

# Corporate Governance Principles Compliance Report

## 1. Statement of Compliance with Corporate Governance Principles:

A Corporate Governance Committee consisting of four persons, two of whom are Members of the Board of Directors, has been established within the structure of Enka İnşaat ve Sanayi A.Ş. This committee has been assigned to present the proposals for the corporate governance policies of the company, enhance the quality of the corporate governance applications and inform the Board of Directors about the effective pursuit of the legislation of the Capital Markets Board related to the corporate governance principles and the generally accepted corporate governance principles of the international capital markets, and about implementing those principles which it deems applicable.

The Corporate Governance Principles Compliance Report of the Corporate Governance Committee have been presented below to the review of our shareholders.

## **SECTION I - SHAREHOLDERS**

### 2. Investor Relations Unit:

The Investor Relations Management was established in 2002 within the structure of Enka İnşaat ve Sanayi A.Ş., for the purpose of arranging the relations with the shareholders.

The main activities conducted by the unit can be summarized as answering the questions on financial statements, activities of the company, conditions to participate in the company's General Assemblies, announcements to public, capital increases, information on issuance of new share certificates and preparation of the company's annual reports. The numerous applications to the unit and the responses to the investors are generally made through telephone. The Investor Relations Unit can easily be accessed through the general telephone numbers of our company.

### 3. Exercise of the Shareholders' Rights to Obtain Information:

Any kind of information about the company in relation to the developments that would possibly affect exercising of the shareholder rights, is presented to the consideration of the shareholders in the Internet environment ([www.enka.com](http://www.enka.com)). The Investor Relations Unit provides guidance to those shareholders who prefer to use Internet facilities for their requests for information. The shareholders, who cannot use Internet facilities, are informed either by fax or mail.

### 4. General Assembly Information:

In order to participate to the General Assembly, our shareholders are requested to obtain, through the brokerage institutions where they hold their accounts, to the Central Registry Institution and to submit the General Assembly Participation Letter thus obtained to our Company's head office, one week prior to the date of the General Assembly. The date and place of the General Assembly meetings are published in two national newspapers, as well as through Special Conditions Disclosures transmitted to the Istanbul Stock Exchange and on our website. The minutes of the General Assembly meetings are notified to Istanbul Stock Exchange (ISE), in accordance with the provisions of Communiqué No: 54, Series: VIII of Capital Markets Board, and further announced in the Turkish Trade Registry Journal. The minutes of the General Assembly meetings are always made available to the shareholders at the Company's head office.

The Articles of Association do not contain any provision related to decisions such as spin-off, sales, purchase and lease of significant amount of assets, which are to be taken by the General Assembly. Due to the structure of our company, entrusting such decisions to the authority of the General Assembly, may lead to numerous General Assemblies held during a financial year. In order to ensure uninterrupted management of the operations, it is obligatory that such decisions be taken under the authority of the Board of Directors.

#### 2009 General Assemblies:

Type of the Meeting	ORDINARY	EXTRAORDINARY
Date of the Meeting	April 20, 2009	December 18, 2009
Participation Rate	86%	91%
Participation by the Beneficiaries	YES	YES
Participation by the Media	NONE	NONE
Was the right of the shareholders to ask questions used?	YES	YES
Were these questions answered?	YES	YES
Did the shareholders make any proposals?	NO	NO
Result of the proposal	-	-

In 2009, no changes have been made in the Articles of Association, except to increase, as per provisions of the General Assembly held on 20th April 2009, the capital of the Company from 1,200,000,000 TL to 1,800,000,000 TL. Regarding the distribution of the year 2008 profit, it has resolved to distribute to shareholders for each TL 1 (one) nominal valued share TL 0.090 gross / TL 0.765 net (as being 9% gross, 7.65% net from issued share capital) in total TL 108,000,000 cash dividend and as TL 500,000,000 from 1st dividend and as TL 100,000,000 from 2nd dividend in total TL 600,000,000 bonus share increase (at a rate 50.00%).

Donations made and which will be submitted to the shareholders' information at the General Assembly for year 2009 are detailed below as Turkish Liras:

Enka Spor Eğitim ve Sosyal Yardım Vakfı	5.436.850
Türk Eğitim Vakfı	7.105
Türk Emniyet Teşkilatı Şehitleri, Malülleri, Dul ve Yetimleri Eğitim ve Yardım Vakfı (TEYEV)	5.000
İ.T.Ü. Geliştirme Vakfı	1.250
<b>Total</b>	<b>5.450.205</b>

#### 5. Voting Rights and Minority Rights:

The shareholders or their representatives participating in the General Assembly meetings of Enka İnşaat ve Sanayi A.Ş. have the right of 10 votes for each Group-A share and 1 vote for each Group-B share that they hold. The partnership structure of Enka İnşaat ve Sanayi A.Ş. does not involve any legal personality engaged in cross-shareholding relation. There is no provision for representation of the minority shares in the management, and cumulative voting is not allowed. The share amount of each group with a nominal value of 1 Kr (One Kuruş) as of the year end is stated below:

Group-A	1.167 shares
Group-B	179.999.998.833 shares
<b>TOTAL</b>	<b>180.000.000.000 shares</b>

## 6. Policy and Timing of Profit Distribution:

The profit distribution policy of Enka İnşaat ve Sanayi A.Ş. is as follows:

In accordance with Article 36 of the Articles of Association,

1. The 1st Dividend is reserved from the Net Distributable Period Profit at the rate designated by the Capital Markets Board. (The donations made during the year are presented to the review of the General Assembly and added to the base of the Net Distributable Period Profit that constitutes the basis of the 1st Dividend calculation.)
2. 5% of the remaining profit is paid to the Enka İnşaat ve Sanayi A.Ş. Founder Bonus Certificate holders.
3. 2.5% of the remaining profit is paid to bonus certificate holders of Enka Holding in proportion to their shares.
4. 1% of the remaining profit is paid to the members of the Board of Directors in equal shares.
5. Maximum 2.5% of the remaining amount is paid to the jobholders and personnel in line with the General Assembly resolution.
6. The decision whether to distribute the 2nd Dividend from the remaining profit and the relevant rate is determined according to the majority voting of the existing shareholders in the General Assembly.

The Board of Directors presents a profit distribution proposal to the General Assembly by considering the performance of the company, the economic conditions, the finalized projects, investments and cash flow of the company in that year.

The place and date of the profit distribution agreed upon during the General Assembly in accordance with the relevant legislation provisions is announced to the shareholders through the adverts put in the two national newspapers, the special condition disclosure sent to Istanbul Stock Exchange and the website of the Company.

Since the above mentioned profit distribution policy takes place in the Articles of Association of our Company, the shareholders are informed about it. Distribution of profit is made within the period required by the provisions of the Capital Markets Law, as set forth in the Profit Distribution Policy. Until this day, there has been no delay in profit distribution.

## 7. Transfer of Shares:

Pursuant to Article 8 of the Company's Articles of Association which is related to the transfer of share certificates, the share certificates can be freely transferred in accordance with the provisions of Turkish Commercial Law. The transfer of shares requires full compliance with Turkish Commercial Law and Capital Markets Law.

## **SECTION II - INFORMING THE PUBLIC AND TRANSPARENCY**

### 8. Company's Disclosure Policy:

Enka İnşaat ve Sanayi A.Ş. is the largest internationally renowned construction company of Turkey that provides construction, undertaking and contracting business services in and outside the country. The

Company makes public all the disclosures required by the legislation in relation to public clarification and transparency, which is a corporate governance principle, taking into account all the information which is of trade secret nature or which hinders the competitive power of the company under the international competition conditions.

Execution of the company's disclosure policy is governed by the Corporate Governance Committee, and the Investor Relations Unit is responsible for the relations with shareholders.

## **9. Special Condition Disclosures:**

The 2009 special condition disclosures announced by Enka İnşaat ve Sanayi A.Ş. to the shareholders through the Istanbul Stock Exchange is listed below in chronological order.

### **16.02.2009**

Pursuant to the provisions of the General Communiqué on Income Taxation No: 217, our Company's Income Statement and Balance Sheet as of December 31, 2007 as enclosed hereto, have been submitted on February 16, 2009 to the Large Taxpayers Tax Office of the Provincial Finance Department as annex to the presented Provisional Tax Declaration, excluding any revenues provided from construction and repair works spread over the years.

### **23.03.2009**

The Board of Directors of our Company has unanimously decided on the acceptance of the consolidated financial statements prepared by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. in accordance with the International Financial Reporting Standards authorized alternatively by the communiqué No: 25, Series: XI, for the fiscal period ended on December 31, 2008, presented to our Board by the Audit Committee of our Company; and to forward them to the Capital Markets Board of Turkey as well as to the Istanbul Stock Exchange.

Above-mentioned consolidated financial statements and the accompanying explanatory notes have been presented to the information of investors on our website [www.enka.com](http://www.enka.com).

### **26.03.2009**

The Board of Directors of our Company has resolved to hold the Ordinary General Assembly Meeting of the Holders of Ordinary Share Certificates and of Preferred Share Certificates of our Company on Monday, April 20, 2009 at 15:00 p.m. at Enka III. Building Balmumcu – Besiktas, Istanbul, in order to discuss the activities of our Company in 2008 as well as the below-mentioned agenda items:

#### **AGENDA**

1. Election of the General Assembly Presidential Board;
2. Authorization of the Presidential Board for signing the Minutes of the General Assembly Meeting;
3. Reading and discussing the Annual Report of the Board of Directors and the Report of Auditors, and the Balance Sheet and Income Statement for the fiscal year 2008;
4. Reading and discussing the Report of Independent Auditors;
5. Informing the shareholders about the donations made within the fiscal year 2008;
6. Approval of balance sheet and income statement accounts of 2008 and the acquittal of the Board Members and Auditors from 2008 activities;
7. Election of the Board Members;
8. Election of the Auditors;
9. Determining the salaries to be paid to the Board Members and Auditors;
10. Determining the distribution of the balance sheet profit of 2008;
11. Discussing the profit distribution policy;
12. Approving the selection of the Independent Auditing Firm;
13. Authorization of the Board Members to engage in businesses mentioned in Articles 334 and 335 of the Turkish Commercial Code;
14. Requests and recommendations.

### **01.04.2009**

Our Company's consolidated financial statements for the fiscal period ended on December 31, 2008 and prepared in accordance with the International Financial Reporting Standards and the accompanying explanatory notes (in English) have been completed and submitted to the information of investors on our website [www.enka.com](http://www.enka.com).

### **03.04.2009**

It has been unanimously decided on the acceptance of the Board of Directors Annual Report 2008 presented to our Board by the Audit Committee of our Company and prepared in accordance with the "Communiqué on the Principles Concerning Financial Reports in Capital Markets" issued by the Capital Markets Board under No: 29, Series: XI and to send them to the Capital Markets Board and the Istanbul Stock Exchange.

**03.04.2009**

Our Board of Directors has resolved on March 26, 2009 to hold the Ordinary General Assembly Meeting with the agenda for the fiscal year 2008 of our Company, on April 20, 2009, and this resolution had been disclosed in compliance with the Capital Markets Board's Communiqué No: 54, Series: VIII.

With the 752 numbered resolution dated April 3, 2009, our Board of Directors has resolved, after the analysis of Consolidated Balance Sheet and Profit - Loss statements prepared in accordance with the International Financial Reporting Standards, to distribute from the net consolidated profit for the period January 01, 2008 to December 31, 2008;

To the share certificate holders representing the equity of TL 1.200.000.000 (as Cash)	108,000,000 TL
To the share certificate holders representing the equity of TL 1.200.000.000 (as Bonus issue)	600,000,000 TL
To the bonus certificate holders	9,087,671 TL
To the Board of Directors	1,120,813 TL

And resolved to propose to the General Assembly to distribute the cash dividend starting from May 18, 2009, to add the amount of bonus issue to the share capital, and allocating the remaining as extraordinary reserve fund after retaining the legal reserve.

ENKA İNŞAAT VE SANAYİ A.Ş. DIVIDEND DISTRIBUTION TABLE OF 2008 (TL)			
1	Paid-in / Issued Capital		1.200.000.000
2	Total Legal Reserve Fund (According to the legal entries)		121.063.658
Information on the privileged shares, if any, for the dividend distribution according to the Articles of Association			
		According to CMB	According to Legal Entries
3	Profit for the Period	1.009.391.253	833.178.437
4	Taxes Payable ( - )	(238.563.387)	-
5	Net Profit ( = )	770.827.866	833.178.437
6	Previous Year's Loss ( - )	-	-
7	1st Dividend Legal Reserve ( - )	(41.658.922)	(41.658.922)
8	NET DISTRIBUTABLE PROFIT ( = )	729.168.944	791.519.515
9	Donations Made Within the Year ( + )	7.854.460	
10	Net Distributable Profit With Additions of the Donations Made of which the 1st Dividend will be Calculated	737.023.404	
11	1st Dividend to Shareholders		
	- Cash	108.000.000	
	- Bonus	500.000.000	
	- Total	608.000.000	
12	Dividend Distributed to Privileged Shareholders	-	
13	Dividend to Board Members and Employees etc.	1.120.813	
14	Dividend Distributed to Bonus Certificate Holders	9.087.671	
15	2nd Dividend to Shareholders	100.000.000	
16	2nd Dividend Legal Reserve	5.820.848	
17	Statutory Reserves	-	
18	Special Reserves	-	
19	EXTRAORDINARY RESERVES	5.139.612	67.490.183
20	Other Sources to be Distributed		
	- Previous Year's Profit		
	- Extraordinary Reserves		
	- Other Distributable Reserves Legally or Regarding Articles of Association		

INFORMATION ON DIVIDEND DISTRIBUTION RATES				
INFORMATION ON DIVIDENDS PER SHARE (CASH)				
	GROUP	TOTAL DIVIDEND AMOUNT (TL)	WITH A NOMINAL VALUE OF TL 1	
			AMOUNT (TL)	RATE (%)
GROSS	A	1,05	0,0900	9,00
	B	107.999.998,95	0,0900	9,00
	TOTAL	108.000.000,00		
NET	A	0,89	0,0765	7,65
	B	91.799.999,11	0,0765	7,65
	TOTAL	91.800.000,00		
THE PERCENTAGE OF THE DIVIDEND DISTRIBUTED TO THE DONATIONS ADDED NET DISTRIBUTABLE PROFIT				
AMOUNT OF THE DIVIDEND DISTRIBUTED TO THE SHAREHOLDERS (TL)	THE PERCENTAGE OF THE DIVIDEND DISTRIBUTED TO SHAREHOLDERS TO THE DONATIONS ADDED NET DISTRIBUTABLE PROFIT (%)			
108.000.000	15			

To our shareholders TL 600,000,000 (50% of the capital share) dividend will be distributed as bonus issue.

**14.04.2009**

The Board of Directors of our Company has unanimously resolved to select and appoint for a term of one year the auditing firm Güney Serbest Muhasebeci Mali Müşavirlik A.Ş. as suggested by our Company's Audit Committee as the independent auditor of our Company for the fiscal year 2009 pursuant to the Communiqué Regarding the Independent Audit in Capital Markets as announced by the Capital Markets Board of Turkey, and to present such resolution to the approval of the General Assembly of our Company.

**20.04.2009**

At our Company's Ordinary General Assembly Meeting for year 2008 held on April 20, 2009 at 15:00 pm, regarding the distribution of the year 2008 profit, it has resolved to distribute to shareholders for each TL 1 (one) nominal valued share TL 0.090 gross / TL 0.765 net (as being 9% gross, 7.65% net from issued share capital) in total TL 108,000,000 cash dividend and as TL 500,000,000 from 1st dividend and as TL 100,000,000 from 2nd dividend in total TL 600,000,000 bonus share increase (at a rate 50.00%).

**SCHEDULE OF DIVIDENDS OF 2008 TO BE DISTRIBUTED TO SHARE CERTIFICATES**

	DIVIDENDS TO BE DISTRIBUTED IN CASH			DIVIDEND PAYMENT DATE
	TOTAL AMOUNT OF DIVIDENDS (TL)	DIVIDENDS EQUIVALENT TO EACH SHARE WITH A NOMINAL VALUE OF TL 1		
		AMOUNT (TL)	RATE (%)	
GROSS	108.000.000	0,0900	9,00	May 18, 2009
NET	91,800,000	0,0765	7,65	

DIVIDENDS TO BE DISTRIBUTED AS SHARE CERTIFICATES	
TOTAL AMOUNT OF DIVIDENDS (TL)	PROPORTION TO CAPITAL (%)
600.000.000	50

**27.04.2009**

By taking into consideration the resolutions met at the 2008 Ordinary General Assembly held on April 20, 2009, it has been unanimously resolved; to increase the capital of Enka İnşaat ve Sanayi Anonim Şirketi from TL 1,200,000,000 (One billion two hundred million Turkish Liras) to TL 1,800,000,000 (One billion eight hundred million Turkish Liras) and to cover all the amount of TL 600,000,000 (Six hundred million Turkish Liras) to be added from the portion of the 1st and 2nd dividends that has been decided to be added to the equity in accordance with the resolution of the General Assembly and; to apply to the Capital Markets Board in order to obtain a registry document.

**05.05.2009**

At the profit distribution table prepared by taking into consideration the resolutions met at the 2008 Ordinary General Assembly held on April 20, 2009, "Tax and Other Legal Reserves on the Profit for the Period" calculated according to the Tax Procedure Law has erroneously not taken into consideration. By correcting this, a decrease of TL 385,043 at 1st dividend legal reserves, an increase of TL 32,439 at dividends distributed to bonus certificate holders and lastly an increase of TL 3,244 at 2nd dividend legal reserves has taken place. The above-mentioned changes do not have any impact on the 1st and 2nd dividends to be paid to our shareholders and cash dividends and bonus shares will be distributed as it was disclosed to the public.

**05.05.2009**

With the conclusion of the inspection; started regarding the authorization of Article 6 of the Articles of Association of our Company, together with the resolution of the Board of Directors of our Company dated April 24, 2009 and numbered 755; the increase of issued capital of our Company with the capital ceiling of TL 1,600,000,000, from TL 1,200,000,000 to TL 1,800,000,000 covered by TL 600,000,000 from the portion of the dividend of year 2008 that has been decided to be added to the equity in accordance with the resolution of the General Assembly; it has been determined that TL 600,000,000 has been transferred from the related accounts to share capital account on April 30, 2009 and has been decided as follows:

- 1) Since it has been determined that the capital increase of TL 600,000,000 will distributed according to the procedures of the MKK (Central Registry Agency Inc.);
- 2) To inform the Capital Markets Board of the completion of the capital increase transactions in compliance with the procedures;
- 3) To receive the necessary document from the Capital Markets Board and to complete the necessary act to register the Company's issued capital as TL 1,800,000,000 to the Trade Registry within 10 days from the registry document date.

**08.05.2009**

It has been unanimously decided on the acceptance of the consolidated and interim Board of Directors Activity Report and financial statements presented to our Board by the Audit Committee of our Company and prepared in accordance with the "Communiqué on the Principles Concerning Financial Reports in Capital Markets" issued by the Capital Markets Board under No: 29, Series: XI and covering the period ended at March 31, 2009; and to send them to the Capital Markets Board and the Istanbul Stock Exchange.

The above-mentioned interim Board of Directors Activity Report, consolidated financial statements and the accompanying explanatory notes have been presented to the information of investors on our website [www.enka.com](http://www.enka.com).

### 13.05.2009

Our Company's consolidated financial statements for the fiscal period ended at March 31, 2009 and prepared in accordance with the International Financial Reporting Standards and the accompanying explanatory notes (in English) have been presented to the information of investors on our website [www.enka.com](http://www.enka.com).

### 01.06.2009

Our application to Capital Markets Board for the planned increase in share capital was made public with our disclosure dated April 27, 2009.

Our capital increase operations, registered by Capital Markets Board on May 27, 2009 and under reference 15/372 have been completed with the Capital Markets Board document dated May 28, 2009 and reference 31/372.

In accordance with the resolutions of the General Assembly, the bonus shares for the increase of paid capital shall be distributed as of June 3, 2009.

In accordance with our declaration on the distribution of bonus shares, our share capital of TL 1,200,000,000 shall be increased by 50% to TL 1,800,000,000 on June 3, 2009.

### 08.06.2009

A ceremony took place after the completion of drilling works of the dual-tube tunnel of 5.5 kilometers each in length through the Qafa e Kumbullës Mountain which is the most important part of the 61-kilometer Rreshen-Kalimash Motorway in Albania which the contract was signed by Bechtel-Enka Joint Venture in 2006. The motorway will be partially opened to traffic in July 2009.

### 13.07.2009

#### Sale of Financial Fixed Assets

Date of Board Resolution Regarding the Sale	: 13.07.2009
Title of the Financial Fixed Asset Sold	: Gedore-Altaş El Aletleri Dövme Çelik Sanayi ve Ticaret Ltd. Şti. Miscellaneous hand tools and components, all kinds of equipment production from steel and metal sheet, importation, exportation and wholesale trade..
Subject of Activity of the Financial Fixed Asset Sold	: Capital of the Financial Fixed Asset Sold
Capital of the Financial Fixed Asset Sold	: TL 3,710,000
Date of Completion of the Process	: 16.07.2009
Terms of the Sale	: TL 1 by cash in advance
Nominal Amount of the Shares Sold	: TL 1,074,300
Price per Share	: -
Total Amount	: TL 1
The Ratio of the Shares Sold to the Capital of the Sales (%)	: 0
The Ratio of Voting Rights Held After Sale to the Total Voting Rights of Financial Fixed Asset (%)	: 0
The Ratio of Financial Fixed Asset Sold to the Total Assets in the Last Financial Statement Disclosed (%)	: 0
Impact to the Activities of the Company	: NO IMPACT
The Amount of Profit/Loss From the Sale	: -
The Way of Utilization of the Profit, if any	: -
Resolution Date of the Board of Directors on the Way of Utilization of the Profit, if any	: -
Name/Title of the Purchaser	: Gedore Werkzeugfabrik Otto Dowidat KG
The Relation of the Purchaser with the Company	: No relation
The Method of the Valuation of the Financial Fixed Asset	: The Financial Statements as of 30.06.2009 has been used.
Whether a Valuation Report Has Been Prepared or Not	: Not prepared
The Reason if the Valuation Report Has Not Been Prepared	: Low valuation of the participation.
The Valuation Calculated with the Valuation Report	: -
The Reason if the Transaction Is Not/Will Not Completed In Compliance With the Result of the Valuation Report	: -

#### ADDITIONAL DISCLOSURE:

A resolution has been unanimously taken for selling all 42,972 GEDORE-ALTAŞ EL ALETLERİ DÖVME ÇELİK SANAYİ VE TİCARET LTD.ŞTİ. shares, recorded under the assets of our Company, with a nominal value of TL 1,074,300 to Gedore Werkzeugfabrik Otto Dowidat KG with registered address Remscheider Str. 149 42899 Remscheid-DEUTSCHLAND against TL 1 and to authorize Ömer Tevfik Tıbar for the share transfer transactions.

Owned with 28.96% participation, the shares of Gedore-Altaş, had a value of TL 0 at the consolidated financial statements as of

31.12.2008 prepared in accordance with Communiqués issued by the Capital Markets Board. The equity of Gedore-Altaş has turned to negative and regarding this financial asset since no exposure of liability arising from any legal or implied acceptance has occurred or since no payment has been done on behalf of Gedore-Altaş, no additional provisions have been booked. Same conditions prevailed as of 31.03.2009.

This resolution has been taken after being a loss making company for a long time, presently net asset value being negative, anticipation of continuation of loss making tendency and for the sake of not bearing future losses. There is no affiliation with the transferee company.

#### **16.07.2009**

There is no information received by Enka Enerji Üretim A.Ş. apart from the news published in the press regarding the resolution of Plenary Session of the Administrative Law Divisions of the Presidency of Council of State.

#### **31.07.2009**

It has been unanimously decided on the acceptance of the amendment of provisional 1st article of the company's articles of association into the new version as attached and to apply to Capital Markets Board for necessary authorizations.

#### **31.07.2009**

It has been unanimously decided on the acceptance of the amendment of 3rd article of the company's articles of association, which is related to aim and subject, into the new version as attached and to apply to Capital Markets Board for necessary authorizations.

#### **31.07.2009**

It has been necessary to increase the issued capital because of the increase of issued capital to TL 1,800,000,000 of our Company by exceeding the capital ceiling of TL 1,600,000,000. It has been unanimously decided on the acceptance of the attached amendment of 6th article of the company's articles of association, which is related to capital, to increase the capital ceiling to TL 2,800,000,000 and to apply to the Capital Markets Board for the necessary authorizations.

#### **31.07.2009**

With the result of the sale of Gretsch Unıtas Yapı Elemanları Sanayi ve Ticaret Anonim Şirketi shares to Claudia Kofler and Beatrix Fleischmann; it has been unanimously decided to record the current account receivable of TL 1,470,000 from Gretsch Unıtas Yapı Elemanları Sanayi ve Ticaret Anonim Şirketi as loss and that there is no more right and receivable left from the counterpart.

#### **31.07.2009**

##### **Sale of Financial Fixed Assets**

Date of Board Resolution Regarding the Sale	: 31.07.2009
Title of the Financial Fixed Asset Sold	: Gretsch Unıtas Yapı Elemanları Sanayi ve Ticaret Anonim Şirketi
Subject of Activity of the Financial Fixed Asset Sold	: Features and appliances of buildings, importation, exportation and domestic sale.
Capital of the Financial Fixed Asset Sold	: TL 6,801,441
Date of Completion of the Process	: 31.07.2009
Terms of the Sale	: TL 1 by cash in advance
Nominal Amount of the Shares Sold	: TL 2,528,540
Price per Share	: -
Total Amount	: TL 1
The Ratio of the Shares Sold to the Capital of the Sales (%)	: 37.18
The Ratio of Voting Rights Held After Sale to the Total Voting Rights of Financial Fixed Asset (%)	: 0
The Ratio of Financial Fixed Asset Sold to the Total Assets in the Last Financial Statement Disclosed (%)	: 0
Impact to the Activities of the Company	: No impact
The Amount of Profit/Loss From the Sale	: 2,330,000.00
The Way of Utilization of the Profit, if any	: -
Resolution Date of the Board of Directors on the Way of Utilization of the Profit, if any	: -
Name/Title of the Purchaser	: Claudia Kofler and Beatrix Fleischmann
The Relation of the Purchaser with the Company	: No Relation
The Method of the Valuation of the Financial Fixed Asset	: The Financial Statements as of 30.06.2009 has been used.
Whether a Valuation Report Has Been Prepared or Not	: Not Prepared
The Reason if the Valuation Report Has Not Been Prepared	: Low Valuation of the Participation
The Valuation Calculated with the Valuation Report	: -
The Reason if the Transaction Is Not/Will Not Completed In Compliance With the Result of the Valuation Report	: -

#### ADDITIONAL DISCLOSURE:

A resolution has been unanimously taken for selling 1.168.287 shares of Gretsch Unitas Yapı Elemanları Sanayi ve Ticaret Anonim Şirketi, recorded under the assets of our Company, with a nominal value of TL 1,168,287 to Cladia Kofler, German national, born in 27.07.1954, and residing at the address 53225 Geislar Geislarstr. 63-65 Bonn Germany; and with a nominal value of TL 1,360,253 to Beatrix Fleischmann, German national, born in 09.08.1951, and residing at the address Tschoeranerweg 33, 91551 Bodensdorf Austria, against TL 1 each.

The shares of Gretsch Unitas, with 37.18% participation, had a value of TL 60,000 at the consolidated financial statements as of 31 December 2008 prepared in accordance with Communiqués issued by the Capital Markets Board. With the cash advance that was given to Gretsch Unitas in 2009, our Company's sale loss has been equal to TL 2,330,000.00.

This decision has been taken, since the line of business that Gretsch Unitas has activities, is not one of our main business lines. There is no relation with the people of the shares to be transferred.

#### 14.08.2009

Pursuant to the provisions of the General Communiqué on Income Taxation No: 217, our Company's Income Statement and Balance Sheet as of June 30, 2009 as enclosed hereto, have been submitted on August 14, 2009 to the Large Taxpayers Tax Office of the Provincial Finance Department as annex to the presented Provisional Tax Declaration, excluding any revenues provided from construction and repair works spread over the years

#### 27.08.2009

Our Company's consolidated financial statements for the fiscal period ended at June 30, 2009 and prepared in English in accordance with the International Financial Reporting Standards and the accompanying explanatory notes have been submitted to the information of investors on our website [www.enka.com](http://www.enka.com).

#### 16.11.2009

The Board of Directors of our Company has convened and decided to hold the Extraordinary General Assembly Meeting of the holders of ordinary share certificates and of preferred share certificates of our company on Friday, December 18, 2009 at 10:00 a.m. at Enka III. Building Balmumcu, Beşiktaş, İstanbul, with the below-mentioned agenda items:

- 1) Election of the presidential board;
- 2) Authorization of the presidential board for signing the minutes of the general assembly meeting;
- 3) Submitting the draft amendments of article 6 related with equity and provisional article 1 of the Articles of Association which have been approved by the Capital Markets Board (the letter dated August 14, 2009 and numbered 10016 from Capital Markets Board) and permission received from T.R. Ministry of Industry and Trade (the letter dated August 21, 2009 and numbered 4490 from T.R. Ministry of Industry and Trade) to the approbation of the General Assembly;
- 4) According to the letter dated May 29, 2009 and numbered 9066 from Capital Markets Board, submitting the corrected profit distribution table for year 2008 (dividend amount is unchanged) to the approbation of the General Assembly;
- 5) According to the letter dated July 17, 2009 and numbered 9066 from Capital Markets Board informing the shareholders of the Gedore-Altaş El Aletleri Dövme Çelik Sanayi ve Ticaret Ltd.Şti. shares sold by our Company.
- 6) According to the letter dated August 28, 2009 and numbered 10480 from Capital Markets Board informing the shareholders of the Gretsch Unitas Yapı Elemanları Sanayi ve Ticaret Anonim Şirketi shares sold by our Company;
- 7) Requests.

#### 17.11.2009

Our Company's consolidated financial statements for the fiscal period ended at September 30, 2009 and prepared in accordance with the International Financial Reporting Standards and the accompanying explanatory notes (in English) have been presented to the information of investors on our website [www.enka.com](http://www.enka.com).

#### 18.12.2009

Meeting minutes of Extraordinary General Assembly dated December 18, 2009 and the list of attendants are given here attached.

### 10. Website of the Company and Its Content:

The Internet address of Enka İnşaat ve Sanayi A.Ş. is [www.enka.com](http://www.enka.com). This site contains all the information listed in article 1.11.5. of Section II of the Corporate Governance Principles of the Capital Markets Board, and this information is updated periodically.

## 11. Announcement of Legal Person Ultimate Controlling Shareholder/Shareholders:

The list of the legal person ultimate controlling shareholders as of December 31, 2009 is as follows:

Shareholder	Actual Shareholding	Legal Person Ultimate Shareholder	Explanation
Tara Holding A.Ş.	48,63%	-	
Şarik Tara	1,07%	33,41%	(66.49% of Tara Holding + 1.07%)
Sinan Tara	-	16,30%	(33.51% of Tara Holding)
Vildan Gülçelik	8,08%	8,08%	
Sevda Gülçelik	6,43%	6,43%	
Enka Foundation	6,05%	-	
Alternatif Aksesuar San. ve Tic. Ltd. Şti.	4,37%	-	
Ayşe Verda Gülçelik	0,66%	5,02%	(99.90% of Alternatif Aksesuar + 0.66%)
Ali Gülçelik	4,76%	4,76%	
Bilgi Gülçelik	4,35%	4,35%	
Nurdan Gülçelik	1,73%	1,73%	
Selim Gülçelik	1,55%	1,55%	
Free float and others	12,32%	18,38%	(12.32% Free float + Enka Foundation + Others)
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>	

## 12. Disclosure of the Individuals Who Can Obtain Insider Information:

The people and entities on the list of Access to the Insider Information prepared on April 28, 2009 are stated here below:

1. President of the Board of Directors: Mehmet Sinan Tara.
2. Members of the Board of Directors: Haluk Gerçek (Vice President and General Manager), Alp Dođuođlu, Mustafa Gökhan Sađnaklar, Fikret Güler, Bekir Burak Özdođan, Cemil Şan Gürdamar, Özger İnal, and Mehmet Kerem Kuşı.
3. Other Employees: İlhan Gücüyener (Deputy General Manager), Mert Ergil (Accounting and Financial Issues Manager) and Sinan Yavuz Aktürk (Finance Manager).
4. Other Service Providing People and Entities: Güney Bađımsız Denetim ve SMMM A.Ş. (Independent Audit Firm - End of Access Period: 14.04.2010) and Kuzey YMM A.Ş. (Tax Certification Entity - End of Access Period: 31.03.2010)

## **SECTION III - BENEFICIARIES**

### 13. Informing the Beneficiaries:

Our Company uses circulated announcements and the electronic media to inform the beneficiaries about the matters that concern them and the Company.

Provided information is governed by the agreement concluded between the employee and the company on the rights, tasks and liabilities of the personnel.

The execution procedures for the administrative and social works of the personnel at the local construction sites have been established by the regulations. In case of update, the relevant persons are notified.

#### **14. Beneficiaries' Participation in Management:**

The Corporate Governance Committee established within the structure of Enka İnşaat ve Sanayi A.Ş. performs, in addition to its other assignments, the necessary coordination in relation to beneficiaries' participation in the management.

#### **15. Human Resources Policy:**

As an organization committed to the effectiveness and compliance of its services with the specifications and the agreements that are contingent upon its employees, Enka provides the necessary working environment and resources to meet the needs of its employees.

To ensure effective management of the activities by the qualified employees, "work flexibility and enhancement" is focused on in each stage of the organization.

The basic criteria of the Human Resources Policy of Enka can be listed as follows:

- Achievement of the "zero accident" target,
- Achievement of the company's quality targets,
- Completion of the work contracted by the employer in accordance with the agreement and specifications,
- Encouragement of the employees for achievement and creativity.

The personnel of Enka cannot disclose any confidential information obtained during their employment in the company, in relation to the operating structure and technical matters of the company. Unless a legal sanction applies, the personnel can under no circumstances make any disclosure to any authority, institution or person.

The entire personnel of the Company can access the quality handbook through the electronic media and obtain information about the relevant arrangements.

#### **16. Information About the Relations with the Clients and Suppliers:**

In each project it undertakes, Enka uses its best endeavors to:

- protect human beings and the environment,
- complete its tasks at the highest quality standards,
- complete each work contracted by the client before the end of the specified completion period,
- establish long-term collaboration with clients, and
- treat client satisfaction as a priority matter.

In order to effectively fulfill its obligations towards suppliers and subcontractors as a natural part of its services, Enka uses its best endeavors to:

- establish long-term collaboration with reliable suppliers/subcontractors,
- fulfill its agreement obligations towards the reliable suppliers/subcontractors who fulfill their responsibilities.

#### **17. Social Responsibility:**

Enka Sports, Education and Social Aid Foundation is one of the leading platforms of Turkey where Enka İnşaat ve Sanayi A.Ş. fulfills its social responsibility. The activities carried out by Enka Foundation throughout

the year are included in the annual activity reports of Enka İnşaat ve Sanayi A.Ş., and such information is accessible through the Company's website at [www.enka.com](http://www.enka.com).

In order to continue its environment-friendly and responsible attitude and minimize the risk of pollution that could affect the construction works, Enka İnşaat ve Sanayi A.Ş. uses all the available and expedient information in each and every country where it operates.

All the activities starting from the business development stage, including proposals, design, establishing the construction site, construction and closing the construction site, are performed by taking into account the environmental dimensions and effects.

By delegating power and responsibility to the necessary persons for operating the Environment Management System, the top management of Enka enables the entire personnel to become conscious of the environment policy and objectives and provides all the necessary resources.

Enka plans to increase the degree of diligence it exercises for the environment and the economical use of natural sources. In order to carry out this plan, enabling the entire personnel to commit themselves to continuously improving the Environmental Management Implementation Program constitutes the basis of this policy.

Within this scope, Enka;

- uses due diligence to comply with all the environmental statutes and regulations of the country where the work is carried out,
- makes economical use of the natural resources and avoids wastefulness,
- controls the wastes and minimizes their adverse environmental effects,
- minimizes the emergency risks,
- enhances the environmental consciousness of all the employees,
- fulfills the requirements of ISO 14001 Environmental Management System and provides the necessary resources as its essential objectives.

All employees are responsible of protecting the environment and establishing the Environmental Management System, providing support and assistance in the implementation stage and of continuously developing the system.

During the period, no action has been brought against the Company for damages to the environment.

## **SECTION IV - BOARD OF DIRECTORS**

### **18. Structure and Formation of the Board of Directors and the Independent Members:**

The Board of Directors of our Company comprises nine persons. There are no independent members. The names of the Board members are mentioned below:

The President of the Board of Directors Sinan Tara

The Vice President of the Board of Directors and General Manager Haluk Gerçek

Member of the Board of Directors Alp Dođuođlu

Member of the Board of Directors Fikret Güler

Member of the Board of Directors M. Gökhan Sađnaklar

Member of the Board of Directors Burak Özdođan

Member of the Board of Directors C. Şan Gürdamar  
Member of the Board of Directors Özger İnal  
Member of the Board of Directors M. Kerem Kuşu

## **19. Qualifications of the Members of the Board of Directors:**

The members of the Board of Directors of the Company are qualified, experienced people who have the high level of know-how and skills that should be expected of executives of an international construction company.

The Board members are selected from people with a high level of know-how and skills, who have worked in various levels of the Company for long years and who can perfectly implement the working style, ethic rules, procedures, and quality standards of the Company.

## **20. Mission, Vision and Objectives of the Company:**

### **Our Mission:**

Continuously increase our contribution to the economies of the countries where we work while preserving our feature of being an enterprise which implements the tasks it undertakes with outstanding success in quality and execution time; to be a company whose involvement is desired by its clients; to be a company that retains a reasonable profit margin from its undertakings; and to be a company with which its employees are proud to be associated.

### **Our Performance Objectives:**

- To be open to innovations, using advanced technologies and always seeking the better,
- To be prudent and sensitive about work security and environment protection,
- To train our young employees in accordance with our culture as creative, hardworking and honest employees and to ensure that our employees work as individuals who have self-confidence, are able to communicate and use discretionary power and take responsibility,
- To seek our competitive power and profit in perfecting our management and technical skills.

### **Pursuit of the Objectives and Achievement of Goals:**

The objectives that reflect of our sensitivity about completing the works before the end of the planned time frame and delivering to the client, are pursued very diligently at the highest and most detailed level. The members of the Board of Directors pursue the objectives and the degree of their achievement in relation to the projects carried out in those countries where they are responsible and periodically resolve in the Board of Directors to find out the leading motives of the deviations, whether the deviations affect the result of the project and if it is necessary to create new targets and to take the necessary measures about the personnel who have responsibility in such delay.

## **21. Risk Management and Internal Control Mechanism:**

The Financial Control Unit within the structure of Enka İnşaat ve Sanayi A.Ş., which reports to the member of the Board responsible for accounting, finance and cash management, periodically inspects the projects and the group companies reporting in advance the deviations from the objectives, as well as all the potential risk factors to the management and proposes the necessary solutions.

The internal control systems and structuring of the company is organized in a way that can eliminate all risks to be encountered by the company.

The Financial Control Unit uses the “Hyperion Financial Management System” software for the preparation of the Company’s consolidated financial statements. Group companies and branch offices send their own financial tables through this software via secure Internet connection. Financial statements are controlled, during preparation stage, by the reporting unit of the branch office or the group company and further at the transfer stage, by the Hyperion system’s tested validation process. Financial data that fail to pass the validation stage cannot be transferred to the system. All data received at headquarters are further controlled by the Financial Control Unit and included in the consolidation system for the final preparation of the consolidated financial tables.

## **22. Authorization and Responsibilities of the Board Members and the Managers:**

In accordance with the Articles of Association of the Company, the Board of Directors is responsible for the management of Enka İnşaat ve Sanayi A.Ş. and its representation. Validity of all documents to be given by Enka İnşaat ve Sanayi A.Ş. and all the agreements to be concluded require the names of two persons authorized to represent the company under the official heading and per the signature circular of Enka İnşaat ve Sanayi A.Ş. The Board of Directors assembles at the beginning of each fiscal year and divides up the tasks as well as the management and representation authorizations between the board members on the basis of the countries where the company operates. The task division for the year 2009 is given below:

Sinan Tara	Power Plant Investments and Albania.
Haluk Gerçek	Engineering and Architectural Project Offices; Personnel and Human Resources; Health, Safety and Environment; Legal Matters; Oman; Ukraine; Embassies and Russia.
Alp Dođuođlu	Power Plants and Quality Assurance.
M. Gökhan Sađnaklar	Kazakhstan; Industrial and Petrochemical Projects and Machinery Supply.
Fikret Güler	Accounting and Finance.
Burak Özdođan	Moscow Projects.
Şan Gürdamar	Proposal Preparation and Business Development; Turkey and Gulf Countries.
Özger İnal	Romania and Motorway Projects.
Kerem Kuşu	Existing and New Investments (Except Power Plants)

## **23. Operational Principles of the Board of Directors:**

The Board of Directors of Enka İnşaat ve Sanayi A.Ş. convened in 30 meetings in 2009. Prior to each meeting, the secretariat of General Manager personally informs the board members about the meeting agenda. As the vast majority of the members of the Board of Directors are based in the same location, the meeting processes are completed dynamically. Since the IPO of Enka İnşaat ve Sanayi A.Ş., no divergent views have been suggested by the board members.

## **24. Proceedings of the Company and Non-Competition:**

Pursuant to the Ordinary General Assembly meeting held on April 20, 2009, the members of the Board of Directors have been authorized to perform such proceedings and transactions as specified under Articles 334 and 335 of the Turkish Commercial Law.

## **25. Rules of Ethic:**

The employees of Enka İnşaat ve Sanayi A.Ş.;

- do not compromise the general and professional ethic rules;
- act honestly, reliably and transparently and in accordance with the principles and strategies of the corporation in the course of execution of their tasks;
- pay utmost attention to behave honestly toward the employer, government, dealers (suppliers), shareholders, and subcontractors and treat quality as a priority in each and every work they perform;
- do not only fulfill our contractual obligations but also have a constructive attitude towards our employers, customers and partners at all times;
- use their best endeavor to comply with all the relevant laws and regulations regarding the environment in the countries where we operate;
- make economical use of the natural sources and avoid wastefulness;
- keep the wastes under control and minimize their adverse environmental effects;
- fulfill the requirements of ISO 14001 Environmental Management System and provide the necessary resources;
- constantly improve the work security and employee health applications and ensure avoidance of work accidents.

## **26. Number, Structure and Independence of the Committees Established within the Board of Directors:**

Two committees officiate in affiliation with the Board of Directors of Enka İnşaat ve Sanayi A.Ş. The committees assemble at least four times a year.

### **Audit Committee:**

The Audit Committee consists of the Board Members Fikret Güler and Şan Gürdamar. The Audit Committee is responsible to inspect the financial statements and reports of Enka İnşaat ve Sanayi A.Ş. and to decide whether these are prepared and presented in accordance with the accounting standards and the generally accepted accounting principles and to control the truthfulness and accuracy of such financial statements and reports in line with the Turkish Commercial Law and the capital market rules and legislation.

### **Corporate Governance Committee:**

The Corporate Governance Committee consists of the Vice President and General Manager Haluk Gerçek, General Manager Adviser Öcal Özpınar, Accounting and Financial Issues Manager Mert Ergil, and Finance Manager Yavuz Aktürk. The Corporate Governance Committee is responsible for observing the compliance of Enka İnşaat ve Sanayi A.Ş. with the corporate governance principles, taking the necessary improvement actions and presenting proposals to the Board of Directors.

## **27. Financial Benefits Provided to the Board of Directors:**

The total amount of the fees and similar benefits provided to the president and members of the Board of Directors of Enka İnşaat ve Sanayi A.Ş., as well as to top executives such as the general manager and assistant general managers on the consolidated basis within the year 2009 is 29,299,438 Turkish Liras. Enka İnşaat ve Sanayi A.Ş. is not in any sort of debt relation whatsoever with any of the members of the Board.