

Declaration on Compliance with Corporate Governance Principles

Within the framework of the Corporate Governance Principles contained in the Capital Markets Board's ("CMB") "Communiqué Series IV, Nr. 56 on Determination and Application of Corporate Governance Principles" that has entered into force upon publication in the Official Gazette dated December 30th, 2011 and No 28158, and in the Communiqué Series IV, Nr. 57 that has made amendments on this Communiqué; this declaration expresses the below-stated responsibilities and liabilities of Türkiye Sise ve Cam Fabrikaları Anonim Şirketi ("the Company") with respect to the matters: shareholders, public enlightenment and transparency, arrangements of the relations with beneficiaries and determination of the powers and responsibilities of the Board of Directors as well as the committees and managers serving dependently on them.

Sisecam, which has been established in the year 1935 by Türkiye Is Bankasi A.S. with the instructions of Atatürk, has principally met the basic glass products requirements of the Country, has entered into the global markets vigorously as from 1960s in line with the principle "the world is our market", and has diversified its activities in 1970s and 1980s and thus, achieved a rapid growth.

Sisecam is an industrial firms group with the main fields of activities of glass and chemicals productions. With its specialization in all fundamental areas of glass that include sheet glass, household glassware, glass containers and glass fibres etc and in soda and chromium compounds; Sisecam is a powerful and leader group in its fields of activities.

As a requirement of being a global company in the sectors where it performs activities; Sisecam has constructed its management mentality on the principles of equality, transparency, accountability and responsibility. The fact that the Sisecam Group is, in terms of its fields of activities, one of the outstanding manufacturers in Europe and in the world with its current dimensions, specializations and competitive activities, constitutes the most striking evidence for this management mentality that it has undertaken.

The principles of modern management and industrialism, and matters such as high level of institutionalization, market and R&D orientation, which have brought Sisecam to today, also constitute the basic foundations for the more powerful Sisecam of the future. As a result of adopting the Corporate Governance Principles; the Sisecam Group, on those foundations, aims to further strengthen the vision of being the leader manufacturer in its fields of activities in the vital geography covering the surrounding countries.

In this context; in the activity period that has ended on December 31st, 2011, with respect to compliance with the Corporate Governance Principles, the obligations relevant to the shareholders and beneficiaries have been fulfilled completely. On the Corporate Web Site of the Company, they have been made available to the shareholders and beneficiaries for the purpose of broadening the scope of the shareholders' right to information. In addition, studies have been commenced within the scope of compliance with the Corporate Governance Principles contained in the Capital Markets Board's ("CMB") "Communiqué Series IV, Nr. 56 on Determination and Application of Corporate Governance Principles" that has entered into force upon publication in the Official Gazette dated December 30th, 2011 and No 28158, and in the Communiqué Series IV, Nr. 57 that has made amendments on this Communiqué; and, the details of those studies have been presented in the relevant sections of the report.

1- SHAREHOLDERS

1.1 Facilitating Use of Shareholding Rights

With respect to use of shareholding rights; the Articles of Association and other internal arrangements are complied with, and the measures, which will ensure use of those rights, are taken, and all the shareholders are treated equally. A central mentality has been adopted for the purpose of fulfilment of the obligations, which arise from the Capital Markets Legislation, within the framework of the rules determined by the legislation and for the purpose of performance of the activities more effectively and; accordingly, a structuring, which is in conformity with those, has been preferred within the body of our Group. All the obligations, which belong to Sisecam and our other publicly held companies and arise from the Turkish Trade Legislation and the Capital Markets Legislation, are, since before now, accordingly with the CMB's Corporate Governance Principles, fulfilled under supervision, direction and coordination of the Shareholder Relations Department that has been constituted within the body of the Financial Transactions Group Presidency. In this context, as well as the organs of the Company, "the Shareholder Relations Department, which has been constituted mandatorily as required by the legislation, play an active role in protection of the shareholding rights and in facilitating use of those rights, particularly the right to demand information and to review.

On the Corporate Web Site of the Company; up-to-date information and disclosures, which may have an impact on use of their rights by the shareholders, are furnished to the shareholders. The primary activities, which have been carried out in the period within this scope, are summarized below.

- a) Except for the Company-related information which are not disclosed to the public and are in confidential and trade secret nature; verbal and written information requests of the shareholders have been satisfied.
- b) General Meetings have been held in conformity with the applicable legislation, the Articles of Association and other internal arrangements.
- c) The documents, which may be useful to the shareholders during General Meetings, have been prepared.
- d) It has been ensured that voting results are recorded and that, the reports relevant to the results are communicated to the shareholders that have requested for those reports.
- e) It has been ensured that all kinds of matters relevant to public enlightenment, including the legislation and the Corporate Information Policy, are paid regard and monitored and followed.
- f) Records relevant to the shareholders have been kept as accurately, safely and updated.
- g) Participations in the meetings held at the Company Headquarters and participations in the conferences and meetings organized in the country and abroad by various organizations have been achieved and thus, information have been furnished to investors.
- h) Information has been furnished to analysts who carry out evaluations/assessments about the Company.
- i) The Corporate Web Site of the Company has been updated and thus, it has been ensured that the shareholders access information about the Company expeditiously and easily through internet.
- j) On the Corporate Web Site of the Company; up-to-date information and disclosures, which may have an impact on use of shareholding rights, have been furnished to the shareholders.
- k) Required Special Case Disclosures have been presented to the public through the Public Enlightenment Platform (PEP) by taking into consideration of the CMB's Communiqué Series VIII, Nr. 54.

- l) Any amendments made on the Capital Markets Law and on the relevant legislation have been monitored and thus, it has been ensured that relevant departments of the Company make required arrangements.

Responsible persons of the departments, for providing contact with the shareholders, are as follows:

<u>Name and Surname</u>	<u>Job Title</u>	<u>Telephone</u>	<u>E-mail</u>
İbrahim Babayiğit	Group President, Financial Transactions	0212 350 38 35	ibabayigit@sisecam.com
Asuman Akman	Vice President, Financial Affairs	0212 350 39 95	aakman@sisecam.com
Aytaç Mutlugüller	Vice President, Finance	0212 350 34 80	amutluguller@sisecam.com
Mükremin Şimşek	Manager, Central Accounting	0212 350 39 51	msimsek@sisecam.com
Başak Öge	Manager, Corporate Finance and Investor Relations	0212 350 32 62	boge@sisecam.com

The studies, which have been carried out within the year 2011 in order to furnish the investors detailed information about the activities of the Company, are summarized below.

- In the year 2011, participations have been achieved in totally 8 conferences, 3 of which have been held in the country, and 5 of which have been held in foreign countries.
- Negotiations have been carried out with 130 different large scale investor entities and totally 190 meetings have been held, including the sessions at the conferences.
- More than 1 negotiation has been carried out with a number of large scale investor entities within the year.
- The questions, which have been communicated to our Company by the investors, have been answered by phone and e-mails.
- Totally 41 meetings have been held with the analysts who have prepared reports on Sisecam and the publicly held group companies, so that those reports are submitted to the investors.

In addition; also the investors' questions, which have been received in e-mail environment through the Investor Relations Communication Form contained under the topic "Investor Relations – How can we help you?" on the Corporate Web Site of the Company, have been answered expeditiously.

1.2 Right to Information and Review

No discriminations are made among the shareholders in use of the right to information and review by them. Each shareholder has right to information and review. In the Articles of Association; there are no provisions limiting their rights to information.

Within framework of the applicable legislation and in order to ensure that the scope of the shareholders' rights to information is broadened and that, they are able to use those rights properly; the Corporate Web Site of the Company is utilized effectively. Within this scope, the Corporate Web Site of the Company contains information and data stipulated by the Corporate Governance Principles and by the regulatory authorities. For information and public enlightenment purposes; on the Corporate Web Site; activity groups, products, annual and interim period activity reports, report on compliance with corporate governance, the Company Articles of Association, information on trade registry records, special case disclosures, partnership structures, agendas of General Meetings, minutes of General Meetings, Lists of Attendants at the General Meetings, the form for voting by proxy, prospectuses and public offering circulars, code of conduct, Information Policy and announcements regarding mergers and split-off are contained on the Corporate Web Site of the Company. Attention is continuously paid to keep the Corporate Web Site updated.

In addition, for the purpose of broadening the scope of the shareholders' rights to information; in the "Investor Relations" section contained on the Corporate Web Site of the Company; the Company's authorized persons' reportages with the media organs, interviews, and press statements relevant to

the results of the activities at the ends of quarterly periods are submitted for information of the shareholders.

The minority shareholders' right to request the General Assembly to appoint special auditor(s) is arranged by the legislation. Shareholders possessing minimum one-tenth of the capital are entitled to request the General Assembly to appoint a special auditor so that he/she reviews the circumstances indicated by the law. In the Company Articles of Association, there is no provision relevant to appointment of a special auditor, and no requests have, in the period, been submitted for appointment of a special auditor.

1.3 The Right to Participate in General Meetings

The announcements concerning General Meetings are made at least three weeks before the General Meeting dates by using all kinds of means of communication, including electronic communication, as well as the procedures stipulated by the legislation, in such a way that those announcements are received by the largest number of shareholders as much as possible.

On the Corporate Web Site of the Company, the following matters are announced to the shareholders in addition to the announcements concerning General Meetings as well as the notifications and disclosures that should be made as required by the legislation, in such a way that all those attract attentions:

- a) As of the date when the disclosure will be made, the total number of shares reflecting the partnership structure of the Company, and the right to vote, and if there are any privileged shares in the capital of the Company, the number of shares representing each privileged share group and the right to vote,
- b) Changes in the managements and activities of the Company and of the significant affiliates and subsidiaries of the Company, which have taken place in the previous accounting period or will have a significant impact on the Company's activities planned for the next accounting period,
- c) In the contents of the General Meeting agendas; information about dismissals, replacements or elections of the Members of the Board of Directors and the grounds of dismissals and replacements (if any) and information about the persons to be nominated for the Membership of the Board of Directors,
- d) The shareholders', the Capital Markets Board's (CMB) requests and/or the requests of other public institutions and organizations concerning the Company, with respect to inclusion of Article(s) into the contents of agendas,
- e) In case amendment(s) on the Articles of Association is/are contained in the contents of agenda; the relevant resolution of the Board of Directors and, the previous and new versions of the relevant provisions of the Articles of Association,

In relation to fulfillment of the obligation mentioned in the paragraph (c); the resumes of the persons who will be nominated for the memberships of the Board of Directors, the tasks that have been carried out by them within the last ten years, and the reasons of their resignments, the nature and significance level of their relationships with the Company and the associated parties of the Company, the matter whether they are independent or not, and information on the similar matters that may have an impact on the activities of the Company in case those persons are elected as the Members of the Board of Directors, are disclosed to the public by the Company within 1 week after the date when the announcement concerning the General Meeting is made.

During preparation of agendas for General Meetings; attention is paid in order to ensure that each proposal is contained under a separate topic and, the agenda topics are expressed explicitly and in such a way that they will not cause any different interpretations. Attention is paid so that any words such as "other", "various" are not contained in the contents of agendas.

During preparation of agendas; the matters, which have, in written form, been communicated to the Shareholder Relations Department of the Company by the shareholders and have been requested by the shareholders so that they are contained in the agenda, are taken into consideration by the Board of Directors. With respect to this matter, no requests have been submitted within the period.

Maximum attention is paid in order to ensure that General Meetings are held in such a way that they shall not cause any inequalities among shareholders and that, shareholders participate in those meetings with the minimum amount of expenses as less as possible. Within this framework, the hours of General Meetings are fixed by taking into consideration of environmental factors such as traffic, transportation issues and similar ones.

At the General Meetings, attention is paid in order to ensure that the matters contained in the contents of agendas are transmitted impartially and in details, and in an explicit and comprehensible manner, and the shareholders are provided with the opportunity to express their opinions and to ask questions under equal conditions. Every question, which is asked at the General Meetings by the shareholders and is not included in the scope of a trade secret, is answered directly during the General Meetings. In case a question, which has been asked, is irrelevant to the agenda or in case its scope is so comprehensive that it cannot be answered at that time; such question is answered in written form by the Shareholder Relations Department within 30 business days at the latest.

If there are any transactions that have been performed based on the permission obtained at the preceding General Meeting by the Members of the Board of Directors so that they can perform those transactions, which are included in the fields of activities of the Company, within the scope of the Articles 334 and 335 of the Turkish Commercial Code; information about the matter is furnished to the General Assembly.

With respect to specific matters contained in the agenda; it is ensured that the Members of the Board of Directors, other relevant persons, authorized persons who are responsible for preparation of financial statements and auditors are present at the General Meetings so that they can furnish required information and that they answer relevant questions.

On the day when the Board of Directors takes a resolution so that a General Meeting is held; a disclosure is made through the Public Enlightenment Platform (PEP) and thus, information is furnished to the public. In addition, for the purpose of furnishing information to the native and foreign shareholders about the announcement texts relevant to General Meetings and about the articles of agenda; the General Assembly documents are, on the Corporate Web Site of the Company, submitted for information of the shareholders.

As per the arrangements provided by CMB; it is necessary to disclose financial statements within 14 weeks as from the end of the accounting period. In order that the shareholders are informed expeditiously, the Company aims to complete its financial statements and to disclose them to the public as soon as possible. Within this framework; the financial statements pertaining to the year 2011 have been disclosed within approximately 10 weeks.

In case a significant change takes place in the organization pertaining to the management and activities of the Company; the relevant disclosure is submitted to the public within the scope of the legislation. In addition, as a requirement of the CMB's Corporate Governance Principles; for the

Principle relevant to the significant transactions; required permissions, which are relevant to making amendments on the Articles of Association, have been obtained prior to the Ordinary General Meeting to be held on May 25th, 2012.

Within this framework; the matter, which is relevant to acquisition of the Beykoz Real Properties of our subsidiary, Pasabahce Cam San ve Tic A.S. by our Company by way of Pasabahce Cam San ve Tic A.S.'s partial split-off within the scope of the Turkish Commercial Code, the provisions of the Capital Markets Board's Communiqué Series 1, Nr.31 on the Principles regarding Merger Proceedings and within the scope of the Articles 19 and 20 of the Corporate Tax Law, has been approved on January 20th, 2012 by the Capital Markets Board and, this matter has been approved during the Shareholders Extraordinary General Meeting held on February 27th, 2012. In addition; the transaction relevant to transfer of the Cogeneration Plant Undertaking, which is contained in the assets of our subsidiary, Camiř Elektrik Üretim A.S., to our subsidiary, Soda Sanayii A.S. by way of "Partial Split-off" within the scope of the Article 19(3) of the Corporate Tax Law, the Capital Markets Law, the Articles 303-396 of the Turkish Commercial Code and within the scope of the provisions of "the Communiqué on Regulation of the Principles and Procedures regarding Partial Split-off Proceedings concerning Joint Stock Companies and Limited Liable Companies" published by the Ministry of Finance and the Ministry of Industry and Trade, has been approved by the Capital Markets Board on February 23rd, 2012.

Information is furnished to the General Assembly under a separate agenda article relevant to the aids and donations provided with foundations and associations for social aid purposes. General Meetings are held publicly, including the media and the beneficiaries without the right to take the floor. The minutes of the General Meetings, which are contained on the Corporate Web Site of the Company, are made available at the Company Headquarters, for reviews of the shareholders.

Within the period, on April 15th, 2011, the 2010 Ordinary General Meeting has been held with the meeting quorum of 74,43 percent; and the Extraordinary General Meeting dated February 28th, 2012, has been held with the meeting quorum of 74,65 percent.

The following matters are stated in the announcements and notices made for General Meetings:

- The agenda of the General Meeting, the place, date and hour thereof, voting by proxy form for those to be represented by a representative during the General Meeting and, the principles regarding issuance of those proxies,
- The information that financial statements, Reports prepared by the Independent External Auditing Firm, the Board of Directors' proposal on distribution of profit, the previous and new versions of the amendment text (if amendments will be made on the Articles of Association), as well as the annual activity report will, for reviews of the shareholders, be made available on the Corporate Web Site of the Company and at the Company Headquarters in advance of minimum three weeks to the date of the General Meeting,
- The matter that our shareholders that will not be able to participate in the meeting by acting as principal should obtain the copy of the voting by proxy form from the Corporate Web Site of the Company and, the matter that they should fulfil also the requirements of the matters stipulated by the Capital Markets Board's Communiqué Series IV, Nr. 8 and thus, they should submit their proxies, the signatures of which have been certified by a public notary,
- The matter that it is mandatory for our shareholders whose shares are stored in investor accounts under Intermediary Institutions before the Central Registry Agency and that wish to attend the General Meeting are registered with the Blockage List before the Central Registry Agency (CRA) in conformity with arrangements provided by CRA, and the matter that our shareholders that are not registered with the Blockage List are not entitled to attend the meeting pursuant to laws and,

- The matter that General Assembly attendance applications can be taken into account only after dematerialization of their shares and that, in order to dematerialize their shares; our shareholders that physically hold their shares should make an application to Camis Menkul Degerler A.S. (Camis Securities Inc.) which carries out dematerialization transactions on behalf of the Company.

1.4 Right to Vote

The Company avoids any practices that make exercising the right to vote at General Meetings difficult and provides each shareholder with the opportunity to exercise its right to vote in the easiest and most appropriate way, including the cross-border ones.

In the Company Articles of Association, there is no privilege intended for exercising the rights to vote. According to the Company Articles of Association, each share provides one right to vote. If a cross-shareholding relationship brings about also a controlling relationship; such companies, which are in cross-shareholding relationships, do not exercise their rights to vote at the General Meetings of such company with which they are in cross-shareholding relationships; unless very essential circumstances, such as constitution of a quorum, occur.

Our shareholders are entitled to exercise their rights to vote by acting as principal at the General Meetings and they are entitled to exercise their rights to vote also through a third party that is a shareholder or not a shareholder. Each real person shareholder is allowed to be represented at the General Meetings only by one person. In case legal person shareholders are represented by more than one person, only one of the representatives casts vote. The person, who is authorized to vote, is indicated in the certificate of authorization.

1.5 Minority Rights

Minority shares are not represented in the management. Cumulative voting method is not provided by the Articles of Association and; in the year 2011, there were no criticisms or complaints that have been received by the Company with respect to those matters.

1.6 Right to Dividends

In distribution of profits; a balanced and consistent policy has been adopted between the interests of shareholders and interests of the Company in conformity with the Corporate Governance Principles; and the text of the policy, which has been prepared with respect to this matter, has been disclosed to public on March 22nd, 2007.

Accordingly;

The principle, distribution of first dividend, which is in the ratio and amount determined by the Capital Markets Board, from the distributable profit, has been adopted in the Company Articles of Association.

The profit distribution proposals, which are submitted by our Board of Directors to our General Assembly for approval, are prepared within the scope of a Profit Distribution Policy that takes into account of:

- a) not disrupting the sensitive balance between the expectations of our shareholders and the Company's requirement for growth,
- b) the profitability situation of the Company.

A Profit Distribution Policy, which is based on the principle, “submission of a proposal to our General Assembly by our Board of Directors with respect to distribution of the profit in cash and/or in the form of bonus shares, as a minimum, in the minimum profit distribution ratio determined by the Capital Markets Board”, has been adopted.

There is no privileged share in terms of participation in the profits. According to the Articles of Association, payment of dividends to founders’ redeemed shares, to the Members of our Board of Directors and to our employees does not apply.

Maximum attention is paid in order to ensure that dividend payments are made within their legal periods. Dividend payments are completed by the end of the 5th month following the accounting period, if it is resolved to distribute the entire dividends in cash; and are completed by the end of the 6th month following the accounting period, if it is resolved to distribute dividends in the form of bonus shares.

In the Company Articles of Association, there is no provision stipulating distribution of dividend advances. The Profit Distribution Policy is contained in the Activity Report and, it is disclosed to the public also through the Corporate Web Site of the Company.

The proposals of the Board of Directors for distribution of dividends, which will be submitted to the General Assembly for approval, are announced to the public through PEP in advance of minimum three weeks to the date of General Meetings. In addition; they are submitted for information of the shareholders also through the Corporate Web Site of the Company. In case the Board of Directors submits a proposal to the General Assembly for not distributing any profits; the information on the grounds thereof and on the usage of the profits that will not be distributed, are submitted to the shareholders during the General Meetings.

1.7 Transfer of Shares

In the Company Articles of Association, there no provisions which obstruct freely transfer of shares by shareholders and impose any limits on transfer of shares.

2. PUBLIC ENLIGHTENMENT AND TRANSPARENCY

2.1. Corporate Information Policy

Under “the CMB’s Communiqué Series VIII, Nr. 54 on the Principles regarding Disclosures of Special Cases to the Public” which has been published in the Official Gazette dated February 6th, 2009 and 27133; the obligation to establish an Information Policy for public enlightenment purposes and to announce this policy to the public through the Corporate Web Site of the Company has been imposed on the partnerships whose shares are traded in the stock exchange.

“The Information Policy”, which has been established within this framework and has been approved by our Board Directors at its meeting dated April 2nd, 2012 and No 34, has been announced to the public in the section “Investor Relations” contained on the Corporate Web Site of the Company.

The Information Policy includes the matters with respect to which information shall be disclosed to the public other than those determined by the legislation and with respect to how, in what frequency and by which ways those information shall be disclosed to the public and in what frequency the Board of Directors or the managers shall interview with the press and in what frequency the meetings shall be organized for public enlightenment purposes and which procedure shall be followed in answering any questions asked to the Company, and includes similar matters.

The information, which will be disclosed to the public, are disclosed to the public through the web side of “the Public Enlightenment Platform” (www.kap.gov.tr) and the Corporate Web Site of the Company accurately, completely, comprehensibly, interpretably, with low cost and in an easily accessible way and in such a way that they help any persons and organizations that will utilize the disclosures take decisions.

In the event that any information intended for the future are disclosed to the public; also the relevant assumptions and the data relied on by those assumptions are disclosed. Those disclosed information do not include any baseless, exaggerated and misleading anticipations. In case such anticipations and bases contained in such disclosed information intended for the future do not come true or in case it is understood that they will not come true; the updated information are immediately disclosed to the public, together with their grounds. The principles regarding disclosure of information intended for the future to the public are contained in the Information Policy.

In the present; İbrahim Babayiğit (Group President, Financial Transactions), Asuman Akman (Vice President, Financial Affairs), Mükremin Şimşek (Manager, Central Accounting), Necat Koç (Manager, Holding Accountancy and Legislation) and Murat Yalçın (Manager, CMB Reporting) are empowered to ensure information communication and coordination with the Stock Exchange.

2.2 Corporate Web Site of the Company and the Contents Thereof

The Company uses its Corporate Web Site actively as stipulated by the CMB Corporate Governance Principles in order to continue its relationships with the shareholders more actively and expeditiously and in order to keep in touch with the shareholders continuously. The information contained on this Web Site is continuously updated under the responsibility of the Shareholder Relations Department. The contents of the information contained on the Corporate Web Site of the Company are the same with the contents of the disclosures made within the framework of the provisions of the relevant legislation, and therefore, they do not contain any contradictory or incomplete information.

In addition to the information mandatory to be disclosed as per the legislation; information on trade registry records, the current partnership and management structures, non-existence of privileged shares, the dates and issue numbers of the trade registry gazettes in which the amendments have been published, the final version of the Company Articles of Association, special case disclosures, financial statements, prospectuses and public offering circulars, agendas of General Meetings, the lists of attendants, minutes of the meetings, the form for voting by proxy, the Profit Distribution Policy, the Information Policy, the Company Code of Conduct and the answers to the frequently asked questions are contained on the Corporate Web Site of the Company. Within this scope, information on the period covering minimum 5 years is contained on the Corporate Web Site of the Company. Significant and specific information, which are contained on the Web Site, are prepared also in English so that international investors are able to utilize them.

The shareholding structure of the Company is as follows and, there is no ultimate controlling shareholder among the shareholders of the Company.

Shareholders	TL	%
T. İş Bankası A.S.	885,963,199.45	65,47
Efes Holding A.S.	50,297,700.75	3,72
Paşabahçe Cam Sanayii ve Ticaret A.S.	53,195,417.00	3,93
T. İş Bankası Mensupları Munzam Sosyal Güvenlik Vakfı	3,445,106.00	0,25
Anadolu Hayat Emeklilik A.S.	650,322.80	0,05
Other	359,643,671.00	26,58
	1,353,195,417.00	100,00

Note: The Company's issued capital, which amounts 1,300,000,000 Turkish Liras by December 31st, 2011, has been increased to 1,353,195,417 Turkish Liras on March 22nd, 2012.

2.3. Activity Reports

The Board of Directors' Activity Report is prepared in such details ensuring that the public accesses complete and accurate information about the activities of the Company.

In addition to the matters stated in the Legislation and the matters stated in the other sections of the Corporate Governance Principles; information on the following matters are contained in the annual activity reports:

- As mentioned in the resumes of the Members of the Board of Directors; information on the tasks carried out by them outside of the Company,
- The members of the committees pertaining to the Board of Directors, the frequency of their meetings and the activities carried out by the committees,
- The number of the meetings of the Board of Directors within the year and participations of the Board of Directors' Members in those meetings,
- If any, disclosure on significant administrative sanctions and penalties imposed on the Company and the Members of the Board of Directors due to practices contrary to the provisions of the legislation,
- Any legislation amendments that may have a significant impact on the activities of the Company,
- Significant suits filed against the Company and the probable consequences of those suits,
- Corporate social responsibility activities relevant to the Company activities that have social and environmental consequences, as well as the employees' social rights and vocational educations-trainings.

Under "the CMB's Communiqué Series VIII, Nr. 54 on the Principles regarding Disclosures of Special Cases to the Public" which has been published in the Official Gazette dated February 6th, 2009 and 27133; the obligation to prepare a list of the people who work for them under employment contracts or otherwise and have regular access to the internal information has been imposed on companies or real or legal persons acting on behalf of companies. Within this scope, a "**List of Persons with Access to Internal Information**" is prepared within the body of our Company with the effect as from May 1st, 2009. In addition; in order to ensure that those persons indicated in the List acknowledge their obligations contained in the law and in the relevant legislation in respect of the information obtained from internal resources and, in order to ensure that those persons are aware of the sanctions relevant to misuse/abuse and improper distribution of those information; written information have been furnished to those persons. While determining the persons with administrative responsibilities;

the tasks of those persons within the Company's organization and the contents of the information accessed by those persons are taken into consideration as a criterion.

Within this framework, in addition to the Members of the Board of Directors, General Manager, Group Presidents, Vice General Managers, Vice Presidents, who have detailed information for the entire Company not only in relation to the current situation thereof but also in relation to the future plans thereof; the Sisecam financial and finance department managers, who have the right to access information for the entire Sisecam and have the power to take administrative decisions that may, in macro level, have an impact on financial statements, strategic targets and similar elements, have been determined as the persons who have administrative responsibilities and access regularly to internal information. Accordingly, the managers and other personnel, who do not have information in such a level that may have an impact on the value of capital market instruments and investment decisions of investors, in other words, who have information only on a part of the Company and have limited information on the entire Company, are not considered as persons who have administrative responsibilities and access to internal information. As per the Central Registry Agency's (CRA) general letter dated June 9th, 2011 and No 556 on "New Applications for CMB Regulations"; the List of Persons with Access to Internal Information, has been transmitted to the Central Registry System (CRS) in electronic environment as from October 6th, 2011 and, any changes on the lists are updated at the dates of transactions. As of the date of the Report, there are totally 47 persons within the scope of the List of Persons with Access to Internal Information; and the names, surnames and job titles of the Members of the Boards of Directors and Auditors and senior managers, who are included in the List, are stated below.

<u>Name and Surname</u>	<u>Job Title</u>
H. Ersin Özince	Chairman of the Board of Directors
Prof. Dr. Ahmet Kirman	Deputy Chairman of the Board of Directors-General Manager
Alev Yaraman	Member of the Board of Directors
Kadir Akgöz	Member of the Board of Directors
Rıza İhsan Kutlusoy	Member of the Board of Directors
Aydın Süha Önder	Member of the Board of Directors
Murat Bilgiç	Member of the Board of Directors
Zeynep Hansu Uçar	Member of the Board of Directors
Dr. Tefik Ateş Kut	Member of the Board of Directors
Velda Lafçioğlu	Member of the Board of Auditors
Işıl Dadaylı	Member of the Board of Auditors
Teoman Yenigün	Group President, Flat Glass
Azmi Taner Uz	Group President, Household Glassware
Ekrem Barlas	Group President, Packaging
Sabahattin Günceler	Group President, Chemicals
İbrahim Babayiğit	Group President, Financial Transactions
Prof. Dr. Şener Oktik	President, Research and Technological Development
Ali Nafiz Konuk	Vice General Manager
Dr. Atıla Gültekin	Vice General Manager, Information Technologies
Gizem Sayın	Vice General Manager, Strategic Planning
Özgün Çınar	President, Risk Management and Internal Audit

3. BENEFICIARIES

3.1 Company Policy on Beneficiaries

Beneficiaries are the persons, entities/organizations or interest groups such as employees, obligees, customers, suppliers, trade unions and various non-governmental organizations that are concerned with the activities of or attainment of its purposes by the Company. The Company, while performing transactions and activities, takes the beneficiaries' rights, which are arranged by the legislation and by mutual contracts, under protection. In cases where the rights of beneficiaries are not protected by the legislation and mutual contracts; the interests of the beneficiaries are protected in accordance with the bona fide principles and within the framework of the possibilities of the Company.

Beneficiaries are informed about the Company policies and procedures relevant to protection of their rights. The Company has constituted required mechanisms so that beneficiaries can transmit the Committee Responsible for Audits the Company's any transactions that are contrary to the legislation and are not appropriate ethically. In case conflicts of interest occur between beneficiaries or in the event that a beneficiary is included in more than one interest group; a balanced policy is followed as far as possible in terms of protection of the rights held by them and, it is aimed to protect each right independently from each other.

3.2 Supporting Participations of Beneficiaries in the Management of the Company

Participations of beneficiaries and particularly the Company's employees in the management of the Company are supported in such a way that they do not disrupt activities of the Company; and opinions of beneficiaries are received for significant decisions that create results in respect of beneficiaries.

3.3 Human Resources Policy of the Company

Within the scope of the Company's Human Resources Systems; the principles and procedures regarding recruitment, working conditions, rating systems, salary/wage management, monetary and social rights, performance assessment, career management and termination of employment contracts have been established. Relations with the Company's employees are carried out by the Human Resources Department without any problems.

During establishment of recruitment policies and career planning; the principle of providing equal opportunities with persons in equal conditions has been adopted. Within the period, no complaints have been received by the Company Managers in respect of any discrimination.

In respect of all the rights granted to the employees, the employees are treated fairly and, training programs intended for enhancement of the employees' knowledge, skills and experiences are developed. Contact meetings intended for employees are held with respect to the matters such as the financial situation of the Company, salaries/wages, trainings and health and thus, the opinions are exchanged.

The decisions taken in relation to the employees or the developments concerned with the employees are notified to the employees or their representatives. In such decisions, opinions of the relevant trade unions are received.

The job descriptions of and distribution of tasks among the employees of the Company and the performance and rewarding criteria are announced to the employees and, attention is paid to productivity/efficiency in determination of the salaries/wages and other benefits provided with the employees.

No discriminations are made among the employees in terms of their races, religions and genders and, measures are taken in the Company so that the employees are protected against physical, spiritual and emotional ill-treatments.

3.4 Relations with Customers and Suppliers

Sisecam Group continues to be a trust corporation which always expresses value and creates value for its shareholders, employees, customers, suppliers and the society, within the framework of its constant values characterized primarily by being “human-oriented” and “trust corporation”. In this context, in order to ensure customer satisfaction in terms of marketing and sales of goods and services, requests of our customers and consumers are met by acting under the sense of sensitivity and responsibility. In addition, significant occurrences and developments and legal amendments relevant to our customers and suppliers are shared with our customers and suppliers by means of the quickest means of communication. Besides, attention is paid in order to ensure that confidentiality of the information relevant to customers and suppliers are maintained within the scope of trade secrets.

3.5 Code of Conduct and Social Responsibility

3.5.1 Social Responsibility

Sisecam Group, as a corporation that is aware of the responsibility for the laws and environmental values, believe in the requirement for leaving a habitable world to the future generations. Sisecam Group takes into consideration of this approach, which it perceives as one of the fundamental elements of strategic management, at each stage of its activities. Our aim is to carry out the environmental conservation studies, which are continued within the body of our Group, with the understanding of environmental management system and, to ensure a continuous improvement by receiving supports from all the employees.

3.5.2 Code of Conduct

Sisecam Group’s Code of Conduct, which has been prepared within the framework of general principles of honesty, transparency, confidentiality, impartiality and conformity with the laws under the Company Board of Directors’ Resolution dated July 20th, 2010 and No 49, has been entered into force and; the arrangements, which are in nature of a guide that will lead the relations of all the Group’s employees with the customers, suppliers, shareholders and other stakeholders have been put into practice.

The general framework of the Code of Conduct, which has been announced to the public through the Corporate Web Site of the Company, is stated below.

1. General Principles

- Within the body of the Sisecam Group; the relations with employees, customers, suppliers, shareholders and all stakeholders are carried out with fairness and honesty.
- Sisecam Group is transparent and open to all of its shareholders.
- Within the body of Sisecam Group; no discriminations are made among the shareholders due to reasons such as religion, language, race, gender, health conditions, marital status and political views. Everyone is treated fairly and equally and, biased behaviours are avoided.
- Within the body of Sisecam Group; attention is paid in order to ensure that private information pertaining to employees, customers and suppliers are protected and, it is not allowed to share such information with any third parties.
- Sisecam Group carries out its all activities in conformity with the laws. The Group follows and monitors the laws and regulations closely and takes required measures in order to ensure compliance with the laws.

2. Responsibilities

The Board of Directors and the Committee Responsible for Audits are, in the ultimate level, responsible for ensuring implementation of the Code of Conduct of Sisecam Group effectively throughout the Group. The employees of the entire Group are obliged to act in conformity with the Code of Conduct of Sisecam Group.

3. Practices

- Within the body of Sisecam Group; attention is at all times paid in order to ensure that the resources of the Group are utilized efficiently and productively and, the principle of saving is taken into account for all activities. Employees of the Group utilize and protect the resources of the Group only for the benefit thereof.
- Within the body of Sisecam Group; maximum attention is paid in order to ensure that all kinds of non-public information are protected. Regulations and procedures, which are relevant to the security of information pertaining to the Group, are applied completely and, measures, which are required for carefully storage and archiving such information and for non-disclosure thereof, are taken.
- Within the body of Sisecam Group, employees look after the interests of the Group and pay attention to stay out of conflicts of interest in their tasks within the framework of the legal and in-Group arrangements.
- Within the body of Sisecam Group; any gifts from customers, suppliers and other institutions, which exceed a reasonable extent, are not accepted. However; any gifts, which have a symbolic value (such as a plaques and shields), presented at the meetings or seminars attended in order to represent the Group, can be accepted.
- In case it becomes unavoidably necessary for the employees of Sisecam Group to establish business relations with family members, close relatives and friends; it is not allowed to create any conflicts of interest.
- Within the body of Sisecam Group; rules of respect, equality, courtesy and justice are taken into account for any relations with customers and suppliers and, the laws and code of conduct are complied with to the maximum extent. It is not allowed to exhibit any misleading and dishonest behaviours against customers and consumers.
- Within the body of Sisecam Group which strictly complies with the principle of fairness and honesty in terms of competition; the rules and laws on competition, which are in force in the countries where it performs activities, are complied with.

- The relations of Sisecam Group with public institutions are at all times transparent and explicit. All kinds of information and documents, which are requested by the public institutions, are provided accurately, completely and in a timely manner; and it is never allowed to exhibit any deceptive and misleading behaviour before public institutions.

4. Compliance with the Code of Conduct pertaining to Sisecam Group

Employees of the Group pay maximum attention with respect to compliance with the Code of Conduct pertaining to Sisecam Group. The matter whether the Code of Conduct is complied with during the activities of the Group is monitored by using communication channels effectively.

4. THE BOARD OF DIRECTORS

4.1 Functions of the Board of Directors

The Board of Directors maintains the risk, growth and gaining balance of the Company at the most appropriate level with its strategic resolutions to be taken by the Board and thus, manages and represents the Company by taking into consideration of the Company's long-term interests as a priority under a rational and cautious risk management approach.

The Board of Directors defines the strategic targets of the Company, determines the human and financial resources to be required by the Company, and inspects performance of the management and supervises compliance of the Company's activities with the legislation, the Articles of Association, internal arrangements and with the policies established.

4.2 Principles regarding Activities of the Board of Directors

The Board of Directors carries out its activities in a transparent, accountable, fair and responsible manner. A Chairman and a Deputy Chairman are elected amongst the Members of the Board of Directors. In addition, also Chairmen and Members are elected for the committees within the body of the Board of Directors.

The Board of Directors establishes internal audit systems by receiving also the opinions of the relevant committees thereof and in such a way that they include also the risk management and information systems as well as their processes that are able to minimize the effects of the risks that may have an impact on the beneficiaries of the Company, and particularly the shareholders. Minimum once a year, the Board of Directors reviews effectiveness of risk management and internal audit systems. In the Activity Reports, information is furnished about existence, functioning and effectiveness of internal controls and internal audits.

The Company's risk management and internal auditing activities are coordinated by the Risk Management and Internal Audit Directorates within the body of the Risk Management and Internal Audit Presidency that serves as being administratively dependent on the Board of Directors. The Risk Management Directorate takes aim at determination, prioritization and quantification of the potential risks and existing risks encountered during activities of the Group, and takes aim at taking required measures relevant to those and thus, development of effective control mechanisms.

In order that risk management is made effective on Group basis; "Sisecam Group Risk Management Regulation" and "Risk Policies" have been entered into force in the year 2007; and, accordingly with those regulations and policies, the risks mentioned in the Risk Catalogue have been prioritised in accordance with their effects and degrees and; detailed analysis studies relevant to the prioritised risks have been completed. The studies, which are performed for risk management and control activities, continue. The compliance of the Company's and its subsidiaries' activities with the laws, the Articles of Associations and with the internal regulations and procedures is periodically audited by the audit personnel of the Internal Audit Directorate and, the findings are reported to the Board of Directors.

The powers and responsibilities of the Board of Directors' Members are explicitly stated in the Articles of Association. The powers have been described in more details in the circular of signature. Those documents have been registered and announced as stipulated by the laws. The Board of Directors takes a leading part in maintenance of effective communications and in resolving and settlement of probable disputes between the Company and the shareholders, and is in close cooperation with the Shareholder Relations Department for those purposes.

4.3 Structure of the Board of Directors

According to the Articles of Association, activities and transactions of the Company are carried out by a Board of Directors consisting of maximum nine members elected amongst the shareholders under the resolution of the General Assembly within the framework of the provisions of the Turkish Commercial Code. In the Board of Directors, in the year 2011, there is no member meeting the independence criteria stipulated by the CMB's Corporate Governance Principles. At the Ordinary General Meeting to be held on May 25th, 2012; amendments will be made on the Articles of Association and, independent members will be elected for the Board of Directors in conformity with the criteria stipulated by the Capital Markets Board's Corporate Governance Principles. As a "Nomination Committee" has not been established within the body of the current Board of Directors; the independent member candidates have been determined by "the Committee Responsible for Audits" in accordance with the principles provided by the Capital Markets Board's Corporate Governance Principles and, they have been submitted to the Board of Directors for approval. The list of independent member candidates, which have been found acceptable by the Board of Directors, has been submitted to the Capital Markets Board for approval. In addition; with the Articles of Association amendment to be submitted to the General Assembly's approval during the Ordinary General Meeting that will be held on May 25th, 2012; the condition that the Board of Directors shall, in all cases, consist of minimum 5 members will be put into force.

The Board of Directors is designated in such a way that this designation enables the members thereof to perform productive and constructive studies, take decisions expeditiously and rationally and, organize their studies effectively. Within the body of the Board of Directors, there are executive and non-executive members. A non-executive member of the Board of Directors is a person who has not undertaken any administrative tasks within the body of the Company, other than membership of the Board of Directors and, does not get involved in the daily work-flow and ordinary activities of the Company. Majority of the Board of Directors' Members are non-executive members. The General Manager, Prof. Dr. Ahmet Kirman takes part in the Board of Directors as an executive member.

Following the General Meetings where the Members of the Board of Directors are elected; a resolution is taken in respect of distribution of tasks and thus, the Chairman of the Board of Directors and the Deputy Chairman of the Board of Directors are designated.

Within the body of the current Board of Directors of the Company, there is 1 executive member and there are 8 non-executive members, the names and surnames of whom are stated below.

<u>Name and Surname</u>	<u>Job Title</u>
Hakkı Ersin Özince	Chairman of the Board of Directors
Prof. Dr. Ahmet Kirman	Deputy Chairman of the Board of Directors – General Manager
Alev Yaraman	Member
Kadir Akgöz	Member
Murat Bilgiç	Member
Rıza İhsan Kutlusoy	Member
Aydın Süha Önder	Member
Zeynep Hansu Uçar	Member
Dr. Tevfik Ateş Kut	Member

Within the scope of the Articles 334 and 335 of the Turkish Commercial Code; the approval of General Assembly is obtained so that the Chairman and the Members of the Board of Directors are entitled to perform the activities and transactions, which are included in the fields of activities of the Company, personally or on behalf of third parties and so that they are entitled to become partners to any companies that perform such activities.

In the year 2011, the Members of the Board of Directors have been elected by representing certain shareholders and, the Members of the Board of Directors are able to communicate and express their opinions freely and without being under any influences.

Despite it is not mandatory in the Corporate Governance Principles; Alev Yaraman and Zeynep Hansu Uçar take part as female members in the Board of Directors of the Company.

4.4 Meetings of the Board of Directors

As stated in the Company Articles of Association; the Board of Directors meets, if activities and transactions of the Company require so. However, it is mandatory for the Board of Directors to meet at least once a month. At the times when the Chairman is absent, the Board of Directors is chaired by the Deputy Chairman. If also the Deputy Chairman is absent; a temporary chairman, who will be elected for that meeting amongst them by the members, chairs the Board of Directors. The date and agenda of the Board of Directors' meetings are determined by the Chairman. In cases where the Chairman is absent; they are determined by the Deputy Chairman. However, dates of the meetings may be determined also by the resolution of the Board of Directors.

The documents and information, which are related to the matters contained in the agendas of the Board of Directors' meetings, are submitted for reviews of the Members of the Board of Directors in advance of an appropriate period of time to the date of the meetings, by ensuring equal flow of information. The Members of the Board of Directors are, prior to the meetings, entitled to submit proposals to the Chairman of the Board of Directors with respect to making amendments on the contents of the agendas. Opinions of a member, who has not participated in the meeting, however, has, in written form, submitted his/her opinions to the Board of Directors, are submitted to the other members for information. Within the body of the Board Directors, each member has one right to vote.

The secretariat task concerning the Board of Directors is fulfilled without any problems by the commissioned personnel of the Company in conformity with the principles stipulated by the Corporate Governance Principles.

At the Board of Directors' meetings; the matters contained in the agenda are discussed explicitly and at all points. The Chairman of the Board of Directors uses the best efforts in order to ensure that the non-executive members effectively participate in the meetings of the Board of Directors. The reasonable and detailed grounds of the negative votes, which are related to the matters dissented by the Members of the Board of Directors during the meetings, are recorded into the minutes of the resolutions. The detailed grounds relevant to the negative votes casted by the members are announced to the public. However, as such an opposition or opinion has not been declared at the Board of Directors' Meetings held in the year 2011, no announcements have been submitted to the public with respect to this matter.

The Board of Directors' Meetings are held at the Company Headquarters, and significant resolutions of the Board of Directors are announced to the public through PEP; and the texts, which have been announced to the public, are published also on the Corporate Web Site of the Company.

For the arrangement relevant to provision of securities, pledged and hypothecates in favour of third parties and relevant to associated party transactions mentioned in the Article 4.4.7 of the Capital Market Board's Corporate Governance Principles; the amendment on the Articles of Association will, for approval, be submitted to the General Assembly during the Ordinary General Meeting to be held on May 25th, 2012.

The Company has subsidiaries and affiliates. As it is thought that it will be for the benefit of the Group if the Company Board of Directors' Members take part also in the managements of those companies; no restrictions have been imposed so that they take part in those tasks outside of the Company.

The amendment, which will be made on the Articles of Association in order that the meeting and resolution quorums pertaining to the Board of Directors are contained in the Articles of Association will, for approval, be submitted to the General Assembly during the Ordinary General Meeting to be held on May 25th, 2012.

4.5 Committees Established in the Board of Directors

"The Committee Responsible for Audits" has been established so that the requirements of the duties and responsibilities pertaining to the Board of Directors are fulfilled accurately. For the year 2011; the Board of Directors has elected Hakkı Ersin Özince (the Chairman), Prof. Dr. Ahmet Kırman, Rıza İhsan Kutlusoy and Zeynep Hansu Uçar as the members of the Committee Responsible for Audits.

The Committee Responsible for Audits carries out its activities regularly and in conformity with the guidelines provided by the Capital Markets Legislation and the Corporate Governance Principles. The members, who take office in the mentioned Committee, are not in the nature of an independent member.

Due to the absence of a "Nomination Committee" within the body of the Board of Directors; in application of the principle contained in the Article 4.3.8 of the Corporate Governance Principles; determination of the independent Board of Directors' member candidates has been performed by the current Committee Responsible for Audits that has been established within the framework of the CMB's Communiqué Series X, Nr. 22 on Independent Audit Standards in Capital Markets.

In the Committees that will be established following the Ordinary General Meeting to be held on May 25th, 2012; the mandatory principles stated in the Article 4.5 of the Corporate Governance Principles shall apply.

4.6 Financial Rights Granted to the Members of the Board of Directors and Senior Managers

As stated in the Articles of Association; all kinds of rights, benefits and salaries/wages granted to and provided with the Members of the Board of Directors are determined annually by the General Assembly. At the Company Ordinary General Meeting held on April 15th, 2011; the monthly attendance fees payable to the Members of the Board of Directors have been determined and disclosed to the public.

Any payments, which may technically be considered as a premium and are directly indexed to turnovers, profitability or other fundamental indicators, are not made to the Company General Manager, CFO and other Senior Managers of the Company. In addition to the payments in cash (such as salaries, bonus payments, social benefits); a payment under the name of gestion bonus, which is determined by our Board of Directors by taking into consideration of the criteria such as operating volume of the Company, the nature and chanciness level of the Company operations, the dimensions of the structure directed and managed, and by taking into consideration of the sector where the activities are performed, and which is increased or not increased (as the case may be) by taking into account of the indicators such as inflation, general wage and increases in the profitability of the Company, is, once a year, made to the Company General Manager, CFO and other Senior Managers of the Company. Besides, as a non-cash benefit, official cars have been allocated to the Senior Managers of the Company. Within this framework; in the year 2011, the payment, which totally amounts (TL 390,200 + TL 10,202,428=) TL 10,592,628 has been made in the way that TL 390,200 of this total amount has been paid to 9 Members of the Board of Directors and TL 10,202,428 thereof has been paid to 15 Senior Managers of the Company.

No loans and credits are provided with the Members of the Board of Directors and the managers and, they are not allowed to use any credits under the name of personal credit through a third person or, no warrants are provided like bails in favour of them.