

COMPLIANCE REPORT

Türk Prysmian Kablo ve Sistemleri A.Ş. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Observance Declaration Regarding Corporate Governance Principles

With its 47 years of experience in Turkey, Türk Prysmian Kablo ve Sistemleri A.Ş. is one of the prominent and most experienced companies in its sector. As from its establishment, together with its Board of Directors and Executive Management, it has adopted the corporate structure and governance principles in its relations with the Company's shareholders, and different stakeholders.

Activities are being performed to reshape the company's organization structure and the mode of management in accordance with the general rules specified in the Corporate Governance Principles of the Capital Market Board (CMB) issued in the resolution of the Capital Market Board dated July 4, 2003 and numbered 35 / 835.

Moreover, since Türk Prysmian Kablo ve Sistemleri A.Ş. is within the Prysmian Cables and Systems Group which has a worldwide network system and company activities, Türk Prysmian is subject to the corporate governance principles of the Prysmian Cables and Systems Group (PC&S).

The Company, at all times, carries out business in consciousness of its social responsibilities as regards to relations with the public, customers and suppliers and by adhering to ethical values of the business world, aims to enhance its studies and activities in this respect.

Türk Prysmian Cables and Systems, the leading company of the cable sector, which has been making contributions to the Turkish economy, has been the 23rd company in 2009 to be included in the prestigious Corporate Governance Index of IMKB which reflects the company's corporate value. Derived from the research that was executed by SAHA Corporate Governance and Credit Rating Services Inc. (www.saharating.com) under the Corporate Governance Principles of Capital Markets Board (CMB), the company received the high grade requested for entering in such qualified companies' group 7.76 out of 10 (77.58%).

Corporate Governance Rating of IMKB		
MAIN SECTIONS	WEIGHTED	RATING (%)
Shareholders:	25%	87,14%
Public Disclosure & Transparency:	35%	87,27%
Stakeholders:	15%	92,85%
Board of Directors:	25%	60,95%
TOTAL	100%	81,50%

In 2011, Türk Prysmian Cable, based on the Board Ruling number 4/100, related to "Shareholders, Informing the Public and Transparency, Beneficiaries and Board Committee" dated 07.02.2005, has been evaluated able to completely fit the requirements again and, the company received the higher grade with 0.71 increase by remaining in such qualified companies' group 8,15 out of 10 (81,50%).

It is possible to see the whole Corporate Governance Report in our website (www.prysmian.com.tr) under the category of Investor Relations and the title Corporate Governance.

During the activity period ending as of 31 December 2011, the Company complied with the Corporate Governance Principles published by the Capital Market Board and conducted its activities by adopting these principles with the exception of the following;

- Representation of Minority shares in the Board of Directors
- Management of Cumulative Voting Rights
- Corporate Governance Committee
- Minimum Number of Independent Members in the Board

The particulars and grounds of non-compliance with the afore listed are clarified in the relevant sections of the report.

Governance Structure: Based on the main parts of the Corporate Governance Principles set out by the CMB, the works carried out by the company during the relevant period, along with other efforts and practices, are detailed herein below;

PART I - SHAREHOLDERS

2. Unit for the Relations with the Shareholders

To facilitate the follow-up of shareholder rights, the company operates a "General Accounting & Investor Relations Service" at its "Administration & Control Department".

Inquiries in oral or written form addressed to this department, are replied as soon as possible, within the context of public information.

3. Exercise of Rights By The Shareholders To Obtain Information

During the relevant period, we received requests from the shareholders as regards to information about conversion of share certificates, attendance in the General Assembly, distribution of dividends, transfer of shares, change of commercial title and payment terms of court cases. As such requests were generally made on the phone, statistically; it was not possible to quantify the requests and the responses given to such requests. In its relations with the shareholders and in general, with the finance community, the Company, being conscious of reciprocal roles, makes every endeavour at all times to establish active and transparent dialogue with its shareholders and corporate investors.

The investors can find information about our Company on the web site (www.prysmian.com.tr); for further inquiries, they are directed to the following e-mail address, telephone and fax numbers:

E-mail: tpks@prysmian.com; Telephone No: (0224) 270 30 00; Fax No: (0224) 270 30 24

In the Company's Articles of Association, there is no reference permission given for appointment of an individual auditor; in fact, no demand was made during the activity period for appointment of a special auditor.

4. Information about the General Assembly

The General Assembly meets as an Ordinary and as an Extra-ordinary General Assembly. The Ordinary General Assembly may convene either in the Company's Head Office (Mudanya) or in Istanbul within a period of 3 months following the company's accounting period. These meetings can be observed by the stakeholders and press organs.

During the year 2011, the General Assemblies convened one time at the Company's Head Office, in the form of ordinary meeting (28 March 2011). The shareholders representing more than 83.75% of the shares attended to the said meetings.

The shareholders are invited to the General Assembly by indicating the place, the time and the agenda of the meeting, and also by advertisement. The invitation is effected at least 14 days before the meeting. The date of the invitation and the date of the meeting are not included in these 14 days. As a legal requirement, the invitation is made to the holders of registered shares by pre-paid registered mail. Moreover, the agenda of the meeting, copy of the proxy, and amended form of Company's Articles of Association (if any) are published in the Trade Registry Gazette, one of the newspapers with circulation all over Turkey and also, in a local newspaper.

No period is designated for registration in the shareholders' book by the holders of registered shares who will attend the General Assembly meeting. Within the frame of the preparations for the General Assembly, letters from Central Registry Agency (MKK), concerned bank and other intermediary organs showing blocking of share certificates, or certifying ownership status are requested 1 week before the date of the General Assembly meeting.

In the General Assembly meeting, the shareholders exercise the right to ask questions and to submit their recommendations. Such questions are answered by the company management, and the recommendations (if any) are taken into consideration as well.

As indicated in the Company's Articles of Association, the General Assembly is authorized to make the decisions indicated below:

- Acceptance of the Board of Directors' Report and the Auditor's Report,
- Review and approval of the Balance Sheet, Profit and Loss Account and the use of net profit and determination of profit share subject to distribution,
- Determination of number of Directors; and election, dismissal, removal re-election and remuneration of the same.
- Determination of number of auditors; and election and remuneration of the same.

Performance of the activities listed below requires prior or subsequent approval or acceptance of the General Assembly.

- Annual investment and finance plan prepared by the Board of Directors;
- Purchase and sale of real estate and mortgage of Company's real estate;
- Establishment of branches and partnerships (sub-branches), and acquisition or sale of participations;
- Starting to work in new production areas;
- Other businesses and transactions required in the Turkish Commercial Code.

The shareholders may have access to the minutes of the General Assembly meeting from the Company's Head Office, the Company's internet site (www.prysmian.com.tr) via the relevant links under the "**Investor Relations**" section and the internet site of KAP (Public Informing Project) System's web page (www.kap.gov.tr) as well as from the archives of Turkish Trade Registry Gazette retained at Bursa Trade Registry Office.

5. Voting and Minority Rights

None of the shareholders of Türk Prysmian Kablo ve Sistemleri A.Ş. has a preferential or privileged voting right; all the votes have the same weight. Minority rights are arranged according to the relevant provisions of the Turkish Commercial Code.

The shareholders may be represented in the General Assembly by other shareholders or by third parties. However, the regulations of the Capital Market Board as regards to voting by proxy are reserved.

The cumulative voting right in order to ensure representation of minorities in the Board of Directors is not included in the Company's Articles of Association. As a matter of fact, since there is not any general tendency about the use of cumulative voting rights in the practices of the companies, the risks or benefits of the said method could not be observed.

6. Profit Distribution Policy and Profit Distribution Time

There is no privilege as regards to participation in the company's profit and **Profit Distribution Policy** as determined in the meeting of the Board of Directors dated 27 March 2007 is indicated below;

"The Board of Directors passes its resolutions relating to distribution of profit in the direction of Company's financial state, period profit and strategic targets. No real person is entitled to receive privileged share from the Company's distributable profit. Company's profit distribution policy aims distribution of 20% or higher portion of distributable profit as determined in the Ordinary General Assembly meeting. In case the periodical distributable profit remains less than 20% of the Company's paid-up capital, the Board may decide -in compliance with the applicable law- not to distribute any share from the profit.

It is aimed to pay the profit share in cash through the authorized banks and intermediary agencies within 60 days as of the Ordinary General Assembly meeting. Following this date, the Shareholders may apply to the Company's Head Office in order to collect their profit share. Company does not consider distribution of profit share in advance. Company aims to give donations to all kinds of social institutions, primarily to those located in the Company's territory, in such a manner not to exceed 1% of the profit base and in any case, to be subject to the approval of the General Assembly."

7. Transfer of Shares

There is no provision in the Company's Articles of Association restricting transfer of shares; provisions of Articles 416 - 418 of the Turkish Commercial Code are applied in case of any demand by a shareholder for transfer of whole or part of registered shares owned by him.

PART II - PUBLICITY AND TRANSPARENCY

8. Company's Information Policy

Any and all kinds of communication with external sources regarding to Company's documents and information is performed -at all times in consultation with the General Manager- by the Public Relations in respect of communications with the press, and by the Financial Management as regards to corporate investors, competent authorities and shareholders.

The Company undertakes to ensure equal treatment for all categories of shareholders by avoiding any preferential treatment. With the exception of those considered as trade secrets, the Company responds all the questions pursuant to the equity and impartiality principles and ensures establishment of constant communication between the management and the shareholders in accordance with the existing legislation.

Disclosure policy is disclosed for the first time to public in the Company's activity report accompanied by Corporate Governance Report for the year 2004, as well as in the investor relations section of Internet site.

9. Declaration of Special Status

Number of Declarations Issued on Special Status during 2011: **23**

Number of Additional Declaration Requests made by the CMB and ISE: **None**

There is no sanction (written warning) applied by the Capital Market Board or Istanbul Stock Exchange Market's Board against failure to provide declaration on special status in time.

Since the company shares are not quoted abroad, no special status declaration has been made at a stock exchange, other than the Istanbul Stock Exchange.

10. Company's Internet Site and Its Content

The investors may have access to the relevant documents such as the Company's Annual Report and Ethical Code both in Turkish and in English on the web site (www.prysmian.com.tr). Moreover, our Internet site under the following titles is presented to the attention of the investors.

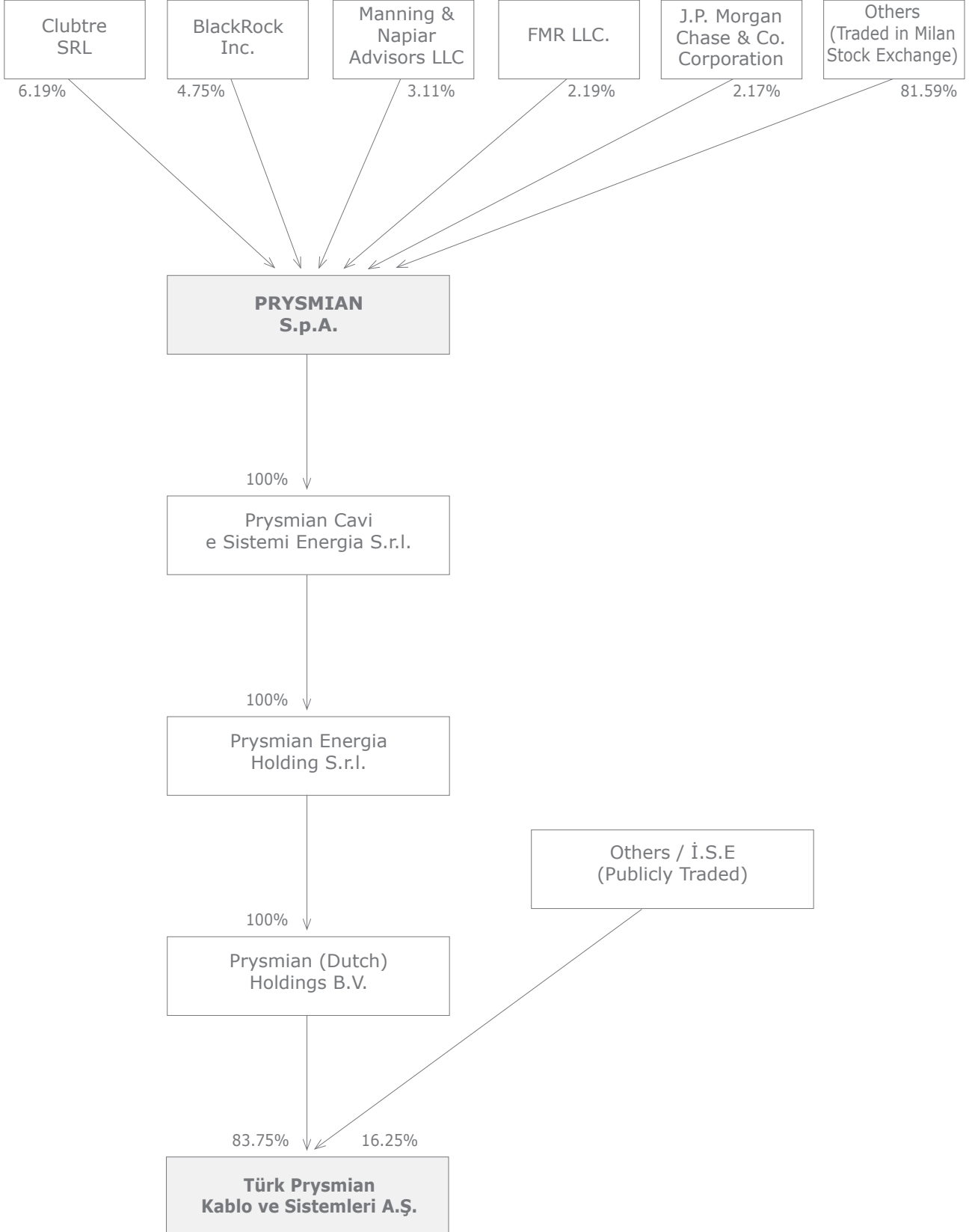
- Trade registry information,
- Latest status of partnership structure,
- Latest status of Board of Directors, Members of Auditors' Board and top level executives,
- Latest status of the Company's Articles of Association (AOA) and date / number of the Trade Registry Gazette where the amended form of the AOA is published,
- Annual Reports for the last seven years,
- Declaration of Special Status,
- Corporate Governance Observance Report,
- Attendance list, agenda and minutes of General Assembly meetings held during the last seven years,
- Proxy format,
- Periodical financial tables and independent audit reports for the last seven years,
- Company Policies,
- Public offering explanations and circulars,
- News and frequently asked questions.

Due to inapplicability of the remaining provisions of clause 1.11.5 Section II of the Corporate Governance Principles of the Capital Market Board, they are not included in the Internet site.

11. Disclosure of the Real Person Final Dominant Shareholder(s)

There is no special status regarding the Company's real persons and owners which may affect the investors if disclosed to public. The real person final dominant shareholder structure of our company is as follows:

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.' STRUCTURE OF REAL PERSON FINAL DOMINANT SHAREHOLDER (S) AS OF 31 DECEMBER 2011



12. Disclosure of the Persons Having Potential for Insider Trading

None of the employees of Türk Prysmian Kablo ve Sistemleri A.Ş. is allowed to deal in purchase and sale of share certificates belonging to Türk Prysmian Kablo ve Sistemleri A.Ş. on the basis of the information obtained by virtue of office.

The names of the BOD Directors, Members of Auditors' Board and Top Level Executives are listed in the Company's Activity Report and Investor Relations Section of the Internet site.

The names of the people having the potential for insider trading as of the date of the report are given herein below;

EXECUTIVE MANAGEMENT	
Mahmut Tayfun Anık	Chairman of the Board of Directors & Member of Audit Committee
Hans G. S. Hoegstedt	Vice Chairman of the Board of Directors & CEO
Fabio Ignazio Romeo	Board Member & Member of Audit Committee
Ercan Karaismailoğlu	Board Member & CFO
Hikmet Türken	The Board of Auditor Member
Raşit Yavuz	The Board of Auditor Member
Halil İbrahim Kongur	Factory Director
Erkan Aydoğdu	Logistics and R&D Manager
İbrahim Etem Bakaç	Domestics Sales Director
Aydan Biltekin	Internal Audit Manager
Ufuk Çolak	Marketing and Business Intelligence Manager
Faik Kürkçü	Utilities & Contractors Sales Director
Sabri Levent Özçengel	Human Resources Manager
İlhan Öztürk	Special Cables Sales Manager
Murat Tezcan	Export Sales and Telecom Solutions Director
Av. Yiğit Türsoy	Legal Affairs Manager
Sevda Yücel	Purchasing Manager
Esat Baykal	Quality Manager
İdris Çolakgil	Information Technology Manager
Ercan Gökdâğ	Planning and Controlling Manager
Nevin Kocabaş	General Accounting and Investor Relations Manager
Murat Okatan	Credit and Risk Manager
Figen Tamuroğlu	Treasury Manager
Okay Yıldız	Technical Services Manager
INDEPENDENT AUDIT COMPANY (DELOITTE - DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.)	
Özlem Gören Güçdemir	Partner
Fulya Kılınc	Manager
Lara Baliyan	Auditor
Hasan Emre Uyumaz	Audit Assistant
Özgür Ergül	Audit Assistant
TAX AUDIT COMPANY (BDO DENET - Denet Yönetim Danışmanlığı Yeminli Mali Müşavirlik A.Ş.)	
Haluk Erdem	Partner / Tax Director
Adem Kefelioğlu	Tax Audit Manager
Müge Erentürk	Senior Tax Auditor
Demet Uzman	Tax Audit Assistant
Berra Yavuz	Tax Audit Assistant
OTHER PEOPLE	
Numan Lokman Ketenci	Partner (RSM - Kapital Karden Bağımsız Denetim ve Yeminli Müşavirlik A.Ş.)
Dr. Erdem Tüzgiray	CPA - Expert (RSM - Kapital Karden Bağımsız Denetim ve Yeminli Müşavirlik A.Ş.)
Hafize Nazan Çekmecı	Publisher (Net Ajans Reklam Tanıtım ve Yayıncılık Hizmetleri)
Süalp Çekmecı	Designer (Net Ajans Reklam Tanıtım ve Yayıncılık Hizmetleri)
Av. Mehmet Küçük	Lawyer (Küçük & Küçük Law Office)
Av. Ece Uygur	Lawyer

PART III – STAKEHOLDERS

13. Notification of Stakeholders Basic Management Principles

The basic management principles which regulate the relations between the Executive Management, shareholders, employees of the Company and third parties (customers, suppliers and any person or organization with which the company has relation) are indicated below.

Honesty: We make every endeavour to ensure strict adherence to the honesty principles in all our business activities and our relations with our clients, employees, shareholders and other companies, institutions and organizations.

Reliability: We furnish understandable, rational and correct information to our customers, shareholders and employees, and provide all the services as required by our undertakings.

Impartiality: We do not have sexual, religious, lingual, racial and ethnical prejudice against our customers, suppliers, employees and shareholders.

Observance: We respect all laws, legislations and standards.

Secrecy: Excluding the authorities designated by the law, we do not share with any person or organization the information relating to the transactions executed with respect of our Shareholders, customers, suppliers, employees and business partners.

Transparency: Excluding the information considered as trade secret and those not yet disclosed to public, we publicize all information whether of financial nature or not in the most accurate, complete, rational, interpretable and accessible manner according to the relevant legislation.

Social Responsibility: In our practices and investments, utmost attention is given to the particulars such as social benefits and improvement of our sector and conservation of reliability, as well as effective Company image and the activities are carried out in full respect to all the arrangements made protection of environment, consumer and public health. The stakeholders are notified through the Internet site and the Istanbul Stock Exchange by issuing special status declaration. Further to this announcement, the agenda of the General Assembly is informed to the attendants in the Trade Registry Gazzete and by registered mail; the decisions passed in the meeting are also published in the Trade Registry Gazzete in the most distinct and understandable manner. Moreover, information is given to the Capital Market Board (SPK) Ministry of Industry and Undersecretariat of Treasury and application is made by the Company and the necessary permissions are obtained from the said authorities. The public announcements relating to the General Assembly meetings are made in one of the local and national newspapers. Additionally, the Company employees are notified through intranet system, general circulations by e-mail and annual presentation meetings.

Please see: Article 8 - Company's Information Policy

Please see: PC&S Group Values and Ethical Code / Article 9 - Information

14. Participation of Stakeholders in the Management

Participation of stakeholders in the management is enabled in the General Assembly meetings according to the principles set out by the Capital Market Board for the shareholders; as to suppliers and customers, necessary arrangement is made in the meetings with the suppliers, customers and dealers, also paying visits to the same. With regards to employees, meetings are held at least two times a year to evaluate the Company's activities and to furnish information about the Company's targets and strategies and to receive feed back as well.

Moreover, by encouraging team work to develop work conduct procedures and processes undertaken by the Company's employees, special project groups are created.

15. Human Resources Policy

Human Resource policy is disclosed in the investor relations section of the Company's Internet site.

Please see: PC&S Group Values and Ethical Code / Article 6 - Human Resources

16. Information Regarding Relations with the Customers and Suppliers

Please see: PC&S Group Values and Ethical Code / Article 4 - Customers

17. Social Responsibility

Türk Prysmian Kablo ve Sistemleri A.Ş. is the holder of ISO 14001 Environment Management System certificate since 1997. The environmental affect of business activities, and the services purchased by our Company are determined within the frame of ISO 14001 Environment Management System and studies are carried out continuously for elimination or minimization of these affects. All of these studies are performed with the philosophy of continuous improvement and in full compliance with the Türk Prysmian Kablo ve Sistemleri A.Ş. Environment Policy defined by the top management.

The legal obligations relating to environment are followed and fulfilled at all times, without failure. Türk Prysmian Kablo ve Sistemleri A.Ş. holds all the legal permissions required in respect of environment. These permissions may be listed as Emission Permission, Opening License for the 1st Class Non - Sanitary Establishments and Provisional Storage Permission for hazardous refuses.

The activities carried out by Türk Prysmian Kablo ve Sistemleri A.Ş. are not within the scope of Environmental Affect Evaluation Regulations (EAER). There exists an official letter obtained from the Bursa Provincial Office / Environment and Forestry Directorate, in charge of environmental affairs, indicating that our Company is not subject to preliminary survey in respect of EAER.

No law suit has been filed against our Company for causing environmental pollution. Our company provides for the recycling (if applicable), or the disposal (if recycling is not applicable) of all of the wastes attributable to the Company in accordance with the related regulations within the scope of environmental legislation.

Our Company performs its duties within the scope of social responsibilities by supporting social, cultural and various sporting activities in compliance with the principles set out by Prysmian Cables and Systems Group and also, by participating in and making contributions, both in cash and in rem, to the public institutions and organizations.

Please see: 13. Notification of Stakeholders / Social responsibilities

Please see: PC&S Group Values and Ethical Code / Article 5 - Community - Article 7 - Environment

PART IV - BOARD OF DIRECTORS

18. Structure of the Board of Directors, its Formation, and Independent Members

In the Company's Articles of Association, it is expressly stated that the tasks and responsibilities of the Board of Directors are subject to the basic provisions defined pursuant to Turkish Commercial Code and the adaptations in the Company's Articles of Association. The formalities relating to appointment, re-election, qualification and replacement of the Board of Directors are performed according to the Company's Articles of Association and the provisions of Turkish Commercial Code.

Structure of the Board of Directors

POSITION	MEMBERS	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT
Chairman	Mahmut Tayfun Anik		X	
Vice Chairman	Hans G. S. Hoegstedt	X		
Board Member	Fabio Ignazio Romeo		X	
Board Member	Ercan Karaismailoğlu	X		

POSITION	MEMBERS	FIRST APPOINTMENT	LATEST APPOINTMENT
Chairman	Mahmut Tayfun Anik	27 July 2006	25 March 2011
Vice Chairman	Hans G. S. Hoegstedt	1 July 2011	1 July 2011
Board Member	Fabio Ignazio Romeo	22 July 2005	25 March 2011
Board Member	Ercan Karaismailoğlu	25 March 2011	25 March 2011

As a result of the activities initiated for filling the vacancies in the Board of Directors upon the sudden resignation of the independent members on 26 July 2006; it was understood that the persuasion of independent members bearing the same qualifications to take office in the Board of Directors in the place of the members that resigned would not yield to any short-term healthy results; therefore, it was stipulated that the Board of Directors should continue to take office without independent members for a temporary period. Since the members are already registered in the cadre as the staff working in the Prysmian Group companies, they cannot work in another company as per the related Labour Law.

19. Characteristics of the Board Members

Age Profile of the Board Members;

AGE GROUP	18 - 30	31 - 40	41 - 50	51 - 60	61 - 65	66 - 70	71 & Over
Number of Persons	-	1	1	2	-	-	-

The Board of Directors is composed of members who have knowledge and ability to understand and analyze the financial tables, and legal know-how to conduct daily operations and the long term activities of the Company, which includes specialization in various fields in such a way to declare opinion relating to Company's management. The Board Members are nominated among the persons with higher education and who have knowledge on the Company's field of activity and adequate experience gained through services in private sector. The credentials required for the Board Members are not set out in the Company's Articles of Association.

20. Mission, Vision and Strategic Targets of the Company

Our Mission: Our mission is to add value to our shareholders and to the sector by providing to our customers, our partners and to the community innovative, technological, high quality and safe products which are adequate to standards.

Our Vision: As being a member of Prysmian Group and as the oldest well-established and leading company in its sector, our vision is;

- To exhibit a creative and superior performance within the workforce with its distinguished and innovative role,
- To have an organizational structure which emphasizes openness and social responsibility,
- To keep customer satisfaction by providing long-term partnerships,
- To create a value for its stakeholders with permanence,
- To dedicate itself to improve the social conditions,
- To be always the leader of the sector in Turkey and international platform.

Please also see: PC&S Group Values and Ethical Code / Targets and Values

21. Risk Management and Internal Audit Mechanism

In order to ensure effective conduct of risk management, Risk Management Division has been put into operation as of 2002. This division developed processes for effective risk management applicable within the Company's body and Prysmian Cables and Systems Group and implemented projects in this context.

The internal audit system of the Company is organized in such a way to provide appropriate clarification on all the Company's activities and to ensure an adequate auditing system.

The responsibility regarding internal auditing system lies with the Board of Directors, and the Board of Directors, besides providing the major guidelines of the system, undertakes verification of sufficiency and effectiveness of the audit system.

The Audit Committee comprises of two Directors. Two Directors holding office in the Audit Committee are the persons who are not directly engaged in Company's activities and management. The Audit Committee meets regularly as indicated in the relevant communiqué of the Capital Market Board and the representative of the External Auditing Company may be invited to these meetings.

The aim of the Audit Committee is to provide assistance to the Board of Directors during fulfilment of long - term obligations as regards to accounting and finance reporting applications, policies and procedures, as well as evaluation of quality and risk management of Company's internal auditing systems.

The internal auditing and periodical audit activities ensure accomplishment of necessary controls to observe whether compliance with the procedures, policies and strategies is achieved or not. Apart from the audit functions of the Internal Audit Division, the Internal Audit Department of Prysmian Cables and Systems Group performs internal auditing of Türk Prysmian Kablo ve Sistemleri A.Ş., in addition to the auditing services rendered regularly by the External Audit Company.

Moreover, there is also a Planning and Control Division which presents detailed monthly reports to the Managing Director and Executive Management and provides useful and comprehensive information for the following specific activities.

Information regarding to relations with PWC, independent audit company: <http://www.deloitte.com.tr>

and Information regarding to BDO, tax audit company: <http://www.denet.com.tr>

22. Authorities and Responsibilities of the Board Members and Executives

The Board of Directors performs the following tasks:

- Review and approval of strategic, corporate, industrial and financial plans,
- Delegation of necessary powers to the Managing Director, withdrawal of authorization and determination of limits of authority as well as form and duration of authorization,
- Regular comparison of the results with the budgets, and by taking into account the information received from the Internal Audit Committee and Managing Director, and giving special attention to conflicts of interest, observation of general performance in this field,
- Passing of resolutions relating to immovable property, in kind,
- Issuance of share certificates and debentures,
- Establishment of partnerships in the newly incorporated or existing corporations and institutions,
- Review and approval of the transactions having economical and financial affect, or special influence on equity capital by showing due consideration to the transactions of the relevant parties,
- As organized by the Managing Director, verification of the organizational status and the adequacy of the administrative structure of the Company,
- Furnishing of information to the shareholders about the General Assembly meetings.

The powers and responsibilities of the Board of Directors are clearly defined in Article 10 of Articles of Association; as the powers and responsibilities conferred upon the Board of Directors may be subject to change at any time bound to dynamic structure of the Company and the business life, it is deemed necessary to detail the powers and responsibilities in the corporate signature circular.

23. Fundamentals Regarding To Activities of Board of Directors

The Board of Directors meets at least in quarterly periods. Unless otherwise is agreed, the Board Members are equipped with necessary documents and information within a reasonable time before the meeting in order to allow them to express their opinion about the issues subject to argument.

There is a Board Secretariat responsible for supply of information to the Board Members and establishment of communication with the directors. Although our Company has no reserve about inscription of the detailed and reasonable justification of negative vote and notification of company auditors and public opinion at times when different opinion is declared in the Board meeting and/or opposition is raised to the resolution passed by the Board; since such a situation was not encountered, no such application was effected.

Company pays careful attention to actual participation to Board Meetings on the matters specified in article 2.17.4 of section IV of the CMB corporate Governance Principles. Questions of the members raised during the meeting are reflected in the resolution. In order to ensure equal positioning among members, no member has been granted the right to veto or weighted vote.

Board of Directors has convened **17 times** during the year 2011.

24. Restriction of Competition and Transactions With the Company

In the Ordinary General Assembly which takes place every year, the Board Members are liberated by our shareholders according to Articles 334 and 335 of the Turkish Commercial Code.

25. Ethical Code

A pyramid structure is adopted in our system in respect of applicable principles and procedures, and this system can be summarized as follows:

Ethical Code: These rules encompass the general principles -transparency, equity and loyalty- which form the business relations of the Company in every level. Our Company, with the belief that business ethics must be pursued alongside business success, carries out its internal and external transactions in accordance with the principles set out in this Code.

Internal Audit System: This system is a population of "instruments" with a view to reaching reasonably the targets regarding operational efficiency and effectiveness, reliability of financial and administrative information, observance to laws and legislation, and even protection of the Company's assets against possible fraud. The internal audit system which is based on common practices and defined within this frame, is applied to all corporate levels.

Lines of Conduct: The Lines of Conduct stipulate special rules concerning relations with the representatives of the Public Administration, and these rules classify good lines of conduct as "performable", and bad lines of conduct as "non-performable", and by this way, provide clear definition of major operational practices stipulated in the Ethical Principles.

Internal Executive Procedures and Policies of the Company: These items cover the main business areas as a natural extension of the internal audit system. Therefore, they determine the internal rules concerning the main activities of the Company.

Türk Prysmian determines organizational principles and infrastructure relating to employees and executives by adopting procedures and policies covering Personnel rights, Recruitments, Purchasing / Sales activities, Investments, Protection of Environment, Information Systems, Inventory, and Intellectual Property Rights. All the procedures and policies are presented to the employees in the updated form on the intranet page of the Company.

Also, please see: PC&S Group Values and Ethical Code

26. Number and Structure of the Committees Formed Within Board of Directors and Liberty of Action

Title of the Committee	Number of Annual Meetings (Min.)	Number of Members	Number of Independent Members
Audit Committee	4	2	-

Members of Audit Committee: Mahmut Tayfun Anık, Fabio Ignazio Romeo.

The Corporate Governance Committee and other committees are not formed as of 31 December 2011. The company is carrying out its activities to form the corporate Governance Committee.

27. Financial Rights of the Board of Directors

The rights of the BOD Members are agreed upon in the General Assembly meeting; no award is considered in determination of financial rights of the BOD Members depending on their individual performance, or reflecting the performance of the Company.

There are no payments effected in favor of BOD Members and other executive bodies during the year 2009. During the period no debt has been granted to any members of the Board and Top Manager of the company, no credit has been utilized by them and none of them has used benefits through third persons as well as no guarantees in favor of them.

Chairman of the Board of Directors

Mahmut Tayfun ANIK

TÜRK PRYSMIAN ETHICAL CODE

Türk Prysmian Kablo ve Sistemleri A.Ş. ETHICAL CODE

Ethical business conduct is critical to our business and a shared responsibility of all members of the Prysmian Group.

Each employee is responsible for protecting our most valuable asset - our reputation. This Code of Ethics (the "Code") applies to anyone conducting business on behalf of Prysmian or any of its subsidiaries, including but not limited to all managers, officers, employees, agents, representatives, lobbyists, interns, contractors, suppliers, and consultants ("Covered Parties"), and seeks to guide our legal and ethical responsibilities, to deter wrongdoing, and to promote:

- Compliance with applicable laws, rules and regulations;
- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- The integrity of our financial information, which influences the decisions of management and our Board of Directors, as well as the ways in which the outside world perceives and evaluates us;
- Full, fair, accurate, timely and understandable disclosure in reports and documents we file with or submit to government authorities and in other public communications; and
- Accountability for adherence to this Code, including prompt internal reporting of any suspected violations.

To meet these objectives, this Code encourages Covered Parties to express any concerns they may have relating to corporate accountability. No discrimination or retaliation against any person who, in good faith, reports such concerns will be tolerated. Anyone who retaliates against an individual under such circumstances will be subject to disciplinary action, up to and including termination of employment.

All Covered Parties must read, understand, and adhere to this Code and all other applicable company policies. Violations of law, this Code or other Company policies or procedures can lead to disciplinary action, up to and including termination of employment and/or termination of business relations.

ARTICLE 1 - PREMISE

The Prysmian Group structures its own internal and external activities according to the principles set forth in this Code, with the conviction that ethics in the conduct of business activities must be pursued at the same time and with equal emphasis as the economic success of the business. The Prysmian Group is committed to conducting its business in accordance with the highest standards of ethical behaviour, complying with all applicable laws and regulations, avoiding even the appearance of unethical or illegal conduct.

ARTICLE 2 - OBJECTIVES AND VALUES

The primary objective of the Prysmian Group is to create value for the shareholders. Industrial and financial strategies and the resulting operative conduct, based on the efficient use of resources, are oriented to achieving this goal.

In pursuing this objective Prysmian Group Companies and all Covered Parties must unfailingly comply with the following principles:

- As active and responsible members of the communities in which we operate, we are committed to respecting all applicable laws wherever we do business, and to following all commonly accepted principles of business ethics, such as transparency, honesty and loyalty.
- We refuse to engage in any illegitimate, unfair, or in any way questionable behavior (vis-à-vis the community, public authorities, customers, employees, investors and competitors) to achieve economic targets, which we pursue only through excellent performance, quality, competitive products and services, based on experience, customer care and innovation.
- We establish organizational controls designed to prevent Covered Parties from violating these requirements of lawfulness, transparency, honesty and loyalty, and supervise their observance and implementation.
- We impose consequences for any violations of these policies and principles.
- We maintain accurate books and records, and assure the investors and the community in general total transparency about our activities.
- We are committed to fair competition, which benefits us as well as all market operators, customers and stakeholders.
- We pursue excellence and competitiveness in the market place, offering quality services and products.
- We safeguard and enhance the value of all our employees.
- We respect the environment and use natural resources responsibly, with the goal of advancing sustainable development and protecting the rights of future generations.

ARTICLE 3 - SHAREHOLDERS

The Prysmian Group is committed to guarantee equal treatment to all classes of shareholders, and to avoid preferential treatment of any class or company. We pursue the reciprocal benefits that derive from belonging to a group of companies while respecting all applicable laws and regulations and the independent interest of each Company as it seeks to create value.

ARTICLE 4 - CUSTOMERS

The excellence of the products and services offered by the Prysmian Group depends on customer care and the readiness to satisfy customer requirements. We therefore seek to assure an immediate, qualified and competent response to customer needs, through honesty, courtesy and cooperation.

ARTICLE 5 - COMMUNITIES

The Prysmian Group contributes to the economic welfare and growth of the communities in which it operates by delivering efficient and technologically advanced services. We are a citizen of each locality where we are established to do business, and like individual citizens, we have a responsibility to support the community. It is our goal to take part in projects to further the welfare of our local communities and thus be a good and contributing citizen.

Group Companies adhere to all applicable laws and regulations and maintain good relations with local, national and super-national Authorities, based on by full and active cooperation and on transparency.

Consistent with these objectives and with the responsibilities they have assumed toward different stakeholders, Group Companies recognize research and innovation as priority conditions for growth and success.

Group Companies view favorably and, when necessary, support social, cultural and educational initiatives directed at enhancing the individual and improving his/her living conditions.

Group Companies do not disburse contributions, advantages or other conveniences or things of value to government officials (including employees of state-owned or controlled entities or enterprises), political parties or trade union organizations, nor to their representatives or candidates, except as permitted by applicable laws and by the provisions of this Code and other applicable Prysmian Group policies.

ARTICLE 6 - HUMAN RESOURCES

The Prysmian Group recognizes the central role of human resources; the professional contribution of employees, in a framework of mutual loyalty and trust, is the essential ingredient for success in every business concern.

Group Companies safeguard safety and health in working environments and consider the respect of worker rights fundamental to the carrying out of business activities. Employment contracts and Group policy guarantee equal opportunities and favor the professional growth of each individual.

ARTICLE 7 - ENVIRONMENT

The Prysmian Group believes in a global sustainable growth in the common interest of all stakeholders, present and future. Their investment and business choices are consequently fashioned to respect the environment and public health.

Without prejudice to compliance with specified forceable regulations, Group Companies take environmental issues into consideration when defining their choices, also by adopting -if operationally and economically feasible- eco-compatible production technologies and methods, with the objective of reducing the environmental impact of their activities.

ARTICLE 8 - ANTI-BRIBERY POLICY

Bribery of public officials is prohibited.

- No Covered Party may provide, either directly or indirectly, anything of value to any Public Official in order to obtain or retain business or to obtain an improper business advantage.
- The term "Public Official" is defined very broadly, and includes an employee of a government owned or controlled entity or a public international organization, any political party, any candidate for public office. Whenever dealing with entities or persons connected with a government entity, Prysmian employees shall comply with the principles set forth in this Code which govern our conducts and strictly adhere to the Prysmian policies and procedures.

Commercial bribery is prohibited.

- No Covered Party may provide, either directly or indirectly, anything of value to any person in order to obtain or retain business, confidential information, or an improper business advantage.
- No Covered Party may accept anything of value in exchange for awarding business, providing confidential information, or an improper business advantage.

The Anti-Bribery Policy requires adherence to other Group Policies and Procedures promulgated from time to time concerning.

- Offering, paying, or accepting gifts, courtesies, entertainment or travel expenses to, from, or on behalf of a Public Official or any supplier, customer, or competitor; and
- Engaging consultants, agents, lobbyists, joint venture partners or other third parties.

ARTICLE 9 - INFORMATION - BOOKS AND RECORDS

The Prysmian Group are aware of the importance of correct information on their own activities for the investors and the community in general. Consequently, to the extent compatible with the confidentiality requirements inherent in conducting a business, Group Companies strive for transparency in their relations with all stakeholders. In particular, Group Companies communicate with the investors according to principles of honesty, clarity and equal access to information.

Group Companies maintain books, records and accounts in reasonable detail to accurately and fairly reflect all of their transactions, and to retain relevant documentation in accordance with Group policies concerning record retention.

Group Companies and Covered Parties must never, under any circumstance, engage in inaccurate, false or misleading record keeping, even if one might reasonably believe the consequences of the inaccuracy would be harmless. This policy of full, fair, accurate and timely recording of information extends to time reports, expense reports and other personal Company records.

No false or artificial entries shall be made in the books and records of the Prysmian Group. No undisclosed or unrecorded funds may be established. "Off the books" payments are prohibited. No individual shall ever engage in any arrangement that results in a prohibited act.

ARTICLE 10 - EXPORT CONTROLS AND ECONOMIC SANCTIONS

It is the policy of the Prysmian Group to comply with all applicable export control laws. All Prysmian Group employees must comply with these laws. Under no circumstances are Prysmian Group employees permitted to make a transfer, export, re-export, sale, or disposal of any product, technical data or service contrary to applicable export control laws.

The Prysmian Group will comply with all applicable economic sanctions laws against certain entities and countries, including applicable economic sanctions imposed by the UN, the EU, the United States, and other jurisdictions in which the Prysmian Group conducts business.

ARTICLE 11 - OBSERVANCE OF CODE

All Group Companies, Corporate bodies, and Covered Parties must strictly adhere to this Code, to all applicable laws and regulations, and to all policies and procedures that the Group may promulgate from time to time to implement this Code.

The Prysmian Group is committed to implementing and enforcing specific procedures, regulations and instructions to ensure that all Group companies and Covered Parties adhere to the values and requirements set forth in this Code.

Violations of this Code, any of the implementing policies and procedures or other Group policies, or of any applicable law or regulation will be grounds for serious disciplinary action, including possible termination of employment and/or termination of business relations.

As part of its commitment to ethical and legal behavior, the Prysmian Group requires Covered Parties to report any actual or apparent violations of law or this Code or ethical standards so that they can be investigated and dealt with appropriately. This obligation extends to any instance where one suspects, but is uncertain whether, a violation may be occurring. Failure to comply with the duty to come forward is a violation of this Code and can result in serious disciplinary action, including possible termination of employment and/or termination of business relations.

The Prysmian Group will investigate all reports made and will not tolerate any kind of retaliation for reports or complaints made in good faith.

All persons subject to this Code have a duty not only to report violations but also to cooperate fully in the investigation of any alleged violation. An employee may be subject to disciplinary action, which may include possible termination of employment, for failing to cooperate or deliberately providing false or misleading information during an investigation.