

1) Declaration of Conformity to Corporate Management Guidelines

This declaration sets forth the below-specified obligations of Turkiye Sise ve Cam Fabrikaları Anonim Sirketi (Sisecam) regarding the organization of relations with the company shareholders and beneficiaries, determination of duties, authorities and responsibilities of the Board of Directors and the committees and executives reporting thereto within the framework of regulations, provisions and guidelines in the Capital Market Legislation, Company Articles of Association and Capital Markets Board Corporate Management Guidelines.

Sisecam, founded in 1935 by Turkiye Is Bankası A.S. on the instructions of Ataturk, first satisfied the basic glassware need of the country, spiritedly penetrated into the world market following the principle "Our Market is the World" in 1960s and then achieved a rapid growth by diversifying its activities in 1970s and 1980s.

Sisecam is an industrial group whose main fields of activity are the production of glass and chemicals. Specializing in all of the basic areas of glass such as flat glass, household glassware, glass packaging and glass fibre, it holds a strong and leader position in its fields of activities.

Sisecam, as required by its position of being a world company in the sectors it is active, has established its sense of management on fairness, transparency, accountability and responsibility principles. With the scale of Sisecam Group today, its expertise and highly competitive activities, being among the exclusive manufacturers of Europe and the world in its field is the clear evidence of this sense of management adopted.

The facts such as modern management and industrialism principles that have brought Sisecam to these days, its high level of institutionalisation, focus on market and R & D also constitute the basic foundations of a stronger Sisecam in the future. Sisecam Group aims for further strengthening its vision towards being the leader manufacturer of the vital geography including neighbouring countries at its operating activities by adopting its corporate management guidelines on these fundamentals.

Our company has completely fulfilled its obligations relating to the shareholders and beneficiaries in respect of conforming to the corporate management Guidelines during the activity period ended on 31.12.2010. For the purpose of expanding the shareholders' rights to information, a section of "Investor Relations" is available on our company's website; www.sisecam.com, both in Turkish and in English. Our efforts initiated for meeting the requirements of risk management have also been maintained in this period, too. Details of these efforts are provided in the related sections of our report.

PART I - Shareholders

2. Department of Relations with Shareholders

Within the framework of provisions and regulations in the Turkish Trade Legislation, Capital Markets Legislation and our Company's Articles of Association; all of our liabilities for facilitating the use of shareholding rights have been completely fulfilled by the "Department of Relations with Shareholders" within our company in accordance with the CMB Corporate Management Guidelines.

Main activities carried out in this context during the period are as follows:

- a) Satisfying shareholders' verbal and written requests for information about our Company, except the information which are not disclosed to the public, are in nature of confidential and commercial secret,
- b) Holding General Meeting in accordance with the applicable legislation, Articles of Association and other internal regulations,
- c) Preparing documents which will be useful to shareholders at the General Meeting,
- d) Keeping voting results under records and sending reports on the results to the shareholders,
- e) Watching and following all kinds of issues in respect to the public enlightenment, including legislation and corporate information policy,
- f) Keeping records respecting the shareholders as healthy, safe and updated.

All applications made by our shareholders during the period have been responded pursuant to the applicable legislation, and contact with shareholders have been provided through newspaper announcements, letters, telephone and internet in accordance with the applicable legislation, articles of association and other internal regulations.

Responsible authorities for providing contact with the shareholders

<u>Name and Surname</u>	<u>Job Title</u>	<u>Phone</u>	<u>E-Mail</u>
Ibrahim Babayigit	Group President, Financial Transactions	0212 350 38 85	ibabayigit@sisecam.com
Asuman Akman	Vice President, Financial Affairs	0212 350 39 95	aakman@sisecam.com
Aytac Mutluguller	Vice President, Finance	0212 350 34 80	amutluguller@sisecam.com
Mukremin Simsek	Manager, Central Accounting	0212 350 39 51	msimsek@sisecam.com
Basak Oge	Manager, Corporate Finance and Investor Relations	0212 350 32 62	boge@sisecam.com

3. Exercise of Shareholders' Rights to Information

Pursuant to the applicable legislation, for the purpose of expanding shareholders' right to information, all kinds of information, announcements published on newspapers throughout Turkey and explanations on special conditions are submitted for the information and use of shareholders on our company's website.

Information requests received during the period via e-mails, verbally and by phone were mostly related to the financial statements announced to public and these requests have been responded by company authorities instantly pursuant to the applicable legal regulations. Additionally, interviews of Prof. Dr. Ahmet Kirman, Board Chairman and Managing Director, given to the media for the purpose of expanding shareholders' rights to information are submitted for the information of shareholders in the section "Investor Relations" on www.sisecam.com.

Minority shareholders' rights to demand private auditor appointment from the General Assembly have been set out by legal regulations. Shareholders owning at least one tenth of the capital have the right to demand private auditor appointment from the General Assembly for investigating the situations stipulated by law.

There isn't any regulation on private auditor appointment in our Articles of Association and there hasn't been any demand as to private auditor appointment within the period.

4. Details of General Assembly

Within the period, Ordinary General Meeting for the year 2009 was held on April 27th, 2010 with quorum of 72,57%. Beneficiaries and press members also participated in the General Meeting.

At the announcements and notices made concerning the General Meeting, the following were stated:

- Agenda of General Assembly, place, date and time of the meeting, form for voting by procuration were contained,
- Further, the reports of Board of Directors and Auditing Board and the reports of Independent External Auditing Companies, Balance Sheet, Income Statement and Board's Proposal on Distribution of Net Profit to be made available 15 days before the meeting date for the analysis of shareholders at the Company's Registered Office and Company's internet site on www.sisecam.com,
- The shareholders who will not be able to personally participate in the meeting will be required to issue their power of attorney in accordance with the following sample or get from the Company's internet site on www.sisecam.com and, by also meeting the conditions prescribed in the Capital Markets Board's Communiqué Serial: IV, No: 8, submit their notary-certified power of attorney,
- The ones who want to participate in the General Meeting from our shareholders keeping their shares at the investor accounts under Intermediary Institutions by Central Registry Agency shall be required to act pursuant to the provisions setting forth the "General Assembly Blockage" transactions as to the CRA Business and Transaction Rules of Central Registry Agency Co. (Merkezi Kayıt Kuruluşu A.S.) (CRA) in <http://www.mkk.com.tr/wps/wcm/connect/e684d01c-974a-4ae5-a7df-8a41440cb2b1/is+ve+bilisim+uygulama+ilke+ve+kurallar%C4%B1.pdf?MOD=AJPERES> and register themselves in the "General Assembly Blockage List". That is legally impossible for the shareholders which haven't registered themselves in the "Blockage List" by CRA to participate in the meeting,
- As specified in CRA's General Letter No: 294, it is not possible for the rights-owner investors to exercise their shareholding rights by attending General Assemblies unless they register their share certificates pursuant to the Provisional Article 6 of Capital Markets Law. Applications for attendance to the General Assembly by the shareholders who haven't registered their share certificates shall only be regarded following the registry of their share certificates. The shareholders who physically keep hold of their share certificates should get in contact with Camis Menkul Degerler A.S. which performs the registry transactions on behalf of our Company.

At the General Meetings, shareholders have used their rights to ask questions and these questions have been answered by the company authorities at the General Meetings. No motions were entered by the shareholders at the General Meeting.

It is obvious that important resolutions such as sale, purchase and leasing of assets in considerable amounts should be made as subject to the General Assembly. Nevertheless, since there hasn't been any such need by this time, no provisions regarding these issues have been inserted into the Articles of Association.

For the purpose of increasing participation in General Meetings, General Assembly announcements are published on the Turkish Trade Registration Gazette, on two newspapers published throughout Turkey and on the website of our company at least fifteen days before the meeting date. Additionally, time of the General Assembly are determined by considering the traffic, transport and other environmental factors and extra care is taken not to hold the General Assemblies during the heavy traffic hours.

5. Rights to Vote and Minority Rights

There are no privileges in voting rights of our company and the companies in mutual partnerships may not vote at the General Assembly.

Pursuant to our Articles of Association, each share grants one right to vote.

Our shareholders may personally exercise their rights to vote at the General Meetings as well as through a third party who is or isn't a shareholder.

Each real person shareholder is represented by only one person at the General Meeting. In case that the legal person shareholders are represented by more than one person, only one of these persons may vote. Authority to vote is specified in certificate of authorization.

Minority shares are not represented in the management. Cumulative vote method, implementation of which is voluntary in terms of our company, is not contained in our Articles of Association.

6. Policy and Time for Profit Distribution

The principle of distributing first dividend at the rate and amount established by the Capital Markets Board over the distributable profit is adopted in our Company's Articles of Association.

Profit distribution proposals submitted by our Board of Directors for the approval of our General Assembly are prepared within the context of a profit distribution policy that considers:

- a) Maintaining the delicate balance between our shareholders' expectations and our company's necessity to grow,
- b) Profitability of our company.

Our Board of Directors have adopted a policy for profit distribution based on the proposal of our General Assembly for distributing distributable profit at least at the minimum profit distribution ratio determined by the Capital Markets Board as bonus share and/or in cash, also considering the principle decisions of the Capital Markets Board regarding profit distribution and above-mentioned points

There are no preference shares in respect of receiving shares from the profit.

Enforcement for paying profit share with founder dividend shares to the Members of our Board of Directors and to our employees is not contained in our Articles of Association.

Extreme attention is paid to the payment of profit share within legal time limits and if it is decided to distribute all profit shares in cash in this context, profit share distribution is completed by the end of 5th month following the accounting period and if it is decided to distribute profit share as bonus share, then it is completed by the end of 6th month following the accounting period.

There are no regulations setting out the distribution of profit share advance in our Articles of Association.

7. Transfer of Shares

There are no provisions restricting the transfer of shares in our Articles of Association.

PART II – Public Enlightenment and Transparency

8. Company’s Policy for Information

CMB’s “Communiqué on Guidelines for Disclosure of Special Conditions to Public”, Serial: VIII, No: 54, published on the Official Gazette dated February 6th, 2009 and No: 27133 imposes the obligation on the partnerships shares of which are traded at the exchange for creating an information policy aimed at public enlightenment and announcing such policy to the public via the website of the partnership.

The “**Information Policy**” created in this context and approved at the Meeting of our Board of Directors dated April 27th and No: 14 has been announced to the public in the section “Investor Relations” on our company’s website, www.sisecam.com.

Currently, the Financial Transactions Group President, Ibrahim Babayigit; Financial Affairs Vice President, Asuman Akman; the Central Accounting Manager, Mukremin Simsek and the Central Accounting Assistant Manager Necat Koc are authorized to provide the communication and coordination of information with the Stock Exchange.

9. Explanations on Special Conditions

During the period, 27 explanations on special conditions were made within the scope of CMB’s “Communiqué on Guidelines for Disclosure of Special Conditions to Public”, Serial: VIII, No: 54 and 1 additional explanation was made in accordance with the request of ISE regarding these explanations. No sanction was imposed concerning these explanations on special conditions, made within the said Communiqué.

10. Company Website and Contents

For the purpose of expanding the shareholders’ and beneficiaries’ rights to information, the “Investor Relations” section available on our company’s website, www.sisecam.com is submitted for the use of shareholders and beneficiaries both in Turkish and English and updated in the following content.

- √ Annual Activity Reports
- √ Members of the Board of Directors and Auditing Board
- √ Interim Financial Statements and Independent Audit Reports
- √ Interim Activity Reports of the Board of Directors
- √ Trade Registry Details
- √ Shareholding Structure
- √ Agendas of General Meeting
- √ Minutes of General Meeting
- √ List of Attendants to General Meeting
- √ Form for Voting by Procuration
- √ Final Version of the Articles of Association
- √ Explanation Note and Public Offering Circulars
- √ Explanations on Special Conditions
- V Corporate Management
- √ Codes of Conduct
- √ Information Policies
- √ Announcements

11. Announcement of Real Person Ultimate Controlling Shareholder/Shareholders

Shareholding structure of our company is as follows and there is no real person ultimate controlling shareholder among our shareholders.

Shareholders	Share Amount TL	Share Rate %
T. Is Bankası A.S.	779.647.130	68,15
Efes Holding A.S.	43.945.178	3,84
Anadolu Hayat Emeklilik A.S.	572,284	0,05
Others	319.835.408	27,96
	1.144.000.000	100,00

12. Announcement of Persons with the Position of Internally Getting Informed

CMB's "Communiqué on Guidelines for Disclosure of Special Conditions to Public", Serial: VIII, No: 54, published on the Official Gazette dated February 6th, 2009 and No: 27133 imposes the obligation on companies or real or legal persons acting on behalf of companies for preparing a list of the people who work for them under employment contract or otherwise and have regular access to the internal information and keeping this list updated within the company. In this regard, a "List of Persons with Access to Internal Information" is prepared within our company with the effect on May 1st, 2009. Besides, for the purpose of keeping these people aware of the sanctions relating to the acceptance of the obligations set out by the law and respective regulations as to these information and the misuse and improper distribution thereof, the persons to be on the list have been informed in written.

As of the date of report, there are 47 persons in the List of Persons with Access to Internal Information, and the names & titles of the Members of the Board of Directors and our company's senior managers contained in the list are specified below.

<u>Name & Surname</u>	<u>Job Title</u>
Prof. Dr. Ahmet Kirman	Chairman of the Board of Directors-Managing Director
Alev Yaraman	Vice Chairman
Koksal Burkan	Member of the Board of Directors
Kadir Akgoz	Member of the Board of Directors
Murat Bilgic	Member of the Board of Directors
Zeynep Hansu Ucar	Member of the Board of Directors
Dr. Tevfik Ates Kut	Member of the Board of Directors
Velda Lafcioglu	Member of the Auditing Board
Volkan Kublay	Member of the Auditing Board
Teoman Yenigun	Group President, Flat Glass
Azmi Taner Uz	Group President, Household Glassware
Ekrem Barlas	Group President, Packaging
Sabahattin Gunceler	Group President, Chemicals
Ibrahim Babayigit	Group President, Financial Transactions
Gulsum Azeri	General Manager Consultant
Yildirim Teoman	Deputy General Manager, Research & Technology
Ali Nafiz Konuk	Deputy General Manager
Atila Gultekin	Deputy General Manager, Information Technologies
Gizem Sayin	Deputy General Manager, Planning
Ozgun Cinar	President, Risk Management and Internal Audit

PART III – Beneficiaries

13. Informing Beneficiaries

Pursuant to the applicable regulations, important events and developments are submitted for the information of beneficiaries through press, media, internet and explanations on special conditions. In this regard, interviews of Prof. Dr. Ahmet Kirman, Board Chairman and Managing Director, given to the media for the purpose of expanding shareholders' rights to information are submitted for the information of shareholders in the section "Investor Relations" on www.sisecam.com.

14. Beneficiaries' Participation in Management

No model has been developed concerning beneficiaries' participation in management.

15. Human Resources Policy

Within the context of our company's human resources system; principles and procedures have been developed for recruitment, working conditions, rating systems, wage management, financial and social rights, performance evaluation, career management and termination of service contract have been formed. Relations with the company employees are carried out by our human resources department without any problem.

The company executives have received no complaints of discrimination.

16. Information on Relations with Customers and Suppliers

Sisecam Group, continues being a trust corporation which always creates value and expresses value for its shareholders, employees, customers, suppliers and the society, as part of its constant values characterized primarily by being "human-oriented" and "trust corporation". In this regard, for ensuring customer satisfaction at marketing and sales of goods & services, demands of our customers and consumers are satisfied by acting under the sense of sensitivity and responsibility. Additionally, some important events and developments as well as legal amendments concerning our customers and suppliers are shared with our customers and suppliers by means of the quickest communication media.

17. Social Responsibility

Sisecam Group companies, as a corporation aware of its individual responsibility for the laws and environmental values, believe in the requisition for leaving a habitable world to the future generations. These companies take account of this approach, which they perceive as one of the key elements of strategic management, at every stage of their activities. Our aim is to carry out the environmental protection works performed at our Group with an understanding of environmental management system and to provide a sustainable improvement with the support of all employees.

PART IV – Board of Directors

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

The Board of Directors consists of 7 members, whose names are specified below, pursuant to the provisions of applicable regulations and Articles of Association. There are 1 executive member and 6 non-executive members at the Board of Directors. There is not any member having independence criteria set forth in the CMB Corporate Management Guidelines at the Board of Directors.

<u>Name & Surname</u>	<u>Job Title</u>
Prof. Dr. Ahmet Kirman (*) (**)	Chairman – Managing Director
Alev Yaraman	Vice Chairman
Koksal Burkan	Member
Kadir Akgoz (**)	Member
Yılmaz Erturk (***)	Member
Murat Bilgic (**)	Member
Zeynep Hansu Ucar	Member

(*) Executive Member

(**) Member of Audit Committee

(***) Left on February 16th, 2011 and Dr. Ates Kut was elected in his place.

Due to the fact that there is no situation occurred that requires setting rules for or restricting the assignment of the Board Members for a duty or duties outside the company, assignment of the Board Members for a duty or duties outside the company is not regulated by certain rules.

19. Qualifications of Board Members

In principle, persons, with a high knowledge and experience level, who are qualified and have a certain experience and background, are nominated for Board membership; the persons, convicted due to attempt to or involvement in crimes specified in CMB's Corporate Management Guidelines, Part IV, Article 3.1.2 are not nominated for Board membership. Additionally, minimum qualifications like reading and analyzing financial statements and reports, having basic knowledge of the legal regulations that our company is subject to in its daily and also long-term operations and dispositions, having the possibility and determination to join all Board meetings that are specified in the related fiscal year are required for the Board membership nominees. However, the principles regarding these are not contained in the Articles of Association.

20. Company Mission & Vision and Strategic Targets

The vision of our company was determined as “being the leading manufacturer in our vital geography including the neighbouring countries in its fields of activities” and this point was publicly announced in our annual activity reports. Strategic targets created by the company executives are approved by the Board of Directors. The said strategic targets are set for the coming three years at the annual “strategic plan” meetings by participation of the executives of our company and its affiliates, and before putting in practice, these targets are submitted for the approval of the Board of Directors.

The Board of Directors reviews and evaluates monthly activities of the company (sales, production, stock, number of employees, loss and profit and etc.) as well as its past performance.

21. Risk Management and Internal Audit Mechanism

Risk management and internal audit activities at our company are coordinated by the Risk Management and Internal Audit Directorates within the body of Risk Management and Internal Audit Presidency reporting to the Board of Directors.

Risk Management Directorate aims for determining, prioritising and measuring current and potential risks encountered during the Group activities, and developing effective control mechanisms therefor by taking necessary precautions. For enabling risk management on Group basis, "Sisecam Group Risk Management Regulation" and "Risk Policies" were put into effect in 2007, and in line with these regulations and policies, the risks in the Risk Catalogue were prioritised according to their effects and degrees and detailed analysis studies for the prioritised risks were completed.

The conformity of our company's and its affiliates' activities with laws, Articles of Associations, internal regulations and procedures is periodically checked by the audit personnel of the Internal Audit Directorate and the findings are reported to the Board of Directors.

22. Powers and Responsibilities of the Board Members and Executives

The powers and responsibilities of the Board Members and Executives are set out by Articles 8-15 of the Articles of Association. The company management and representation are carried out by the Board of Directors to be elected among the shareholders by the General Assembly of shareholders assembly and consisted of maximum nine members, pursuant to the provisions of Turkish Commercial Code.

The Board of Directors elects a chairman and a vice chairman following every General Assembly. However, in case that the chairman and/or vice chairman herein quits from office for any reason whatsoever, the Board of Directors holds a new election for the empty positions. Provisions in Article 315 of T.C.C. remain protected.

In the absence of Chairman, the Board of Directors is chaired by the Vice Chairman. If the Vice Chairman isn't present too, a temporary Chairman elected among its own body for that meeting chairs the Board. The date and agenda of the Board is determined by the Chairman. In the absence of Chairman, these duties are performed by the Vice Chairman.

However, the meeting date may also be determined by the Board decision. The Board of Directors are gathered as and when required by the company businesses and operations. However, it must be gathered at least once a month.

As well as the Board of Directors may assign all or part of its powers to one or more managing directors from the members or to the company general manager or managers, it may also decide for some members to assume duties at the company.

23. Operating Principles of the Board

Agendas of the Board meeting are determined considering the needs of our company, the developments in our country and in the world. During the period, 93 Board meetings were hold. Calls for the meetings are made by telephone as the fastest communication means whereas the meeting agenda and documents are sent to the Board Members at least one week before the meeting date and physical participation in the meetings is provided.

There is no secretary reporting to the Board of Directors in the nature specified in CMB Corporate Management Guidelines. However, the businesses and operations prescribed in CMB Corporate Management Guidelines, Part IV, and Article 2.19 are performed by our company personnel in charge without any problems and in accordance with the principles specified in corporate management guidelines.

24. Prohibition of Conducting Business with Company and Competition

Board Members are permitted in accordance with the Articles 334 and 335 of the Turkish Commercial Code by the decision of General Assembly. However, no conflicts of interest have occurred due to the permissions given in this regard.

25. Code of Conduct

Sisecam Group Code of Conduct prepared within the framework of general principles for honesty, transparency, confidentiality, objectivity and conformity with the law upon our company Board's Resolution dated 20.07.2010 and No: 49 was put into effect and regulations in nature of a guide that will lead the relations of all Group employees with the customers, suppliers, shareholders and other stakeholders were brought into action.

General frame of the Code of Conduct is provided below.

1. General Principles

- In Sisecam Group; the relations with employees, customers, suppliers, shareholders and all stakeholders are conducted with fairness and honesty.
- Sisecam Group is transparent and open to all of its stakeholders.
- In Sisecam Group; no kind of discrimination is made among the stakeholders due to reasons such as religion, language, race, gender, health condition, marital status and political view. Everybody is treated equally and prejudiced behaviours are avoided.
- In Sisecam Group; ultimate attention is shown to protect the private information of employees, customers and suppliers and sharing such information with third parties is not allowed.
- Sisecam Group conducts all its operations in accordance with the laws. The Group follows laws and regulations closely and takes necessary precautions required to ensure compliance with the laws.

2. Responsibilities

Board of Directors and the Audit Committee is responsible at top level for ensuring the Code of Conduct of Sisecam Group to be applied effectively across the Group. The whole Group employees are obliged to act in accordance with the Code of Conduct of Sisecam Group.

3. Practices

- In Sisecam Group; ultimate attention is shown to the efficient and productive use of Group resources and the principle of saving is taken into consideration in all activities. Group employees use and protect Group resources only in favour of the Group.
- Ultimate attention is shown to the protection of all kinds of non-public information. Regulations and procedures related to the security of information concerning the Group are completely applied and precautions required to carefully store and archive this information and for non disclosure thereof are adopted.
- Employees of Sisecam Group look after Group interests and pay attention to avoid conflicts of interest in their works pursuant to legal and in-Group regulations.
- In Sisecam Group, gifts exceeding a reasonable extent from customers, suppliers and other institutions are not accepted. However, gifts having a symbolic value such as a plaques and shields, granted at the meetings or seminars attended to represent the Group can be accepted.
- In cases where business relations with family members, close relatives and friends are required to be established by Sisecam Group employees; occurrence of conflict of interests is not allowed.
- In Sisecam Group, rules of respect, equality, courtesy and justice are regarded in relations with customers and suppliers, and laws and code of conduct are followed at maximum level. No misleading and dishonest manners are adopted against customers and consumers.
- In Sisecam Group which strictly follows the principle of fairness and honesty in competition, rules and laws on competition in the countries where it operates are followed.
- The relations of Sisecam Group with governmental agencies are always transparent and explicit. Any kind of information and document requested by the governmental agencies are provided correctly, fully and timely; any act to deceive and mislead the governmental agencies are never tolerated or allowed.

4. Compliance with Sisecam Group Code of Conduct

- Group employees show maximum care to comply with Sisecam Group Code of Conduct. It is observed that Code of Conduct is regarded in Group Activities by means of effective communication.

26. Number, Structure and Independency of Committees Established at the Board of Directors

For the Board's proper performance of its duties and responsibilities, a "Committee Responsible for Auditing" is established. At this committee, there isn't any independent member in the nature prescribed in CMB's Corporate Management Guidelines. The Committee is gathered at least quarterly and audits the financial and operational activities of the company in accordance with the generally accepted standards.

27. Financial Rights Granted to the Board of Directors

All rights, benefits, and salaries granted to the Board Members are annually determined by the General Assembly as specified in the Articles of Association.

At 2009 Ordinary General Meeting of our company, held on April 27th, 2010, the monthly attendance fees payable to the Board Members were determined and announced to the public.

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