

**The Minutes of 2010 Ordinary General Assembly Meeting of  
VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ  
Held on 26.05.2011**

The Ordinary General Assembly Meeting of Vestel Elektronik Sanayi ve Ticaret A.Ş. for the year 2010 was held on 26.05.2011, 10.00 a.m. at the address Zorlu Plaza 34310, Avcılar /İSTANBUL, under the supervision of Ministry's Commissary Mrs. Ceyda Çalık assigned by the letter dated 25.05.2011 and No 32535 of Istanbul Provincial Administration of Industry and Commerce/Ministry of Industry and Commerce.

The call for the meeting was made within the specified period in compliance with the Law and the Company's Articles and Association through announcement in the Turkish Commercial Registration Gazette dated 29.04.2011 and No 7805, Milliyet & Dünya Newspapers dated 29.04.2011 and also in Company's website [www.vestel.com.tr](http://www.vestel.com.tr).

The review of the Attendance List depicts that totally 25,227,004,608 shares corresponding to TL 252,270,046.08 portion of the Company's total capital TL 335,456,275,00 representing 33,545,627,500 shares have been represented in person during the meeting, and upon observing the presence of minimum quorum required by the relevant law and Company's Articles of Association and its annotation by the Ministry's Commissary, the Chairman declared the meeting open and started the discussions on the agenda.

- 1) The meeting was started with one minute silence upon call of Alp Dayı in memory of Emyreal Commander Atatürk, his fellow soldiers and all our martyrs. The proposal for selection of Att. Mr. Burak İsmail Okay as the Chairman of the Meeting Council, Att. Mr. Aydın Temel and Att. Mrs. Tuğçe Karaçoban Güneş as the Reporters and Att. Mrs. Aslı Doğruyürek and Att. Mrs. Sermin Güner as the vote collectors was read by Mr. Alp Dayı. This proposal was unanimously approved by the attendees.
- 2) The proposal for authorization of the Meeting Council to sign the minutes of meeting and relevant documents on behalf of the General Assembly was submitted for voting and at the end of the voting, it was unanimously approved by the attendees.
- 3) The Council started discussing 3<sup>rd</sup> item on the agenda. Mr. Ahmet Nazif Zorlu addressed on behalf of the Board of Directors and furnished explanations on Company's activities and accounts during the year 2010 and read the Annual Report. Mr. Ahmet Günaydın Hizarcı read the Company's Audit Report. IBM 401K Plus Plan holding 19,245,200 shares, Emerging Markets Small Capitaliz. Equ. In. Non-Lendable Fund B holding 3,038,000 shares, Emerging Markets Small Capitaliz. Equ. In Non-Lendable Fund holding 11,344,000 shares, Maryland State Retirement and Pension System holding 3,217,400 shares, Ohio School Employees Retirement System holding 23,132,100 shares and State Of Wisconsin Investment Board holding 11,389,500 shares declared their abstention.

4) The summary of the Independent External Auditor's Report for the year 2010 was read by Mrs. Tuğçe Karaçoban Güneş and upon discussion of the report, IBM 401K Plus Plan holding 19,245,200 shares, Emerging Markets Small Capitaliz.Equ.In.Non-Lendable Fund B holding 3,038,000 shares, Emerging Markets Small Capitaliz.Equ.In Non.Lendable Fund holding 11,344,000 shares, Maryland State Retirement and Pension System holding 3,217,400 shares, Ohio School Employees Retirement System holding 23,132,100 shares and State Of Wisconsin Investment Board holding 11,389,500 shares declared their abstention.

5) Balance Sheet and Income Statement for 2010 fiscal period was read by Mr. Alp Dayı and upon discussion, it was submitted for voting. Balance Sheet and Income Statement was approved by unanimous votes of the attendees.

6) The proposal for discharge of Directors Mr. Ahmet Nazif Zorlu, Mr.Olgun Zorlu, Mr. Ömer Yüngül, Mr.Mehmet Emre Zorlu, Mr. Enis Turan Erdoğan, Mr. Recep Yılmaz Argüden and Mr. Ekrem Pakdemirli for their activities and transactions during 2010 was separately submitted for voting. By disqualifying the Directors from voting, it was unanimously resolved to discharge the Directors individually from their liabilities.

7) The proposal for discharge of Auditors Mr. Şerif Arı and Ahmet Günaydın Hızarcı for their activities and transactions during 2010 was separately submitted for voting. It was unanimously resolved to discharge the Auditors individually from their liabilities.

8) The Council started discussing 8<sup>th</sup> item on the agenda. The proposal relating to designation of number of Directors in the Board as eight and selection of the following persons to the Board of Directors to serve for a period of one year (during the period between the ordinary general assembly meetings) was submitted for approval: **Mr. Ahmet Nazif Zorlu** (T.R.ID No.24844596260), who was present at the meeting and has verbally declared himself as a candidate; **Mr.Olgun Zorlu** (T.R.ID NO. 24829596780) , who was present at the meeting and has verbally declared himself as a candidate; **Mr.Ömer Yüngül** (T.R.ID NO 36952706592), who was present at the meeting and has verbally declared himself as a candidate ; **Mr. Enis Turan Erdoğan** (T.R.ID NO 20639210496), who was present at the meeting and has verbally declared himself as candidate; **Mr.Recep Yılmaz Argüden** (T.R.NO 139254740167), who released consent for his nomination as Director under the deed of consent dated 23.05.2011 and Journal Number 29281 issued by 6<sup>th</sup> Notary Public of Büyükçekmece; **Mr. Ekrem Pakdemirli** (T.R.ID NO 30274930154), who was present at the meeting and has declared himself as a candidate; **Mr.Mehmet Emre Zorlu** (T.R.ID NO 24811597344) who was present at the meeting and has verbally declared himself as candidate; **Mr. Mümin Cengiz Ultav** (T.R.ID NO 27313131528), who was present at the meeting and has declared himself as candidate. Pursuant to the Corporate Governance Rules, the General Assembly was furnished information about the curriculum vitae of Mümin Cengiz Ultav, who was proposed as new member of the Board of Directors. There being no other proposal to discuss, the above proposals were submitted for voting. Upon obtaining 25,161,798,208 affirmative votes against Health Care Employees Pension Fund's 30,684,800, Ohio

School Employees Retirement System's 23,132,100 and State Of Wisconsin Investment Board's 11,389,500 negative votes at the end of the voting, it was resolved by the majority vote of attendees to select the proposed nominees for the Board of Director to serve for a period of one year (during the period between ordinary general assembly meetings).

9) The proposal relating to designation of number of auditors as two and selection of following persons as auditor to serve for a period of one year (during the period between the ordinary general assemblies) was submitted for voting; **Mr. Ahmet Günaydın Hizarci**, with residence address Yalova Yolu, Buttim Plaza Kat:17 16250 Bursa, and who was present in the meeting and has verbally declared himself as a candidate; **Mr. Şerif Arı**, with residence address Yalova Yolu, Buttim Plaza Kat:17 16250 Bursa, who released consent for his nomination as auditor under the deed of consent dated 29.04.2011 and Journal No 11640 issued by 17<sup>th</sup> Notary Public of Bursa. Upon obtaining 25,215,615,108 affirmative votes against 11,389,500 negative votes of State Of Wisconsin Investment Board at the end of voting, it was resolved by the majority vote of attendees to select the proposed nominees as auditors to serve for a period of one year (during the period between the ordinary general assemblies).

10) The proposal relating to grant of a gross annul fee totaling TL 77,000.00 to each Director for their activities during the year 2011 was read and submitted for voting. It was approved by unanimous votes of the attendees.

11) The Council started discussing 11<sup>th</sup> item on the agenda. The proposal relating to grant of a gross annul fee totaling TL 2,640.00 to each auditor for their activities during the year 2011 was read and submitted for voting. It was approved by unanimous votes of the attendees.

12) The Board of Directors' resolution dated 21.04.2011 and No 2011/12 containing proposal of the Board relating to non-distribution profit was read, discussed and submitted for voting;

As proposed in the Board of Directors' resolution dated 21.04.2011 and No 2011/12: Although profits had been determined in the financial statements being prepared according to the "Communiqué on Principles of Financial Reporting in Capital Markets Serial XI and No:29" and "Tax Procedure Law", losses from the previous years had appeared in the financial statements in which inflation adjustments had been made as of the date of 31.12.2003 in accordance with the Communiqué Serial XI and No: 21, and no profit remained as a result of deduction of 2010 earnings from these losses. Accordingly, it is unanimously resolved not to distribute profit in the General Assembly.

13) The proposal relating to selection of Engin Serbest Muhasebecilik Mali Müşavirlik A.Ş. as independent auditing firm for the year 2011 and submission of relevant Board of Directors' resolution dated 21.04.2011 and N o 2011/11 for the approval of the General Assembly was read and submitted for voting. Upon obtaining 25,190,410,308 affirmative votes against Health Care Employees Pension Fund's 30,684,800, College Retirement

Equities Fund's 220,000, Commonwealth Of Pennsylvania Public School Employees Retirement System's 5,689,500 abstention votes at the end of the voting, it was approved by the majority vote of attendees.

14) The proposal for authorization of the Board of Directors pursuant to Articles 334 and 335 of Turkish Commercial Code to perform the works, within or outside the Company's subject, personally or on behalf of others, and to establish partnerships with the companies engaged in such activities and to undertake other transactions was submitted for voting and it was approved by unanimous votes of the attendees.

15) Mr. Alp Dayı furnished information to the shareholders about the donations totaling TL 455,480.00 made during 2010 activity year. IBM 401K Plus Plan holding 19,245,200 shares, Emerging Markets Small Capitaliz.Equ.In.Non-Lendable Fund B holding 3,038,000 shares, Emerging Markets Small Capitaliz.Equ.In Non.Lendable Fund holding 11,344,000 shares, Maryland State Retirement and Pension System holding 3,217,400 shares, Ohio School Employees Retirement System holding 23,132,100 shares and State Of Wisconsin Investment Board holding 11,389,500 shares declared their abstention.

16) Pursuant to Capital Market Board's Decision dated 09/09/2009 and No 28/780, Mr. Alp Dayı furnished information to the shareholders about the revenues or benefits acquired by the Company through guarantees, pledges and mortgages established in favor of 3<sup>rd</sup> parties. IBM 401K Plus Plan holding 19,245,200 shares, Emerging Markets Small Capitaliz.Equ.In.Non-Lendable Fund B holding 3,038,000 shares, Emerging Markets Small Capitaliz.Equ.In Non.Lendable Fund holding 11,344,000 shares, Maryland State Retirement and Pension System holding 3,217,400 shares, Ohio School Employees Retirement System holding 23,132,100 shares and State Of Wisconsin Investment Board holding 11,389,500 shares declared their abstention.

17) Upon obtaining 25,174,883,608 affirmative votes against Emerging Markets Small Capitaliz.Equ.In.Non-Lendable Fund's B 3,038,000, Emerging Markets Small Capitaliz.Equ.In Non.Lendable Fund's 11,344,000, Maryland State Retirement and Pension System's 3,217,400 shares, Ohio School Employees Retirement System's 23,132,100 shares and State Of Wisconsin Investment Board's 11,389,500 negative votes at the end of voting, it was resolved by majority vote of attendees to amend articles 3 and 12 of the Company's Articles of Association and to delete the section heading "Company Accounts" throughout the text as follows, within the frame work on the Board of Directors' resolution dated 21.04.2011 and No 2011/13, and letters of consent issued by the Capital Market Board dated 04.05.2011 and No B.02.6.SPK.0.13.00-110.03.02-876 and General Directorate of Domestic Trade/Ministry of Industry and Commerce dated 06.05.2011 and No B.14.0.İTG.0.10.00.01/351-02.24529-57450-2623.

**PREVIOUS TEXT**

### **Article 3**

#### **Company's Subject and Object:**

The Company's object is manufacturing of electronic equipment, tools, devices, spare parts, accessories components, video and television.

The Company may also engage in the following activities in order to achieve its objective.

A) Within the scope of Company's subject, Import, export, production of machinery , components, accessories and systems to be used in processing of raw material, semi-finished and finished products;

B) Within the scope of Company's object, export, import, production, farming-out, domestic trade, brokerage, contracting and national and international representation, marketing activities;

C) In order to provide sustainability of operations, the Company may obtain long, mid and short term loans from the local and foreign markets, tourism and similar finance facilities, merchandise and produce loans, letter of credit investment loans, open (bank) credits, advance and similar credits against stocks and bonds;

D) Within the scope of Company's object, the Company may involve in industrial and commercial investments;

E) In order to achieve the targeted object, the Company may carry out all kinds of financial, industrial, administrative activities and administrative transactions;

F) The Company may enter into partnerships with real/ legal entities, form joint ventures, and may participate in existing trading enterprises within the scope of its subject; excluding brokerage and portfolio management, it may acquire, sell, exchange, pledge shares, bonds and other movable properties and offer the same as guarantee. Also, pursuant to article 468 of TCC, the Company may establish foundations, or participate in the existing foundations in conformity with the Capital Market legislation, provided that the activities are maintained within its subject and may not create hindrance to operations. It may further set aside share from the net profit for the established foundations under the Decision of the General Assembly and in compliance with the Capital Market Law.

G) The Company may acquire, transfer and waive, lease, rent machinery and plants, immovable properties and may establish liens, usufruct, servitude, and liabilities, flat ownership and usufruct on the immovable, including acquisition, transfer, waiver of factories, outlet stores and administrative buildings;

H) Within the scope of Company's object, it may receive and extend mortgage, pledge, security and other guarantees, and lift mortgages and pledges, in part or as a whole (release of mortgage) to cover the Company's debts and receivable.

Save as that compliance with the principles stipulated in the capital market legislation is provided in establishment of lien, including guarantee, surety, warranty or mortgage in its own or 3<sup>rd</sup> party's favor.

I) In order to provide sustainability of operations, the Company may further acquire, transfer necessary vehicles (including ship) and may constitute *jus in personam and jus in rem* on these properties;

J) In connection with the Company's object, it may acquire, transfer/waive trade marks, patents, know-how and other industrial properties and may enter into license agreements relating to these properties.

Whenever required to engage in activities other than the activities and transactions listed above, the Board Directors shall submit its proposal to the General Assembly for approval and the Company will be entitled to undertake such activities based on the relevant decision.

In this context, prior approval and consent of the Capital Market Board and Ministry of Industry shall be referred to for amendment of the Company's Statutes.

#### **NEW TEXT:**

#### **Article 3**

#### **Company's Subject and Object:**

The Company's object is manufacturing of electronic equipment, tools, devices, spare parts, accessories components, video and television.

The Company may also engage in the following activities in order to achieve its objective.

A) Within the scope of Company's subject, Import, export, production of machinery , components, accessories and systems to be used in processing of raw material, semi-finished and finished products;

B) Within the scope of Company's object, export, import, production, farming-out, domestic trade, brokerage, contracting and national and international representation, marketing activities;

C) In order to provide sustainability of operations, the Company may obtain long, mid and short term loans from the local and foreign markets, tourism and similar finance facilities, merchandise and produce loans, letter of credit investment loans, open (bank) credits, advance and similar credits against stocks and bonds;

D) Within the scope of Company's object, the Company may involve in industrial and commercial investments;

E) In order to achieve the targeted object, the Company may carry out all kinds of financial, industrial, administrative activities and administrative transactions;

F) The Company may enter into partnerships with real/ legal entities, form joint ventures, and may participate in existing trading enterprises within the scope of its subject; excluding brokerage and portfolio management, it may acquire, sell, exchange, pledge shares, bonds and other movable properties and offer the same as guarantee. Also, pursuant to article 468 of TCC, the Company may establish foundations, or participate in the existing foundations in conformity with the Capital Market legislation, provided that the activities are maintained within its subject and may not create hindrance to operations. It may further set aside share from the net profit for the established foundations under the Decision of the General Assembly and in compliance with the Capital Market Law.

G) The Company may acquire, transfer and waive, lease, rent machinery and plants, immovable properties and may establish liens, usufruct, servitude, and liabilities, flat ownership and usufruct on the immovable, including acquisition, transfer, waiver of factories, outlet stores and administrative buildings;

H) Within the scope of Company's object, it may receive and extend mortgage, pledge, security and other guarantees, and lift mortgages and pledges, in part or as a whole (release of mortgage) to cover the Company's debts and receivable.

Save as that compliance with the principles stipulated in the capital market legislation is provided in establishment of lien, including guarantee, surety, warranty or mortgage in its own or 3<sup>rd</sup> party's favor.

I) In order to provide sustainability of operations, the Company may further acquire, transfer necessary vehicles (including ship) and may constitute *jus in personam* and *jus in rem* on these properties;

J) In connection with the Company's object, it may acquire, transfer/waive trade marks, patents, know-how and other industrial properties and may enter into license agreements relating to these properties.

K) For and in connection with its objects, the Company may open, operate customs warehouses and engage in customs clearance activities.

Whenever required to engage in activities other than the activities and transactions listed above, the Board Directors shall submit its proposal to the General Assembly for approval and the Company will be entitled to undertake such activities based on the relevant decision.

In this context, prior approval and consent of the Capital Market Board and Ministry of Industry shall be referred to for amendment of the Company's Statutes.

## **PREVIOUS TEXT:**

### **Company Accounts**

#### **Article 12**

#### **Board of Directors**

The Company is administered, represented and bound by the Board of Directors comprising at least three, at most eleven members to be selected by the General Assembly among the shareholders. The Board of Directors is the authority to administer, represent and bind the legal entity/corporation. The membership of the real persons elected to the Board of Directors in representation of partner legal entity automatically terminates upon their cease of relation with the partner legal entity.

The majority of the members in the Board of Directors consist of individuals who have no function in other executive committees.

The members of the Board of Directors are nominated among the eligible persons, preferably with high education and fully equipped with knowledge on the activities and management of the Company and relevant sector, at the same time, who has the capacity to read and understand the financial tables and reports, and to participate in the meetings organized by the Board of Directors to discuss the annual budget , and to provide support by sharing knowledge on legal adaptations observed by the Company during daily and long-term transactions and dispositions.

The age limit for the members of the Board of Directors is 75. The members over the age of 75 are imposed to resign.

Pursuant to Article 319 of the Commercial Code, the Board of Directors may delegate part of its authority and duties to a managing director any other manager(s). The managing director can be any one among the members of the Board of Directors.

It is a must to admit at least two independent directors (1/3) to the Board of Directors. The Chairman or Vice Chairman of the Board of Directors is selected among the independent directors.

The independent directors must possess the credentials announced in the Corporate Governance principles published by the Capital Market Board CMB (or Vestel A.Ş. Sovereignty Criteria)

## **NEW TEXT:**

## **Article 12**

### **Board of Directors**

The Company is administered, represented and bound by the Board of Directors comprising at least three, at most eleven members to be selected by the General Assembly among the shareholders. The membership of the real persons elected to the Board of Directors in representation of partner legal entity automatically terminates upon their cease of relation with the partner legal entity.

The majority of the members in the Board of Directors consist of individuals who have no function in other executive committees.

The members of the Board of Directors are nominated among the eligible persons, preferably with high education and fully equipped with knowledge on the activities and management of the Company and relevant sector, at the same time, who has the capacity to read and understand the financial tables and reports, and to participate in the meetings organized by the Board of Directors to discuss the annual budget , and to provide support by sharing knowledge on legal adaptations observed by the Company during daily and long-term transactions and dispositions.

The age limit for the members of the Board of Directors is 75. The members over the age of 75 are imposed to resign.

The Board of Directors may delegate part of its authority and duties to a managing director any other manager(s).

The Board of Directors must have at least two independent directors.

The Chairman or Vice Chairman of the Board of Directors is selected among the independent directors.

The independent directors must possess the credentials announced in the Corporate Governance principles published by the Capital Market Board CMB (or Vestel A.Ş. Sovereignty Criteria)

18) The shareholders took floor and made recommendations. IBM 401K Plus Plan holding 19,245,200 shares, Emerging Markets Small Capitaliz.Equ.In.Non-Lendable Fund B holding 3,038,000 shares, Emerging Markets Small Capitaliz.Equ.In Non.Lendable Fund holding 11,344,000 shares, Maryland State Retirement and Pension System holding 3,217,400 shares, Ohio School Employees Retirement System holding 23,132,100 shares and State Of Wisconsin Investment Board holding 11,389,500 shares declared their abstention.

There being no other item to discuss in the agenda, Att. Mr. Burak İsmail OKAY, the Chairman of the Meeting Council, adjourned the meeting and made these minutes signed by the authorized persons present at the meeting.

**COMMISSARY  
MEETING COUNCIL**

Ceyda Çalık

**CHAIRMAN OF THE**

Burak İsmail Okay

**REPORTER  
REPORTER**

Aydın Temel

Tuğçe Karaçoban Güneş

**VOTE COLLECTOR  
COLLECTOR**

Aslı Doğruyürek

**VOTE**

Sermin Güner