

**Internal Directives Concerning the Working Principles and Manners of the General Assembly of Borusan
Mannesmann Boru Sanayi ve Ticaret Anonim Şirketi**

PART ONE

Objective, Scope, Basis and definitions

Objective and scope

ARTICLE 1 - (1) The purpose of this internal directive is to identify the operation principles and procedures of the general assembly of Borusan Mannesmann Boru Sanayi ve Ticaret Anonim Şirketi within the framework of the provisions of the Code, the relevant legislation, and articles of association. This Internal Directive covers all ordinary and extraordinary General Meetings of Borusan Mannesmann Boru Sanayi ve Ticaret Anonim Şirketi.

Basis

ARTICLE 2 - (1) This Internal Directive has been drawn up by the board of directors in line with the provisions of the Regulation on the Procedures and Principles for the General Assembly Meetings of Borusan Mannesmann Boru Sanayi ve Ticaret Anonim Şirketi and Representatives of the Ministry of Customs and Trade attending such Meetings.

Definitions

ARTICLE 3 - (1) For the purposes of this Internal Directive;

- a) Sitting: A daily meeting of the general assembly;
- b) Code: Turkish Commercial Code dated 13/1/2011 and No. 6102,
- c) Session: Each one of the parts of a sitting interrupted due to break, lunch and similar reasons;
- ç) Meeting: Ordinary and extraordinary general meetings,
- d) Presiding committee: a committee which is elected by the general assembly to chair a meeting and composed of chairman of the meeting, vice chairman elected by the general assembly, where necessary, a reporter of minutes appointed by the chairman, and a scrutineer, if deemed necessary by the chairman, pursuant to the first paragraph of the Article 419 of the Code.

PART TWO

Working Procedures and Principles of the General Assembly

Provisions to be observed

ARTICLE 4 - (1) Meeting shall be held in accordance with the provisions of the Code, respective legislation and Articles of Association concerning general assembly.

Access to meeting venue and preparations

ARTICLE 5 - (1) The meeting venue may be accessed by the shareholders registered in the list of attendees drawn up by the board of directors or their representatives, members of the board of directors, the auditor, if any, Ministerial commissioner, if so commissioned, persons to be elected or appointed for the presiding committee, and General Manager and Financial Affairs Manager.

(2) At the entrance of the meeting venue, real-person shareholders and their representatives who have been assigned from the electronic general meeting system established as per article 1527 of the Code are obliged to show their identity cards, and representatives of real person shareholders have to show their representation certificates in addition to their IDs, and legal-entitled shareholders' representatives are obliged to produce their letters of authorization and sign those sections reserved for them in the list of attendees. The said control formalities are conducted by the board of directors or by one or more member(s) of the board assigned by the board of directors or any person(s) assigned by the board of directors.

(3) The board of directors is responsible for arranging a meeting venue that will accommodate all shareholders, making available stationery, documents, tools that may be needed during meeting at the meeting venue.

Opening of the meeting

ARTICLE 6 - (1) Meeting is opened at the head office of the company or in an appropriate venue in a city of head office at the time previously announced (without prejudice to provisions of article 416 of the law concerning meetings without invitation) by chairman of the board of directors or vice chairman or any one of the members of the board of directors upon establishing that quorum specified in the Articles of Association is present.

Formation of the presiding committee

ARTICLE 7 - (1) As per Article 6 of this Internal Directive, a chairman and if deemed necessary, a deputy chairman, who do not have to be a shareholder, and who will be responsible for the management of general assembly, are elected from among the nominees under the supervision of the person who has opened the meeting.

(2) The chairperson shall appoint at least one secretary to write the minutes and adequate number of scrutineers if deemed necessary.

(3) The Presiding Committee is authorized to sign the minutes of the meeting and the other documents upon which minutes are based.

(4) The chairman of the presiding committee shall act in accordance with the Code, articles of association and provisions of this internal directive while presiding over the general assembly meeting.

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(5) To ensure that the technical procedures regarding the electronic general assembly system are fulfilled at the time of the meeting, the chairman of the meeting may assign experts.

Duties and powers of the presiding committee

ARTICLE 8 - (1) The presiding committee shall fulfill the following duties under the supervision of the chairman:

a) Inspecting whether or not the meeting has been held at the address shown in the announcement (without prejudice to provisions of article 416 of the law concerning meetings without invitation) and if it is specified in the articles of association, whether the meeting venue is suitable or not.

b) Inspecting whether or not the general assembly has been invited to meet in the manner shown in the articles of association, with an announcement published on the website of those companies that are obliged to open a website and in the Turkish Trade Registry Gazette, whether or not such invitation has been made at least two weeks before the date of meeting, excluding the dates of announcement and meeting, whether shareholders registered in the share register and shareholders who have notified the company of their addresses by submitting share certificates or other documents evidencing their shareholding have been informed about the meeting date, agenda as well as newspapers in which announcement is to be published via registered mail, return receipt requested, and writing down such case in the minutes of the meeting.

c) Checking whether or not those unauthorized to access the meeting venue have accessed the meeting venue and whether or not the board of directors has fulfilled the duties listed in the second paragraph, Article 5 of the Internal Directive with regard to access to the meeting venue.

ç) Inspecting whether or not all shareholders or their representatives have attended the meeting in the event that the general assembly convenes without notification as per article 416 of the Law, whether or not an objection has been raised against the meeting being held in such manner, and whether the quorum has been retained until the end of meeting.

d) Determining whether the articles of association containing also the amendments if any amendments have been made, the stock register, the annual report of the board of directors, auditor reports, financial statements, agenda, amendment proposal prepared by the board of directors if the agenda includes an amendment to the articles of association, the letter of authorization obtained from the Ministry of Customs and Commerce and the draft amendment attached to it if the amendment to the articles of association is subject to authorization by the Ministry, the list of attendees prepared by the Board of Directors, and if the general meeting has been convened after a postponement, the postponement minutes pertaining to the previous meeting and the other documents associated with the meeting are all present at the meeting venue or not, and writing down this issue in the minutes of the meeting.

e) Checking the IDs of those attending the General Assembly in person or by proxy upon objection or when necessary, by signing the list of attendees, and checking whether or not proxy documents are genuine.

f) Determining whether or not managing directors as well as at least one member of the board of directors, and the auditor in the case of companies subject to auditing are present at the meeting and writing down such case in the minutes of the meeting.

g) Managing the general assembly proceedings within the framework of the agenda, preventing any matters outside the agenda from being discussed apart from the exceptions specified in the Code, maintaining the order of the meeting and taking necessary precautions to that effect.

ğ) Opening and closing sittings and sessions, and closing the meeting.

h) Reading the entire decision as to issues discussed, minutes, reports, proposals, suggestions and similar documents at the general assembly or having them read, and giving the floor to those wishing to comment over the same.

ı) Putting those issues to be decided upon by the general meeting to vote and pronouncing the results.

i) Overseeing whether or not the quorum for the meeting has been retained prior to, during and after the meeting, and whether or not the resolutions have been passed in accordance with the quorums stipulated in the Code and articles of association.

j) Explaining the notices served by the representatives specified in the articles 428 of the Code to general assembly.

k) Preventing those persons banned from voting as per article 436 of the law from casting a vote for those decisions listed in the said article, and overseeing any and all types of restrictions imposed by the Law and Articles of Association for voting right and privileged vote cast.

l) Upon request by shareholders owning one-tenth of the capital, postponing negotiation of the financial statements and discussion of the related matters to the meeting to be held one month later without having to obtain a resolution from general meeting.

m) Ensuring that minutes of the proceedings of the general meeting are drawn up, entering objections into the minutes, signing decisions and minutes, and noting votes cast in favor of or against the decisions made at the meeting down in the meeting minutes without giving rise to any doubt.

n) Delivering meeting minutes, annual report of the board of directors, auditor's reports in the case of companies subject to auditing, financial statements, list of attendees, agenda, proposals, vote papers and minutes of elections if any, and all documents related to the meeting to one of the present members of the board of directors at the end of meeting.

Procedures to be carried out before proceeding to the discussion of the agenda

ARTICLE 9 - (1) The chairman of the meeting shall read the agenda of the meeting, or has it read, to the general assembly. The chairperson asks whether there is any proposal as to a change in the order of discussion of agenda items or not, and if any, such proposal is submitted to the general assembly for approval. The order in which the items of the agenda are to be negotiated can be changed with the affirmative votes of those present.

Agenda and discussion of the agenda items

ARTICLE 10 - (1) The agenda of ordinary general assembly has to contain the following issues:

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- a) Opening and formation of the presiding committee.
 - b) Discussion of the annual report of the board of directors, and auditor's report in the case of companies subject to auditing, and financial statements.
 - c) Release of the members of the board of directors, and auditors, if any.
 - c) Election of members of board of directors, and auditors for the companies subject to auditing, whose periods of office have expired.
 - d) Determination of the remunerations and attendance fees as well as such benefits as bonuses and premiums to be paid to the members of the Board.
 - e) Determination of the way to use and distribute the profits, and the rate of dividends.
 - f) Discussion of amendments to the Articles of Association, if any.
 - g) Other issues that are deemed necessary.
- (2) Agenda of the extraordinary general assembly meeting is composed of those reasons which require the holding of the meeting.
- (3) Apart from exceptions specified below, matters not included in the meeting agenda may not be discussed and resolved upon:
- a) In the event that all shareholders are present, a matter may be unanimously added to the agenda.
 - b) Pursuant to article 438 of the Law, any special auditing request by any one of shareholders is decided upon by the general assembly, irrespective of whether such request is among the agenda items or not.
 - c) Issues such as dismissal of members of the board of directors and election of their substitutes are deemed to be related to negotiation of the year-end financial statements and is decided upon through direct discussion, irrespective of whether an item concerning such matter is included in the agenda or not.
 - c) Even if there is no related item in the agenda, in the presence of justified reasons such as corruption, incompetence, breach of the duty of loyalty, difficulty in executing the duty due to membership in many companies, conflicts, abuse of influence; issues such as dismissal of members of the board of directors and election of their substitutes are included in the agenda with the majority vote of those present at the general assembly meeting.
- (4) An item of the agenda which has been negotiated and decided upon at the general assembly meeting may not be re-discussed and decided upon, unless it is resolved unanimously by the attendants.
- (5) Those matters which the Ministry requests to be discussed at the general assembly of the company as a result of an audit conducted or for any reason whatsoever are included in the agenda.
- (6) The agenda is determined by the party convening the general assembly.

Taking the floor during meeting

ARTICLE 11 - (1) Shareholders or the others concerned who wish to take the floor over the item of agenda being discussed shall notify the presiding committee of the case. The Presiding Committee shall disclose those persons who will address to the general assembly, and allows them to take the floor depending on the order of application. If a person who is next to take the floor is not present at the meeting venue, that person shall be deprived of such right. Speeches are delivered to the general assembly from the location designated for such purpose. Persons may exchange their speaking orders with each other. In the event of limitation of speech time, a person who delivers his speech may, when his/her time is up, continue his/her speech only if the next person to deliver a speech after him/her gives him/her his/her right of speech, on condition that he/she completes his/her speech within the time allocated for the next person. Speech time may not be extended in any other way.

(2) Members of board of directors and auditor wishing to make explanations about matters discussed may be given the floor by the president of meeting regardless of the order.

(3) Duration of speeches is determined by the general assembly upon proposal by the chairman or shareholders taking account of the availability of the agenda, number of issues that need to be discussed, importance of issues and number of those wishing to take the floor. In such cases, the general assembly shall decide to carry out voting sessions separately to decide whether the speech time needs to be limited or not, and then to determine the duration of the speech.

(4) Pursuant to article 1527 of the Code, procedures and principles determined in the said articles and sub-regulations shall apply in respect of statement of opinions and proposals by those shareholders or their representatives attending the general assembly via electronic means.

Voting and voting procedure

ARTICLE 12 - (1) Before the voting starts, the chairman shall explain the matter that will be put to vote at the general assembly. If a draft resolution is to be put to vote, voting is started after such case is established in writing and draft is read. Attendees may ask to speak about the procedure only after it is announced that voting will be started. In the meantime, if there are any shareholders left who have not been given the floor despite having requested to do so, any such person shall exercise his right to speak, provided that he reminds the chairman of the presiding committee and obtains his confirmation. No floor is given after voting has started.

(2) In the meeting, the votes regarding the issues being discussed are cast via show of hands. These votes are counted by the presiding committee. When necessary, the presiding committee may appoint adequate number of persons to count votes. Those who did not raise their hands are deemed to have cast a "nay" vote and such votes are considered to be against the decision during the evaluation.

(3) The procedures and principles laid down in article 1527 of the Code and sub-regulations shall apply to the casting of votes by those shareholders or their representatives attending the general assembly electronically.

Issuance of minutes of the meeting

ARTICLE 13 - (1) The chairman of the presiding committee signs the list of attendees showing the shareholders or their representatives, their shareholding, groups, numbers and their nominal values, and ensures that the minute is drawn up in accordance with the principles set forth in the Law and respective legislation by making sure the questions posed and replies given during the general assembly are included in a condensed form, the resolutions passed and number of affirmative and negative votes cast for each resolution are indicated explicitly.

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(2) General assembly minutes shall be drawn up by typewriter, computer or by handwriting in a legible hand-writing using a ballpoint pen at the meeting venue in the course of meeting. In order for the minutes to be typed in a computer, a printer must be available at the meeting venue so that the minutes can be printed out.

(3) The minutes shall be drawn up at least in two copies, and each page of the minutes shall be signed by the presiding committee and representative of the Ministry, if s/he has participated.

(4) The minutes shall indicate the trade name of company, date and venue of the meeting, total nominal value of the company's shares and the number of shares, total number of shares represented at the meeting either in person or by proxy, name and surname, and date and number of appointment letter of the representative of Ministry if any such representative has attended the meeting, the manner of invitation if the meeting has been convened with notice, or the fact that the meeting has been held without notice if that is the case.

(5) Number of votes cast for the resolutions passed at the meeting are shown in the minutes in words and numbers.

(6) Names, surnames and reasons of opposition by those who cast nay votes for resolutions passed at the meeting and who want such opposition to be noted down on the minutes are written down on the minutes.

(7) In the event the grounds of opposition are submitted in writing, such letter shall be attached to the minutes. The name and surname of the shareholder or his/her representative who has expressed an opposition shall be written in the minutes, and it shall be indicated that the said opposition letter has been attached thereto. The letter of opposition attached to the minutes is signed by the presiding committee, and the Ministry Representative, if present.

Procedures to be carried out at the End of Meeting

ARTICLE 14 - (1) The chairperson of the meeting shall deliver a copy of the minutes and all other documents related to the general assembly to one of the members of board of directors present at the meeting. Such case is evidenced by a separate minute to be drawn up between parties.

(2) The Board of Directors is obliged to submit a notarized copy of the minutes to the trade registry within no later than fifteen days following the date of meeting, and cause issues contained therein which are subject to registration and announcement to be registered and announced.

(3) The minutes shall also be posted on the website by the companies obliged to build a website within no later than five days following the date of the general assembly meeting.

(4) The chairman of the presiding committee shall also deliver one copy of the agenda, the list of attendants, and the minutes of the general assembly meeting to the Ministry Representative, if present at the meeting.

Attending the meeting via electronic means

Article 15 - (1) Where the article 1527 of the Code allows attending the general assembly via electronic means, procedures to be carried out by the board of directors and the presiding committee shall be executed by taking into account article 1527 of the Code and respective legislation.

PART THREE Miscellaneous

Attendance of the ministry representative and documentation regarding the general assembly meeting

ARTICLE 16 - (1) For the meetings to which a ministry representative has to attend, provisions of Regulation on Principles and Procedures of General Assembly Meetings of Joint Stock Companies and on Representatives of Ministry of Customs and Commerce to Take Part in Such Meetings concerning the request for a representative and duties and powers of such representative are reserved.

(2) In the preparation of the list of those who are entitled to attend the general assembly and the list of attendees, and the preparation of representation documents to be used at the general assembly and the minutes of the meeting, provisions of the Regulation specified in the first paragraph have to be observed.

Circumstances Not Foreseen in the Internal Directive

Article 17 - (1) If any situation which has not been foreseen in this Internal Directive is encountered during the meeting, action shall be taken in line with the resolution to be passed by the general assembly.

Adoption of Internal Directive, and amendments thereto

ARTICLE 18 - (1) This internal bylaw shall be put into force, registered, and announced by the board of directors upon approval of the general assembly of Borusan Mannesmann Boru Sanayi ve Ticaret Anonim Şirketi. Any amendments to the Internal Directive are subject to the same procedure.

Effective date of Internal Directive

ARTICLE 19 - (1) This internal directive was adopted at the general assembly meeting of Borusan Mannesmann Boru Sanayi ve Ticaret Anonim Şirketi on 29 March 2013 and becomes effective on the date of its announcement in Turkish Trade Registry Journal.

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