

TÜRK TELEKOMÜNİKASYON A.Ş.
CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Statement of Compliance with Corporate Governance Principles

With 15% of its shares publicly held after the IPO carried out on May 15, 2008, Türk Telekomünikasyon A.Ş. (“Türk Telekom”) pays utmost attention for implementing the principles contained in the Corporate Governance Principles published by the Capital Markets Board of Turkey (“CMB”). The Company updates its annual and interim activity reports and corporate website, and makes them available to its shareholders to satisfy the said principles. Shareholders have access to comprehensive information through the Türk Telekom corporate website constantly kept up-to-date, as well as the possibility to direct their queries to the Capital Markets and Investor Relations Department.

1. Shareholders

1.1. Investor Relations Unit

At Türk Telekom, a Capital Markets and Investor Relations Department (“the Department”) has been formed which reports directly to the General Manager with respect to structured maintenance of relationships with existing and potential shareholders, effectively responding to the queries by investors and analysts, and carrying out the activities targeted at increasing the Company’s share value. The Department is supervised by the CFO in matters related to the financial reporting process. Investor relations are carried out by this Department.

Primary activities handled by the Department so as to fulfill the requirements of the capital market legislation and achieve compliance with Corporate Governance Principles are as follows:

- Handling necessary internal and external disclosures and monitoring related processes,
- Introducing and presenting the Türk Telekom Group to domestic and foreign individual and corporate investors,
- Keeping existing and potential investors regularly informed on the Company’s activities, financial standing and strategies on the principles of timeliness, accuracy and completeness,
- Responding to information requests by analysts researching about the Company; ensuring proper and optimum promotion of the Company and guaranteeing that reports for investors are prepared accurately and completely,
- Sharing the interim and year-end statements, investor presentations, press releases and annual and interim activity reports regarding financial and operational results with investors and the press; updating the corporate website regularly to ensure that shareholders have access to accurate and complete information,
- Keeping investors regularly informed on Türk Telekom and the Turkish Capital Markets by participating in conferences and investor meetings,
- Monitoring public disclosures made pursuant to the Company’s disclosure policy and applicable legislation.

Contact information for employees working in the Capital Markets and Investor Relations Department is as follows:

First & Last Name	Title	Phone	Email
Abdullah Orkun Kaya	Director	+90 212 318 77 60	ir@turktelekom.com.tr
Süleyman Kısaç	Manager		
Yunus Emre Çiçek	Manager		
Ziya Parıltılı	Specialist		
Seda Ağın	Assistant Specialist		
Ayça Özcan	Team Assistant		

The Department received more than 250 information requests by phone and email from May 15, 2008 until the end of the year, all of which were answered. The Company participated in three international and two domestic investor conferences in the same period, whereby contacts were held with over 140 representatives from nearly 100 investment enterprises. In addition, the Department held about 35 investor meetings and 15 teleconferences, thereby communicating with more than 90 shareholders and/or analysts, and ensured that all queries have been fully responded to.

1.2. Shareholders' Exercise of their Right to Obtain Information

Queries, other than those relating to trade secrets and undisclosed information, received from shareholders and analysts by the Capital Markets and Investor Relations Department by letter, phone, email and other means are answered in the fastest and most effective way possible upon contacting the relevant person with highest authority on the related matter. Over 250 information requests received by Türk Telekom in the relevant period were answered. Furthermore, information and developments relating to Türk Telekom that are of interest to shareholders are regularly communicated to the concerned parties both by the corporate website and emails.

Within the context of shareholders' exercise of their right to obtain information, data and information are provided under the following headings on the website so as to ensure rapid and easy access to information about Türk Telekom. A large portion of this information is provided on the website both in Turkish and English languages. The website covering the related documents accessible at www.turktelekom.com.tr is periodically updated. Further details are presented under the heading 'Corporate Website and its Content' below.

The Company's activities are periodically audited by independent auditors and statutory auditors appointed by the General Assembly upon proposal by the Board of Directors. Independent auditing of 2008 activities was carried out by Ernst and Young, which performs its audit and financial advisory services under the legal entity Güney Bağımsız Denetim ve SMMM A.Ş. In the reporting period, shareholders did not request appointment of a special auditor.

The Company's Articles of Association contain no provisions stipulating the request for appointment of a special auditor as an individual right. However, pursuant to article 348/2 of the Turkish Commercial Code, the Capital Market Law and applicable legislation, minority shareholders representing one twentieth of the Company's share capital are entitled to exercise this right.

1.3. Board Meetings

- With the resolution numbered 2 at the meeting numbered 1 held on January 9, 2008, it was decided:
To establish a common Infrastructure system for GSM Operators and the principals to lease them for five years and more than five years were determined,

- With the resolution numbered 6 at the meeting numbered 2 held on February 19, 2008, it was decided:
To amend the Articles of Association of the Company within the scope of Initial Public Offering to comply with Capital Markets Act and other related legislation and to apply to obtain the necessary approvals from the Capital Markets Board and the Ministry of Industry and Commerce and subsequent to the obtaining necessary approvals to complete the legal operations and present for approval of General Assembly, and to authorize the General Management to carry out all the transactions related to public offering,
- With the resolution numbered 7 at the meeting numbered 3 held on February 28, 2008, it was decided:
To approve the budget for 2008 being prepared in accordance with the principals of Capital Market Board Communiques (IFRS) and five-year development plan,
- With the resolution numbered 16 at the meeting numbered 8 held on April 22, 2008, it was decided:
To pay half of the Company's 2007 financial year total distributable profit, TRY 2,743,604,969.86, on which distribution decision was made, until the end of April and to pay the remaining amount by three equal installments in accordance with the financial capacity of the Company at the end of June, July, August,
- With the resolution numbered 18 at the meeting numbered 8 held on April 22, 2008, it was decided:
To elect the Board Member Mohammad Hariri as the Chairman of the Board of Directors, thus to terminate the chairmanship term of Dr. Boulos H.B Doany,
- With the resolution numbered 22 at the meeting numbered 9 held on April 25, 2008, it was decided:
To amend the related provisions of the Articles of Association to make them in accordance with the Capital Market Board Law, other related law and regulatory provisions as part of the Initial Public Offering of a portion of the Company' shares, to apply for required authorization to Capital Market Board and Ministry of Commerce, to complete the legal procedure after getting the authorization, to submit all of those issues for the General Assembly approval and to authorize the General Management to make the Initial Public Offering related transactions,
- With the resolution numbered 24 at the meeting numbered 9 held on April 25, 2008, it was decided:
To apply the second alternative from the alternative methods mentioned in the footnote numbered 2.2. of the consolidated financial tables in 2007 Annual Report that was prepared as of December 31, 2007 and approved with the decision of the Board of Directors dated April 8, 2008 and numbered 15 related to the "Service Concession Agreement" that was published by the International Financial Reporting Interpretations Committee ("IFRIC") and is applicable as of January 1, 2008,
- With the resolution numbered 29 at the meeting numbered 13 held on June 2, 2008, it was decided:
To make Boulos H.B Doany, Member of the Board of Directors and CEO, severally authorized for the following issues, as part of the procedures for which the Company works with CETEL related to privatization of Albtelecom,

 - To make all deals and transactions -on behalf of the Company- related to finance operations under the loan agreement dated April 18, 2008 and signed among CT Telecom Sh.A whose 100% shareholder is CETEL Telekom İletişim Sanayi ve Ticaret A.Ş., in which Türk Telekom has 20% shares, and the credit grantors
 - To sign "Project Funds Agreement", "Security Sharing Agreement", "Subordination Agreement" and all other documents related to finance operations that have to be signed by the Company,

- With the resolution numbered 33 at the meeting numbered 13 held on June 2, 2008, it was decided:
To authorize Ersin Topçuoğlu, Finance Vice President, or Dr. Mehmet Kömürcü, Legal Vice President, with their several signatures for following issues,
 - To approve all deals, transactions and all signed documents, forms -on behalf of the Company- by the managers and officials of the Company related to the public offering of 15% portion of D Class shares that are hold by the Turkish Treasury and to confirm that those documents are binding for the Company,
 To make material disclosures by Istanbul Stock Exchange (“ISE”) on behalf of the Company and to provide information and documents claimed by Capital Market Board and ISE,
- With the resolution numbered 35 at the meeting numbered 15 held on June 9, 2008, it was decided:
To approve the assignment of Mohammad Hariri and İbrahim Şahin as the Chairman of the Audit Committee and Member of the Audit Committee respectively and to accept the Audit Committee Regulations ,
- With the resolution numbered 38 at the meeting numbered 16 held on July 1, 2008, it was decided:
Since Türk Telekom is interested in purchasing Kyrgyz Telecom, Dr. Boulos H.B Doany, Executive Committee Chairman and CEO, be individually authorized for all relevant preparations and Dr. Boulos H.B Doany, İbrahim Şahin, Vice Chairman of the Board of Directors and Emin Başer, Member of the Board of Directors and Executive Committee be authorized jointly for the issues regarding the determination of the tender offer price, accomplishing the transactions in case Türk Telekom is awarded as the winning bidder, and signing all kinds of necessary agreements including any financing agreements.
- With the resolution numbered 41 at the meeting numbered 16 held on July 1, 2008, it was decided:
To authorize Dr. Boulos H.B Doany, Executive Committee Chairman and CEO, İbrahim Şahin, Vice Chairman of the Board of Directors and R. Metin Ercan, Member of the Board of Directors and Executive Committee, jointly for carrying out the negotiations and for signing agreement with Galatasaray Club regarding sponsorship and naming rights.
- With the resolution numbered 44 adopted on July 30, 2008, it was decided:
In accordance with the Article 315 of the Turkish Commercial Code, Saad Zafer M AL KAHTANI shall be elected as the member of the Board of Directors in place of Ayman Al Hariri who has resigned from the Board of Directors Membership.
- With the resolution numbered 45 adopted on July 30, 2008, it was decided:
In accordance with the Article 315 of the Turkish Commercial Code, Samir Asaad O MATBOULI shall be elected as the member of the Board of Directors in place of Ghassan Taher FADLALLAH who has resigned from the Board of Directors Membership.
- With the resolution numbered 47 at the meeting numbered 18 held on August 18, 2008, it was decided:
Our Company’s participation in the tender regarding the privatization of Kyrgyztelecom shares shall be approved.
- With the resolution numbered 50 at the meeting numbered 21 held on October 15, 2008, it was decided:
To make an Extraordinary General Assembly meeting on November 14 (Friday) with the resolution of the Board of Directors meeting dated October 15, 2008 and to discuss the submission of the board members who have been temporarily elected for vacant spots as per the Board resolution dated July 30, 2008 in compliance with Article 315 of the Turkish Commercial Code, the approval of the Shareholders; approval of the membership title of these members to be effective as of the election date and to fill the remaining period of the members

they have replaced and to elect the Members of Board of Directors and Statutory Audit Board, to determine the executive directors.

1.4. Information about General Assembly Meetings

Article 19 thereof reads as follows: "The General Assembly is the decision-making body possessing all kinds of authorities, subject to the law, relating to the Company's business affairs." Article 21 of the Articles of Association lists the "Material Decisions to be adopted by the General Assembly" as follows:

- a) Filing a written application for liquidation;
- b) Making modifications to these articles of association;
- c) Making alterations to the Company name;
- d) Changing the Company's fiscal year or accounting policies, save for those imposed legally;
- e) Making alterations in the share capital, or creating, allocating or issuing shares or other securities, or granting option rights or the right to participate in the share capital, or converting any document into shares or securities other than into bonus shares;
- f) Decreasing the capital or altering the rights enjoyed by any share class, or redemption, purchase or otherwise acquisition of Company shares and other securities by the Company;
- g) The Company's merging with another company or acquiring a substantial portion of another company;
- h) Discontinuing any major activity relating to the business;
- i) Effecting a material change to the nature of the business;
- j) The Company's making or declaring a profit share distribution or undertaking any other distribution in relation to the shares, save for those set out in Article 30 of the Articles of Association concerning Dividend Payment Timing and Manner;
- k) Unless approved pursuant to Article 12 of the Articles of Association, the following decisions concerning the Board of Directors Meetings:
 - Entering into a contract or undertaking that might incur expenses for the Group Company in excess of USD 50 million (for each transaction), although not foreseen in the budget;
 - Acquisition of any asset or property with a total cost in excess of USD 50 million for each transaction except the normal course of commercial activities;
 - Disposal or sales of any fixed asset with a total value in excess of USD 10 million for each transaction;
 - Borrowing by a Group Company, which, when added to such Group Company's other indebtedness, exceeds USD 150 million, save for the loans to be secured from banks in the normal course of business;
 - Entering into any agreement between a Group Company and any Shareholder (except for Class B Shareholder) or its Affiliated Companies which (x) is not on an arm's length basis, or (y) involves transfer of money, goods and service the value of which exceeds USD 30,000,000.- (except for any management contract as set out in Article 12(g) of the Articles of Association);
 - Appointment of a proxy to be sent to the general assembly of any Group Company (except for the Company or AVEA) to act in the name of the Company.

During 2008, 2007 Ordinary General Meeting was convened on April 15, 2008 where all of the Company shares were represented in proxy, and an Extraordinary General Meeting was convened on April 30, 2008, where all of the Company shares were again represented in proxy. After 15% of the Company shares started to be traded on the İstanbul Stock Exchange (ISE) on May 15, 2008, another Extraordinary General Meeting was held on November 14, 2008, where a quorum of 87.3% was attained and all attending shareholders were represented in proxy.

The rules governing the Company's General Assembly meetings are covered in Türk Telekomünikasyon A.Ş. Articles of Association which is publicly disclosed and posted on the corporate website. According to Article 31 thereof, General Assembly meetings are announced at least 21 days in advance of the meeting date, excluding the dates of announcement and meeting, in the Turkish Trade Registry Gazette (TTRG) and two national newspapers in accordance with Article 368 of the Turkish Commercial Code and so as to inform the shareholders in advance of the General Assembly meetings. Information on General Assembly meetings, their agendas, invitation letters and sample proxy forms are also posted on the corporate website.

The Company's Class A shares held by Ojer Telekomünikasyon A.Ş. and Class C shares held by the Undersecretariat of Treasury are registered, whereas the remaining shares are bearer shares. The General Assembly Meeting has been attended by shareholders who wished to exercise their rights arising from shareholding, fulfilled the necessary procedures for participation in General Assembly meetings pursuant to applicable legislation, and had the necessary general assembly custody procedures performed before the Central Registry Agency in order to participate in the General Assembly Meeting convened in the aftermath of the public offering and submitted their Custody Statements to the Company.

At the 2007 Ordinary General Assembly Meeting convened on April 15, 2008, the balance sheet and profit and loss accounts for 2007 were approved unanimously, and the members of the Board of Directors and Audit Board were acquitted. Also it has been unanimously decided to distribute the 2007 profit to Ojer Telekomünikasyon A.Ş. and the Undersecretariat of Treasury pro rata their shareholding, to complete the dividend distribution within 2008 and to authorize the Board of Directors to set a schedule therefor. Unanimous agreement has been attained also to approve the membership of the newly appointed Statutory Auditor to serve for the remaining term of office pursuant to Article 315 and 351 of the Turkish Commercial Code. The matters related to the said Ordinary General Assembly Meeting were published in the Turkish Trade Registry Gazette 7048 dated April 24, 2008.

An Extraordinary General Assembly Meeting was convened on April 30, 2008, where it has been unanimously agreed to amend certain articles of the Company's Articles of Association concerning public offering procedures. At the Special General Assembly Meeting of Preferred Stockholders Shareholders held on the same day, it has been unanimously decided to approve the decisions adopted at the 2008 Extraordinary General Assembly Meeting.. Minutes of the Extraordinary General Assembly Meeting in relation to the said amendment of the Articles of Association, minutes of the Special General Assembly Meeting of Preferred Stockholders, and the amended provisions of the Company's articles of association were published in the Turkish Trade Registry Gazette 7054 dated May 2, 2008.

On November 14, 2008, an Extraordinary General Assembly Meeting was convened, where it was decided to approve, as per Article 315 of the Turkish Commercial Code, the memberships of Zafer M Al Kahtani and Samir Asaad O Matbouli, who were appointed by the Board of Directors resolutions numbered 44 and 45 dated July 30, 2008 to the vacated seats on the Board of Directors, effective from the date of their election and to serve until the expiration of the terms of office of the members they are succeeding. After reading out the names of the nominees to memberships on the Board of Directors and the Audit Board and of the nominees for Executive Directors contained in the proposals presented by the Class A Shareholder Ojer Telekomünikasyon A.Ş. as per Article 8 of the Company's Articles of Association, and by the Ministry of Transportation on behalf of the Class B and C Shareholder T.R. Prime Ministry Undersecretariat of Treasury as per Article 6 of the Company's Articles of Association, it was decided to appoint Mohammed Hariri, Boulos H.B Doany, Basile Yared, Saad Zafer M Al Kahtani, Samir Asaad O Matbouli, and Abdullah Tivnikli to represent Class A

shareholder for a three-year term of office, İbrahim Şahin, İsmet Yılmaz, and Ali Arıduru to represent Class B shareholder for a three-year term of office, and Mehmet Habib Soluk to represent the Class C golden share for a three-year term of office to the seats on the Board of Directors. It was also resolved to sustain the personnel rights of the elected Board of Directors members as before; and to designate Boulos H.B Doany elected to represent the Class A shareholder as the Executive Director. With respect to the election of the members of the Audit Board, it was decided to appoint Efsan Ala to represent the Class C golden share to serve a term of office of three years, and to appoint Ass. Prof. Tuna Tuğcu and Prof. Aydın Gülan nominated on behalf of the T.R. Prime Ministry Undersecretariat of Treasury as per the Deed of Consent issued by the Class A shareholder Ojer Telekomünikasyon A.Ş. to the Undersecretariat of Treasury to the other two seats on this Board; it has been decided to sustain the personnel rights of the elected Statutory Auditors as before. In addition, it has been declared that the Executive Committee has been abolished by the Board of Directors resolution no. 54 dated November 13, 2008. The matters in relation to the said Extraordinary General Assembly Meeting were published in the Turkish Trade Registry Gazette 7193 dated November 20, 2008. Furthermore, the Company's related material event disclosure was also published in the ISE daily bulletin of November 14, 2008. The minutes of the General Assembly Meeting can be accessed at all times by the shareholders at www.turktelekom.com.tr.

1.5. Voting Rights and Minority Rights

All shares of Türk Telekom, save for the one Class C golden share, can be sold. In order to protect national benefits in relation to economy and national security, the following may not be carried out without the affirmative vote of the Class C golden share, irrespective of its being voted at the Board of Directors or the General Assembly. Otherwise, any transaction so performed will be deemed null and void.

- a) Amendments to the Articles of Association;
- b) Transfer of any registered shares which would result in a change in the control of management;
- c) Registration of any transfer of registered shares in the share ledger.

As required by the Company's Articles of Association, holder of the Class C golden share will have one member on the Board of Directors of Türk Telekom to represent the golden share. Holder of the Class C golden share may not participate in capital increases. At the Extraordinary General Assembly Meeting of November 14, 2008, Mehmet Habib Soluk was elected as the Board member to represent the Class C golden share for a term of office of three years.

The Company's Articles of Association contain the provision that minority rights are to be exercised by shareholders representing at least 5% of the paid-in capital. However, minority shareholders are not represented on the Board of Directors.

There are no cross shareholding interests in the Company's share capital. Since the implementation of cumulative voting right is left to the discretion of publicly held joint stock companies by the relevant CMB communiqué, this system was not implemented by the Company in 2008.

1.6. Dividend Distribution Policy and Timing

The Articles of Association grant no privileges regarding participation in the Company's profit. Each share is entitled to equal profit share; however, holder of the Class C share does not receive any share from the profit. Türk Telekom dividends are paid within the legally prescribed periods of time by applicable legislation.

There is no dividend distribution policy accepted by the Company's Board of Directors. As stated in the Company's Articles of Association, the dates and the manner of distribution of the annual profit to the shareholders are decided by the General Assembly upon proposal by the Board of Directors, in accordance with the provisions of the Capital Market Law and applicable legislation.

1.7. Transfer of Shares

The provisions contained in the Company's articles of association that are of a nature to restrict transfer of shares are as follows:

Holder of Class A shares may transfer, always subject to vetoing by the Class C golden share, all or part of its shares to a third party at any time after either the expiration of the Strategic Undertaking Period, or after the date of full payment of the amount payable by the holder of Class A shares for its shares in the Company, whichever occurs later.

Holder of Class A shares may create pledge or encumbrance in favor of a financial institution over its shares which will not be subject to pledge of shares in time, as guarantee for money borrowed for the acquisition of such shares or otherwise. In the event that such pledge or encumbrance is cashed by the relevant financial institution, the same may be able to transfer the Class A shareholder's shares subject to pledge and encumbrance only upon prior written consent of the Treasury, which consent will not be unreasonably withheld.

Subject to the provisions of the following two paragraphs, holder of Class B shares may not transfer to a third party all or part of its shares during the course of the Strategic Undertaking Period without the prior consent of the holder of Class A shares, which consent will not be unreasonably withheld.

1. In the context of the public offering of the Company's shares, only the Treasury may have all or part of its shares quoted and sold on the stock exchange at any time without being subject to the restriction in the preceding paragraph.

2. Holder of Class B shares may additionally transfer, without being subject to the restriction set out in the first paragraph, its own shares that are equal to 5% or less of the Company's total shares at the time of the transfer in a single transaction or in a series of transactions at any time and at any price in line with the Law 406, to employees mentioned in the Law 406 and to "small savings holders".

Furthermore, pursuant to the supplemental Article 17 of the Telegram and Telephone Law no 406 and Article 6, paragraph 4 of the Company's Articles of Association, the one Class C golden share may not be sold.

2. Public Disclosure and Transparency

2.1. Company Disclosure Policy

Türk Telekom disclosure policy has been formulated in line with the CMB's Communiqué on Principles Governing Disclosure of Material Events Serial No: VIII, No:54 and CMB's Corporate Governance Principles. The policy has been approved and put into effect by the Board of Directors. The disclosure policy is posted on the corporate website -www.turktelekom.com.tr- under the 'Corporate Governance' heading under the Investor Relations section. The Capital Markets and Investor Relations Department is responsible for the monitoring and development of the said policies, and the names and duties of the relevant responsibility owners are listed under the heading

Investor Relations Unit. These individuals cooperate closely with the Audit Board and the Board of Directors in the fulfillment of these responsibilities.

2.2. Regulatory Disclosures of Material Events

Pursuant to the CMB Communiqué on Principles Governing Disclosure of Material Events, Türk Telekom made 47 material event disclosures in 2008 in relation to the matters affecting the Company and its operations. The material event disclosures made are also regularly communicated by e-mail to domestic and international investors by the Capital Markets and Investor Relations Department. The ISE did not require any additional explanations in relation to material event disclosures, nor were there any sanctions imposed by the CMB on account of failure to comply with material event disclosure requirements.

2.3. Corporate Website and its Content

Türk Telekom website accessible at www.turktelekom.com.tr is actively used in achieving transparency and public disclosure in parallel with the Capital Market legislation, CMB and ISE rules and regulations, and CMB's Corporate Governance Principles. A large portion of the information contained on the website is provided both in Turkish and English. The main headings covered on the website are listed below:

- Detailed information on corporate identity
- Vision, mission and values
- Company organization and ownership structure
- Information on the members of the Board of Directors and Company's senior management
- The Company's Articles of Association
- Trade registration data
- Financial data, annual and interim activity reports
- Press releases
- Investor presentations
- Investor calendar
- Date and agenda for the General Assembly meeting
- Minutes and attendance roster of the General Assembly meeting
- Sample power of attorney
- Disclosure policy
- Telecom glossary
- Share performance and analyst coverage
- Public Offering Subscription Circular and Prospectus
- Türk Telekom Call Center and Contact Information
- Contact information for the Capital Markets and Investor Relations Department
- Information on Türk Telekom's social responsibility projects
- Regulatory disclosure of material events
- Activities carried out within the frame of corporate governance principles and Türk Telekom Corporate Governance Principles Compliance Report

2.4. Company's Shareholding Structure

Not subject to the authorized capital system, the Company has a share capital of TL 3,500,000,000 which is fully paid-in. The distribution of the paid-in capital among the shareholders is shown below:

Class	Shareholder	Share Capital (TL)	Share (%)
A	Ojer Telekomünikasyon A.Ş.	1,925,000,000.00	55
B	T.R. Undersecretariat of Treasury	971,249,999.99	30
C		0.01	
D		78,750,000.00	
D	Free float	525,000,000.00	15
Total		3,500,000,000.00	100

As publicly disclosed in the Public Offering Prospectus, the real and legal persons directly or indirectly holding a stake in the Company's share capital are listed below:

Holding 55% stake in the Company, Ojer Telekomünikasyon A.Ş. is owned by Oger Telecom Limited by 99% and Saudi Oger Limited by 1%. STC Turkey Holding Limited, Oger Telecom Saudi Arabia Limited, and Saudi Oger Limited have respective shares of 35%, 26% and 23.54% in Oger Telecom Limited, whereas the remaining 15.5% is held by other persons holding less than 5% share. STC Turkey Holding Limited is wholly owned by Saudi Telecom Company. Saudi Oger Limited has 80.1% share in Oger Telecom Saudi Arabia Limited, whereas AH Holding WLL holds 6.7%, Dr. Nasser Al Rashid 6.5%, Sara Holding 3.9% and Rawad Telecommunication Company 2.8% share. The shares in Saudi Oger Limited are totally owned by Rafiq Hariri Family.

2.5. Blackout Period for those who may have Access to Insider Information

In order to achieve compliance with the Capital Markets Law and applicable legislation, a policy concerning "insider trading" has also been devised under the Türk Telekom Disclosure Policy. Within the scope of the said policy, the Capital Markets and Investor Relations Department maintains a list of those who have access to insider information and monitors the individuals on this list. In the blackout period during which trading of Company shares are banned for individuals in the list of those with access to insider information, such individuals may not trade Türk Telekom shares.

3. Stakeholders

3.1. Keeping Stakeholders Informed

Türk Telekom shareholders and investors are kept informed in line with the public disclosure principles. The Company's Customer Services Department and Call Center efficiently handle Türk Telekom customers' information requests about services and products, their comments or complaints, and provide solutions for customer problems. The Internal Communication Department keeps the employees informed.

3.2. Stakeholder Participation in Management

Although there are no specific rules governing stakeholder participation in management, our subsidiaries, employees and other stakeholders are kept informed via regular meetings such as dealers meetings and communication meetings etc.

3.3. Human Resources Policy

Recruitment

Türk Telekom aims to be the most admired company in the Turkish telecommunications sector, to attract and recruit the qualified human resource aligned with the corporate culture and values in line with its future strategies and targets.

Development

Türk Telekom targets to provide opportunities for the personal and professional development of its employees so as to create a performance management concept focused on constant development whereby the employees will be able to realize their full potential, and aims to support corporate goals by enhancing the loyalty of its “human resource”, which is deemed as its most valuable asset, to the Company.

Working Culture

Türk Telekom makes it a goal to establish an ongoing relationship with its employees and stakeholders built on respect, trust and ethical values, adhering to the corporate culture built and maintained on the basis of respect and sharing, as well as its principles which are identified as being customer focused, trustworthy, innovative, responsible and dedicated.

3.4. Relations with Customers and Suppliers

With a view to enhancing customer satisfaction, the project “Customer Retention Management” went live in February. Within the scope of the project, teams at the call center contact our customers in an effort to understand the problems they are faced with and solve their issues, if any. As a step aimed at enhancing the satisfaction from services of Türk Telekom, our customers are guided to transfer to the tariff that best suits their telephone usage behaviors, and they are provided with advisory on this subject. In addition, information is offered on campaigns that provide optimum benefits to our customers, thereby trying to increase the benefit our customers derive from Türk Telekom.

3.5. Social Responsibility

Acting on the convergence strategy in its technology investments throughout 2008 coupled with the group synergy attained, the Türk Telekom Group reflects the same strategy in its social responsibility activities.

Aiming to invest in Turkey’s future, Türk Telekom undertakes various social responsibility activities focusing on the nation’s economic and social needs including, in particular, education, culture and arts, technology, environment and sports, besides the telecommunications field in which it operates. Information on the Company’s social responsibility projects are shared with the public also via the corporate website.

4. Board of Directors

4.1. Structure of the Board of Directors

The formation of the Company’s Board of Directors is presented below:

- **Mohammed Hariri**, Chairman of the Board of Directors
- **İbrahim Şahin**, Vice Chairman of the Board of Directors
- **Dr. Paul (Boulos H.B) Doany**, Member of the Board of Directors (Executive Director and CEO)
- **Saad Zafer M Al Kahtani**, Member of the Board of Directors
- **Abdullah Tivnikli**, Member of the Board of Directors
- **Samir Asaad O Matbouli**, Member of the Board of Directors
- **Basile Yared**, Member of the Board of Directors
- **İsmet Yılmaz**, Member of the Board of Directors
- **Dr. Ali Arıduru**, Member of the Board of Directors

- **Mehmet Habib Soluk**, Member of the Board of Directors

Pursuant to Article 8 of Türk Telekom's Articles of Association, holder of Class A shares is entitled to make six nominations in the election of the Board of Directors members, and the Undersecretariat of Treasury, the holder of Class B shares, to make three nominations so long as it holds 30% or more of the Company's share capital. The Class C share is represented by one member on the Board of Directors. In line with these provisions of the Articles of Association, currently there are no independent members on the Board of Directors of Türk Telekom. Since Article 8 of the Articles of Association stipulates that holder of Class A shares and the Treasury will be entitled to nominate individuals to be elected as an independent Board member upon reaching a mutual agreement, provided that the Undersecretariat of Treasury holds less than 30% but 15% or more of the Company's share capital, it will be possible to have an independent member on the Company's Board of Directors.

4.2. Qualifications of Board Members

The qualifications required for the members of the Board of Directors have been set out in Article 9 of the Company's Articles of Association. The said provision is applied with respect to the qualifications of Board members.

4.3. Mission, Vision and Strategic Goals of the Company

The Company's mission, vision and values are publicly disclosed under the 'About Us' section on the corporate website. Türk Telekom's performance with respect to achievement of strategic goals is constantly monitored by the Board of Directors.

4.4. Risk Management and Internal Control Mechanism

Founded in 1840 under the name "Postahane-i Amirane" meaning Post Office Authority, Türk Telekomünikasyon A.Ş. has taken place among the strongest companies at any time throughout its 168 years of history due to the efficient internal audit and internal control infrastructure which have become established and turned into corporate culture at the organization, as well as its capability to immediately keep pace with the advancements that take place in technology.

While it closely monitors the innovations of the era in a variety of fields, Türk Telekom has transformed its deeply rooted Inspection Department as of June 2007 into the Internal Audit Department which will perform risk-based audits, to ensure a modern and efficient internal audit system that has become the primary topic worldwide particularly in the recent years. In keeping with corporate governance requirements imposed by the CMB legislation, in June 2008 Türk Telekom has formed an Audit Committee by members elected from among non-executive members on the Board of Directors. The Internal Audit Department has started to report to the Audit Committee as of the same date, in order to guarantee independence and objectivity. The Audit Committee is assigned with the monitoring of the effectiveness and adequacy of the Company's internal audit, internal control and risk management functions on behalf of the Board of Directors and shareholders. The Committee also supervises the accuracy of financial data produced by the Company; undertakes a preliminary assessment in the selection of independent audit firms, and regularly supervises the activities of the audit firm selected by the General Assembly.

Based on the authority granted by the Audit Committee and the Board of Directors, the Internal Audit Department mainly performs regular risk assessments within the organization, carries out financial, operational and compliance audits in relation to areas posing high risks, develops action plans in cooperation with the executives to minimize the risks with respect to control vulnerabilities

identified in these areas, and controls and monitors the timely implementation of these actions, as well as controlling the accuracy of financial statements and conformity of activities to the law. The internal auditing of Group companies is the responsibility of each company's own management, and the Internal Audit Department conducts audits and coordinates audit activities at these companies, as and when necessary.

4.5. Authorities and Responsibilities of Board Members and Executives

The duties and authorities of the members of the Board of Directors are covered in detail in Article 11 of the Company's Articles of Association.

4.6. Operating Principles of the Board of Directors

Within the frame of the provisions set out in the Articles of Association, the Board of Directors meets as and when necessitated by the Company's affairs, but holds at least four meetings annually. The activities and formalities of the Board of Directors are handled by the General Secretariat of the Board. In this frame, the meeting date, agenda and relevant documents are sent to Board members for their review 15 business days in advance of the meeting.

4.7. Prohibition on Doing Business and Competing with the Company

The Company has adopted the practices that are aligned with Articles 334 and 335 of the Turkish Commercial Code in this respect.

4.8. Code of Ethics

The code of ethics that is the key for the Company's success, as well as for the personal success of our employees, has been approved by the Board of Directors. The Code of Ethics is a body of rules that must be abode by the Company executives in particular, and all employees in general, while also leading other employees to act in compliance with these principles. The Code of Ethics is of a complementary nature to Türk Telekom Disciplinary Principles.

It is the responsibility of our executives to create an environment that is in conformity with the Code of Ethics across the Company. To this end, our executives;

- First and foremost recognize the importance of Code of Ethics and abide by them;
- Set role models for other employees with their actions and thoughts;
- Adopt the principle of the establishment and maintenance of the Code of Ethics firstly in the units they are in charge of;
- Work towards the establishment of the corporate culture and ensuring that employees espouse the norms, values and principles by which they are obliged to abide. They strive to make sure that their activities are aligned not only with the wording but also with the spirit of the Code of Ethics, and try to develop a culture deeply espoused by the organization in accordance with the law and corporate policies;
- Provide an environment where employees feel comfortable coming to them for ethical issues as well as problems regarding the operation of the Company, and having an open communication with them;
- Display honesty and consistency in their actions and decisions including ethical handling of existing or future conflicts of interest at all times, which may arise between their own personal relations or financial and commercial interests and their responsibilities towards the Company;

- Ensure full, fair, accurate, timely and intelligible disclosure of all reports and documents that will be submitted to the ISE and other authorized entities and boards or otherwise publicly disclosed by the Company;
- Fully abide all laws, rules and regulations applicable to the Company and the relationship between the Company and its shareholders;
- Notify any known or suspected violation of the Code of Ethics, if any, to the chairman of the Audit Committee promptly.

The Code of Ethics by which the Company employees are obliged to abide is spelled out below:

Resource Utilization

Utmost attention will be paid in the utilization of the Company's all tangible and intangible resources and brand name. These resources may not be used for personal use, interests, expenses, nor may they be given as gifts, donated or given away as political incentives.

Entering into personal financial relationship with the customers and with individuals and organizations doing business on behalf of the Company, attempting to derive personal benefits and observing personal benefits in the contracts made constitute indirect use of the Company's tangible and intangible assets.

Fixture and Stationery Use

Stationery, printed documents and all kinds of fixtures owned by the Company are to be used strictly for Company affairs and must not be taken out of the Company. Utmost care will be paid to saving principles in their internal use.

An employee leaving the company is obliged to return any and all negotiable, non-negotiable instruments, files, written information, documents, records and fixtures etc. given to him or her for the performance of his or her job.

Company employees are obliged to implement all necessary security procedures and to protect computer hardware and electronic equipment against theft and unauthorized use.

Communication Tools

Electronic mailing will be used strictly as a means of communication. Attention will be paid not to use electronic mail for non-business purposes. Also efforts will be spent not to use telephones, fax equipment, the Internet and similar tools for personal reasons. Attention will be paid to keep private phone calls short.

Protecting Confidentiality

Attention will be paid to the confidentiality of data and documents pertaining to the Company, employees and customers, and every effort will be spent not to use such data for any personal purpose whatsoever and not to disclose them to any third party.

Company Vehicles

Employees who are allocated motor vehicles by the Company will pay the necessary attention and care in their use and will not let third persons other than themselves drive the allocated vehicles save for exceptional circumstances. Traffic fines resulting from violation of traffic rules will be borne by the individuals to whom vehicles are allocated.

Shuttle Buses

Employees making use of the shuttle bus service will not keep the bus waiting for personal reasons and will not disturb the other people on the shuttle bus.

Common Work Areas

Posters, fliers or ready-made notes other than those allowed by the management may not be posted in the Company's common work areas. Goods and services apart from those allowed may not be traded in the buildings. Any documents, papers, etc., which may be of a confidential nature, must not be left on the desks or out in the open outside business hours.

Giving Presents, Donations or Accepting Presents, Invitations or Donations on behalf of the Company

Presents may be given to customers, business partners or suppliers' representatives on behalf of the Company, in accordance with the principles set by the Company management. However, attention will be paid not to use the presents for personal relationships such as relatives, friends and acquaintances, etc. Aids or donations can be made to an organization on behalf of the Company strictly subject to the approval of the CEO.

Accepting presents: Presents may not be asked for from customers, subcontractors, and/or suppliers, nor such a request may be implied. No presents, money, cheques, free vacations, special discounts, etc. may be accepted which might put the Company and the recipient of the present under any obligation. Presents worth in excess of TL 50, which are deemed not to have an influence on the decisions to be made, may be accepted upon notification of the immediate manager. The total worth of presents that may be accepted as such may in no way exceed TL 500.

Accepting invitations: Business meetings may be attended, provided that such meetings will not influence the attendee's decisions and will not contradict with the Company's policies and interests, and provided further that written or verbal consent of the immediate manager shall have been obtained.

Accepting aids and donations: Donations and aids may not be accepted from any person and/or entity having a business relationship with the Company. In any case, such donation and aid offers will be informed to the immediate manager.

Relations with Individuals, Enterprises and Establishments with which there is a Business Relationship

All employees must pay attention to be accurate, consistent, trustworthy, helpful and punctual in their relations with those having a business relationship with our Company, as well as with our customers.

Product/service agreements with those having a business relationship with the Company, including but not limited to contractors, subcontractors, etc. will be handled within the scope of applicable legislation, and corporate policies and principles. The considerations presented below will be taken into account when entering into these agreements:

Those having a business relationship with the Company will, as a matter of principle, be identified according to Company regulations, and acts and transactions will be carried out according to predefined principles.

Feedback will be sought from the Legal Department and other concerned units with respect to the agreements and protocols to be made with those having a business relationship with the Company.

Objective criteria such as benefit vs. cost and so on will be taken as the basis in the selection of companies, without yielding to any influence that may be exercised by anyone.

Time Management

Employees will make optimum use of time and will not spare time for personal business (except for emergencies) during business hours. Personal visitors will not be accepted during business hours. An employee's meeting with external visitors will not exceed 10-15 minutes, save for extraordinary and exceptional cases.

Conflicts of Interest

A conflict of interest is an inverse relationship between the Company's interests and personal interests, and the interests of customers or suppliers. Personal interests may not be held above Company interests. The position in the Company, information on Company goods and services may not be used to derive personal benefits. In the case of a conflict of interest, guidance will be sought from the immediate manager forthwith.

Our employees may not derive personal benefits from customers/suppliers, may not facilitate transfer of benefits by establishing an intermediary relation between customers/suppliers. They must act equally and fairly to all parties involved in the case of a conflict of interest between customers/suppliers. They also must fulfill their duties impartially, and spend every effort to this end.

In order to avoid conflicts of interest, our employees do not:

- enter into a debtor-creditor relationship with customers/suppliers, not act as their surety and not accept their suretyship.
- attend invitations, domestic/international trips, vacations with customers/suppliers, the expenses of which are fully or partially covered, without the knowledge and approval of the immediate manager.
- accept customers'/suppliers' uncustomary gifts of a nature and value that might give rise to an obligation on their part, and not use his or her authority to derive advantages from the customer's/supplier's field of activity which go beyond the purpose or regular practices.
- enter into business relationship with spouses, relatives and friends (a business relationship may be established if an interest in favor of the Company is in question, subject to approval by the immediate manager).
- influence promotion or rewarding decisions concerning spouses or close relatives working for the Company or its subsidiaries.

Mobbing

Executives and employees must not practice mobbing against each other. They must not cause any discomfort to one another in this sense.

Discrimination

Executives and employees must act fairly and equally towards everyone without any prejudices. They must not allow discrimination in whatsoever manner. No individual may be exposed to discriminatory treatment for reasons such as age, language, race, nationality, health, gender, marital status, religion and sect, political affiliation or philosophical belief, etc. The Company may impose sanctions upon those violating these rules, up to and including termination of the employment contract. No complaints about this matter may be obstructed; in addition, employees may leave out all superiors and submit their complaint directly to the Human Resources Department or the Legal Department.

Protection of Health, Safety and the Environment

Executives and employees must practice necessary caution and attention to carry on the Company's activities in the healthiest and safest manner, with the environmental impact thereof minimized.

4.9. Numbers, Structures and Independence of Committees within the Board of Directors

An Audit Committee was set up at the Board of Directors meeting held on June 9, 2008. Mohammed Hariri and Ibrahim Şahin have been elected to serve as the chairman and member of this committee, respectively. As per Article 10 of the Audit Committee Regulation, the Audit Committee meets at least four times a year, and is also entitled to hold additional meetings. The meetings are organized each quarter following the disclosure of financial statements.

A Corporate Governance Committee has not been formed at the Company yet, which has listed in May. Activities aimed at achieving compliance with the corporate governance principles are being carried out by the Capital Markets and Investor Relations Department.

4.10. Remuneration of the Board of Directors

Remuneration of the members of the Board of Directors is determined by the General Assembly in accordance with Article 369 of the Turkish Commercial Code and Article 8 of the Company's Articles of Association. Accordingly, the monthly salary determined at the General Meeting for Board members is TL 5,500. There is no performance measurement and performance-based rewarding system in place for the Board members. The Company has never lent money or extended loans to any Board member or executive, no credit has been given under the name personal loan through third persons, nor have any guarantees been provided such as suretyship in their favor.