

**SPECIAL CONDITION STATEMENT FORM**

**Title of Partnership/Names of Partners :** Türk Prysmian Kablo ve Sistemleri A.Ş.  
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**İstanbul Stock Exchange Directorate 31/01/2013**

**İSTANBUL**

**Subject: The Statement made according to the Official Rules Statement of Capital Market Board Regarding the Announcement of Special Conditions to the Public (Serial: VIII, No: 54).**

Resultant to the meetings conducted within the Board of Directors Committees that have to be founded according to the related regulations of Turkish Trade Act and Capital Market board,

1. The provisions in 1st Paragraph of Article 378 of Turkish Trade Act numbered 6102 which came into effect on 01/07/2012 and the provisions of Official Statement with Series: IV No: 57 which is published on 11/02/2012 that came into effect by being published on 30/12/2011 and the Series: IV No: 56 "Official Statement Regarding the Determination and Execution of Corporate Management Principles" were discussed regarding the subject of Early Determination of Risk Committee and within this scope;
  - a) It was unanimously decided to establish the Nary Determination of Risk and Risk Management Committee for early determination of the risks that can endanger the existence, development and continuity of the company, execution of measures against the determined risks and conduct works regarding risk management,
  - b) for the Early Determination of Risk and Risk Management Committee to be composed of 2 members, with the president being selected from the independent Board of Directors members and the President to be Mr. Ali Aydın Pandır and member to be Mr. Ercan Karaismailoğlu;
  - c) and the areas of duty and working principles of this committee to be determined as specified in the attachment **(Attachment-1)**.
2. According to the "Official Statement Regarding Determination and Execution of Corporate Management Principles" with different Series: IV No: 56 and the Official statement with Series: IV No: 57 published on 11/02/2012 and came into effect by publication on 30/12/2011, the issues regarding the Corporate Management Committee that is formed by Board of Directors decision dated April 13 2012 and numbered 2012/09 were discussed; and within this scope;

it was unanimously voted for the Corporate Management Committee which was founded with the Board of Directors Decision dated April 13 2012 and numbered 2012/09, the duties of the Nominating and Waging Committees which is foreseen to be established according to the article 4.5.1 of Official Statement for Determination and Execution of Corporate Management Principles of Capital Market Board with Series IV No 56 to be managed by the Corporate Management Committee as per the same article and the Corporate Management Working Principles to be determined as specified in the attachment to include those who serve in these committees and the working principles **(Attachment-2)**.
3. It was unanimously decided that, According to the "Official Statement Regarding Determination and Execution of Corporate Management Principles" with different Series: IV No: 56 and the Official statement with Series: IV No: 57 published on 11/02/2012 and came into effect by publication on 30/12/2011, the issues regarding the Corporate Management Committee that is formed by Board of Directors decision dated April 13 2012 and numbered 2012/10 to be discussed; and within this scope; the areas of duty and working principles of the Supervisory Board to be determined as specified in the attachment **(Attachment-3)**.
4. It is unanimously voted for the information regarding the committees to be published on our Company website.

We submit for your information.

**Yours respectfully,**

**Türk Prysmian Kablo ve Sistemleri A.Ş.**

## Attachment-1

### EARLY DETERMINATION OF RISK and RISK MANAGEMENT COMMITTEE DUTIES AND WORKING PRINCIPLES

#### 1. PURPOSE

Early determination of the risks that can endanger the existence, development and continuity of the company, execution of measures against the determined risks and conduct works regarding risk management and review risk management systems at least annually.

#### 2. AUTHORITY and SCOPE

Early Determination of Risk Committee;

- a) establishes effective internal control systems for the purpose of identifying the risk factors that can affect achieving company goals according to effect and possibility, evaluating these factors, monitoring and managing them,
- b) follows up the integration and effectiveness of the risk management and internal control systems to the company corporate structure,
- c) conducts studies about measuring the risk factors using suitable checks, reporting and using them in decision mechanisms by Company's risk management and internal control systems,
- d) periodically reviews the committee working principles and presents any necessary change proposals to the board of directors for approval; the responsibility of making the final decision always rests with the board of directors.

#### 3. COMMITTEE STRUCTURE

- a) Committee is established in accordance with the Company articles of association.
- b) Committee is formed of at least two members. Head of the Committee is elected from the independent members. Chief Executive Offices / General Manager cannot serve in the committee.
- c) When needed, committee refers to the opinions of experts in their fields.
- d) Committee gathers with majority of the number of members and makes decisions with majority of attendants.
- e) The secretariat operations of the committee is conducted by the board of directors secretariat.

#### 4. COMMITTEE MEETINGS AND REPORTING

- a) Early Determination of Risk Committee gathers at least once every two months and presents the meeting results to the board of directors.
- b) Committee makes sure that the board of directors is informed in issues within its authority and responsibility.
- c) The decisions taken in committee meetings are written and archived by the board of directors secretariat.

#### 5. RESPONSIBILITIES

- a) Define the risks that the Company faces, measure, analyse, follow and report such risks, make warnings to reduce the controllable and uncontrollable risks,
- b) Determine risk management policies and execution procedures based on the risk management strategies and towards the opinions of the board of directors, ensure that these are executed and conformed to,
- c) Participation in the designing, selecting, implementing and pre-approval process of risk quantification models which are a basic tool in risk management, regularly review the models, perform scenario analyses and make necessary changes
- d) demand information, opinion and report from related departments when deemed necessary in order to ensure effective performance of the risk monitoring function.

## **Attachment-2**

### **CORPORATE MANAGEMENT COMMITTEE DUTIES AND WORKING PRINCIPLES**

#### **1. PURPOSE**

Determine whether corporate management principles are applied in the company, and if not, their justifications and the conflicts of interest that arise due to not fully complying to these principles and conduct improvement studies on this issue and make suggestions to the board of directors and supervise the works of the Relations with Shareholders Division.

#### **2. AUTHORITY and SCOPE**

Corporate Management Committee,

- a)** developing the Corporate Management Principles inside the company, ensuring they are adopted and applied,
- b)** perform the annual management evaluation of the board of directors and submit it for the board of directors' approval,
- c)** supervise the works of relations with shareholders division,
- d)** make suggestions about the working, structure and effectiveness of the board of directors and committees under it,
- e)** periodically reviewing the committee working principles and presenting any necessary change proposals to the board of directors for approval; the responsibility of making the final decision always rests with the board of directors.

#### **3. COMMITTEE STRUCTURE**

- a)** Committee is established in accordance with the Company articles of association.
- b)** Committee is formed of at least two members.
- c)** Head of the Committee is elected from the independent board of directors members.
- d)** If the committee is composed of two members both of them are selected from people that do not serve in execution, if there are more than two members the majority is selected as such. Chief Executing Officer / General Manager and Vice President Responsible for Financial Works cannot serve in the committee.
- e)** When needed, committee refers to the opinions of experts in their fields.
- f)** Committee gathers with majority of the number of members and makes decisions with majority of attendants.
- g)** The secretariat operations of the committee is conducted by the board of directors secretariat.

#### **4. COMMITTEE MEETINGS AND REPORTING**

- a)** Corporate Management Committee meetings are conducted at least once every three months.
- b)** The decisions taken in committee meetings are written and archived by the board of directors secretariat.
- c)** Committee makes sure that the board of directors is informed in issues within its authority and responsibility.

## 5. RESPONSIBILITIES

### a. Conformance To Corporate Management Principles

- Ensures that Corporate Management Principles are established and adopted in the company.
- Determines whether Corporate Management Principles are applied in the company, and if not, their justifications and the conflicts of interest that arise due to not fully complying to these principles and makes suggestions to the board of directors.
- Committee reviews the important complaints reaching the partnership regarding shareholders, ensures they are finalized and ensures that the employees convey their reports regarding this issue to the management within the principle of confidentiality.
- Committee performs the other activities that can be considered within the scope of corporate management demanded by the board of directors.

### b. Nominating and Wage Committee Responsibilities

- Committee has the purpose, authority and responsibilities of the Nominating and Wage committees which it performs the duties of.
- It creates a transparent system regarding identification, evaluation, training and compensation of the nominees suitable for the board of directors and conducts works on this matter about establishing policies and strategies. Performs regular evaluations regarding the structure and efficiency of the board of directors and develops suggestions about the number of the Board of Directors and managers. Forms a pool of candidates for board of directors members and considers the opinions and suggestions of shareholders in this formation.
- Periodically reviews and approves upper management assignment principles and applications. Determines criteria of candidacy, periodically reviews them and suggests the determined candidates to the board of directors. Executes the processes regarding the evaluation of independence of the independent board of director candidates that shall be determined according to SPK legislation.
- Determines the approaches, principles and applications regarding the evaluation, career planning and rewarding of the board of directors members and upper managers, supervises these and ensures these applications are put down to writing,
- Determines the criteria that can be used in wage determination in connection with the Company's and member's performance, considering the long term goals of the Company. Makes recommendations to the board of directors regarding the wages to be given to board of directors members and upper management, considering the degree of achieving criteria. Takes necessary precautions for board of directors members and upper managers not to determine their own wages.
- Periodically reviews and approves the waging philosophy, principles and applications of the company,
- Ensures that the waging principles of the board of directors members and the upper managers are conforming to the company's risk management principles and applications.
- Ensures that the waging policy conforms to the interests of the shareholders,
- Approves the principles and applications for wage, salary, bonus, compensation and long term incentives of board of directors members and upper managers.

### c. Statements To Be Made To The Public

Committee reviews the activity report to be announced to the public.

Committee develops suggestions for the statements and analyst presentations to be made to the public to be made in accordance with the company "informing" policy, with the laws and regulations being the most important.

#### **d. Investor Relations**

"Relations With Shareholders Division" is established to monitor all the relations between partners and the investors and ensure that the right to information of these are conducted completely.

Relations With Shareholders Division;

- Division is formed of adequate number of expert personnel.
- It conducts the demands of shareholders and investors in accordance with legislation, articles of association, corporate management principles and informing policy.
- Organizes periodical investor informing meetings in country and abroad within frame of legislation, articles of association, corporate management principles and informing policy or attends the meetings organized.
- Performs necessary work regarding having active communication with domestic and foreign investors through the website,
- Supervises and monitors whether the process about enlightening the public is realized according to the related legislation,
- Ensures that the records about the shareholders are kept robust, secure and current.
- Ensures that the activity reports are prepared as foreseen by the legislation and SPK Corporate Management Principles.
- Keeps track of the general assembly meetings to be organized in accordance with the rules.
- Prepares the documents to be presented to the shareholders in general assembly meetings.
- Conducts necessary works regarding keeping minutes of meeting per rules.

#### **e. Responsibility of Reporting**

- Committee makes sure that the board of directors is informed in issues within its authority and responsibility.
- Committee puts all its works down to writing and keeps records.
- Committee prepares its works and suggestions into a report and presents it to the board of directors

## Attachment-3

### AUDITING COMMITTEE DUTIES AND WORKING PRINCIPLES

#### 1. PURPOSE

Supervise the company accounting system, control and public announcement of financial information and operation and effectiveness of internal control system.

#### 2. AUTHORITY and SCOPE

Auditing Committee;

- a) Audits the correctness and transparency of financial charts, footnotes and other financial information and their conformity with legislation and international accounting standards, and obtains opinions of independent auditing institution to inform the board of directors in written.
- b) Reviews, in the name of the board of directors, whether there are issues that can damage the independence of the independent auditing institution and employees and its adequacy.
- c) Supervises the company accounting system, control and public announcement of financial information, independent auditing and the operation and effectiveness of the company internal control system.
- d) Supervises the selection of independent auditing institution, preparation of auditing contracts and starting the independent auditing process and every stage of independent auditing company's work.
- e) Reviews company accounting, internal control system and the in-company and outside complaints given regarding independent auditing within the frame of the principle of confidentiality and finalizes them.
- f) Supervises the conformity to legal regulations and in-company regulations.
- g) periodically reviews the committee working principles and presents any necessary change proposals to the board of directors for approval; the responsibility of making the final decision always rests with the board of directors.

#### 3. COMMITTEE STRUCTURE

- a) Committee is established in accordance with the Company articles of association.
- b) Committee is formed of at least two members. It is the basis that all the members are selected from among the independent members.
- c) Chief Executing Officer / General Manager and Vice President Responsible for Financial Works cannot serve in the committee.
- d) People who have acted as consultants of the company cannot be selected for the auditing committee.
- e) When needed, committee can refer to the opinions of experts in their fields.
- f) Committee gathers with majority of the number of members and makes decisions with majority of attendants.
- g) The secretariat operations of the committee is conducted by the board of directors secretariat.

#### 4. COMMITTEE MEETINGS AND REPORTING

- a) Auditing Committee gathers at least once every 3 months and presents the meeting results to the board of directors.
- b) Committee makes sure that the board of directors is informed in issues within its authority and responsibility.
- c) The decisions taken in committee meetings are written and archived by the board of directors secretariat.

## 5. RESPONSIBILITIES

### a) Financial Charts and Announcements

- Committee obtains the opinions of Company's engagement directors and independent auditors regarding the authenticity and accuracy of the financial charts and footnotes to be announced to the public with the accounting principles the Company follows and the facts, and it informs the Board of Directors in written along with its own evaluations.
- Committee reviews the activity report to be announced to the public and reviews whether the information contained is true and consistent with the information that the Committee has.
- Reports the changes in accounting policies, internal control systems and legislation which will significantly affect the preparation of company financial charts to the Board of Directors.
- Committee reviews important accounting and reporting subjects and legal issues and ensures the effects of these on financial charts are researched.
- Reviews the complaints from partners and stakeholders that can affect financial charts and finalizes them.
- Committee reviews operations that are left for the company management's evaluation and decision in transfers to the accounting records like valuation of assets and resources, warranty and guarantees, performing social responsibilities, lawsuit responses, other obligations and conditional events.

### b) Independent Auditing Institution

- Selecting the independent auditing company, changing it, starting the auditing process, monitoring and evaluating the activities are conducted under the supervision of the auditing committee.
- Committee reviews the audit scope and audit process that independent external auditors propose, and informs the board of directors about the matters that prevent their work.
- Committee evaluates the performance of independent external auditors regarding its independence.
- Committee ensures that the important issues detected by the independent external auditors and the suggestions about removing these issues are conveyed to the information of the committee in time and are discussed.
- Reviews and approves all kinds of price and compensation regarding independent auditing company.

### c) Internal Audit and Internal Control

- Auditing Committee conducts studies regarding the effectiveness and adequacy of the internal control system and reports to the board of directors.
- Ensures the necessary precautions are taken for transparent conductance of the internal audit.
- Committee reviews the works and organizational structure, assignment and working principles of the Internal Auditing Directorate, informs the Board of Directors regarding the matters that limit or prevent the works of internal auditors and the operating effectiveness and makes suggestions.
- Committee ensures that the important issues specified by Internal Auditing Directorate in the auditing report and the solution suggestions about removing these issues are conveyed to the information of the committee in time and are discussed.

### d) Conformity To The Regulations Laws Foresee

- Monitors whether the company activities are conducted in conformance with the legislation and in-company regulations. Determines the rules to be executed in case of action against the regulations.
- Ensures that the complaints the company receives regarding accounting, internal control and independent auditing are reviewed within the frame of principle of confidentiality.