Dissent Rates: All votes not cast in line with management proposals

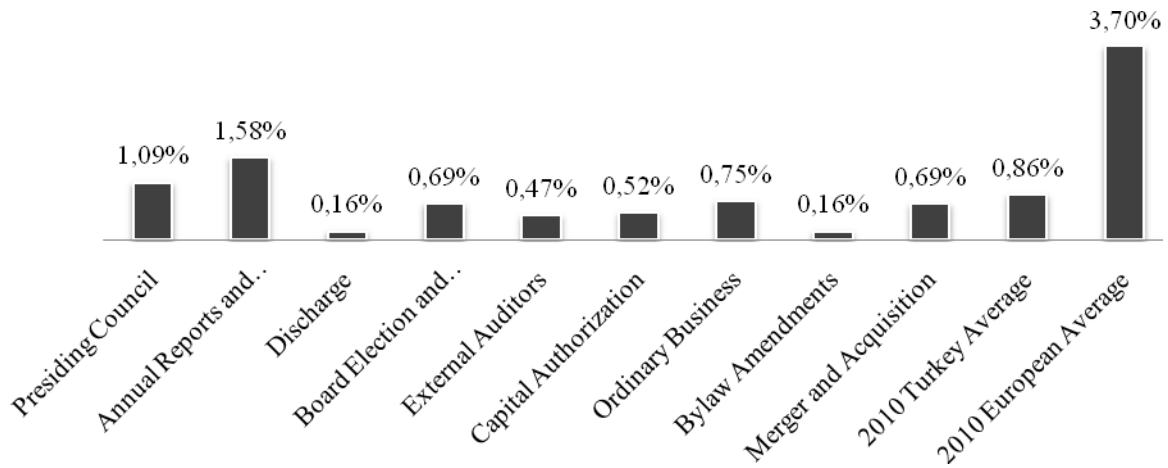
Voting rights of the shareholders in general meetings is the main instrument of control over the actions of the board and is an engagement method with the management. Thus, the level of dissent during the meetings is an effective indicator of whether or not the shareholders share the same interests with executives. Expression of dispute, in the means of voting preferences, provides the signals of wrong decisions that are not in line with the investor's concerns. Furthermore, dissent also illustrates the pulse of sensitive investor opinion towards corporate governance issues.

In that context, the study gathered all the agenda items of ISE30 companies that are put to shareholder vote in general meetings including the extraordinary ones. Dissent votes

⁷⁵ ISS, *2010 Voting Results Report: Europe* (Brussels: 2010).

are defined as the shareholder votes that are not in line with the proposals. Therefore, both rejections of the items and the abstention votes are considered as the appearance of dissent.

The overall dissent level per theme is given in the following graphic:



Source: *Appendix II and ISS 2010 Voting Results Report Europe*

Graph 3.5: Average Dissent per Issue

Before getting into detail on issue by issue, the above given graphic captures the overall dissent level in Turkish market. Among the ISE30 companies, we have obtained 0.86% dissent in 2010 general meetings. This number is significantly lower than the European average, which is presented as 3.70% in 2010 by ISS experts.⁷⁶ Highest dissent issue in Turkey has been recorded at the *Annual Reports* item with 2.10%, which covers the financial and statutory statements of the companies. Interestingly, this theme has been subject to lowest dissent rate in European average, around 1% routinely. Discussions on share plans in Europe seem to be the harshest debate during shareholder meetings, since there is a dissent rate of 9% on this issue for three years long.⁷⁷ In European markets, share plans are structured to incentivize management. In contrast to European practice, performance of the management is not even subject to general meetings in Turkey. In common practice, board of directors evaluates the performance of the management at the end of the year and decides the

⁷⁶ *Ibid.*

⁷⁷ *Ibid.*

remuneration policies accordingly.⁷⁸ Such cases will be closely studied under the chapter 3.4.4 Voting Results per Theme.

Next sub-chapter of the study will deal with the reasons of low dissent rate among Turkish general meetings. The findings will surely point the recommendation part in following sections.

3.4.3. Reasons of Low Dissent Rate

Whilst the low dissent in European meetings can be a sign of alternative opposition channels, Turkish experience is completely different. To make it more clear, it would be wise to explain more on alternative dissent channels and their practices in European markets.

Various markets in Europe have witnessed remarkable developments in the means of shareholders' democratic participation. No doubt that voting option is a tool for democratic partaking. Thus, dissent votes become the voice of the discontented shareholders. However, instead of negative votes at the shareholder meetings, investors are often consulted ahead of the meeting in Nordic markets to be listened and to shape the proposal together.⁷⁹ Therefore, these consultative practices in Denmark, Finland, Norway and Sweden dodge the possible dissent opinions before the general shareholder meetings. In addition to that, active engagement between management and shareholders is not unique to Nordic markets. UK is also an active location of dynamic shareholder-management relationship. The UK Corporate Governance Code explicitly states that "there should be a dialogue with shareholders based on the mutual understanding of objectives. The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place."⁸⁰ Therefore, the dialogue process in UK overwhelms the dissent trends prior to the general meetings.

Another practice of active shareholder engagement is emerged through shareholder proposals. Shareholders in possession of more than a certain amount of shares are allowed to submit proposals to general meetings.⁸¹ As such, shareholders express their own interests throughout these proposals and create an alternative to dissent votes at meetings. In Europe,

⁷⁸ TUSIAD, *Corporate Governance Code of Best Practice, Composition and Functioning of Board of Directors* (Istanbul: 2002), 8.

⁷⁹ RiskMetrics Group, *Voting Results in Europe: Shareholder Voice on the Rise at General Meetings* (Brussels: 2008), 23.

⁸⁰ The Financial Reporting Council, *The UK Corporate Governance Code* (London: 2010), 25.

⁸¹ The amount of the shares required to submit a proposal varies from country to country. However it is typically between 5% and 10%.

companies announce a deadline for shareholder proposals, and minority investors can submit their proposals until that day. Then, the board attaches the shareholder proposals to the meeting agenda and disseminates it at the given time by the law. So, all shareholders are informed on the latest agenda and would have time to evaluate the insights. However in Turkey, there is no such call from companies to collect shareholder proposals ahead of the general meetings. Instead, shareholders voice their concerns during the meeting and ask for a new agenda item. Since these practices do not allow shareholders to judge the item thoroughly. As a result, they are rejected immediately. In addition to that, it is also noteworthy to stress the extremely low number of proposals during meetings.

Above mentioned practices may justify the low level dissent rates in European markets. However, due to non-existence of alternative dissent channels, we need other reasons to explain the low dissent levels in Turkey. These are very well parallel with the reasons mentioned in low attendance rates, and as well as the historical and the structural facts of the country.

To begin with, ownership structure is the fundamental obstacle before the low dissent rates. Solid concentration of the ownership in Turkish market creates bulk of votes that are controlled by core shareholders, such as founders of the company. Traditionally, these core shareholders have linked to management and usually sponsor board proposals to general meetings. Therefore, these proposals are supported by majority of the shareholder and accepted smoothly.

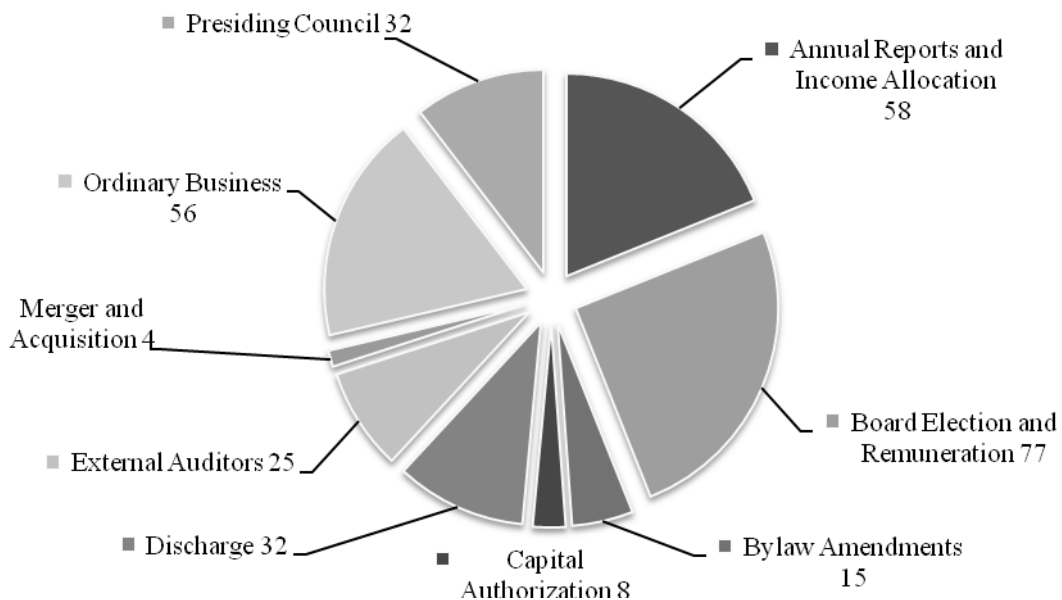
In addition to existence of controlling shareholders in Turkey, there is also an administrative burden before small investors to participate in meetings. As the chapter 3.3.4 on Administrative Requirements already discussed, share blocking and other burdensome practices explain the low level of dissent, since it eliminates the weak and instable shareholders. At the end, shareholder meetings become nothing but a road-show of key shareholders and management.

Last but not least, lack of dissent in Turkish market is seriously related with the weak industrial relations culture. Unionism, labour movements, protest organizations and all other activities related to culture of protest is unconvincing and agonizingly slow in Turkey. Hence, it shows itself in corporate governance patterns as well. Likewise in Greece and Portugal, corporate governance expectations of the investors are relatively low in Turkey. It is observed in these markets that shareholder activism is limited with confidence votes at general meetings.

Next part of the study deals with the dissent levels per specific themes by analyzing the voting results on each item. Thus, it is aimed to reveal the most contentious issues in Turkish market and give robust conclusions.

3.4.4. Voting Results per Theme

Each financial year, companies provide investors to participate in general meetings and have a say on strategic decisions as well as the routine business operations and transactions. Various items are put forward in these meetings and each of them reflects a different issue related to companies' governance. Consecutively, analysis of dissent rates in given different proposals will suggest a gauge of shareholder attitude in Turkey.



Source: *Appendix II*

Graph 3.6: Number of Proposal Types in 2010 Turkey

307 agenda items were being voted in ISE30 general meetings. The graph above captures the relative rate of the each voting item appeared in Turkish market. Apart from ordinary businesses, there seems an even distribution of the voting items in general meetings. In the following discussion, the paper will briefly describe the voting themes and highlight the dissent level on each item.

3.4.4.1. Presiding Council

Presiding Council item in general meetings' agenda is typically used for the formal opening of the shareholder meetings. In this item, shareholders are asked to elect a chairman

who will preside over the meeting. Any objection to this item may refer an extensive dissent for the meeting.

The highest dissent on electing the presiding council has been observed at Asya Katilim Bankasi AS⁸² annual general meeting with 9.40% where the ISE30 average is reported as 1.10%.

Table 3.2: Presiding Council

	For	Against	Abstention	Total Dissent	Attendance in Capital	Significant Shares
Asya Katilim Bankasi AS	90.60%	0.00%	9.40%	9.40%	78.59%	48.29%
Yapi ve Kredi Bankasi AS	92.81%	0.00%	7.19%	7.19%	88.61%	81.80%
Türkiye Garanti Bankasi	95.37%	0.00%	4.63%	4.63%	58.48%	51.37%
ISE30 Average	98.91%	0.09%	1.01%	1.10%	79.27%	71.79%
European Average	N/A	N/A	N/A	N/A	N/A	N/A

Source: *Annex*

3.4.4.2. Annual Report and Income Allocation

Turkish companies must submit the preceding year's financial statements to shareholders for approval. The annual accounts must include a balance sheet, an income statement, and explanatory notes. The financial statements must give a fair view of the company's accounts and must be prepared in accordance with IFRS. The annual accounts are always accompanied by statutory reports, which review the company's performance during the year. *Annual Reports* are comprised of financial statements and statutory reports, as well as broad information on the company and its management.

Turkish companies typically make their income allocation proposal tables available on their website or on Public Disclosure Forum (KAP) ahead of the meeting. The dividends may be paid out in cash, in kind, or a combination thereof. The board may also propose to retain the dividends. If the retention of dividends is approved, the sum is transferred to the extraordinary reserves.

⁸² Bank Asya is a privately-owned participation bank regulated under interest-free and Islamic banking procedures as one of the subsidiary of Asia Participation Bank Inc.

Since *Income Allocation* is directly related to the approval of *Annual Reports*, the study has combined these two items into one. The table below shows the top three highest dissent rated companies in Turkey on annual accounts and dividend proposals.

Table 3.3: Annual Reports and Income Allocation

	For	Against	Abstention	Total Dissent	Attendance in Capital	Significant Shares
Asya Katilim Bankasi AS	58.66%	41.34%	0.00%	41.34%	78.59%	48.29%
Turkiye Sinai Kalkinma Bankasi AS	93.62%	3.10%	3.28%	6.28%	64.20%	54.70%
Haci Omer Sabanci Holding A.S	94.52%	0.12%	5.36%	5.48%	57.10%	57.66%
ISE30 Average	98.32%	0.95%	0.73%	1.68%	79.27%	71.79%
European Average	99.30%	0.35%	0.35%	0.70%	61.50%	35.00%

Source: *Appendix II*

Highest dissent on this item has been observed again at Asya Katilim Bank's annual general meeting. According to minute of the meeting, sufficient affirmative vote was not constituted for the proposal of Board of Directors on separating balance profit as excess reserve without distribution to shareholders. Afterwards, one of the shareholders proposed the allocation of TL 30 million (EUR 13.88 million) from the company profit and that shareholder proposal accepted by the majority of votes. Except above mentioned three companies, rest of the ISE30 firms performed lower dissent rates between 0% and 4%. At the end, Turkey average noted as 1.68%.

3.4.4.3. Discharge

Discharge is a standard item in Turkish shareholder meetings and investors are asked to discharge the board and internal auditors at AGMs. It is a kind of shareholder approval for the actions taken by the management and proves confidence in the company's policies. Discharge is generally granted unless a shareholder states a specific reason for withholding discharge and intends to undertake legal action. The TCC does not include provisions regarding the rights of shareholders in bringing a legal challenge against these parties after voting for their discharge.

Given the routine nature of *Discharge*, it is typically granted without significant dissent and excessive level of inquiry. Therefore, dissent level on this item in Turkey was

limited to 0.16%. In Europe, average dissent rate in Belgium and Switzerland dominated the European sample and escalated it to 2.1%.⁸³

Table 3.4: Discharge

	For	Against	Abstention	Total Dissent	Attendance in Capital	Significant Shares
Kardemir Karabuk Demir Celik Sanayi	97.33%	2.67%	0.00%	2.67%	27.32%	31.56%
Turkiye Garanti Bankasi	99.32%	0.07%	0.61%	0.68%	58.48%	51.37%
Turk Hava Yollari	99.47%	0.00%	0.53%	0.53%	51.63%	49.12%
ISE30 Average	99.84%	0.11%	0.05%	0.16%	79.27%	71.79%
European Average	97.9%	1.8%	0.3%	2.10%	61.50%	35.00%

Source: *Appendix II*

3.4.4.4. Board Election and Remuneration

Board Election is one of the most important agenda item in general meetings because it lies at the principle-agent nature of the shareholder and management relationship. It is the strongest mean for a shareholder to decide on the long or short term prospect of a company. Hence, every investor should have proper information on the candidate list, in addition to his/her nominees. However, disclosure practices in Turkey make it difficult to cast an informed vote. Meeting notices do not include the names of the candidates or whether they are seeking re-election or election for the first time. Additionally, all director and internal auditor elections are bundled into a single voting item. This practice leaves shareholders with an all-or-nothing choice, skewing power disproportionately toward the board. Besides the inadequate standards, composition of the board and the committees are lagging behind the European practices. According to Heidrick & Struggle, Turkey stands at the bottom position compared to European markets. ISE30 Turkish companies have achieved 23% of the total grade in corporate governance report 2009, where the European average is calculated as 56%.

⁸⁴ Furthermore, composition of the board had only achieved 9% of the grade. ⁸⁵

⁸³ ISS, *2010 Voting Results Report: Europe* (Brussels: 2010), 15.

⁸⁴ Heidrick & Struggles, "Corporate Governance in Turkey," *Boards in Turbulent Times: Corporate Governance Report 2009*, April 2009, 8

⁸⁵ *Ibid.*

On the other hand, shareholders are asked to approve the director and internal auditor remuneration accordingly. Turkish companies do not disclosed proposed amount ahead of the meeting. However, the information is usually provided within the minutes of the meeting. Based on the ISE30 sample, board remuneration in Turkey is generally basic fixed fee, and can be considered as symbolic and non-controversial. Nevertheless, the companies in the Turkey's main large cap index are expected to advocate stronger disclosure standards, in line with international best practices.

Table 3.5: Board Election and Remuneration

	For	Against	Abstention	Total Dissent	Attendance in Capital	Significant Shares
Kardemir Karabuk Demir Celik Sanayi	91.72%	2.67%	5.61%	8.28%	27.32%	31.56%
Turkiye Garanti Bankasi	91.95%	3.06%	4.99%	8.05%	58.48%	51.37%
Turkiye Sinai Kalkinma Bankasi AS	96.59%	3.41%	0.00%	3.41%	64.20%	54.70%
ISE30 Average	99.17%	0.54%	0.29%	0.83%	79.27%	71.79%
European Average	96.01%	3.26%	0.73%	3.99%	61.50%	35.00%

Source: *Appendix II*

It is also noteworthy to stress that, European average is found by taking the average of *Remuneration Proposals*, *Auditor Appointments* and *Director Nominations*, whereas in Turkey these three items are often bundled together and submitted to general meetings.

3.4.4.5. External Auditors

Most annual meetings of Turkish companies include an item to ratify the appointment of the external audit firm. Public companies are required to have their annual and semi-annual results audited by independent firms certified by the CMB. External auditors are required to produce an opinion certifying that the financial statements have been prepared in compliance with IFRS and that they provide a fair and accurate assessment of the financial situation of the company. External audit firms are liable to civil action if their opinion is proved to have misled investors. The CMB's list of approved auditors ranges from international firms to less known local bureaus.

Table 3.6: External Auditors

	For	Against	Abstention	Total Dissent	Attendance in Capital	Significant Shares
Turkiye Sinai Kalkinma Bankasi AS	90.71%	9.29%	0.00%	9.29%	64.20%	54.70%
Asya Katilim Bankasi AS	99.58%	0.08%	0.34%	0.42%	78.59%	48.29%
Turkiye Garanti Bankasi	99.64%	0.10%	0.25%	0.35%	58.48%	51.37%
ISE30 Average	99.53%	0.42%	0.05%	0.47%	79.27%	71.79%
European Average	98.4%	1.1%	0.5%	1.6%	61.50%	35.00%

Source: *Appendix II*

As the table above illustrates, there is a little dissent on the external auditor appointments in Turkey. Despite it is uncommon for Turkish companies to disclose any information regarding the proposed external audit firm; it does not constitute any counter arguments as long as there have been no contentious issues before. In contrast, European companies often disclose sufficient information on the proposed independent audit firms, such as resumes of the auditors, fees paid to firm and related information.

3.4.4.6. Capital Authorization

Capital Authorization is a rare item in agendas that asks shareholders to change capital structure of the companies in order to raise funds within granted frameworks.

In Turkey, requests to increase a company's share capital depend on whether or not the company has adopted the authorized capital system, also referred to as the registered capital system. Under legal provisions, authorized capital is a certain numerical level, which constitutes the maximum amount of share capital that can be cumulatively issued by the company. Once authorized capital limits receive shareholder approval, companies can issue capital at any time without prior shareholder approval, provided the issuance would not bring total outstanding capital beyond the maximum authorized limits.⁸⁶ Since most Turkish companies have adopted this system, share capital increase authorizations at shareholder meetings are much more commonly presented under this framework.

⁸⁶ In companies that have not adopted the authorized share capital system, they must seek shareholder approval to issue any new shares, and preemptive rights automatically apply. According to ISS experts, proposals to increase the capital under this framework are rarely seen at shareholder meetings in Turkey.

In line with the capital authorizations, debt issuance requests in general meetings are also considered under this item. Although it is not common for Turkish companies to ask for debt issuance authorizations, some firms typically seek the maximum debt authorization levels that granted in TCC and the regulations of CMB.

Table 3.7: Capital Authorization

	For	Against	Abstention	Total Dissent	Attendance in Capital	Significant Shares
Akbank	98.63%	1.14%	0.23%	1.37%	78.07%	60.75%
EIS Eczacibasi Ilac Sanayi ve Ticaret AS	98.99%	0.78%	0.23%	1.01%	71.52%	70.67%
Dogan Sirketler Grubu	99.07%	0.93%	0.00%	0.93%	59.10%	65.79%
ISE30 Average	99.48%	0.46%	0.06%	0.52%	79.27%	71.79%
European Average	95.1%	4.4%	0.5%	4.9%	61.50%	35.00%

Source: *Appendix II*

Among the ISE30 companies' 2010 general meetings, there have been only five proposals on capital authorization. Highest dissent has been observed at Akbank where the board has asked for maximum level of debt issuance. Due to lack of proper disclosure, the study is unable to find out the reasons and the subjects behind it. It should be noted that, there has been 1876 capital authorization proposals in Europe in 2010 meetings and 18 of them is rejected.⁸⁷

3.4.4.7. Ordinary Business

Items related to *Ordinary Business* are mostly standard formalities that shareholders have to approve before getting into implementation. Subjects such as special permissions to board members, authorization of the council to sign the minutes of the meeting, and approving sales of receivables are grouped under *Ordinary Business* theme. These business interactions are typically non-contentious issues and often held by the large industrial conglomerates to create space for the flexibility of board expertise.

As expected, highest dissent rate on ordinary business items observed at the meetings of the companies which have dispersed ownership structure.

⁸⁷ ISS, *2010 Voting Results Report: Europe* (Brussels: 2010), 18.

Table 3.8: Ordinary Business

	For	Against	Abstention	Total Dissent	Attendance in Capital	Significant Shares
Asya Katilim Bankasi AS	96.75%	0.00%	3.25%	3.25%	78.59%	48.29%
Kardemir Karabuk Demir Celik Sanayi	97.33%	2.67%	0.00%	2.67%	27.32%	31.56%
Turkiye Garanti Bankasi	97.46%	0.00%	2.54%	2.54%	58.48%	51.37%
ISE30 Average	99.25%	0.21%	0.54%	0.75%	79.27%	71.79%
European Average	N/A	N/A	N/A	N/A	N/A	N/A

Source: *Appendix II*

3.4.4.8. Bylaw Amendments

Shareholder meetings in Turkey commonly include items of business that seeking shareholder approval to amend the company's articles of association. Often, these items are formalities aimed at correcting inaccuracies and misprints or modifying the articles to bring them in line with any changes to national legislation governing company law.

Other amendments represent substantive changes initiated by the company itself. These modifications generally seek to change corporate practice in areas that will often have a significant impact on shareholder rights or on the relationship between the company's board and its shareholders.

Above mentioned modifications are often disclosed as a proposed draft text of any amendments to company articles in their meeting announcements. Occasionally, they are opted to bundle into a single voting item; even subjects are not quite frankly related with each other.

Relatively low level of dissent rates for this item could be explained by the routine nature of the amendments. Since proposed modifications are a requirement of the national law, they are less likely to be opposed. However, in European experience, a Norwegian oil and gas producer DNO International's proposed amendment on reducing the notice period for EGMS from 21 to 14 days, was rejected with a dissent of 76%; even though it was in accordance with the EU Shareholders' Right Directive.⁸⁸ Therefore, despite the lower rates of

⁸⁸ ISS, *2010 Voting Results Report: Europe* (Brussels: 2010), 22.

dissent, investors in Europe are still cautious against the cases where their rights are undermined.

Table 3.9: Bylaw Amendments

	For	Against	Abstention	Total Dissent	Attendance in Capital	Significant Shares
Türkiye Garanti Bankası	98.67%	0.03%	1.33%	1.36%	58.48%	51.37%
Türk Hava Yolları	99.47%	0.00%	0.53%	0.53%	51.63%	49.12%
Ereğli Demir ve Çelik Fabrikaları TAS	99,60%	0,39%	0,00%	0.39%	50.23%	52.37%
ISE30 Average	99.84%	0.03%	0.13%	0.16%	79.27%	71.79%
European Average	98.0%	1.7%	0.3%	2.0%	61.50%	35.00%

Source: *Appendix II*

3.4.4.9. Merger and Acquisitions

Merger and Acquisitions (M&As) include the proposed acquisitions, mergers, takeover offers and spin-off agreements in general meetings. When evaluating those decisions, investors usually focus on both short and the long term impacts. The primary concern would always be whether the proposal is beneficial overall. However, the unfashionable practice in Turkish market does not really allow investors to fully investigate company restructuring process. Under normal circumstances, companies should have published a special audit report, independent expertise, or fairness opinion accompanying to meeting agenda. Yet, investors often follow the issues in the media and not informed by the strategic rationale.

According to the data, there have been only three M&A proposals in 2010 general meetings. Highest dissent has occurred in Turk Telekomunikasyon's extraordinary general meeting, where the company has decided to acquire units of European data capacity firm Invitel.⁸⁹

⁸⁹ Reuters, "Telecoms regulator approves Turk Telekom Invitel deal" at <http://www.reuters.com/article/idUSTRE68G3D620100917> Accessed on 28.10.2010

Table 3.10: Merger and Acquisitions

	For	Against	Abstention	Total Dissent	Attendance in Capital	Significant Shares
Turk Telekomunikasyon AS	97.25%	2.74%	0.01%	3.75%	89.53%	85.00%
Petkim Petrokimya Holding A.S.	99.99%	0.01%	0.00%	0.01%	61.78.%	61.32%
Haci Omer Sabanci Holding A.S	100.00%	0.00%	0.00%	0.39%	57.10%	57.56%
ISE30 Average	99.31%	0.69%	0.13%	0.16%	79.27%	71.79%
European Average	97.0%	1.6%	1.5%	3.0%	61.50%	35.00%

Source: *Appendix II*

3.4.5. Voting Results: Conclusion

There has been average of 0.86% dissent among 307 agenda items in 2010 Turkish market. The result in Europe is much higher and calculated as 3.70%. According to data, the most contentious theme in Turkey has been *Annual Report and Income Allocation* with 1.68% dissent, whereas in Europe *Share Incentive Plans* are recorded with the highest dissent of 8.9%. It is important to stress that Turkish companies do not even discuss the incentive plans of management while it is theme of a hardcore debate in Europe. It is by itself proves that Corporate Governance in Turkey is a recent phenomena and has significant deficiencies.

In addition to that, investors exhibited high dissent rates at *Presiding Council*, and *Board Elections and Remuneration*, respectively 1.01% and 0.83%. It is favorable that board elections and remuneration take significant attention as it affects direct interests of shareholders. However, objections to a routine item such as electing the presiding council of the meeting require alternative rationales. As it is mentioned before, dissent rate at *Presiding Council* may refer to a general anxiety on shareholder meetings and as well as the corporate governance structures. Since the study is limited with ISE30 companies, the sample size does not allow drawing broader and sharper conclusion.

Voting results of 2010 meetings in Turkey also revealed that, dispersed ownership in companies have tendency to lead higher dissent levels. Highest dissent among ISE30 firms has observed at Asya Bank with 7.22% and followed by Kardemir Karabuk Demir Celik with

4.48%. Both companies have significant shares less than 50%. It is clear that bold voice of majority shareholders has a crowding-out effect and damages the objectivity on decisions.⁹⁰

As a result, dissent rates presented in this chapter captured the dynamic shareholder activism in Turkey and compared it to European practices. Under current conditions, the result seems to be promising as the capital markets of Turkey in the process of a rapid development and the companies are realizing the advantages of better governance principles.

3.4.6. Voting Results: Recommendations

Certainly, very first recommendation for voting results is related to the ownership structure. The study quite frankly explained that the high dissent level (on the other words better scrutiny and governance) goes hand in hand with existence of dispersed shareholders and ownership. As it is experienced in Europe, democracy and pluralism in companies do not harm the governance and performance, but on the contrary enhances the solidarity firms. Therefore, it is recommended to remove any barriers that restrain companies from going public and disperse ownership structures. Furthermore, companies should abolish multiple-voting share classes as shareholders' voting rights should accrue in accordance with their equity capital commitment to the company. In short, one-share, one-vote policy should be supported strongly.

Accordingly, participation of investors should be improved by establishing shareholder activism. Shareholder proposals should take more space in meeting agendas. Also, shareholder participation is not limited to shareholder meetings. Pension funds, mutual funds and hedge funds in many states of Europe became very active in engaging with the companies to steer them in line by creating pressure on boards and managements. Thus, corporate governance in Turkey will directly benefit from improvements in the realm of institutional shareholders.

On the meeting side, one of the main imperfect practices is transparency. Heidrick & Struggles report on corporate governance in Turkey stated that, companies have a long road to go in terms of transparency. According to data, disclosure on director's board positions is only 30%.⁹¹ Regrettably, companies in Turkey do not make disclosure for good of the investors. The act of transparency is only perceived as a legal obligation. Therefore,

⁹⁰ Heidrick & Struggles, "Corporate Governance in Turkey," *Boards in Turbulent Times: Corporate Governance Report 2009*, April 2009, 32.

⁹¹ *Ibid.*

companies have to apply strict disclosure guidelines and turn it into a tradition. In line with the transparency, firms should also discuss the incentives of management at shareholder meetings. Remuneration of the CEOs should not be taboo. Last but not least, board committees should be numerous and serve on their field of expertise along with the connoisseur selected outside of the board.

Above mentioned recommendations on voting results and participation rates, are the items for the key achievements that will upgrade the country's corporate governance image and attract more international capital as well as new opportunities.

CONCLUSION

This paper is an effort to define the corporate governance culture in Turkey by focusing on shareholder values. The study has pointed the question of whether the shareholders in Turkey have a sense of value on their rights. In that aspect, there has been defined the necessity on better corporate governance practices which can only be realized by involvement of shareholders in management through their voting rights. So, when the projection turned on Turkey, the paper has to argue the rising awareness but lack of capital market culture in this emerging market. In that manner, chapter on Turkey concentrated on ownership structures and principle – agent conflicts.

In the end, the paper concludes that there is a chronic problem of “shareholder democracy” in Turkey due to underdeveloped corporate governance culture. Shareholder intervention remains very little and inadequate dialogue creates absence of activism. Also, what missing in Turkey is the sufficient disclosure levels. Current ownership structure does not encourage strong disclosure practices and as a result, proxy voting is not an option for many investors, particularly foreign institutional shareholders.

However, above mentioned picture should not create completely pessimistic atmosphere. Although Turkey is still young and unsophisticated country in the sense of corporate governance, the way moved forward so far is remarkable. Also, corporate governance has no singular path to follow, but has its own standards and policies for the each country to perform very best and different practices. Thus, the implementation of the corporate governance in Turkey may alter from other peers. Nevertheless there are certain factors that could raise the profile of Turkey and offer future prospects of improvement. They are basically evolution of the ownership structure to increase free-float rate, ongoing privatization process by government, elimination of administrative burdens on shareholder rights, increasing awareness through shareholder activism, engagement and dialogue with company and finally stronger advocacy from market influencer in Turkey.

Better corporate governance practices not only develop financial assets in the terms of improving economy through development and growth, and stimulating foreign direct investments; but also on the other hand foster the accession process of Turkey in the EU by converging to the European standards.

BIBLIOGRAPHY

- Alsina, G., Gikas, L., and Heynderickx, A. (2009). "Voting Results in Europe 2009" Market/Region Report, RiskMetrics Group, Brussels.
- Ararat, M., Gocenoğlu, C. (2005). "Drivers for Sustainable Corporate Responsibility, Case of Turkey", Working Paper, Sabanci University.
- Ararat, M., Ugur, M. (2003). "Corporate Governance in Turkey: An Overview and Some Policy Recommendations" in *Corporate Governance: International Journal of Business in Society*, 3(1), pp. 58-75.
- Atakan, S., Ozsoy, Z., and Oba, B. (2008). "Implementation of good corporate governance in Turkey: The case of Dogan Yayin Holding" in *Human Systems Management*, 27 (3) pp. 201-216.
- Ayvaz, S. (2007). *Role of the Corporate Governance Practices on the Employee Commitments*. Master Thesis, Anadolu University, Social Sciences Institution, Eskisehir.
- Bebchuk, L., A. Cohen and A. Ferrell (2009). "What matters in corporate governance?" in *Review of Financial Studies* 22 (2), pp. 783-827.
- Becht, M., Bolton, P., & Röell, A. (2005). "Corporate Governance and Control" in *Finance Working Paper*, European Corporate Governance Institute, Brussels.
- Berglöf, E., & Paujuste, A. (2005). What Do Firms Disclose and Why? Enforcing Corporate Governance and Transparency in Central and Eastern Europe. *Oxford Review of Economic Policy*, 21 (2), 179-197.
- Berle, A.A. Jr. and Means, G.C. (1932). *The Modern Corporation and Private Property*, Macmillan, New York.
- Biswal, P., C. (2003). "Free-float Sensex is a Better Index" Working Paper, New Delphi.
- Bolton, A. "Don't blame shareholders for the crisis" in *Financial Times*, 06/03/2009.
- Budak, A. and Altas, G. (2010). *The Structure of the Turkish Capital Markets 2010*, ed. Ekin Fikirkoca, TSPAKB, p. 32, Istanbul.
- Bugra A., (1994). *State and business in modern Turkey: A comparative study*, State University of New York Press, New York.
- Capital Markets Board (2003). *Corporate Governance Principles: Edited 2005*, Ankara. Available at www.spk.gov.tr (22/02/2010)
- Capital Markets Board (2008). *Annual Report of Capital Markets Board of Turkey 2008*, Ankara. Available at www.spk.gov.tr (14/03/2010)
- Capital Markets Board of Turkey. (2008). *Sermaye Piyasasi Kanunu'na Tabi Olan Anonim Ortakliklerin Uyacaklari Esaslar Hakkinda Tebliği* translated as *Communiqué on*

Principles to be followed by the Joint Stock Companies Subject to the Capital Markets Law (Seri: Iv, No: 41), Istanbul.

Capital Markets Board of Turkey. (2010). *Recent Developments in Turkish Capital Markets: Bulletin of the Capital Markets Board of Turkey*, Istanbul.

Cernat, L. (2004). "The emerging European corporate governance model: Anglo-Saxon, Continental, or still the century of diversity?" in *Journal of European Public Policy*, 11 (1), pp. 147–166.

Claessens, S. (2006). *Corporate Governance and Development*, Oxford University Press.

Colley, J. L., Doyle, J. L. and Logan, G. (2004). *What Is Corporate Governance?*, McGraw-Hill Professional Publishing, New York.

Committee on Global Financial System. (2007). *CGFS Papers No 27: Institutional Investors, Global Savings and Asset Allocation*, Bank for International Settlements, p. 35, Basel.

Davies, A. (2006). *Best Practice in Corporate Governance*, Ashgate Publishing Group, London.

Derman, G. Manisali (2004). *Corporate Governance Worldwide: A Guide to Best Practices for Managers*, ICC Publishing, Paris.

Detomasi, D. A. (2006). International Regimes: The Case of Western Corporate Governance. *International Studies Review* , 8, 225-251.

Dignam, A., & Galanis, M. (2008). Corporate Governance and the Importance of Macroeconomic Context. *Oxford Journal of Legal Studies* , 28 (2), 201-243.

Elst, C. V. (2010). *Shareholder Rights and the Importance of Foreign Shareholders*. Available at SSRN: <http://ssrn.com/abstract=1553091>. Accessed on 07/04/2010.

Europa Press Releases. Reference: IP/10/815 Available at <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/815&format=HTML&aged=0&language=EN&guiLanguage=en>, Accessed on 07.10.2010.

Fama, E. F. and Jensen, M. C. (1983). "Separation of Ownership and Control," in *Journal of Law and Economics*, 26, 301–349.

Gocenoglu, H.C. (2004). "The Effects of Multinational companies on Corporate Social Responsibility Practices in Turkey", MSc. Dissertation, Birkbeck College University of London.

Gonenc, H. (2006). "Ownership Concentration and Corporate Performance: A Simultaneous Equation Framework for Turkish Companies" in *Forthcoming Chapter in the Turkish Economy*, Routledge.

Gonencer, E. (2008). "Development of Corporate Governance in the European Union and in Turkey as a Candidate Country: An Assessment of Theoretical, Legal and Practical Aspects", Dissertation Thesis, Paris.

- Gourevitch, P. (2004). "Explaining Corporate Governance Systems: Alternative Approaches" in *Workshop on Corporate Governance*, Amsterdam Research Centre for Corporate Governance Regulation, p. 8.
- Gourevitch, P., A. and Shinn, J. (2005). *Political Power and Corporate Control: The New Global Politics of Corporate Governance*, Princeton University Press.
- Hacimahmutoglu, S. (2007). "The Problems of Minority Protection and Their Solutions within the Legal Framework in Turkish Corporate Governance" in *Journal of Banking Regulation*, 8 (2) pp. 131-158.
- Heidrick & Struggles. (2009). "Corporate Governance in Turkey" in *Boards in Turbulent Times: Corporate Governance Report 2009*.
- Himmelberg, C.P., R.G. Hubbard and D. Palia. (1999). "Understanding the Determinants of Managerial Ownership and the Link Between Ownership and Performance" in *Journal of Financial Economics* 53 (2), pp. 353-384.
- Institute of International Finance Equity Advisory Group (2005). "Corporate Governance in Turkey – An Investor Perspective" in *Task Force Report*, Washington DC.
- Institutional Shareholder Services. (2010). *2010 Voting Results Report: Europe*, Brussels.
- ISE Official Website,
<http://www.ise.org/Indexes/StockIndexesHome/CorporateGovernanceIndex.aspx>
 Accessed on 06/10/2010.
- ISE Regulation Article 25 and ISE Quotation Regulation Article 24. Available at
<http://www.ise.org/Regulations/Bylaws.aspx> Accessed on 19/10/2010.
- Khurana, R. and Zelleke, A. "You Can Cap the Pay, But the Greed Will Go On" in *Washington Post*, 08/02/2009.
- Klapper, L. F. and Love, I. (2002). "Corporate governance, investor protection, and performance in emerging markets" in *Journal of Corporate Finance, Elsevier*, vol. 10(5), pp. 703-728.
- Kurtzman, J. and Yago, G. (2009). *2009 Opacity Index: Measuring Global Risks*, Milken Institute.
- La Porta, R. (1999). *Investor Protection and Corporate Governance*. Available at SSRN:
<http://ssrn.com/abstract=183908> or doi:10.2139/ssrn.183908 Accessed on 03/11/2010.
- La Porta, R., et al. (1997). "Legal Determinants of External Finance" in *The Journal of Finance* 52 (3), pp. 1131-1150.
- Litan, E., Pomerleano, M. and Sundararajan, V. (2003). *Future of Domestic Capital Markets in Developing Countries*, Brookings Institution Press, Washington DC.
- MacDougall, A. "Shareholder Voting" in *The Handbook of International Corporate Governance: A Definitive Guide*, ed. Institute of Directors, Kogan Page, London and Philadelphia

- Mason, R. “Shell overhauls executive pay in response to shareholder revolt” in *Telegraph*, 16/02/2010. Accessed at <http://www.telegraph.co.uk/finance/newsbysector/epic/rdsb/7248761/Shell-overhauls-executive-pay-in-response-to-shareholder-revolt.html>
- Mayer Brown LLC. (2009). *Summary of Government Interventions Belgium*.
- McKinsey and Company. (2002). *Emerging Market Policymaker Opinion on Corporate Governance: Key Findings*, London.
- McKinsey and Company. (2002). *Global Investors Opinion Survey on Corporate Governance*, London.
- Monks, R.A.G. and Minow, N. (2004). *Corporate Governance*, Blackwell Publishing, Oxford, UK.
- OECD (2004). *OECD Principles of Corporate Governance*, OECD Publications, Paris.
- Ozbay, M. (2009). *The Relationship Between Corporate Transparency and Company Performance in the Istanbul Stock Exchange*. MSc Dissertation, Kingston Business School, London.
- Pazarbaşıoğlu, C., Goswami, M. and Ree, J. (2007). “The Changing Face of Investors” in *Finance and Development*, Vol.44 (1).
- Public Disclosure Forum Official Website, <http://kap.gov.tr/yay/English/ek/KapHakkinda.aspx>, Accessed on 30.09.2010.
- Raina, L. and Bakker, M. (2003). *Non-bank financial institutions and capital markets in Turkey: World Bank Country Study*, World Bank Publications, Washington.
- RiskMetrics Group. (2008). *Voting Results in Europe: Shareholder Voice on the Rise at General Meetings*, Brussels.
- Sayek, S. (2007). “FDI In Turkey: The Investment Climate and EU Effects” in *The Journal of International Trade and Diplomacy* 1 (2), pp. 105-138.
- Shleifer, A. and Vishny, R.W. (1997). “A Survey of Corporate Governance” in *Journal of Finance*, 52, pp. 737-83.
- Sonmez, M. (1992). *Türkiye’de Holdingler*, Arkadas Yayınevi, Ankara.
- The Financial Reporting Council. (2010). *The UK Corporate Governance Code*, London.
- The World Bank Statistics, <http://data.worldbank.org/country/turkey> Accessed on 03/10/2010.
- The World Bank. (2010). *Turkey Investment Climate Assessment: From Crisis to Private Sector Led Growth*, p. 54, Washington.
- Tirole, J. (2001). “Corporate Governance” in *Econometrica*, 69, 1-35.
- Treanor, J. “Bellway bonuses anger investors” in *The Observer*, 04/01/2009. Accessed at <http://www.guardian.co.uk/business/2009/jan/04/bellway-directors-bonuses>.
- TSPAKB, *Capital Market Factsheet* at www.tspakb.org.tr, Accessed on 06/10/2010.

- TUSIAD. (2002). *Corporate Governance Code of Best Practice, Composition and Functioning of Board of Directors*, Istanbul.
- UNCTAD Secretariat. (2004). *Review of the Implementation Status of Corporate Governance Disclosures and the Role of Such Disclosures in Adding Sustainable Value*, p. 15, Geneva.
- Whitley, R. (1994). "Dominant forms of economic organization in market economies" in *Organization Studies*, 15(2), pp. 153-182.
- Yildirim, M. (2007). *The Corporate Governance in Turkey and The Effects On Firms Financial Performance*. Retrieved March 21, 2010, from YOK: <http://tez2.yok.gov.tr>
- Yurtoglu, B. (2000). "Ownership, Control and Performance of Turkish Listed Firms" in *Empirica* 27 (2), pp. 193-222.

APPENDIX I: ISE30 Significant Shares and Attendance Rates

#	Company Name	Attendance in Capital	Restricted Shares
1	Akbank	78,07%	60,75%
2	Akenerji Elektrik Uretim AS	74,92%	74,72%
3	Anadolu Efes	72,95%	56,32%
4	Arcelik	79,80%	68,06%
5	Asya Katilim Bankasi AS	78,59%	48,29%
6	Dogan Sirketler Grubu	59,10%	65,79%
7	Dogan Yayin Holding	66,46%	77,50%
8	EIS Eczacibasi Ilac Sanayi ve Ticaret AS	71,52%	70,67%
9	Enka Insaat ve Sanayi A.S.	84,26%	69,20%
10	Eregli Demir ve Celik Fabrikalari TAS	50,23%	52,37%
11	Haci Omer Sabanci Holding A.S (EGM)	57,10%	57,56%
12	Haci Omer Sabanci Holding A.S	64,69%	57,56%
13	Kardemir Karabuk Demir Celik Sanayi ve Ticare	27,32%	31,56%
14	Koc Holding AS	79,20%	77,65%
15	Petkim Petrokimya Holding A.S.	61,78%	61,32%
16	Sekerbank AS	78,55%	68,04%
17	Tav Havalimanlari Holding AS	62,50%	60,16%
18	Tekfen Holding AS	63,45%	62,13%
19	Tofas Turk Otomobil Fabrikasi Anonim Sirketi	77,90%	75,71%
20	Tupras Turkiye Petrol Rafinerileri A.S.	63,36%	51,00%
21	Turk Ekonomi Bankasi A.S.	85,00%	84,37%
22	Turk Hava Yollari	51,63%	49,12%
23	Turk Telekomunikasyon AS (EGM)	89,57%	85,00%
24	Turk Telekomunikasyon AS	89,53%	85,00%
25	Turkcell Iletisim Hizmetleri AS	74,18%	66,52%
26	Turkiye Garanti Bankasi	58,48%	51,37%
27	Turkiye Halk Bankasi A.S.	77,56%	75,06%
28	Turkiye Is Bankasi AS	73,59%	69,96%
29	Turkiye Sinai Kalkinma Bankasi AS	64,20%	54,70%
30	Turkiye Sise ve Cam Fabrikalari AS	72,57%	72,05%
31	Turkiye Vakiflar Bankasi TAO	79,78%	74,82%
32	Yapi Ve Kredi Bankasi AS	88,61%	81,80%

APPENDIX II: ISE30 Voting Results

Name	Meeting Type	Date	Resolution	Theme	Item	FOR	AGAINST	ABSTAIN	TOTAL	VOTE RESULT	For	Against	Abstain
Akbank	Annual	Mar 26 2010	1	Presiding Council	Elect Presiding Council of Meeting	225.677.981.298	-	8.524.519.100	234.202.500.398	Accepted	96,36%	0,00%	3,64%
Akbank	Annual	Mar 26 2010	3	Annual Reports and Income Allocation	Approve Financial Statements and Discharge of Board and Auditors	233.738.604.198	46.522.900	417.373.300	234.202.500.398	Accepted	99,80%	0,02%	0,18%
Akbank	Annual	Mar 26 2010	4	Annual Reports and Income Allocation	Approve Allocation of Income	234.132.177.498	-	70.322.900	234.202.500.398	Accepted	99,97%	0,00%	0,03%
Akbank	Annual	Mar 26 2010	5	Board Election and Remuneration	Approve the Appointment of Directors to Fill Vacancies	233.807.340.998	277.171.800	117.987.600	234.202.500.398	Accepted	99,83%	0,12%	0,05%
Akbank	Annual	Mar 26 2010	6	Board Election and Remuneration	Re-Elect Directors and Approve Their Remuneration	233.078.220.398	1.006.292.400	117.987.600	234.202.500.398	Accepted	99,52%	0,43%	0,05%
Akbank	Annual	Mar 26 2010	7	External Auditors	Ratify External Auditors for the 2010, 2011 and 2012 Financial Years	233.810.060.398	268.303.200	124.136.800	234.202.500.398	Accepted	99,83%	0,11%	0,05%
Akbank	Annual	Mar 26 2010	8	Capital Authorization	Authorize Issuance of Bonds and/or Commercial Papers	230.999.959.798	2.659.037.700	543.502.900	234.202.500.398	Accepted	98,63%	1,14%	0,23%
Akbank	Annual	Mar 26 2010	10	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	233.801.227.998	283.284.800	117.987.600	234.202.500.398	Accepted	99,83%	0,12%	0,05%
Akenerji Elektrik Uretim AS	Annual	May 6 2010	1	Presiding Council	Elect Presiding Council and Provide Authorization to Sign Minutes	4.885.323.208	-	9.887.500	4895210708	Accepted	99,80%	0,00%	0,20%
Akenerji Elektrik Uretim AS	Annual	May 6 2010	2	Annual Reports and Income Allocation	Accept Financial Statements and Statutory Reports and Approve Income Allocation	4.885.323.208	-	9.887.500	4895210708	Accepted	99,80%	0,00%	0,20%
Akenerji Elektrik Uretim AS	Annual	May 6 2010	3	Discharge	Approve Discharge of Board and Auditors	4.882.389.308	12.821.400	-	4895210708	Accepted	99,74%	0,26%	0,00%
Akenerji Elektrik Uretim AS	Annual	May 6 2010	4	Board Election and Remuneration	Elect Board of Directors and Internal Auditors, Approve Their Remuneration, and Provide Routine Authorizations to Board Members	4.895.210.708	-	-	4895210708	Accepted	100,00%	0,00%	0,00%
Akenerji Elektrik Uretim AS	Annual	May 6 2010	5	External Auditors	Ratify External Auditors	4.894.681.608	-	529.100	4895210708	Accepted	99,99%	0,00%	0,01%
Akenerji Elektrik Uretim AS	Annual	May 6 2010	7	Bylaw Amendments	Amend Company Articles	4.895.210.708	-	-	4895210708	Accepted	100,00%	0,00%	0,00%
Anadolu Efes	Annual	Apr 29 2010	1	Presiding Council	Elect Presiding Council of Meeting and Provide Authorization to Sign Minutes	328.268.565	-	-	328268565	Accepted	100,00%	0,00%	0,00%
Anadolu Efes	Annual	Apr 29 2010	2	Annual Reports and Income Allocation	Accept Statutory Reports	324.940.899	-	3.327.666	328268565	Accepted	98,99%	0,00%	1,01%
Anadolu Efes	Annual	Apr 29 2010	3	Annual Reports and Income Allocation	Accept Financial Statements	324.940.899	-	3.327.666	328268565	Accepted	98,99%	0,00%	1,01%
Anadolu Efes	Annual	Apr 29 2010	4	Discharge	Approve Discharge of Board and Auditors	327.848.734	-	419.831	328268565	Accepted	99,87%	0,00%	0,13%
Anadolu Efes	Annual	Apr 29 2010	5	Annual Reports and Income Allocation	Approve Allocation of Income	328.268.565	-	-	328268565	Accepted	100,00%	0,00%	0,00%
Anadolu Efes	Annual	Apr 29 2010	6	Board Election and Remuneration	Elect Board of Directors and Internal Auditors and Approve Their Fees	328.003.866	264.699	-	328268565	Accepted	99,92%	0,08%	0,00%
Anadolu Efes	Annual	Apr 29 2010	9	External Auditors	Ratify External Auditors	327.501.920	-	766.645	328268565	Accepted	99,77%	0,00%	0,23%
Anadolu Efes	Annual	Apr 29 2010	11	Bylaw Amendments	Amend Company Articles	328.268.565	-	-	328268565	Accepted	100,00%	0,00%	0,00%
Anadolu Efes	Annual	Apr 29 2010	12	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	328.268.565	-	-	328268565	Accepted	100,00%	0,00%	0,00%
Arcelik	Annual	Mar 17 2010	1	Presiding Council	Opening Meeting and Elect Presiding Council of Meeting	53.152.346.833	-	773.310.200	53925657033	Accepted	98,57%	0,00%	1,43%
Arcelik	Annual	Mar 17 2010	2	Annual Reports and Income Allocation	Accept Financial Statements and Statutory Reports	53.825.964.333	66.550.100	33.142.600	53925657033	Accepted	99,82%	0,12%	0,06%
Arcelik	Annual	Mar 17 2010	3	Discharge	Approve Discharge of Board and Auditors	53.825.964.333	66.550.100	33.142.600	53925657033	Accepted	99,82%	0,12%	0,06%
Arcelik	Annual	Mar 17 2010	5	Annual Reports and Income Allocation	Approve Allocation of Income	53.925.657.033	-	-	53925657033	Accepted	100,00%	0,00%	0,00%

				Allocation									
Arcelik	Annual	Mar 17 2010	6	Bylaw Amendments	Amend Company Articles	53.892.514.433	-	33.142.600	53925657033	Accepted	99,94%	0,00%	0,06%
Arcelik	Annual	Mar 17 2010	7	Board Election and Remuneration	Elect Directors	53.881.467.433	44.189.600	-	53925657033	Accepted	99,92%	0,08%	0,00%
Arcelik	Annual	Mar 17 2010	8	Board Election and Remuneration	Appoint Internal Auditors	53.892.514.433	-	33.142.600	53925657033	Accepted	99,94%	0,00%	0,06%
Arcelik	Annual	Mar 17 2010	9	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	53.825.964.333	66.550.100	33.142.600	53925657033	Accepted	99,82%	0,12%	0,06%
Arcelik	Annual	Mar 17 2010	11	External Auditors	Ratify External Auditors	53.848.059.933	77.597.100	-	53925657033	Accepted	99,86%	0,14%	0,00%
Arcelik	Annual	Mar 17 2010	13	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	53.892.514.433	-	33.142.600	53925657033	Accepted	99,94%	0,00%	0,06%
Asya Katilim Bankasi AS	Annual	Mar 20 2010	1	Presiding Council	Open Meeting and Elect Presiding Council of Meeting	427.245.262	-	44.314.821	471560083	Accepted	90,60%	0,00%	9,40%
Asya Katilim Bankasi AS	Annual	Mar 20 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	427.245.262	-	44.314.821	471560083	Accepted	90,60%	0,00%	9,40%
Asya Katilim Bankasi AS	Annual	Mar 20 2010	4	Annual Reports and Income Allocation	Accept Financial Statements and Approve Income Allocation	276.595.272	194.964.811	-	471560083	Accepted	58,66%	41,34 %	0,00%
Asya Katilim Bankasi AS	Annual	Mar 20 2010	5	Board Election and Remuneration	Elect Directors	454.423.148	17.136.935	-	471560083	Accepted	96,37%	3,63%	0,00%
Asya Katilim Bankasi AS	Annual	Mar 20 2010	6	Discharge	Approve Discharge of Board and Auditors	471.197.414	362.966	-	471560380	Accepted	99,92%	0,08%	0,00%
Asya Katilim Bankasi AS	Annual	Mar 20 2010	7	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	468.312.216	362.669	1.596.038	470270923	Accepted	99,58%	0,08%	0,34%
Asya Katilim Bankasi AS	Annual	Mar 20 2010	8	Ordinary Business	Authorize the Board to Elect Advisory Board Members and Set Their Remuneration	469.964.045	-	1.596.038	471560083	Accepted	99,66%	0,00%	0,34%
Asya Katilim Bankasi AS	Annual	Mar 20 2010	9	External Auditors	Ratify External Auditors	469.601.376	362.669	1.596.038	471560083	Accepted	99,58%	0,08%	0,34%
Asya Katilim Bankasi AS	Annual	Mar 20 2010	12	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and with Similar Corporate Purpose	471.560.083	-	-	471560083	Accepted	100,00%	0,00%	0,00%
Dogan Sirketler Grubu	Annual	Jun 23 2010	1	Presiding Council	Elect Presiding Council of Meeting	1.447.925.337	-	-	1447925337	Accepted	100,00%	0,00%	0,00%
Dogan Sirketler Grubu	Annual	Jun 23 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	1.447.925.337	-	-	1447925337	Accepted	100,00%	0,00%	0,00%
Dogan Sirketler Grubu	Annual	Jun 23 2010	3	Bylaw Amendments	Amend Corporate Purpose	1.447.925.337	-	-	1447925337	Accepted	100,00%	0,00%	0,00%
Dogan Sirketler Grubu	Annual	Jun 23 2010	4	Annual Reports and Income Allocation	Accept Financial Statements and Statutory Reports	1.439.592.598	-	8.332.739	1447925337	Accepted	99,42%	0,00%	0,58%
Dogan Sirketler Grubu	Annual	Jun 23 2010	5	Discharge	Approve Discharge of Board	1.447.925.337	-	-	1447925337	Accepted	100,00%	0,00%	0,00%
Dogan Sirketler Grubu	Annual	Jun 23 2010	6	Discharge	Approve Discharge of Auditors	1.447.925.337	-	-	1447925337	Accepted	100,00%	0,00%	0,00%
Dogan Sirketler Grubu	Annual	Jun 23 2010	7	Annual Reports and Income Allocation	Approve Allocation of Income	1.447.925.337	-	-	1447925337	Accepted	100,00%	0,00%	0,00%
Dogan Sirketler Grubu	Annual	Jun 23 2010	8	Board Election and Remuneration	Elect Directors and Approve Their Remuneration	1.443.848.479	4.076.858	-	1447925337	Accepted	99,72%	0,28%	0,00%
Dogan Sirketler Grubu	Annual	Jun 23 2010	9	Board Election and Remuneration	Appoint Internal Statutory Auditors and Approve Their Remuneration	1.447.925.337	-	-	1447925337	Accepted	100,00%	0,00%	0,00%
Dogan Sirketler Grubu	Annual	Jun 23 2010	10	External Auditors	Ratify External Auditors	1.445.588.179	2.337.158	-	1447925337	Accepted	99,84%	0,16%	0,00%
Dogan Sirketler Grubu	Annual	Jun 23 2010	11	Capital Authorization	Authorize Issuance of Bonds	1.434.490.274	13.435.063	-	1447925337	Accepted	99,07%	0,93%	0,00%
Dogan Sirketler Grubu	Annual	Jun 23 2010	12	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	1.447.925.337	-	-	1447925337	Accepted	100,00%	0,00%	0,00%
Dogan Yayin Holding	Annual	May 11 2010	1	Presiding Council	Elect Presiding Council of Meeting	533.019.922	-	-	533019922	Accepted	100,00%	0,00%	0,00%
Dogan Yayin Holding	Annual	May 11 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	533.019.922	-	-	533019922	Accepted	100,00%	0,00%	0,00%
Dogan Yayin Holding	Annual	May 11 2010	3	Annual Reports and Income Allocation	Accept Financial Statements and Statutory Reports	531.665.590	141.086	1.213.246	533019922	Accepted	99,75%	0,03%	0,23%
Dogan Yayin Holding	Annual	May 11 2010	4	Discharge	Approve Discharge of Board and Auditors	532.878.836	141.086	-	533019922	Accepted	99,97%	0,03%	0,00%

Dogan Yayin Holding	Annual	May 11 2010	5	Annual Reports and Income Allocation	Approve Allocation of Income	533.019.922	-	-	533019922	Accepted	100,00%	0,00%	0,00%
Dogan Yayin Holding	Annual	May 11 2010	6	Board Election and Remuneration	Elect Directors	532.149.011	870.911	-	533019922	Accepted	99,84%	0,16%	0,00%
Dogan Yayin Holding	Annual	May 11 2010	7	Board Election and Remuneration	Appoint Internal Statutory Auditors	533.019.922	-	-	533019922	Accepted	100,00%	0,00%	0,00%
Dogan Yayin Holding	Annual	May 11 2010	8	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	532.878.836	141.086	-	533019922	Accepted	99,97%	0,03%	0,00%
Dogan Yayin Holding	Annual	May 11 2010	9	External Auditors	Ratify External Auditors	532.878.836	141.086	-	533019922	Accepted	99,97%	0,03%	0,00%
Dogan Yayin Holding	Annual	May 11 2010	10	Capital Authorization	Authorize Share Exchanges, Asset Sales or Purchases, and Third Party Liability Guarantees	530.770.817	2.249.105	-	533019922	Accepted	99,58%	0,42%	0,00%
Dogan Yayin Holding	Annual	May 11 2010	11	Capital Authorization	Authorize Issuance of Bonds	530.770.817	2.249.105	-	533019922	Accepted	99,58%	0,42%	0,00%
Dogan Yayin Holding	Annual	May 11 2010	12	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	533.019.922	-	-	533019922	Accepted	100,00%	0,00%	0,00%
EIS Eczacibasi Ilac Sanayi ve Ticaret AS	Annual	May 4 2010	1	Presiding Council	Open Meeting and Elect Presiding Council of Meeting	39.208.362.827	-	-	39208362827	Accepted	100,00%	0,00%	0,00%
EIS Eczacibasi Ilac Sanayi ve Ticaret AS	Annual	May 4 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	39.208.362.827	-	-	39208362827	Accepted	100,00%	0,00%	0,00%
EIS Eczacibasi Ilac Sanayi ve Ticaret AS	Annual	May 4 2010	3	Annual Reports and Income Allocation	Accept Statutory Reports	39.200.862.827	75.000	-	39200937827	Accepted	100,00%	0,00%	0,00%
EIS Eczacibasi Ilac Sanayi ve Ticaret AS	Annual	May 4 2010	4	Annual Reports and Income Allocation	Accept Financial Statements and Approve Income Allocation	39.189.718.727	75.000	11.144.100	39200937827	Accepted	99,97%	0,00%	0,03%
EIS Eczacibasi Ilac Sanayi ve Ticaret AS	Annual	May 4 2010	5	Discharge	Approve Discharge of Board and Auditors	39.208.362.827	-	-	39208362827	Accepted	100,00%	0,00%	0,00%
EIS Eczacibasi Ilac Sanayi ve Ticaret AS	Annual	May 4 2010	6	Board Election and Remuneration	Elect Directors and Approve Their Remuneration	38.860.611.527	301.705.500	46.045.800	39208362827	Accepted	99,11%	0,77%	0,12%
EIS Eczacibasi Ilac Sanayi ve Ticaret AS	Annual	May 4 2010	7	Board Election and Remuneration	Appoint Internal Statutory Auditors and Approve Their Remuneration	39.208.362.827	-	-	39208362827	Accepted	100,00%	0,00%	0,00%
EIS Eczacibasi Ilac Sanayi ve Ticaret AS	Annual	May 4 2010	8	External Auditors	Ratify External Auditors	39.162.317.027	-	46.045.800	39208362827	Accepted	99,88%	0,00%	0,12%
EIS Eczacibasi Ilac Sanayi ve Ticaret AS	Annual	May 4 2010	10	Capital Authorization	Authorize Debt Issuance	38.808.645.627	307.398.000	89.706.200	39205749827	Accepted	98,99%	0,78%	0,23%
EIS Eczacibasi Ilac Sanayi ve Ticaret AS	Annual	May 4 2010	11	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	39.208.362.827	-	-	39208362827	Accepted	100,00%	0,00%	0,00%
Enka Insaat ve Sanayi A.S.	Annual	Apr 22 2010	1	Presiding Council	Elect Presiding Council of Meeting	151.674.644.047	-	-	1,51675E+11	Accepted	100,00%	0,00%	0,00%
Enka Insaat ve Sanayi A.S.	Annual	Apr 22 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	151.674.644.047	-	-	1,51675E+11	Accepted	100,00%	0,00%	0,00%
Enka Insaat ve Sanayi A.S.	Annual	Apr 22 2010	6	Annual Reports and Income Allocation	Accept Financial Statements and Approve Discharge of Board and Auditors	151.674.644.047	-	-	1,51675E+11	Accepted	100,00%	0,00%	0,00%
Enka Insaat ve Sanayi A.S.	Annual	Apr 22 2010	7	Board Election and Remuneration	Elect Directors	150.711.945.247	921.650.400	41.048.400	1,51675E+11	Accepted	99,37%	0,61%	0,03%
Enka Insaat ve Sanayi A.S.	Annual	Apr 22 2010	8	Board Election and Remuneration	Appoint Internal Statutory Auditors	151.674.644.047	-	-	1,51675E+11	Accepted	100,00%	0,00%	0,00%
Enka Insaat ve Sanayi A.S.	Annual	Apr 22 2010	9	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	149.279.159.947	668.984.500	1.726.499.600	1,51675E+11	Accepted	98,42%	0,44%	1,14%
Enka Insaat ve Sanayi A.S.	Annual	Apr 22 2010	10	Annual Reports and Income Allocation	Approve Allocation of Income	151.674.644.047	-	-	1,51675E+11	Accepted	100,00%	0,00%	0,00%
Enka Insaat ve Sanayi A.S.	Annual	Apr 22 2010	11	External Auditors	Ratify External Auditors	151.569.567.747	105.076.300	-	1,51675E+11	Accepted	99,93%	0,07%	0,00%
Enka Insaat ve Sanayi A.S.	Annual	Apr 22 2010	13	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved	151.674.644.047	-	-	1,51675E+11	Accepted	100,00%	0,00%	0,00%

					with Companies with Similar Corporate Purpose								
Eregli Demir ve Celik Fabrikalari TAS	Annual	Mar 9 2010	1	Presiding Council	Open Meeting and Elect Presiding Council of Meeting	79.333.718.156	-	1.041.820.700	80375538856	Accepted	98,70%	0,00%	1,30%
Eregli Demir ve Celik Fabrikalari TAS	Annual	Mar 9 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	79.333.718.156	-	1.041.820.700	80375538856	Accepted	98,70%	0,00%	1,30%
Eregli Demir ve Celik Fabrikalari TAS	Annual	Mar 9 2010	4	Annual Reports and Income Allocation	Approve Financial Statements and Income Allocation	80.375.538.856	-	-	80375538856	Accepted	100,00%	0,00%	0,00%
Eregli Demir ve Celik Fabrikalari TAS	Annual	Mar 9 2010	5	Bylaw Amendments	Amend Company Articles	80.056.336.256	315.202.600	4.000.000	80375538856	Accepted	99,60%	0,39%	0,00%
Eregli Demir ve Celik Fabrikalari TAS	Annual	Mar 9 2010	6	Board Election and Remuneration	Approve Board Appointments Made During the Year	80.235.819.356	84.086.600	55.632.900	80375538856	Accepted	99,83%	0,10%	0,07%
Eregli Demir ve Celik Fabrikalari TAS	Annual	Mar 9 2010	7	Discharge	Approve Discharge of Board and Auditors	80.375.538.856	-	-	80375538856	Accepted	100,00%	0,00%	0,00%
Eregli Demir ve Celik Fabrikalari TAS	Annual	Mar 9 2010	8	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	80.371.538.856	-	4.000.000	80375538856	Accepted	100,00%	0,00%	0,00%
Eregli Demir ve Celik Fabrikalari TAS	Annual	Mar 9 2010	9	Board Election and Remuneration	Elect Directors	79.391.719.356	924.186.600	59.632.900	80375538856	Accepted	98,78%	1,15%	0,07%
Eregli Demir ve Celik Fabrikalari TAS	Annual	Mar 9 2010	10	Board Election and Remuneration	Appoint Internal Statutory Auditors	80.375.538.856	-	-	80375538856	Accepted	100,00%	0,00%	0,00%
Eregli Demir ve Celik Fabrikalari TAS	Annual	Mar 9 2010	11	External Auditors	Ratify External Auditors	80.371.538.856	-	4.000.000	80375538856	Accepted	100,00%	0,00%	0,00%
Eregli Demir ve Celik Fabrikalari TAS	Annual	Mar 9 2010	12	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	80.291.452.256	84.086.600	-	80375538856	Accepted	99,90%	0,10%	0,00%
Haci Omer Sabanci Holding A.S	Special	Jan 4 2010	1	Presiding Council	Elect Presiding Council of Meeting	108.483.591.964	-	-	1,08484E+11	Accepted	100,00%	0,00%	0,00%
Haci Omer Sabanci Holding A.S	Special	Jan 4 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	108.483.591.964	-	-	1,08484E+11	Accepted	100,00%	0,00%	0,00%
Haci Omer Sabanci Holding A.S	Special	Jan 4 2010	5	Merger and Acquisition	Approve Repartition Agreement between Aksigorta A.S. and Akbank T. A.S. and Avivasa Emeklilik Hayat A.S.	108.483.591.964	-	-	1,08484E+11	Accepted	100,00%	0,00%	0,00%
Haci Omer Sabanci Holding A.S	Special	Jan 4 2010	6	Merger and Acquisition	Approve Repartition Agreement between Akbank T. A.S. and Exsa Export San. Mamulleri Satis ve Arastirma A.S.	108.483.591.964	-	-	1,08484E+11	Accepted	100,00%	0,00%	0,00%
Haci Omer Sabanci Holding A.S	Special	Jan 4 2010	7	Capital Authorization	Approve Transfer of Shares of Akbank T. A.S. and Avivasa Emeklilik ve Hayat A.S. of Aksigorta A.S. to the Company	108.483.591.964	-	-	1,08484E+11	Accepted	100,00%	0,00%	0,00%
Haci Omer Sabanci Holding A.S	Special	Jan 4 2010	8	Capital Authorization	Approve Transfer of Shares of Akbank T. A.S. of Exsa Export San. Mamulleri Satis ve Arastirma A.S. to the Company	108.483.591.964	-	-	1,08484E+11	Accepted	100,00%	0,00%	0,00%
Haci Omer Sabanci Holding A.S	Special	Jan 4 2010	9	Annual Reports and Income Allocation	Determine Allocation of Income	96.847.767.764	-	11.635.824.200	1,08484E+11	Accepted	89,27%	0,00%	10,73 %
Haci Omer Sabanci Holding A.S	Special	Jan 4 2010	10	Bylaw Amendments	Amend Company Articles	108.483.591.964	-	-	1,08484E+11	Accepted	100,00%	0,00%	0,00%
Haci Omer Sabanci Holding A.S	Annual	May 12 2010	1	Presiding Council	Open Meeting and Elect Presiding Council	131.989.454.072	-	-	1,31989E+11	Accepted	100,00%	0,00%	0,00%
Haci Omer Sabanci Holding A.S	Annual	May 12 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	131.989.454.072	-	-	1,31989E+11	Accepted	100,00%	0,00%	0,00%
Haci Omer Sabanci Holding A.S	Annual	May 12 2010	5	Annual Reports and Income Allocation	Accept Financial Statements and Approve Income Allocation	131.683.449.972	306.004.100	-	1,31989E+11	Accepted	99,77%	0,23%	0,00%
Haci Omer Sabanci Holding A.S	Annual	May 12 2010	6	Discharge	Approve Discharge of Board and Auditors	131.938.848.972	50.605.100	-	1,31989E+11	Accepted	99,96%	0,04%	0,00%
Haci Omer Sabanci Holding A.S	Annual	May 12 2010	7	Board Election and Remuneration	Elect Directors and Approve Their Remuneration	130.553.021.972	1.436.432.100	-	1,31989E+11	Accepted	98,91%	1,09%	0,00%
Haci Omer Sabanci Holding A.S	Annual	May 12 2010	8	External Auditors	Ratify External Auditors	131.812.647.472	176.806.600	-	1,31989E+11	Accepted	99,87%	0,13%	0,00%
Haci Omer Sabanci	Annual	May 12 2010	9	Ordinary Business	Grant Permission for Board Members to Engage in	131.989.454.072	-	-	1,31989E+11	Accepted	100,00%	0,00%	0,00%

Holding A.S					Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose								
Kardemir Karabuk Demir Celik Sanayi ve Ticare	Annual	Apr 30 2010	2	Presiding Council	Elect Presiding Council of Meeting	233.693.590	6.400.554	-	240094144	Accepted	97,33%	2,67%	0,00%
Kardemir Karabuk Demir Celik Sanayi ve Ticare	Annual	Apr 30 2010	3	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	233.693.590	6.400.554	-	240094144	Accepted	97,33%	2,67%	0,00%
Kardemir Karabuk Demir Celik Sanayi ve Ticare	Annual	Apr 30 2010	5	Annual Reports and Income Allocation	Accept Financial Statements	230.128.642	6.400.554	3.564.948	240094144	Accepted	95,85%	2,67%	1,48%
Kardemir Karabuk Demir Celik Sanayi ve Ticare	Annual	Apr 30 2010	6	Board Election and Remuneration	Ratify Director Appointments	206.742.477	6.400.554	26.951.113	240094144	Accepted	86,11%	2,67%	11,23 %
Kardemir Karabuk Demir Celik Sanayi ve Ticare	Annual	Apr 30 2010	8	Discharge	Approve Discharge of Board and Auditors	233.693.590	6.400.554	-	240094144	Accepted	97,33%	2,67%	0,00%
Kardemir Karabuk Demir Celik Sanayi ve Ticare	Annual	Apr 30 2010	9	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	233.693.590	6.400.554	-	240094144	Accepted	97,33%	2,67%	0,00%
Kardemir Karabuk Demir Celik Sanayi ve Ticare	Annual	Apr 30 2010	12	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	232.743.589	6.400.554	-	239144143	Accepted	97,32%	2,68%	0,00%
KOC Holding AS	Annual	Apr 21 2010	1	Presiding Council	Open Meeting and Elect Presiding Council	191.290.286.552	-	-	1,9129E+11	Accepted	100,00%	0,00%	0,00%
KOC Holding AS	Annual	Apr 21 2010	2	Annual Reports and Income Allocation	Accept Financial Statements and Statutory Reports	190.886.822.152	106.601.000	296.863.400	1,9129E+11	Accepted	99,79%	0,06%	0,16%
KOC Holding AS	Annual	Apr 21 2010	3	Board Election and Remuneration	Ratify Director Appointments	190.169.419.852	292.947.000	827.919.700	1,9129E+11	Accepted	99,41%	0,15%	0,43%
KOC Holding AS	Annual	Apr 21 2010	4	Discharge	Approve Discharge of Board and Auditors	191.183.685.552	106.601.000	-	1,9129E+11	Accepted	99,94%	0,06%	0,00%
KOC Holding AS	Annual	Apr 21 2010	5	Bylaw Amendments	Amend Company Articles	191.178.262.452	112.024.100	-	1,9129E+11	Accepted	99,94%	0,06%	0,00%
KOC Holding AS	Annual	Apr 21 2010	7	Annual Reports and Income Allocation	Approve Allocation of Income	191.290.286.552	-	-	1,9129E+11	Accepted	100,00%	0,00%	0,00%
KOC Holding AS	Annual	Apr 21 2010	10	External Auditors	Ratify External Auditors	191.109.363.652	180.922.900	-	1,9129E+11	Accepted	99,91%	0,09%	0,00%
KOC Holding AS	Annual	Apr 21 2010	11	Board Election and Remuneration	Elect Directors	190.825.577.669	464.708.883	-	1,9129E+11	Accepted	99,76%	0,24%	0,00%
KOC Holding AS	Annual	Apr 21 2010	12	Board Election and Remuneration	Appoint Internal Statutory Auditors	191.290.286.552	-	-	1,9129E+11	Accepted	100,00%	0,00%	0,00%
KOC Holding AS	Annual	Apr 21 2010	13	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	190.169.539.552	292.947.000	827.800.000	1,9129E+11	Accepted	99,41%	0,15%	0,43%
KOC Holding AS	Annual	Apr 21 2010	15	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	191.178.262.452	112.024.100	-	1,9129E+11	Accepted	99,94%	0,06%	0,00%
KOC Holding AS	Annual	Apr 21 2010	16	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	191.290.286.552	-	-	1,9129E+11	Accepted	100,00%	0,00%	0,00%
Petkim Petrokimya Holding A.S.	Annual	Mar 31 2010	1	Presiding Council	Opening Meeting and Elect Presiding Council of Meeting	12.650.413.506	-	-	12650413506	Accepted	100,00%	0,00%	0,00%
Petkim Petrokimya Holding A.S.	Annual	Mar 31 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	12.650.413.506	-	-	12650413506	Accepted	100,00%	0,00%	0,00%
Petkim Petrokimya Holding A.S.	Annual	Mar 31 2010	3	Annual Reports and Income Allocation	Accept Financial Statements and the Internal and External Audit Reports	12.650.199.635	-	213.871	12650413506	Accepted	100,00%	0,00%	0,00%
Petkim Petrokimya Holding A.S.	Annual	Mar 31 2010	4	Board Election and Remuneration	Elect Director	12.650.413.506	-	-	12650413506	Accepted	100,00%	0,00%	0,00%
Petkim Petrokimya Holding A.S.	Annual	Mar 31 2010	5	Board Election and Remuneration	Approve Internal Auditor Appointment	12.650.413.506	-	-	12650413506	Accepted	100,00%	0,00%	0,00%
Petkim Petrokimya	Annual	Mar 31 2010	6	Discharge	Approve Discharge of Board and Auditors	12.650.413.506	-	-	12650413506	Accepted	100,00%	0,00%	0,00%

Holding A.S.													
Petkim Petrokimya Holding A.S.	Annual	Mar 31 2010	7	External Auditors	Ratify External Auditors	12.650.413.506	-	-	12650413506	Accepted	100,00%	0,00%	0,00%
Petkim Petrokimya Holding A.S.	Annual	Mar 31 2010	8	Board Election and Remuneration	Appoint Internal Statutory Auditors and Approve Their Remuneration	12.650.413.506	-	-	12650413506	Accepted	100,00%	0,00%	0,00%
Petkim Petrokimya Holding A.S.	Annual	Mar 31 2010	9	Annual Reports and Income Allocation	Approve Allocation of Income	12.650.413.506	-	-	12650413506	Accepted	100,00%	0,00%	0,00%
Petkim Petrokimya Holding A.S.	Annual	Mar 31 2010	15	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	12.650.413.506	-	-	12650413506	Accepted	100,00%	0,00%	0,00%
Petkim Petrokimya Holding A.S.	Annual	Mar 31 2010	16	Merger and Acquisition	Approve Spin-Off Agreement	12.649.501.439	912.067	-	12650413506	Accepted	99,99%	0,01%	0,00%
Sekerbank AS	Annual	Apr 20 2010	1	Presiding Council	Open Meeting, Elect Presiding Council, Provide Authorization to Sign Minutes	392.766.887	-	-	392766887	Accepted	100,00%	0,00%	0,00%
Sekerbank AS	Annual	Apr 20 2010	3	External Auditors	Ratify External Auditors	392.766.887	-	-	392766887	Accepted	100,00%	0,00%	0,00%
Sekerbank AS	Annual	Apr 20 2010	4	Annual Reports and Income Allocation	Accept Financial Statements	392.118.565	-	648.322	392766887	Accepted	99,83%	0,00%	0,17%
Sekerbank AS	Annual	Apr 20 2010	5	Annual Reports and Income Allocation	Approve Allocation of Income	392.766.887	-	-	392766887	Accepted	100,00%	0,00%	0,00%
Sekerbank AS	Annual	Apr 20 2010	6	Capital Authorization	Increase Authorized Share Capital	392.766.887	-	-	392766887	Accepted	100,00%	0,00%	0,00%
Sekerbank AS	Annual	Apr 20 2010	7	Bylaw Amendments	Amend Company Articles	392.766.887	-	-	392766887	Accepted	100,00%	0,00%	0,00%
Sekerbank AS	Annual	Apr 20 2010	8	Board Election and Remuneration	Approve Director and Internal Auditor Appointments Made During the Year	392.766.887	-	-	392766887	Accepted	100,00%	0,00%	0,00%
Sekerbank AS	Annual	Apr 20 2010	9	Discharge	Approve Discharge of Board and Auditors	392.766.887	-	-	392766887	Accepted	100,00%	0,00%	0,00%
Sekerbank AS	Annual	Apr 20 2010	10	Board Election and Remuneration	Elect Directors	390.229.339	2.537.548	-	392766887	Accepted	99,35%	0,65%	0,00%
Sekerbank AS	Annual	Apr 20 2010	11	Board Election and Remuneration	Appoint Internal Statutory Auditors	392.766.887	-	-	392766887	Accepted	100,00%	0,00%	0,00%
Sekerbank AS	Annual	Apr 20 2010	12	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	392.766.887	-	-	392766887	Accepted	100,00%	0,00%	0,00%
Sekerbank AS	Annual	Apr 20 2010	15	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	392.766.887	-	-	392766887	Accepted	100,00%	0,00%	0,00%
Tav Havalimanlari Holding AS	Annual	May 24 2010	1	Presiding Council	Open Meeting and Elect Presiding Council	227.061.597	-	-	227061597	Accepted	100,00%	0,00%	0,00%
Tav Havalimanlari Holding AS	Annual	May 24 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	227.061.597	-	-	227061597	Accepted	100,00%	0,00%	0,00%
Tav Havalimanlari Holding AS	Annual	May 24 2010	3	Annual Reports and Income Allocation	Accept Statutory Reports	226.298.534	-	763.063	227061597	Accepted	99,66%	0,00%	0,34%
Tav Havalimanlari Holding AS	Annual	May 24 2010	4	Annual Reports and Income Allocation	Accept Financial Statements	226.298.534	-	763.063	227061597	Accepted	99,66%	0,00%	0,34%
Tav Havalimanlari Holding AS	Annual	May 24 2010	5	Annual Reports and Income Allocation	Approve Allocation of Income	227.061.597	-	-	227061597	Accepted	100,00%	0,00%	0,00%
Tav Havalimanlari Holding AS	Annual	May 24 2010	6	Bylaw Amendments	Amend Company Articles	227.010.061	-	51.536	227061597	Accepted	99,98%	0,00%	0,02%
Tav Havalimanlari Holding AS	Annual	May 24 2010	7	Discharge	Approve Discharge of Board and Auditors	227.010.061	-	51.536	227061597	Accepted	99,98%	0,00%	0,02%
Tav Havalimanlari Holding AS	Annual	May 24 2010	8	Board Election and Remuneration	Ratify Director Appointments	227.061.597	-	-	227061597	Accepted	100,00%	0,00%	0,00%
Tav Havalimanlari Holding AS	Annual	May 24 2010	9	Board Election and Remuneration	Elect Directors	227.061.597	-	-	227061597	Accepted	100,00%	0,00%	0,00%
Tav Havalimanlari Holding AS	Annual	May 24 2010	10	External Auditors	Ratify External Auditors	227.010.061	-	51.536	227061597	Accepted	99,98%	0,00%	0,02%
Tav Havalimanlari	Annual	May 24 2010	14	Ordinary Business	Grant Permission for Board Members to Engage in	227.010.061	-	51.536	227061597	Accepted	99,98%	0,00%	0,02%

Holding AS					Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose								
TEKFEN HOLDING AS	Annual	Apr 30 2010	1	Presiding Council	Open Meeting and Elect Presiding Council	234.779.548	-	-	234779548	Accepted	100,00%	0,00%	0,00%
TEKFEN HOLDING AS	Annual	Apr 30 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	234.779.548	-	-	234779548	Accepted	100,00%	0,00%	0,00%
TEKFEN HOLDING AS	Annual	Apr 30 2010	3	Annual Reports and Income Allocation	Accept Financial Statements and Statutory Reports	233.914.162	-	865.386	234779548	Accepted	99,63%	0,00%	0,37%
TEKFEN HOLDING AS	Annual	Apr 30 2010	4	Annual Reports and Income Allocation	Approve Allocation of Income	234.779.548	-	-	234779548	Accepted	100,00%	0,00%	0,00%
TEKFEN HOLDING AS	Annual	Apr 30 2010	5	Discharge	Approve Discharge of Board and Auditors	234.779.548	-	-	234779548	Accepted	100,00%	0,00%	0,00%
TEKFEN HOLDING AS	Annual	Apr 30 2010	6	Board Election and Remuneration	Elect Board of Directors and Internal Auditors	231.575.131	3.204.417	-	234779548	Accepted	98,64%	1,36%	0,00%
TEKFEN HOLDING AS	Annual	Apr 30 2010	7	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	234.414.261	365.287	-	234779548	Accepted	99,84%	0,16%	0,00%
TEKFEN HOLDING AS	Annual	Apr 30 2010	10	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	232.859.548	-	1.920.000	234779548	Accepted	99,18%	0,00%	0,82%
Tofas Turk Otomobil Fabrikasi Anonim Sirketi	Annual	Mar 31 2010	1	Presiding Council	Opening Meeting Elect Presiding Council of Meeting	38.177.684.249	-	774.339.500	38952023749	Accepted	98,01%	0,00%	1,99%
Tofas Turk Otomobil Fabrikasi Anonim Sirketi	Annual	Mar 31 2010	2	Annual Reports and Income Allocation	Accept Financial Statements and Statutory, Internal Audit and External Audit Reports	38.916.114.349	-	35.909.400	38952023749	Accepted	99,91%	0,00%	0,09%
Tofas Turk Otomobil Fabrikasi Anonim Sirketi	Annual	Mar 31 2010	3	Board Election and Remuneration	To Approve Board Appointments Made During the Year	38.946.335.749	5.688.000	-	38952023749	Accepted	99,99%	0,01%	0,00%
Tofas Turk Otomobil Fabrikasi Anonim Sirketi	Annual	Mar 31 2010	4	Discharge	Approve Discharge of Board and Auditors	38.952.023.749	-	-	38952023749	Accepted	100,00%	0,00%	0,00%
Tofas Turk Otomobil Fabrikasi Anonim Sirketi	Annual	Mar 31 2010	5	Annual Reports and Income Allocation	Approve Allocation of Income	38.952.023.749	-	-	38952023749	Accepted	100,00%	0,00%	0,00%
Tofas Turk Otomobil Fabrikasi Anonim Sirketi	Annual	Mar 31 2010	8	Bylaw Amendments	Amend Company Articles	38.952.023.749	-	-	38952023749	Accepted	100,00%	0,00%	0,00%
Tofas Turk Otomobil Fabrikasi Anonim Sirketi	Annual	Mar 31 2010	9	External Auditors	Ratify External Auditors	38.946.335.749	5.688.000	-	38952023749	Accepted	99,99%	0,01%	0,00%
Tofas Turk Otomobil Fabrikasi Anonim Sirketi	Annual	Mar 31 2010	11	Board Election and Remuneration	Appoint Internal Statutory Auditors	38.952.023.749	-	-	38952023749	Accepted	100,00%	0,00%	0,00%
Tofas Turk Otomobil Fabrikasi Anonim Sirketi	Annual	Mar 31 2010	12	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	38.929.365.549	5.688.000	16.970.200	38952023749	Accepted	99,94%	0,01%	0,04%
Tofas Turk Otomobil Fabrikasi Anonim Sirketi	Annual	Mar 31 2010	13	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	38.952.023.749	-	-	38952023749	Accepted	100,00%	0,00%	0,00%
Tofas Turk Otomobil Fabrikasi Anonim Sirketi	Annual	Mar 31 2010	14	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	38.177.684.249	-	774.339.500	38952023749	Accepted	98,01%	0,00%	1,99%
Tupras Turkiye Petrol Rafinerileri A.S.	Annual	Apr 5 2010	1	Presiding Council	Opening Meeting and Elect Presiding Council of Meeting	15.864.805.691	-	2.887.229	15867692920	Accepted	99,98%	0,00%	0,02%
Tupras Turkiye Petrol Rafinerileri A.S.	Annual	Apr 5 2010	2	Annual Reports and Income Allocation	Accept Financial Statements and Statutory Reports	15.863.454.308	217.553	4.021.059	15867692920	Accepted	99,97%	0,00%	0,03%
Tupras Turkiye Petrol Rafinerileri A.S.	Annual	Apr 5 2010	3	Discharge	Approve Discharge of Board and Internal Auditors	15.867.475.367	217.553	-	15867692920	Accepted	100,00%	0,00%	0,00%
Tupras Turkiye Petrol Rafinerileri A.S.	Annual	Apr 5 2010	4	Bylaw Amendments	Amend Company Articles	15.867.692.920	-	-	15867692920	Accepted	100,00%	0,00%	0,00%
Tupras Turkiye Petrol Rafinerileri A.S.	Annual	Apr 5 2010	5	Board Election and Remuneration	Elect Directors	15.850.109.577	16.116.829	1.466.514	15867692920	Accepted	99,89%	0,10%	0,01%
Tupras Turkiye Petrol Rafinerileri A.S.	Annual	Apr 5 2010	6	Board Election and Remuneration	Appoint Internal Auditors	15.867.684.482	8.438	-	15867692920	Accepted	100,00%	0,00%	0,00%
Tupras Turkiye Petrol Rafinerileri A.S.	Annual	Apr 5 2010	7	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	15.866.644.993	448.083	599.844	15867692920	Accepted	99,99%	0,00%	0,00%
Tupras Turkiye Petrol	Annual	Apr 5 2010	8	Annual Reports and Income	Approve Allocation of Income	15.867.692.920	-	-	15867692920	Accepted	100,00%	0,00%	0,00%

Rafinerileri A.S.				Allocation									
Tupras Türkiye Petrol Rafinerileri A.S.	Annual	Apr 5 2010	12	External Auditors	Ratify External Auditors	15.867.244.837	448.083	-	15867692920	Accepted	100,00%	0,00%	0,00%
Tupras Türkiye Petrol Rafinerileri A.S.	Annual	Apr 5 2010	13	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	15.867.692.920	-	-	15867692920	Accepted	100,00%	0,00%	0,00%
Tupras Türkiye Petrol Rafinerileri A.S.	Annual	Apr 5 2010	14	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	15.865.244.368	-	2.448.552	15867692920	Accepted	99,98%	0,00%	0,02%
Türk Ekonomi Bankası A.S.	Annual	Mar 30 2010	1	Presiding Council	Open Meeting and Elect Presiding Council	934.952.032	-	-	934952032	Accepted	100,00%	0,00%	0,00%
Türk Ekonomi Bankası A.S.	Annual	Mar 30 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	934.952.032	-	-	934952032	Accepted	100,00%	0,00%	0,00%
Türk Ekonomi Bankası A.S.	Annual	Mar 30 2010	3	Board Election and Remuneration	Ratify Director Appointments	932.678.183	2.273.849	-	934952032	Accepted	99,76%	0,24%	0,00%
Türk Ekonomi Bankası A.S.	Annual	Mar 30 2010	4	Annual Reports and Income Allocation	Accept Statutory Reports	934.114.440	-	837.592	934952032	Accepted	99,91%	0,00%	0,09%
Türk Ekonomi Bankası A.S.	Annual	Mar 30 2010	5	Annual Reports and Income Allocation	Accept Financial Statements and Approve Income Allocation	934.952.032	-	-	934952032	Accepted	100,00%	0,00%	0,00%
Türk Ekonomi Bankası A.S.	Annual	Mar 30 2010	6	External Auditors	Ratify External Auditors	934.952.032	-	-	934952032	Accepted	100,00%	0,00%	0,00%
Türk Ekonomi Bankası A.S.	Annual	Mar 30 2010	9	Discharge	Approve Discharge of Board and Auditors	934.952.032	-	-	934952032	Accepted	100,00%	0,00%	0,00%
Türk Ekonomi Bankası A.S.	Annual	Mar 30 2010	10	Board Election and Remuneration	Elect Board of Directors and Internal Auditors	932.678.183	2.273.849	-	934952032	Accepted	99,76%	0,24%	0,00%
Türk Ekonomi Bankası A.S.	Annual	Mar 30 2010	11	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	932.678.183	2.273.849	-	934952032	Accepted	99,76%	0,24%	0,00%
Türk Ekonomi Bankası A.S.	Annual	Mar 30 2010	12	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	932.678.183	2.273.849	-	934952032	Accepted	99,76%	0,24%	0,00%
Türk Hava Yolları	Annual	Apr 20 2010	1	Presiding Council	Open Meeting and Elect Presiding Council	44.938.233.565	-	239.104.700	45177338265	Accepted	99,47%	0,00%	0,53%
Türk Hava Yolları	Annual	Apr 20 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	44.938.233.565	-	239.104.700	45177338265	Accepted	99,47%	0,00%	0,53%
Türk Hava Yolları	Annual	Apr 20 2010	3	Annual Reports and Income Allocation	Accept Statutory Reports	44.916.886.115	15.882.500	244.569.650	45177338265	Accepted	99,42%	0,04%	0,54%
Türk Hava Yolları	Annual	Apr 20 2010	4	Annual Reports and Income Allocation	Accept Financial Statements	44.773.369.604	158.882.000	245.086.661	45177338265	Accepted	99,11%	0,35%	0,54%
Türk Hava Yolları	Annual	Apr 20 2010	5	Discharge	Approve Discharge of Board and Auditors	44.937.716.554	-	239.621.711	45177338265	Accepted	99,47%	0,00%	0,53%
Türk Hava Yolları	Annual	Apr 20 2010	6	Annual Reports and Income Allocation	Approve Allocation of Income	45.177.338.265	-	-	45177338265	Accepted	100,00%	0,00%	0,00%
Türk Hava Yolları	Annual	Apr 20 2010	7	Bylaw Amendments	Amend Company Articles	44.938.233.565	-	239.104.700	45177338265	Accepted	99,47%	0,00%	0,53%
Türk Hava Yolları	Annual	Apr 20 2010	10	Board Election and Remuneration	Ratify Director Appointments	44.795.094.710	143.138.855	239.104.700	45177338265	Accepted	99,15%	0,32%	0,53%
Türk Hava Yolları	Annual	Apr 20 2010	11	Board Election and Remuneration	Elect Directors	44.284.767.566	653.415.999	239.154.700	45177338265	Accepted	98,02%	1,45%	0,53%
Türk Hava Yolları	Annual	Apr 20 2010	12	Board Election and Remuneration	Appoint Internal Statutory Auditors	44.938.233.565	-	239.104.700	45177338265	Accepted	99,47%	0,00%	0,53%
Türk Hava Yolları	Annual	Apr 20 2010	13	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	44.904.327.543	15.967.455	257.043.267	45177338265	Accepted	99,40%	0,04%	0,57%
Türk Telekomunikasyon AS	Annual	Apr 6 2010	1	Presiding Council	Open Meeting and Elect Presiding Council	313.338.242.300	100	-	3,13338E+11	Accepted	100,00%	0,00%	0,00%
Türk Telekomunikasyon AS	Annual	Apr 6 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	313.338.242.300	100	-	3,13338E+11	Accepted	100,00%	0,00%	0,00%
Türk Telekomunikasyon AS	Annual	Apr 6 2010	6	Annual Reports and Income Allocation	Accept Financial Statements	312.717.105.700	13.417.200	607.719.500	3,13338E+11	Accepted	99,80%	0,00%	0,19%
Türk Telekomunikasyon AS	Annual	Apr 6 2010	7	Discharge	Approve Discharge of Board	313.338.242.300	100	-	3,13338E+11	Accepted	100,00%	0,00%	0,00%

AS														
Turk Telekomunikasyon AS	Annual	Apr 6 2010	8	Discharge	Approve Discharge of Auditors	313.324.825.300	13.417.100	-	3,13338E+11	Accepted	100,00%	0,00%	0,00%	
Turk Telekomunikasyon AS	Annual	Apr 6 2010	9	Annual Reports and Income Allocation	Approve Allocation of Income	313.338.242.400	-	-	3,13338E+11	Accepted	100,00%	0,00%	0,00%	
Turk Telekomunikasyon AS	Annual	Apr 6 2010	10	External Auditors	Ratify External Auditors	313.195.983.200	142.259.200	-	3,13338E+11	Accepted	99,95%	0,05%	0,00%	
Turk Telekomunikasyon AS	Annual	Apr 6 2010	18	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	313.338.038.000	100	204.300	3,13338E+11	Accepted	100,00%	0,00%	0,00%	
Turk Telekomunikasyon AS	Special	Jun 8 2010	1	Presiding Council	Open Meeting and Elect Presiding Council	313.495.878.100	-	-	3,13496E+11	Accepted	100,00%	0,00%	0,00%	
Turk Telekomunikasyon AS	Special	Jun 8 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	313.495.878.100	-	-	3,13496E+11	Accepted	100,00%	0,00%	0,00%	
Turk Telekomunikasyon AS	Special	Jun 8 2010	3	Merger and Acquisition	Approve Acquisition of Assets	304.862.601.200	8.588.700.000	44.576.900	3,13496E+11	Accepted	97,25%	2,74%	0,01%	
Turk Telekomunikasyon AS	Special	Jun 8 2010	4	Ordinary Business	Authorize Board to Make Acquisitions in Fiscal Year 2010	304.907.178.100	8.588.700.000	-	3,13496E+11	Accepted	97,26%	2,74%	0,00%	
Turk Telekomunikasyon AS	Special	Jun 8 2010	5	Ordinary Business	Authorize Board to Complete Formalities in Connection with Item 3	304.862.601.200	8.588.700.000	44.576.900	3,13496E+11	Accepted	97,25%	2,74%	0,01%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	1	Presiding Council	Open Meeting and Elect Presiding Council	1.631.928.088	-	4.117	1631932205	Accepted	100,00%	0,00%	0,00%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	1.631.928.088	-	4.117	1631932205	Accepted	100,00%	0,00%	0,00%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	3	Bylaw Amendments	Amend Company Articles Regarding Company Purpose and Matter	1.631.928.088	-	4.117	1631932205	Accepted	100,00%	0,00%	0,00%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	7	Annual Reports and Income Allocation	Accept Financial Statements	1.631.814.588	-	117.617	1631932205	Accepted	99,99%	0,00%	0,01%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	8	Discharge	Approve Discharge of Board	1.631.928.088	-	4.117	1631932205	Accepted	100,00%	0,00%	0,00%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	9	Discharge	Approve Discharge of Auditors	1.631.928.088	-	4.117	1631932205	Accepted	100,00%	0,00%	0,00%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	11	Board Election and Remuneration	Dismiss and Re-elect Board of Directors	1.546.024.713	3.743.672	-	1549768385	Accepted	99,76%	0,24%	0,00%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	12	Board Election and Remuneration	Approve Director Remuneration	1.631.928.088	-	4.117	1631932205	Accepted	100,00%	0,00%	0,00%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	13	Board Election and Remuneration	Appoint Internal Statutory Auditors and Approve Their Remuneration	1.631.928.088	-	4.117	1631932205	Accepted	100,00%	0,00%	0,00%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	14	Annual Reports and Income Allocation	Approve Allocation of Income	1.560.030.539	-	71.901.666	1631932205	Accepted	95,59%	0,00%	4,41%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	16	External Auditors	Ratify External Auditors	1.630.814.938	1.113.150	4.117	1631932205	Accepted	99,93%	0,07%	0,00%	
Turkcell Iletisim Hizmetleri AS	Annual	Apr 29 2010	17	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	1.560.030.539	-	71.901.666	1631932205	Accepted	95,59%	0,00%	4,41%	
Turkiye Garanti Bankasi	Annual	Apr 1 2010	1	Presiding Council	Open Meeting and Elect Chairman of Meeting	234.225.628.851	2.010.009	11.379.798.600	2,45607E+11	Accepted	95,37%	0,00%	4,63%	
Turkiye Garanti Bankasi	Annual	Apr 1 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	234.225.628.851	2.010.009	11.379.798.600	2,45607E+11	Accepted	95,37%	0,00%	4,63%	
Turkiye Garanti Bankasi	Annual	Apr 1 2010	4	Annual Reports and Income Allocation	Accept Financial Statements and Approve Income Allocation	245.442.306.451	165.131.009	-	2,45607E+11	Accepted	99,93%	0,07%	0,00%	
Turkiye Garanti Bankasi	Annual	Apr 1 2010	5	Bylaw Amendments	Amend Company Articles	242.262.937.251	73.531.109	3.270.969.100	2,45607E+11	Accepted	98,64%	0,03%	1,33%	
Turkiye Garanti Bankasi	Annual	Apr 1 2010	6	Discharge	Approve Discharge of Board and Auditors	243.943.306.451	165.131.009	1.499.000.000	2,45607E+11	Accepted	99,32%	0,07%	0,61%	
Turkiye Garanti Bankasi	Annual	Apr 1 2010	7	Board Election and Remuneration	Elect Board of Directors and Internal Auditors and Approve their Remuneration	225.830.164.260	7.519.531.900	12.257.741.300	2,45607E+11	Accepted	91,95%	3,06%	4,99%	
Turkiye Garanti Bankasi	Annual	Apr 1 2010	8	External Auditors	Ratify External Auditors	244.725.239.851	257.429.309	624.768.300	2,45607E+11	Accepted	99,64%	0,10%	0,25%	

Turkiye Garanti Bankasi	Annual	Apr 1 2010	10	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	244.512.207.451	21.230.009	1.074.000.000	2,45607E+11	Accepted	99,55%	0,01%	0,44%
TURKIYE HALK BANKASI A.S.	Annual	May 24 2010	1	Presiding Council	Open Meeting and Elect Presiding Council	ND	ND	ND	ND	Accepted	ND	ND	ND
TURKIYE HALK BANKASI A.S.	Annual	May 24 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	ND	ND	ND	ND	Accepted	ND	ND	ND
TURKIYE HALK BANKASI A.S.	Annual	May 24 2010	4	Annual Reports and Income Allocation	Accept Financial Statements and Approve Income Allocation	ND	ND	ND	ND	Accepted	ND	ND	ND
TURKIYE HALK BANKASI A.S.	Annual	May 24 2010	5	Discharge	Approve Discharge of Board and Auditors	ND	ND	ND	ND	Accepted	ND	ND	ND
TURKIYE HALK BANKASI A.S.	Annual	May 24 2010	6	Board Election and Remuneration	Elect Board of Directors and Internal Auditors	ND	ND	ND	ND	Accepted	ND	ND	ND
TURKIYE HALK BANKASI A.S.	Annual	May 24 2010	7	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	ND	ND	ND	ND	Accepted	ND	ND	ND
TURKIYE HALK BANKASI A.S.	Annual	May 24 2010	8	Ordinary Business	Authorize the Board of Directors in Order to Regulate and Amend the Employees Regulation	ND	ND	ND	ND	Accepted	ND	ND	ND
Turkiye Is Bankasi AS	Annual	Mar 31 2010	1	Presiding Council	Open Meeting, Elect Presiding Council, Provide Authorization to Sign Minutes	82.788.118.096	-	-	82788118096	Accepted	100,00%	0,00%	0,00%
Turkiye Is Bankasi AS	Annual	Mar 31 2010	3	Annual Reports and Income Allocation	Accept Financial Statements	82.223.091.746	-	565.026.350	82788118096	Accepted	99,32%	0,00%	0,68%
Turkiye Is Bankasi AS	Annual	Mar 31 2010	4	Discharge	Approve Discharge of Board	82.788.118.096	-	-	82788118096	Accepted	100,00%	0,00%	0,00%
Turkiye Is Bankasi AS	Annual	Mar 31 2010	5	Discharge	Approve Discharge of Auditors	82.731.432.721	56.685.375	-	82788118096	Accepted	99,93%	0,07%	0,00%
Turkiye Is Bankasi AS	Annual	Mar 31 2010	6	Annual Reports and Income Allocation	Approve Allocation of Income	82.788.118.096	-	-	82788118096	Accepted	100,00%	0,00%	0,00%
Turkiye Is Bankasi AS	Annual	Mar 31 2010	7	Board Election and Remuneration	Approve Director Remuneration	82.733.066.996	30.486.200	24.564.900	82788118096	Accepted	99,93%	0,04%	0,03%
Turkiye Is Bankasi AS	Annual	Mar 31 2010	8	Board Election and Remuneration	Appoint Internal Statutory Auditors	82.788.118.096	-	-	82788118096	Accepted	100,00%	0,00%	0,00%
Turkiye Is Bankasi AS	Annual	Mar 31 2010	9	Board Election and Remuneration	Approve Internal Statutory Auditor Remuneration	82.763.553.196	-	24.564.900	82788118096	Accepted	99,97%	0,00%	0,03%
Turkiye Sinai Kalkinma Bankasi AS	Annual	Mar 25 2010	1	Presiding Council	Open Meeting; Elect Presiding Council; Authorize Signing of Minutes	38.160.944.685	-	360.170.000	38521114685	Accepted	99,07%	0,00%	0,93%
Turkiye Sinai Kalkinma Bankasi AS	Annual	Mar 25 2010	2	Annual Reports and Income Allocation	Accept Statutory Reports	36.476.178.685	-	2.044.936.000	38521114685	Accepted	94,69%	0,00%	5,31%
Turkiye Sinai Kalkinma Bankasi AS	Annual	Mar 25 2010	3	Annual Reports and Income Allocation	Accept Financial Statements	36.771.223.685	-	1.749.891.000	38521114685	Accepted	95,46%	0,00%	4,54%
Turkiye Sinai Kalkinma Bankasi AS	Annual	Mar 25 2010	4	Annual Reports and Income Allocation	Approve Allocation of Income	34.941.180.585	3.579.934.100	-	38521114685	Accepted	90,71%	9,29%	0,00%
Turkiye Sinai Kalkinma Bankasi AS	Annual	Mar 25 2010	5	Board Election and Remuneration	Approve Discharge of Board and Auditors	38.521.114.685	-	-	38521114685	Accepted	100,00%	0,00%	0,00%
Turkiye Sinai Kalkinma Bankasi AS	Annual	Mar 25 2010	6	Board Election and Remuneration	Appoint Internal Statutory Auditors	38.521.114.685	-	-	38521114685	Accepted	100,00%	0,00%	0,00%
Turkiye Sinai Kalkinma Bankasi AS	Annual	Mar 25 2010	7	External Auditors	Ratify External Auditors	34.941.180.685	3.579.934.000	-	38521114685	Accepted	90,71%	9,29%	0,00%
Turkiye Sinai Kalkinma Bankasi AS	Annual	Mar 25 2010	8	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	34.581.010.685	3.940.104.000	-	38521114685	Accepted	89,77%	10,23%	0,00%
Turkiye Sinai Kalkinma Bankasi AS	Annual	Mar 25 2010	11	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	38.521.114.685	-	-	38521114685	Accepted	100,00%	0,00%	0,00%
Turkiye Sise ve Cam Fabrikalari AS	Annual	Apr 27 2010	1	Presiding Council	Elect Presiding Council of Meeting and Provide Authorization to Sign Minutes	79.827.946.896	-	-	79827946896	Accepted	100,00%	0,00%	0,00%
Turkiye Sise ve Cam Fabrikalari AS	Annual	Apr 27 2010	3	Annual Reports and Income Allocation	Accept Financial Statements	74.985.804.296	-	4.842.142.600	79827946896	Accepted	93,93%	0,00%	6,07%

Türkiye Sise ve Cam Fabrikaları AS	Annual	Apr 27 2010	4	Annual Reports and Income Allocation	Approve Allocation of Income	79.790.756.396	-	37.190.500	79827946896	Accepted	99,95%	0,00%	0,05%
Türkiye Sise ve Cam Fabrikaları AS	Annual	Apr 27 2010	5	Discharge	Approve Discharge of Board and Auditors	79.781.326.796	46.620.100	-	79827946896	Accepted	99,94%	0,06%	0,00%
Türkiye Sise ve Cam Fabrikaları AS	Annual	Apr 27 2010	6	Board Election and Remuneration	Elect Directors	78.533.768.096	1.248.222.200	45.956.600	79827946896	Accepted	98,38%	1,56%	0,06%
Türkiye Sise ve Cam Fabrikaları AS	Annual	Apr 27 2010	7	Board Election and Remuneration	Appoint Internal Statutory Auditors	79.827.946.896	-	-	79827946896	Accepted	100,00%	0,00%	0,00%
Türkiye Sise ve Cam Fabrikaları AS	Annual	Apr 27 2010	8	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	79.827.946.896	-	-	79827946896	Accepted	100,00%	0,00%	0,00%
Türkiye Sise ve Cam Fabrikaları AS	Annual	Apr 27 2010	9	Board Election and Remuneration	Approve Director Remuneration	79.790.756.396	-	37.190.500	79827946896	Accepted	99,95%	0,00%	0,05%
Türkiye Sise ve Cam Fabrikaları AS	Annual	Apr 27 2010	10	Board Election and Remuneration	Approve Internal Auditor Remuneration	79.790.756.396	-	37.190.500	79827946896	Accepted	99,95%	0,00%	0,05%
Türkiye Sise ve Cam Fabrikaları AS	Annual	Apr 27 2010	12	Bylaw Amendments	Amend Company Articles	79.827.946.896	-	-	79827946896	Accepted	100,00%	0,00%	0,00%
Türkiye Sise ve Cam Fabrikaları AS	Annual	Apr 27 2010	14	External Auditors	Ratify External Auditors	79.744.136.296	46.620.100	37.190.500	79827946896	Accepted	99,90%	0,06%	0,05%
Türkiye Vakıflar Bankası TAO	Annual	Mar 19 2010	1	Presiding Council	Open Meeting and Elect Presiding Council of Meeting	19.906.103.911	-	-	19906103911	Accepted	100,00%	0,00%	0,00%
Türkiye Vakıflar Bankası TAO	Annual	Mar 19 2010	2	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	18.919.705.011	-	986.398.900	19906103911	Accepted	95,04%	0,00%	4,96%
Türkiye Vakıflar Bankası TAO	Annual	Mar 19 2010	4	Annual Reports and Income Allocation	Accept Financial Statements	19.604.249.251	21.950.740	319.821.030	19946021021	Accepted	98,29%	0,11%	1,60%
Türkiye Vakıflar Bankası TAO	Annual	Mar 19 2010	5	Discharge	Approve Discharge of Board	19.935.504.611	-	10.516.410	19946021021	Accepted	99,95%	0,00%	0,05%
Türkiye Vakıflar Bankası TAO	Annual	Mar 19 2010	6	Discharge	Approve Discharge of Internal Auditors	19.913.553.871	21.950.740	10.516.410	19946021021	Accepted	99,84%	0,11%	0,05%
Türkiye Vakıflar Bankası TAO	Annual	Mar 19 2010	7	Annual Reports and Income Allocation	Approve Allocation of Income	19.906.103.911	-	-	19906103911	Accepted	100,00%	0,00%	0,00%
Türkiye Vakıflar Bankası TAO	Annual	Mar 19 2010	9	Board Election and Remuneration	Elect Directors	19.328.913.231	599.953.160	17.154.630	19946021021	Accepted	96,91%	3,01%	0,09%
Türkiye Vakıflar Bankası TAO	Annual	Mar 19 2010	10	Board Election and Remuneration	Appoint Internal Statutory Auditors	19.945.021.021	-	1.000.000	19946021021	Accepted	99,99%	0,00%	0,01%
Türkiye Vakıflar Bankası TAO	Annual	Mar 19 2010	11	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	19.913.553.871	21.950.740	10.516.410	19946021021	Accepted	99,84%	0,11%	0,05%
Türkiye Vakıflar Bankası TAO	Annual	Mar 19 2010	12	External Auditors	Ratify External Auditors	19.913.553.871	21.950.740	10.516.410	19946021021	Accepted	99,84%	0,11%	0,05%
Türkiye Vakıflar Bankası TAO	Annual	Mar 19 2010	13	Ordinary Business	Authorize the Board of Directors in Order to Regulate and Amend the Employees Regulation	19.935.504.611	-	10.516.410	19946021021	Accepted	99,95%	0,00%	0,05%
Yapı Ve Kredi Bankası AS	Annual	Mar 25 2010	1	Presiding Council	Open Meeting and Elect Presiding Council	357.492.380.488	-	27.696.477.571	3,85189E+11	Accepted	92,81%	0,00%	7,19%
Yapı Ve Kredi Bankası AS	Annual	Mar 25 2010	2	Annual Reports and Income Allocation	Accept Financial Statements and Statutory Reports	383.044.513.248	140	2.144.344.671	3,85189E+11	Accepted	99,44%	0,00%	0,56%
Yapı Ve Kredi Bankası AS	Annual	Mar 25 2010	3	Board Election and Remuneration	Ratify Director Appointments	384.961.037.919	227.820.140	-	3,85189E+11	Accepted	99,94%	0,06%	0,00%
Yapı Ve Kredi Bankası AS	Annual	Mar 25 2010	4	Discharge	Approve Discharge of Board and Auditors	385.188.857.919	140	-	3,85189E+11	Accepted	100,00%	0,00%	0,00%
Yapı Ve Kredi Bankası AS	Annual	Mar 25 2010	5	Ordinary Business	Approve Sale of Receivables and Discharge Directors Involved in the Transaction	385.188.858.059	-	-	3,85189E+11	Accepted	100,00%	0,00%	0,00%
Yapı Ve Kredi Bankası AS	Annual	Mar 25 2010	6	Ordinary Business	Approve Sales of Assets and Discharge Directors Involved in Transaction	385.188.858.059	-	-	3,85189E+11	Accepted	100,00%	0,00%	0,00%
Yapı Ve Kredi Bankası AS	Annual	Mar 25 2010	7	Board Election and	Elect Directors	376.093.858.859	8.956.023.500	138.975.700	3,85189E+11	Accepted	97,64%	2,33%	0,04%

AS				Remuneration									
Yapi Ve Kredi Bankasi AS	Annual	Mar 25 2010	8	Board Election and Remuneration	Appoint Internal Statutory Auditors	384.961.038.059	227.820.000	-	3,85189E+11	Accepted	99,94%	0,06%	0,00%
Yapi Ve Kredi Bankasi AS	Annual	Mar 25 2010	9	Board Election and Remuneration	Approve Remuneration of Directors and Internal Auditors	385.188.858.059	-	-	3,85189E+11	Accepted	100,00%	0,00%	0,00%
Yapi Ve Kredi Bankasi AS	Annual	Mar 25 2010	10	Annual Reports and Income Allocation	Approve Allocation of Income	385.188.858.059	-	-	3,85189E+11	Accepted	100,00%	0,00%	0,00%
Yapi Ve Kredi Bankasi AS	Annual	Mar 25 2010	14	External Auditors	Ratify External Auditors	384.961.038.059	227.820.000	-	3,85189E+11	Accepted	99,94%	0,06%	0,00%
Yapi Ve Kredi Bankasi AS	Annual	Mar 25 2010	15	Ordinary Business	Grant Permission for Board Members to Engage in Commercial Transactions with Company and Be Involved with Companies with Similar Corporate Purpose	385.188.858.059	-	-	3,85189E+11	Accepted	100,00%	0,00%	0,00%
Yapi Ve Kredi Bankasi AS	Annual	Mar 25 2010	16	Ordinary Business	Authorize Presiding Council to Sign Minutes of Meeting	385.188.858.059	-	-	3,85189E+11	Accepted	100,00%	0,00%	0,00%

CURRICULUM VITAE**Name** : Gökhan Aktuğ**Address** : Yeşiltepe Mah. 2671 Sok. 6/2 Akgül Apt. Antalya / Türkiye**E-mail** : gokhanaktug@gmail.com**Phone** : +90(0)5348629097**Date of Birth** : 05.01.1986**Nationality** : Turkish**Education**

2008 – 2011 (Exp.) Universität Hamburg and Akdeniz University – EuroMaster
International European Studies Joint Master's Programme

2003 - 2007 Marmara University – Political Science and International
Relations

Work Experience

Dec. 2010 – Current DenizBank, Istanbul; Assistant Auditor

Feb. 2010 – May 2010 Morgan Stanley Capital International (MSCI) Former
RiskMetrics Group, Brussels; Analyst Intern

Jun. 2008 – Nov. 2009 Akdeniz University, Antalya; EUi Project – Junior
Researcher

Oct. 2007 – Nov. 2009 ITES Turkey, Antalya; Research Assistant

Jun. 2005 – Jul. 2005 Hyundai Assan, Istanbul; Finance Intern

Languages

English: C1 (Advanced)

German: B1 (Intermediate)

Turkish: Native Speaker

Declaration of Authorship

I declare that this thesis and the work presented in it are my own and have been generated by me as the result of my own original research.

None of the parts of this thesis has previously been submitted for a degree or any other qualification at this University or any other institution.

The written document matches completely to the CD version.

Where I have quoted from the work of others, the source is always given within the reference part of my Thesis.

ANTALYA-----

21.03.2011-----

-----

Place

Date

Signature