



Corporate Governance and Credit Rating Services, Inc.

Corporate Governance Rating Report



29 December 2009

CONTENTS

Rating and Executive Summary	3
Rating Methodology	5
Company Overview	6
SECTION 1: SHAREHOLDERS	8
Facilitating the Exercise of Shareholders’ Statutory Rights	9
Shareholders’ Right to Obtain and Evaluate Information	9
Minority Rights	9
The Right to Participate in the General Shareholder Meeting	10
Voting Rights	11
Dividend Rights	11
Transfer of Shares	11
Equal Treatment of Shareholders	11
SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY	13
Principles and Means for Public Disclosure	14
Public Disclosure of Relations Between the Company and Its Shareholders, The Board of Directors and Executives	15
Periodical Financial Statement and Reports in Public Disclosure	16
Functions of External Audit	17
The Concept of Trade Secret and Insider Trading	17
Significant Events and Developments That Must Be Disclosed to the Public	17
SECTION 3: STAKEHOLDERS.	18
Company Policy Regarding Stakeholders	18
Stakeholders’ Participation in the Company Management	19
Protection of Company Assets	19
Company Policy on Human Resources	19
Relations with Customers and Suppliers	20
Ethical Rules	20
Social Responsibility	20
SECTION 4: BOARD OF DIRECTORS.	22
Fundamental Functions of the Board of Directors	23
Principles of Activity and Duties and Responsibilities of the Board of Directors	23
Formation and Election of the Board of Directors	24
Remuneration of the Board of Directors	24
Number, Structure and Independence of the Committees Established by the Board of Directors.	24
Executives	25
Rating Definitions	26

Rating and Executive Summary

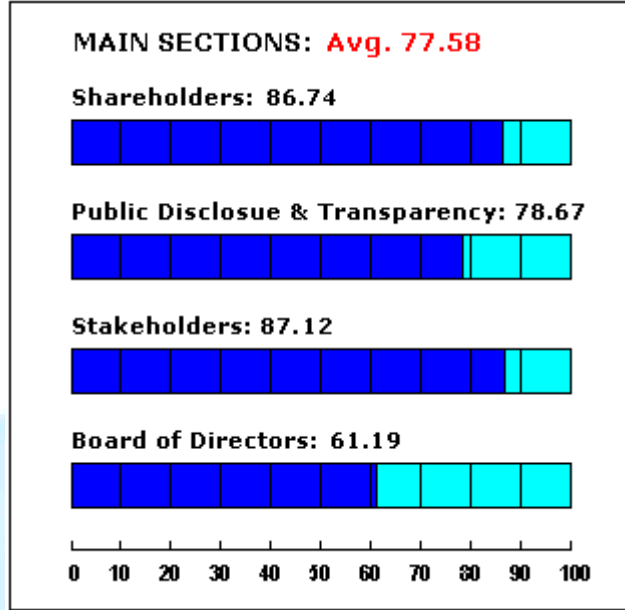
TÜRK PRYSMIAN KABLO ve SİSTEMLERİ A.Ş. (PRKAB)

SAHA
Corporate Governance Rating:

7.76

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EXECUTIVE SUMMARY

Türk Prysmian Kablo ve Sistemleri A.Ş. (Türk Prysmian) is rated with **7.76** as a result of the Corporate Governance study done by SAHA. Details of this study are presented in the comprehensive rating report as main sections and sub-sections. Our rating methodology is based on the Capital Markets Board's (CMB) "Corporate Governance Principles" (the Principles). Ratings of main sections and sub-sections are disclosed separately.

We observed that Türk Prysmian took the necessary steps to determine its governance risks and improved in setting up sound internal controls and management systems. There is still room, on the other hand, for improvements in order to fully comply with the CMB's Corporate Governance Principles.

Under the **Shareholders** heading, Türk Prysmian scored **8.67**. Türk Prysmian applies no ceilings on the number of votes that a shareholder may exercise, no voting privileges, and no limitations in transfer of shares. General shareholders' meetings are conducted in compliance with CMB rules and regulations. On the other hand, cumulative voting procedures are not embraced and shareholders do not have the right to request appointment of special auditors from the general shareholders' meeting.

Türk Prysmian attained **7.87** under the **Public Disclosure and Transparency** chapter. The company has established an information policy, presented it to the shareholders at the general shareholders' meeting and disclosed it to public on its web site. Disclosure about developments that may affect the value of the company complies with the legislation. A comprehensive corporate governance report is also disclosed to public. The corporate web site is actively used for public disclosure. The company's ultimate controlling individual shareholders as identified after being released from indirect or cross shareholding relationships between co-owners, however, are not disclosed to the public in a table format.

On the topic of **Stakeholders**, Türk Prysmian has broadly complied with the CMB Principles apropos company policy regarding stakeholders, protection of company assets, human resources policy and relations with the customers and suppliers and scored a well deserved **8.71**. The company also supports initiatives in arts and culture, and educational and environmental projects.

From the perspective of the Principles regarding the **Board of Directors**, Türk Prysmian's tally is **6.12**. The company's board of directors consists of broadly experienced, competent, and suitably educated individuals; and the majority of them are not executive members. However, the lack of independent board members, a corporate governance committee and cumulative voting rights remains to be a significant area for improvement.

DISCLAIMER

This Corporate Governance Rating Report has been prepared by Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. (SAHA Corporate Governance and Credit Rating Services, Inc.) based on information made available by Türk Prysmian Kablo ve Sistemleri A.Ş. and according to the Corporate Governance Principles issued by the Turkish Capital Markets Board as amended on 2005.

This report, conducted by SAHA A.Ş. analysts and based on their best intentions, knowledge base and experience, is the product of an in depth study of the available information which is believed to be correct as of this date. It is a final opinion about the degree of sensitivity of a company to its shareholders' and stakeholders' rights, its commitment to public disclosure and transparency, and conduct and credibility of its board of directors.

The contents of this report and the final corporate governance rating should be interpreted neither as an offer, solicitation or advice to buy, sell or hold securities of any companies referred to in this report nor as a judgment about the suitability of that security to the conditions and preferences of investors. SAHA A.Ş. makes no warranty, regarding the accuracy, completeness, or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes.

SAHA A.Ş. has embraced and published on its web site (www.saharating.com) the IOSCO (International Organization of Securities Commissions) Code of Conduct for Credit Rating Agencies and operates on the basis of independence, objectivity, transparency, and analytic accuracy.

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Rating Methodology

SAHA's methodology for rating the degree of compliance with the Principles of Corporate Governance is based upon the CMB's Corporate Governance Principles released on July 2003, as revised on February 2005.

The CMB based these principles on the leading work of The World Bank, Organization of Economic Cooperation and Development (OECD) and the Global Corporate Governance Forum (GCGF), which has been established in cooperation with the representatives of these two organizations and private sector. Experts and representatives from the CMB, the Istanbul Securities Exchange and the Turkish Corporate Governance Forum have participated in the committee that was established by the CMB for this purpose; additionally many qualified academicians, private sector representatives as well as various professional organizations and NGOs have stated their views and opinions, which were added to the Principles after the required evaluations. Accordingly, these Principles have been established as a product of contributions of all high-level bodies.

Within the Principles, "comply or explain" approach is valid. The implementation of the Principles is optional. However, the explanation concerning the implementation status of the Principles, if not detailed reasoning thereof, conflicts arising from inadequate implementation of these Principles, and explanation on whether there is a plan for change in the company's governance practices in the future should all be included in the annual report and disclosed to public.

The Principles consist of four main sections: shareholders, public disclosure and transparency, stakeholders and board of directors:

On the foundation of these Principles, SAHA Corporate Governance Rating methodology features over 400 code criteria. During the rating process, each criterion is evaluated on the basis of information provided by the company officials and disclosed publicly. Some of these criteria can be evaluated by a simple YES/NO answer; others require more detailed analysis and examination.


SAHA assigns ratings between 1 (weakest) and 10 (strongest). In order to obtain a rating of 10, a company should be in full and perfect compliance with the Principles (see Rating Definitions, p.19).

In compliance with the CMB's directive and to reach an overall Corporate Governance Rating, SAHA allocates the following weights to the four main sections of the Principles:

Shareholders: **%25**
Disclosure and Transparency: **%35**
Stakeholders: **%15**
Board of Directors: **%25**

To determine the final overall rating, SAHA utilizes its proprietary methodology which consists of sub-section weightings and weightings for the criteria there under. A separate rating is assigned to each one of the main sections as well.

Company Overview

Türk Prysmian Kablo ve Sistemleri A.Ş.	
	CHAIRMAN Mahmut Tayfun Anık CEO Francesco Fanciulli
Ömerbey Mah., Bursa Asfaltı Cad. No:51, 16941 Mudanya, Bursa www.prysmian.com.tr	Chief Financial Officer Özgür Demirdöven Tel: (0224) 270 3000 Fax: (0212) 270 3024 tpks@prysmian.com

Türk Prysmian carries out its activities at the cable factory which was established in 1964 in Mudanya and belonged to Siemens. The factory was acquired by Pirelli S.p.A. on 5 August 1999 and then by Goldman Sachs Capital Partners on 28 July 2005. Today, the total area of the factory is 180,000 m² (covered area: 79,000 m²).

The company is the owner of thermal, mechanical and electrical research and test laboratories which use advanced technology. The laboratories are renovated at the end of 2005 and certified by the Turkish Standards Institute. Türk Prysmian also performs "turn key" projects for cables and systems.

The Company's previous name "Türk Pirelli Kablo ve Sistemleri A.Ş." was changed to "Türk Prysmian Kablo ve Sistemleri A.Ş." with respect to the General Assembly decision dated on 26 September 2005. The new name was registered to T.C. Bursa Trade Register Office on 27 September 2005.

Türk Prysmian's public shares are traded at the Istanbul Stock Exchange (ISE) under the code "PRKAB" and are a constituent of ISE National All Shares (XUTUM), ISE National Industrials (XUSIN), ISE Metal Products, Machinery (XMESY), ISE All Shares - 100 (XTUMY), ISE Bursa (XSBUR) and now ISE Corporate Governance (XKURY) indices.

The capital structure of Türk Prysmian is as follows:

Türk Prysmian's Capital Structure		
Shareholder	Amount (TL)	Share %
Prysmian (Dutch) Holdings B.V.	93,995,684	83.75
Free Float and Other	18,237,968	16.25
TOTAL	112,233,652	100.00

Prysmian S.p.A owns 100% of Prysmian Cavi e Sistemi Energia S.r.L.; Prysmian Cavi e Sistemi Energia S.r.L owns 100% of Prysmian (Dutch) Holdings B.V., which owns 83.75% of Türk Prysmian Kablo ve Sistemleri A.Ş.. Prysmian (LUX) II S.à.r.l owns all of the shares of Prysmian SpA.

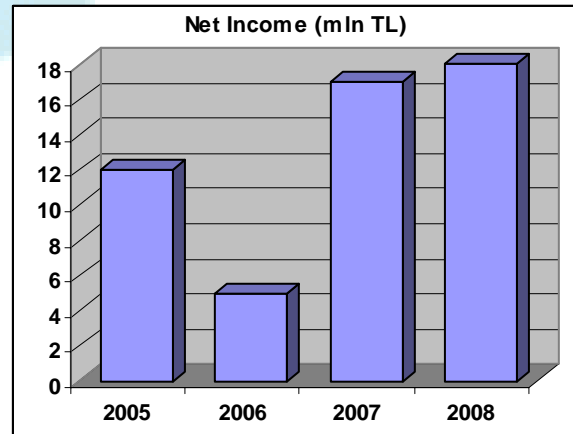
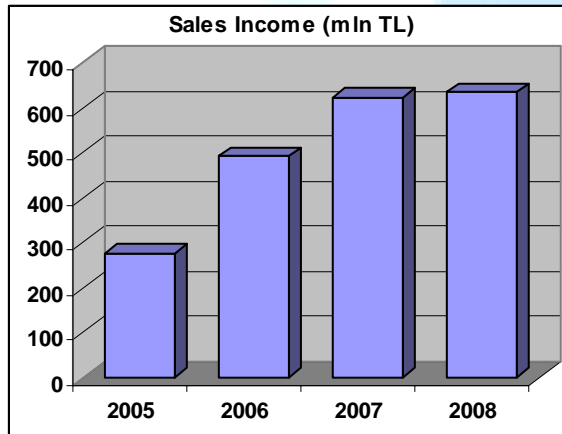
The Board of Directors of Türk Prysmian is as follows:

Name	Title
Mahmut Tayfun Anık	Chairman / Audit Committee
Valerio Battista	Vice Chairman
Fabio Ignazio Romeo	Member
Pier Francesco Facchini	Member / Audit Committee
Francesco Fanciulli	Member / CEO
Ennio Bernasconi	Member

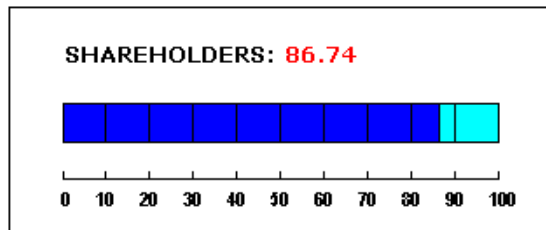
Türk Prysmian's selected financial figures are as follows:

Türk Prysmian - Selected Financial Figures (thousand TL)				
	2008	2007	2006	2005
Current Assets	234,966	204,405	204,389	135,495
Fixed Assets	58,171	61,137	53,364	53,414
Total Assets	293,137	265,542	257,753	188,910
Short Term Liabilities	141,472	124,843	135,222	69,783
Long Term Liabilities	11,613	10,790	7,363	9,250
Shareholders' Equity	140,051	129,909	115,168	109,876
Sales Income	633,914	623,469	492,260	276,204
Operating Profit	29,983	25,994	19,093	11,215
Net Income	18,005	17,084	5,282	12,040
Earnings per Share	0.46	0.43	0.13	0.31

Historical sales income and net income figures are depicted below:



SECTION 1: SHAREHOLDERS



SYNOPSIS

+	All information required to exercise shareholders' rights in a sound manner are made available to all shareholders
+	General shareholders' meetings conducted in compliance with CMB rules and regulations
+	Equal treatment of shareholders
+	Preparation and disclosure prior to general shareholders' meetings are satisfactory
+	Voting rights are facilitated
+	No upper limit in voting rights
=	Responsibilities of the "Shareholders Relations Department" are undertaken by the "Financial Management Department"
-	Shareholders do not have the right to request appointment of special auditors from the general shareholders' meeting
-	Majority of board members do not attend the general shareholders' meeting
-	Minority rights are not extended beyond legislative threshold
-	Lack of cumulative voting procedures

In exercising shareholders' rights, legislation, articles of association and other in-house regulations are applied. Responsibilities of the "Shareholders Relations Department" are undertaken

by the "Financial Management Department".

This department duly facilitates the exercise of shareholders' statutory rights and keeps proper, secure and up-to-date records of shareholders while responding to queries for information regarding the company.

There are no ceilings applied to the number of votes that shareholders may cast and there are no voting privileges.

The conduct of the general shareholders' meetings is in an efficient manner that would enable shareholders to exercise their rights and complies with the legislation. Prior to the meeting, voting procedures as well the forms of proxies were announced for those who will appoint a proxy for the meeting, and those forms were made available for the use of shareholders in electronic media. The chairman of the meeting took all the necessary precautions with respect to the application of voting procedure in which would best reflect the intention of the majority of the shareholders. Each agenda item was voted separately and the votes were counted and results of voting announced before the end of the meeting.

Neither the articles of association of the company nor any general shareholders' meeting decisions contain any provisions to impede the transfer of public shares. The articles of association do not dictate any voting privileges either. On the other hand, the fact that shareholders do not have the right to request appointment of special auditors from the general shareholders' meeting and the lack of

cumulative voting procedures are earmarked as areas for further improvement towards the protection of the rights of minority shareholders.

1.1. Facilitating the Exercise of Shareholders' Statutory Rights:

Responsibilities of the "Shareholders Relations Department" are undertaken by the "Financial Management Department". This department is headed by Mr. Özgür Demirdöven who is supported by Mr. Anıl Kovalı and other staff.

The staff is suitably trained, adequately experienced to facilitate the exercise of shareholders' statutory rights, proactive, willing to efficiently apply corporate governance principles, and open to improvements.

In exercising shareholders' rights, legislation, articles of association and other in-house regulations are applied and necessary precautions to ensure use of such rights are adopted.

This department keeps proper, secure and up-to-date records of shareholders; responds to written queries for information regarding the company, excluding the undisclosed information that is confidential and trade secret; ensures that the general shareholders' meeting is conducted in accordance with the legislation, the corporate statute and other inter-company regulations; prepares the documents to be used by the shareholders in the general shareholders' meeting; keeps the records of voting results and ensures that all reports related to the resolutions of the general shareholders' meeting are sent to the shareholders; and discloses the same on the company's web site.

1.2. Shareholders' Right to Obtain and Evaluate Information:

There is no discrimination among shareholders when exercising their right to obtain and evaluate information and all information required to exercise shareholders' rights in a sound manner are made available to all shareholders. This information is submitted as complete, accurate and in a timely and diligent manner.

Türk Prysmian's obligation to inform shareholders includes legal or commercial relationships with other enterprises or individuals with whom there is a direct/indirect managerial, administrative, supervisory or ownership related relationship.

In order to broaden the scope of shareholders' right to obtain and evaluate information, any type of information that may affect the way in which shareholders exercise such rights, are updated on a regular basis in electronic form. However, there is no provision in the articles of association that allows each shareholder to have the right to request from the general shareholder meeting that a special auditor is appointed for the examination and clarification of a specific material situation.

1.3. Minority Rights:

There are no ceilings applied to the number of votes that shareholders may cast. In order to include the foreign investors into general shareholders meeting, proxy forms are made available on the company's web site.

On the other hand, minority rights are not extended beyond the regulatory provisions of Turkish Commercial Code and legislation that governs public incorporated companies. The articles

of association of the company do not allow cumulative voting procedures and there are certain voting privileges.

1.4. The Right to Participate in the General Shareholder Meeting:

The content of invitation to the latest general shareholders' meeting, allowed shareholders to acquire adequate information about the agenda items to be discussed prior to the meeting and enabled preparations thereto. However, the invitation was published in trade registry gazette as well as in two newspapers that enjoy nationwide circulation only two weeks prior to the meeting date.

Information such as the date and time of the meeting; without any ambiguity exact location of the meeting; agenda items of the meeting; the body inviting the general shareholder meeting; the old and new versions of the related provision/provisions of the articles of association as approved by the relevant authorities; and the place where annual report, financial statements and other meeting documents can be examined were clearly indicated in all announcements prior to the general shareholders' meeting. However, an informative document relating to the agenda items was not prepared.

Commencing from the date of announcement of invitation for the general shareholder meeting; financial statements and reports including the annual report, proposal for dividend distribution, all other related documents pertaining to the agenda items, and the final version of the articles of association were made available to all shareholders for examination purposes at the headquarters of Türk Prysmian and also in electronic form.

During the preparation of the general shareholders' meeting agenda items,

each proposal was put under a separate heading and expressed clearly in a manner not to result in any misinterpretations. Expressions like "other" and "various" in the agenda were avoided.

Prior to the meeting, voting procedures as well the forms of proxies were announced for those who will appoint a proxy for the meeting, and those forms were made available for the use of shareholders in electronic media.

While preparing the agenda, the board gave considerable attention to the issues raised within the Financial Management Department" and to the issues that shareholders wish to include in the agenda.

The meeting took place at the headquarters of Türk Prysmian. The location of the general shareholders' meeting was easily accessible to all shareholders and the possible number of attendance was predicted beforehand. The meeting did not lead to any discrimination among the shareholders, and took place at the least possible cost, and in the least complex manner.

Company officials have declared that the conduct of the meeting and the chairman was such that the shareholders' rights were not violated.

Auditors and authorized persons who were responsible for preparing the financial statements, persons who were in a position to inform shareholders about peculiar agenda items and only one member of the board participated the meeting. The chairman of the meeting did not announce the reasons for the absence of missing board members.

The chairman of the meeting took all the necessary precautions with respect to the application of voting procedure

in which would best reflect the intention of the majority of the shareholders. Each agenda item was voted separately and the votes were counted and results of voting announced before the end of the meeting. The minutes of the meeting were made available to the shareholders in writing or in electronic media at all times.

Articles of association of the company includes a provision to maintain that decisions regarding the sale, purchase or lease of tangible/intangible assets in significant amounts are adopted in the general shareholder meeting.

1.5. Voting Rights:

Each shareholder, including foreign shareholders, are provided with the opportunity to exercise his/her voting right in the most appropriate and convenient way. There are no ceilings applied on the number of votes that a shareholder may exercise during the general shareholders' meeting.

The right to vote is automatically granted once the share is acquired. Hence, under no conditions, arrangements that would postpone the exercise of the right to vote a certain period following the acquisition of share are adopted.

Provisions that may prevent voting by use of a proxy who is not a shareholder are not included in the articles of association of the company. Legal representation was documented in writing. The board communicated with the institutional representatives and open representation principle was applied for the voting of institutional representatives.

Voting was conducted through open ballot and by raising hands during the general shareholders' meeting. The voting procedure is incorporated in the articles of association of the company,

however, shareholders were not informed of this voting procedure verbally at the beginning of the meeting.

1.6. Dividend Rights:

Türk Prysmian has a clearly defined and consistent dividend policy which is disclosed to public. This dividend policy is submitted to the attention of the shareholders at the general assembly and published in the company's annual report.

The dividend distribution proposal of the company included information such as the annual profit; amount and sources of distributable profit; the criteria according to which the board had prepared the dividend distribution proposal; dividends per share; and information regarding past donations and contributions performed by the company during the accounting period.

Distribution of dividends was performed within the period prescribed by the legislation and as soon as possible after the general shareholders' meeting. The articles of association of the company do not allow for the implementation of interim dividend payments.

1.7. Transfer of Shares:

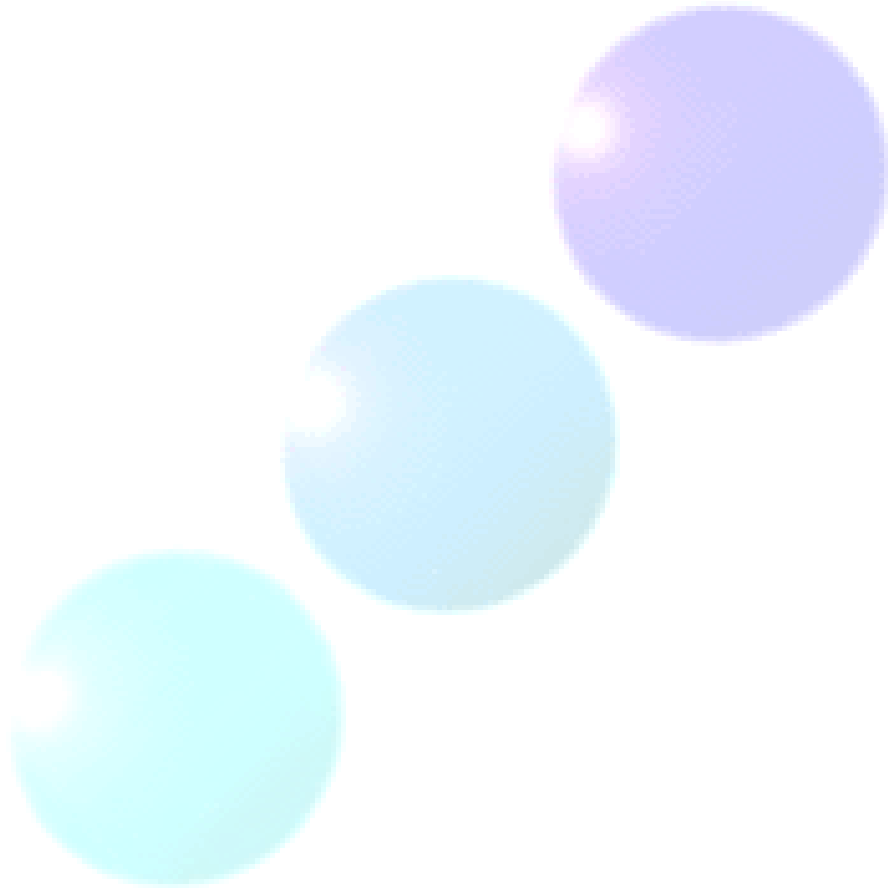
Neither the articles of association of the company nor any general shareholders' meeting decisions contain any provisions to impede the transfer of public shares.

1.8. Equal Treatment of Shareholders:

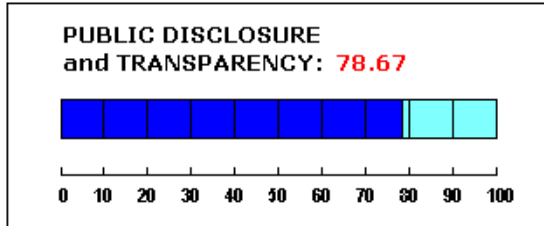
As a result of our review of the articles of association of the company, the conduct of the general shareholders' meetings, and interviews with company officials, we have observed that the shareholders, including

minority and foreign shareholders, are treated equally and fairly.

We did not come across to a sign of any shareholder acting with the intention of harming other shareholders and the bank unless aimed at protecting his/her own justified interest.



SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY



SYNOPSIS

+	Comprehensive corporate governance report disclosed to public
+	Ethical rules are established and disclosed to public
+	Comprehensive web site, actively used for public disclosure
+	Insider list is published
+	Disclosure about developments that may affect the value of the holding complies with the legislation
=	Information policy established, but not yet presented to the shareholders at the general shareholders' meeting
-	Corporate governance committee not established
-	Capital structure is not presented in a table format that would include the names of the ultimate controlling individual shareholders in detail
-	Board of directors' statement about the status of internal control system not in the annual report.
-	Remuneration of executives not in annual report

At Türk Prysmian, public disclosure is performed by the "Financial Management Department".

The board prepared collective principles to be used in the information

policy of the company and disclosed it to the public on its web site. However, this policy is not yet presented to the attention of shareholders at the general shareholders' meeting.

Any developments that may affect the value of the company's capital market instruments are disclosed to the public without any delay and within the time period required by the current legislation.

A comprehensive Corporate Governance Compliance Report is prepared and disclosed to public in Türk Prysmian's annual report and web site. The ethical rules of Türk Prysmian are also disclosed to public in the annual report.

Türk Prysmian's website is actively used as a means of public disclosure. The company's website emphasizes the announcement of the planned general shareholders' meeting, agenda items, other information, documents and reports on the agenda items, and information on methods of participation in the general shareholders' meeting. An informative document relating to the agenda items, however, has not been prepared.

Relations between Türk Prysmian and board members, executives and shareholders, all transactions performed on Türk Prysmian's capital market instruments by these individuals and any changes on the capital structure of the company are disclosed to public according to CMB and ISE regulations.

On the other hand, Türk Prysmian's ultimate controlling individual shareholders as identified after being

released from indirect or cross shareholding relationships between co-owners are not disclosed to the public in detail. This information needs to be included in the annual report of the company in tabular format.

The annual report of Türk Prysmian complies with the relevant legislation and the periodical financial statements and footnotes are prepared in accordance with the IFRS. Apart from minor exclusions, the annual report is informative and comprehensive.

The external audit of the company is done by a well known and reputable firm and complies with the current legislation.

A list of the names of executives and other persons/institutions who provide services to the company, and who can potentially possess price-sensitive information is prepared and disclosed to public in accordance with the information policy.

Türk Prysmian fully complies with CMB and ISE legislations when disclosing important events and developments.

2.1. Principles and Means for Public Disclosure:

Public disclosure is performed by the "Financial Management Department". Mr. Özgür Demirdöven, Mr. Anil Kovalı, Mr. Sabri Levent Özçengel and Mr. Yiğit Türsoy are authorized to sign disclosures on the Public Disclosure Platform (KAP). The Financial Management Department is assigned solely to monitor and supervise all issues pertaining to public disclosure. Additionally, investors, financial analysts, press members and similar groups are guided to this department.

In compliance with the transparency principle, the company accurately discloses its accounting policy and operational financial results to the

public. The board prepared collective principles to be used in the information policy of the company and disclosed it to the public on its web site. However, this policy is not yet presented to the attention of shareholders at the general shareholders' meeting.

This information policy covers category of information to be disclosed to the public in addition to the requirements of the relevant legislation; form and methods of disclosure; the method to be adopted in order to answer the questions submitted to Türk Prysmian and other relevant issues; and the method to be adopted for disclosing forward looking information. Nevertheless, information such as the form, frequency and methods of disclosure; the frequency at which the executives would confront the press/media; the frequency at which meetings for public disclosure would be conducted; and the type of information to be discussed at the general shareholder meeting is not included in the information policy.

Any developments that may affect the value of the company's capital market instruments are disclosed to the public without any delay and within the time period required by the current legislation. Should there be a significant change in the financial status and/or operations of the company, or in case of an expectation of such a significant change in the financial status and/or operations in the future, the information is disclosed to the public, save for the relevant provisions of legislation. Any changes or new developments in the already disclosed information are regularly updated and disclosed to the public.

A comprehensive Corporate Governance Compliance Report is prepared and disclosed to public in Türk Prysmian's annual report and web site. However, the unilateral declaration of the board, which covers

information about whether or not the Principles are being properly applied, if the Principles are not being applied, the reasons for such non-application and all possible conflicts of interest due to the improper adoption of the Principles, are not incorporated in the report.

Türk Prysmian's dividend policy is disclosed to public in the company's annual report. The ethical rules of Türk Prysmian are also disclosed to public in the annual report.

Financial statements and reports are disclosed together with underlying statistical data and evidence. This information does not consist of any exaggerated provisions or misleading information that would lead to false interpretations about Türk Prysmian's financial status and operational results. The principles applicable to disclose forward looking information are included in the information policy of the company.

The independent audit and disclosure of the consolidated financial reports are made in line with the CMB rules and international standards.

Türk Prysmian's website is actively used as a means of public disclosure. It is easily accessible, user friendly and comprehensive. It is also made available in English for foreign investors with the same content. The company ensures that the information disclosed to the public is also available on its website which is configured and designed accordingly and takes all the necessary precautions in order to prevent any modifications on the information displayed on its website.

The website includes trade register information; information about the shareholder and management structure; the final version of the company's articles of association together with date and numbers of the

trade register gazettes in which amendments are published; publicly disclosed material information; annual reports and periodical financial statements; agendas of the general shareholders' meetings and list of participants and minutes of the general shareholders' meeting; and the forms for proxy voting at the general shareholders' meeting;

The company's website emphasizes the announcement of the planned general shareholders' meeting, agenda items, other information, documents and reports on the agenda items, and information on methods of participation in the general shareholders' meeting. An informative document relating to the agenda items, however, has not been prepared.

The company's web address is printed in the company's letterhead. The criteria regarding the use of the company's website, however, are not included in the company's information policy. In addition to disclosing information as required by the legislation, the company also publicly discloses any information that may affect decisions of shareholders and investors. Türk Prysmian also supports social and environmental initiatives.

2.2. Public Disclosure of Relations between the Holding and Its Shareholders, the Board of Directors and Executives:

Türk Prysmian officials declared that in case shareholding or voting right percentage of an individual or group reaches, exceeds or falls below the thresholds designated by the regulating authority, the company will disclose such information immediately upon being informed thereof, except otherwise required under relevant legislation. Türk Prysmian's public disclosure policy is in accordance with

the current CMB and ISE rules and regulations.

Türk Prysmian's ultimate controlling individual shareholders as identified after being released from indirect or cross shareholding relationships between co-owners are not disclosed to the public.

The company's capital structure is not presented in a table format that would include the names of the ultimate controlling individual shareholder/s (names of the real personalities). Amount and proportion of their shares and their share class are not incorporated into the annual report and financial statement footnotes.

Board members, executives and shareholders, who directly or indirectly own 5% of the company's capital, disclose all transactions performed on Türk Prysmian's capital market instruments as well as those of other group companies or any other company with whom the company maintains a material commercial relationship.

Commercial and non-commercial transactions between the company and companies, where board members, executives and shareholders, who either directly or indirectly own at least 5% of the company's capital, possess management control or effect managerial decisions, are disclosed to public according to CMB and ISE regulations.

2.3. Periodical Financial Statement and Reports in Public Disclosure:

Periodical financial statements and footnotes are prepared in accordance with the CMB legislation and IFRS and applied accounting policies are also included in the footnotes of the financial statements.

The footnotes of the periodical financial statements include all off-balance sheet transactions including contingent claims, all liabilities and operational results that would affect future financial status, liquidity of the holding, investment expenditures, investment sources, and all relations which can effect the income-expense items with other natural persons and legal entities which are not within the scope of consolidation.

The annual report and the periodical financial reports are approved by the board of directors. Nevertheless, a statement signed by the board of directors, the CEO, and the department manager responsible for the preparation of periodical financial statements and reports, indicating that the current periodical financial statements completely reflect the true financial status of the company and that the company acts in accordance with the related legislation, is not incorporated in the annual report of the company.

Türk Prysmian's annual report includes the scope of activities of the company; information about the sector in which the company operates and the company's status within this sector; the board of directors' evaluation and analysis of financial status and operational results; explanation about the foreseeable risk factors regarding future operations; analysis of significant transactions carried out during the preceding year with related persons and institutions; commercial and non-commercial transactions between the company and companies, where board members, executives and shareholders, who either directly or indirectly own at least 5% of the company's capital, possess at least 5% and more of shareholding or having the control of the latter; the curriculum vitae of the company's board members and executives; their duties and responsibilities within the

company; positions held outside the company; the organization, capital, ownership and management structure of the company; and statistical data and graphics.

However, the board of directors' statement about the status of internal control system as well as the audit firm's opinion about the internal control system; and an ownership structure table showing the controlling shareholders, as released from any indirect and cross shareholding relations are not incorporated in the annual report.

The annual report does not include any information about the employees' social rights and professional training and a detailed table that incorporates executives, their positions, their seniority ranking, and remunerations is not provided.

2.4. Functions of External Audit:

The operations and the contents of the contract signed with Başaran Nas Bağımsız Denetim ve SMMM A.Ş (a PricewaterhouseCoopers - PwC - company), which is the firm selected to audit the financials for the year ending 2009 are in compliance with the CMB legislation. There has been no legal conflict between the holding and PwC.

PwC, its auditors and other related staff working for PwC, or a consultancy firm which PwC has a direct or indirect controlling relationship did not provide consultancy services to Türk Prysmian to which they provide external auditing services within the same period, either in return for a fee or free of charge. Also, there has been no incidence where the independent firm refused to declare an opinion or where the audit was not completed.

The audit committee and senior management of Türk Prysmian have

been instrumental in the selection of the independent auditors. The decision is made by the board of directors following the prior approval of the audit committee.

2.5. The Concept of Trade Secret and Insider Trading:

The concept of trade secret is not defined in the human resources procedures of Türk Prysmian. Nevertheless, when identifying information within the scope of trade secret, a balance was maintained between providing transparency and protecting the interests of the company and the company acts in accordance with the rules of accuracy, reliability and good faith in cases where the stakeholders seek to exercise their rights to obtain information.

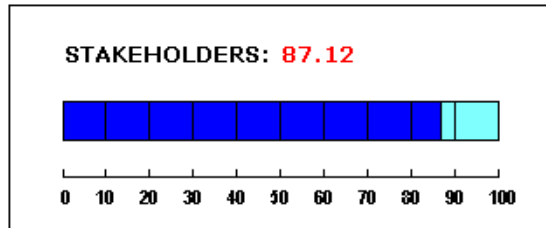
In order to prevent insider trading, necessary measures and precautions are taken. A list of the names of executives and other persons/institutions who provide services to the company, and who can potentially possess price-sensitive information is prepared and disclosed to public in accordance with the information policy.

2.6. Significant Events and Developments That Must Be Disclosed to the Public:

Türk Prysmian fully complies with CMB and ISE legislations when disclosing important events and developments.

All "Significant Developments That Must Be Disclosed to the Public" as per the Corporate Governance Principles of the CMB and their possible implications on the financial status and operational results of the holding are disclosed immediately to the public via the "disclosure of special events".

SECTION 3: STAKEHOLDERS



SYNOPSIS

+	All necessary facilities are utilized to preserve stakeholders' rights
+	Active trade union within the company
+	Effective human resources policy
+	High quality standards in products and services
=	Ethical rules specified by the board and disclosed to public but not yet presented to the shareholders' meeting
=	No provision in the Articles of Association regarding the participation of stakeholders in the management of the holding but the practice is satisfactory
-	No provision in the Articles of Association regarding the participation of employees in the management of the company

With regard to holding policies concerning stakeholders, protection of holding assets, human resources policy, relations with customers and suppliers, the company's compatibility with the corporate governance principles in the field of social responsibility, Türk Prysmian scores well above averages.

Stakeholders' rights, either governed under the relevant legislation and protected by contracts or unregulated by the relevant legislation, are preserved under good faith principles and within the capabilities of the

company. The company acts as a pioneer in overcoming and solving any possible conflicts and disputes that may arise between the company and its stakeholders.

Although the employees have no right to participate in the board, the stakeholders', primarily the employees' opinions are solicited for important decisions.

The company takes all measures to ensure that its customers are fully satisfied with its goods and/or services it offers.

We have detected no evidence of negligence or wrong doing either by the board or the top management that caused the holding assets loose value and led to a deliberate loss for stakeholders.

Türk Prysmian has a detailed human resources policy. Training, performance evaluation and remuneration are applied satisfactorily within the framework of this policy.

Türk Prysmian is sensitive to issues of social responsibility well beyond country averages and supports initiatives in arts and culture, and technological, educational and environmental projects.

3.1. Holding Policy Regarding Stakeholders:

Company officials declared that, although no such incidences were in effect recently, Türk Prysmian would offer effective and swift compensation in case the stakeholders' rights that are governed under the relevant legislation and protected by contracts are violated.

In case the rights of the stakeholders are not regulated by the relevant legislation, the company preserves the interest of stakeholders under good faith principles and within the capabilities of the company. The company acts as a pioneer in overcoming and solving any possible conflicts and disputes that may arise between the company and its stakeholders.

Employees are informed of any company policies and procedures regarding the protection of stakeholder rights via the corporate intranet. Shareholders, suppliers and clients are provided with the necessary information via telephone, e-mail, and the corporate web site at www.prysmian.com.tr.

The corporate structure of the company protects the rights of and allows for the employees and their representatives to readily convey any issues relating to illegal or ethical exercises to management.

3.2. Stakeholders' Participation in the Holding Management:

While there are no provisions in the articles of association of the company promoting the participation of stakeholders in management, company officials stated that there is a continuous communication with its stakeholders, and all the feedback received from stakeholders are evaluated and solution proposals are developed. Employees are kept informed of the general activities and significant developments or decisions taken by the company that clearly affects them and their suggestions and input are received via the corporate intranet site. Furthermore, distributor meetings are held once a year where questionnaires are filled and filed to constitute a major input for the determination of relevant company policies. Senior management also gets

together twice a month as other tactical and strategic teams hold internal meetings. Meetings that bring all employees together are also held annually.

3.3. Protection of Holding Assets:

As Türk Prysmian is a listed ISE company, utmost attention is given to the protection of corporate assets.

There is no evidence of negligence or wrong doing either by the board or the top management that caused the company assets lose value and led to a deliberate loss for stakeholders.

3.4. Holding Policy on Human Resources:

We have observed that, with respect to country specific standards, the company has a well established Human Resources policy that ensures both sound career planning and social rights of high standards.

Training and development programs are designed to increase efficiency and productivity. Individually tailored training programs start with the "Orientation Program" that aims swift and easy adaptation and continues with skill development activities according to individual performance levels. Training plans and budgets are based on the suggestions of department heads and corporate objectives and strategies. Training abroad may also be available to senior management.

Measures are taken in order to prevent race, religion, ethnic, nationality and sex discrimination among the employees and no such incidences were reported in the recent past. Remuneration and promotions are based on performance and productivity. Working conditions are safe and secure and are maintained and improved in time.

Türk Prysmian's workers are represented by the United Metalworkers' Union. Representatives of the trade union attend production sessions and meet regularly to assess current conditions and opportunities.

3.5. Relations with Customers and Suppliers:

Türk Prysmian evaluates and files all suggestions and grievances received from customers and suppliers. To this end, area managers regularly visit clients and convey all input to the headquarters.

The company offers an 18 month warranty for its products and the goods and services that fail to meet quality standards are compensated and indemnified. The internal "Returns Related to Technical Malfunctions" code is prepared and used as a guide for this purpose.

Türk Prysmian has obtained EN 9000, EN 14000, OHSAS 18001, and ISO 14001 quality standards.

3.6. Ethical Rules:

Türk Prysmian's ethical rules are prepared in detail and disclosed on the corporate web site. However, the rules are not yet presented to the attention of the shareholders at the general shareholders' meeting.

Procedures to be applied in case of infringements of ethical and operational rules and regulations are identified in detail in the human resources bylaws of the company.

3.7. Social Responsibility:

Türk Prysmian is sensitive to issues of social responsibility well beyond country averages and supports initiatives in arts and culture, and technological, educational and environmental projects.

Türk Prysmian awarded 4 top finishers of Istanbul Technical University, Faculty of Electrical & Electronic Engineering, Department of Electrical Engineering students during the 2007-2008 academic year.

The Türkmekatronik Team which is started by the Mechatronics Engineering Club established by Kocaeli University Mechatronics Engineering Department students participated in the Formula-G races between 2005 and 2007 with their solar powered vehicle named "Gayret". Türk Prysmian provided the cable infrastructure of this vehicle in 2007. In October 2009, the cable infrastructure of the Istanbul Technical University Solar Car which raced at the World Solar Challenge (WSC) in Australia (one of the most important races globally) was also provided by Türk Prysmian. The Istanbul Technical University Solar Car team returned home with the "Best Newcomer" award.

Türk Prysmian was the main sponsor of Communications Technologies (İLTEK) Days held between 3 - 6 March 2008 organized by the Yıldız Technical University Electrical & Electronic Institute Club. Similarly, Yıldız Technical University Communications Laboratories were provided with technical equipment during the 2007-2008 academic year.

Türk Prysmian also supported the Hayatımda Kablo (Cable in my Life) Art Workshop of Mimar Sinan University Faculty of Fine Arts students in 2009. The workshop aims to contribute to education and arts by supporting students to create original work by using diverse materials and cables. Türk Prysmian will support the workshop in 2010 as well.

Türk Prysmian supported the dives of the Ecology Group of the Middle East Technical University Underwater

Society's Ecology Group at Ayvalık Alibey (Cunda) Island in 2008. "Uluabat Lake Management Plan, Stork Friendly Villages Project" was also supported by Türk Prysmian. Within the framework of this project, the company collaborated with the Karacabey District, Eskikaraagaç Village in renovating the electrical system of the village and converting the naked wires into cables in order to prevent stork injuries due to wire collisions.

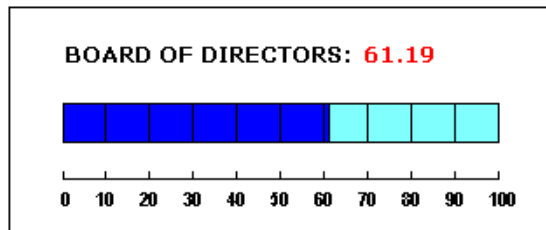
Türk Prysmian also provided the cable infrastructure of the "Center for Special Training for Children Between the Age of 0 and 6 and Their Families" which was built by joint efforts of the Kadıköy Municipality and the Turkish Hearing and Speech Rehabilitation Foundation.

In order to contribute to the local life, its cultural heritage, and its promotion of the area in and around where Türk Prysmian production facilities are located, the company published a book called *Tirilye from Past to Present* for which all articles and photography were provided by the travel writer Reyhan Tuvi.

Türk Prysmian also contributed to the renovations of the Yakacık Hatice Abbas Halim Nursery School's sports facilities and the building of Balabancık Village Elementary School.

Türk Prysmian is also involved in the patronage of sports and athletics by supporting Mudanyaspor football club.

SECTION 4: BOARD OF DIRECTORS



SYNOPSIS

+	The board has established a risk management and internal control mechanism
+	The board is staffed with proficient and highly qualified members
+	Majority of the board members are non-executive
=	There is only an audit committee within the board and no corporate governance committee
-	Lack of cumulative voting procedures
-	No signed compliance and liability statement by board members.
-	No provisions in the articles of association defining procedures for shareholders or stakeholders to invite the board to convene.
-	No independent board members

The board of directors is staffed by highly qualified, managerially skillful members who are experienced in the company's areas of business. The board closely monitors and supervises whether or not the company's operations comply with the relevant legislation, articles of association, in-house regulations and policies. Türk Prysmian's mission and vision statements and strategic goals, however, are not disclosed to public.

The board of directors approves the annual budget and business plans of

the company, ensures that the general shareholder meeting is conducted in accordance with the legislation and the company's articles of association, approves the career plans and remuneration of executives, determines the information policy and ethical rules of the company, and makes sure that they are disclosed to public.

Each member is entitled to a single vote at the board meeting. Board members are not granted with weighted voting rights or positive/negative veto rights. Majority of the members are non-executive.

The board has not yet established a corporate governance committee. The audit committee supervises the relationship with the independent auditors and whether or not periodic financial statements and its footnotes are prepared in accordance with the current legislation and international accounting standards.

On the other hand, the facts that there are no independent board members and therefore any committees that consist of independent board members, the required specifications to be a board member are not listed in the articles of association, and that the cumulative voting procedures are not embraced should be underlined as areas for improvement.

Similarly, members of the board did not declare in writing that they will comply with the legislation, articles of association, in-house regulations and policies, and in case of incompliance, that they would be jointly liable to compensate the loss accrued to the shareholders and stakeholders.

4.1. Fundamental Functions of the Board of Directors:

Türk Prysmian's mission and vision statements are not disclosed to public on the corporate web site and the annual report.

The board closely monitors and supervises whether or not the company's operations comply with the relevant legislation, articles of association, in-house regulations and policies. The board also approves the strategic goals constituted by the executives.

The board constantly and effectively revises the company's level of success in achieving its goals, operations and past performance via meetings and detailed reports.

The board assesses whether the executives are well qualified to suit the demands of their positions and seeks measures that would encourage the qualified employees to work for the company over a long period of time. As the board deems appropriate, it may terminate the employment of executives and may without delay, appoint new executives to replace the former.

4.2. Principles of Activity and Duties and Responsibilities of the Board of Directors:

Although there are no provisions in the articles of association specifying qualifications for the members of the board, Türk Prysmian endeavors to construct a board that consists of well informed and skillful individuals with higher education. They should be experienced managers who can read and interpret financial statements and reports, possess basic knowledge of the legal framework regulating the activities and transactions related to company's field of activity, not be

convicted of violating regulations, and are able to attend board meetings.

Due to the fact that the majority (4/6) of board members is domiciled in Italy, board meetings are held in Italy. The articles of association of the company do not incorporate any provisions to this end.

The board of directors determines the policies concerning shareholders and stakeholders, the information policy of the company, the ethical rules, and takes necessary measures to ensure that the organizational structure of the company is compatible with current conditions.

No evidence has been encountered as to any misuse of confidential and undisclosed information about the company for the benefit of board members or other parties.

From the beginning of 2009 until the issue date of this report, the board of directors of Türk Prysmian held 20 meetings. All decision taken at these meetings are officially recorded. A secretariat is established under the responsibility of the board chairman in order to serve the board and records kept by the secretariat are made available for inspection by the board members.

Each member is entitled to a single vote at the board meeting. Board members are not granted with weighted voting rights or positive/negative veto rights.

Members of the board can under no circumstances disclose company information that is confidential and/or trade secret. This matter of confidentiality, however, is not incorporated in the ethical rules of the company. The board, on the other hand, has taken necessary precautions to prevent disclosure of such

information by the employees of the company.

Before commencing work, members of the board did not declare in writing that they will comply with the legislation, articles of association, in-house regulations and policies, and in case of incompliance, that they would be jointly liable to compensate the loss accrued to the shareholders and stakeholders.

Within the scope of the 334th and 335th articles of the Turkish Commercial Code, board members obtained permission from the general shareholders' meeting that allows them to undertake responsibilities on the boards of other companies.

In order to ensure that the board members perform their duties fully, they are provided with easy access to all kinds of information in a timely manner. However, the board meeting and decision quorum is not included in the articles of association of the company.

4.3. Formation and Election of the Board of Directors:

None of the board members have been convicted or sentenced of non-conformity with the capital markets legislation or the Turkish penal code. All members are qualified and experienced individuals who maintain high moral standards and are fully capable of performing the required tasks to direct the company. However, the required specifications to be a board member are not listed in the articles of association.

The board of directors of Türk Prysmian consists of 6 members of whom only one is executive. The board chairman and chief executive officer are not the same person. There are no independent board members. Therefore, there are no committees,

formed from within the board that is made up of independent board members.

The lack of a Corporate Governance Committee and lack of cumulative voting procedures are important shortcomings with respect to full compliance with the "Corporate Governance Principles" of the Capital Markets Board.

4.4. Remuneration of the Board of Directors:

Türk Prysmian official have confirmed that the company has not lent money or extended any credits to a member of the board.

There is no incentive remuneration scheme that is based upon the performance of the members of the board in connection with the performance of the company.

Although the compensation for the members of the board is determined by the general assembly, members have foregone this right.

4.5. Number, Structure and Independence of Committees Established by the Board of Directors:

An Audit Committee is established within the board. The members are Mr. Mahmut Tayfun Anık and Mr. Pier Francesco Facchini. The Audit Committee has taken all necessary measures to make sure that internal audit mechanisms are carried out adequately and transparently. The Audit Committee is supervising the activities of the external auditors and full compliance with accounting standards. The audit committee also controls the compliance of periodic financial statements and footnotes with the CMB and IFRS standards.

The appointment of the external auditors and the services to be provided thereby are subject to a preliminary approval by the audit committee. However, prior to appointment of the external audit firm, the audit committee did not prepare a report stating whether or not there exist any issues that may jeopardize independence of the audit company.

A corporate governance committee is not established in order to monitor Türk Prysmian's compliance with the corporate governance principles and perform improvement studies and offer any possible suggestions to the board.

4.6. Executives:

We have observed that Türk Prysmian executives are operating in accordance with the company's vision, mission and strategic goals and in compliance with the financial and operational plans approved by the board.

It is also our observation that these executives are delegated with adequate authority and equipped with the professional qualifications required. None of the executives have been reported to have gained illegitimate or dishonest benefits at the expense of the holding. The company officials confirmed that there are no executives who had been sentenced for crimes against the capital markets legislation or the Turkish penal code. However, employment agreements do not contain provisions which indicate that the executive may not be permitted to work for a competitor of the company and describe the sanctions to be implemented in case of violation of this provision. The executives of Türk Prysmian are protected by an officers & directors insurance policy for any losses incurred by the company and third persons as a result of not performing their duties duly.

Company officials have also confirmed that the executives submit a report regarding the conformity of the performed works with these to the board periodically.

Rating Definitions

Rating	Definition
9 - 10	The company performs very good in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified and actively managed all significant corporate governance risks through comprehensive internal controls and management systems. The company's performance is considered to represent best practice, and it had almost no deficiencies in any of the areas rated.
7 - 8	The company performs good in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified all its material corporate governance risks and is actively managing the majority of them through internal controls and management systems. During the rating process, minor deficiencies were found in one or two of the areas rated.
6	The company performs fair in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified the majority of its material corporate governance risks and is beginning to actively manage them. Management accountability is considered in accordance with national standards but may be lagging behind international best practice. During the ratings process, minor deficiencies were identified in more than two of the areas rated.
4 - 5	The company performs weakly as a result of poor corporate governance policies and practices. The company has, to varying degrees, identified its minimum obligations but does not demonstrate an effective, integrated system of controls for managing related risks. Assurance mechanisms are weak. The rating has identified significant deficiencies in a number (but not the majority) of areas rated.
<4	The company performs very weakly and its corporate governance policies and practices are overall very poor. The company shows limited awareness of corporate governance risks, and internal controls are almost non-existent. Significant deficiencies are apparent in the majority of areas rated and have led to significant material loss and investor concern.