

STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

1.Compliance with Corporate Governance Principles

TUPRAS Board of Directors' is making intense efforts to ensure full compliance with Corporate Governance Principles.

PART I: SHAREHOLDERS

2.Investor Relations Directorate

With TÜPRAS's free float reaching 34.24% following the secondary global offering, an Investor Relations Directorate was established in June 2000 to provide domestic and foreign investors with regular information from a single source. Together with the Capital Movements Department operating under the Finance Directorate, these units coordinate their activities to serve shareholders and domestic and foreign institutional investors.

The Investor Relations and Information Management Directorate answer all questions without prejudice that do not involve the disclosure of commercial secrets. This ensures effective communication between shareholders and management and allows shareholders to obtain accurate and up-to-date information from the source. The Investor Relations Directorate reports to the Assistant General Manager in charge of Finance.

Main activities of the Investor Relations Directorate and the Capital Movements Coordination Department are:

Capital Movements Coordination Department:

- Managing capital market activities (Capital Markets Board and ISE relations, capital increases, dividend payments, etc.);
- Ensuring that General Meetings are held in compliance with current legislation and with the company's Articles of Association;
- Implementing and monitoring all activities related to public disclosures.
- Investor Relations and Information Management Department:
- Taking necessary action to ensure, from a single source, coordination for regular, timely and accurate flow of information, which is a legal obligation set forth by the Istanbul and London Stock Exchanges where TÜPRAS shares are traded and preparing the documents necessary for the timely delivery, to local and foreign investors, of information concerning material changes in the financial, operational and administrative status of the company;
- Improving the recognition and attractiveness of the company in the international investor community, to highlight its strengths as compared to equivalent refining companies and, using various tools such as road shows, teleconferences, e-mail and fax messages, analyst presentations, direct promotion activities and public announcements, to make TÜPRAS a company of choice for organizations investing in emerging markets;
- Providing information to the foreign bank that performs the clearance services of shares traded on the London Stock Exchange, concerning procedures that directly affect shares, such as capital increases, dividend distributions and general meetings and ensuring that these procedures are properly and fully implemented;
- Providing financial and operational data for reports and models prepared by oil industry analysts and ensuring that such reports are controlled and, if necessary, corrected before publication;
- Preparing lists of TÜPRAS's existing shareholders and a database containing detailed information on investors, revising this database regularly to ensure that all available tools, including external resources, are used to identify potential investors, monitoring material changes in the distribution and transaction volumes of the foreign and local owners of TÜPRAS shares traded on the Istanbul Stock Exchange, and notifying top management of such changes, making suggestions whenever necessary;
- Developing and updating presentations to be used in promotional meetings and dissemination activities in Turkey and abroad plus ensuring that the company is ready to respond to investors' questions at such meetings.

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3. Shareholders' Right to Obtain Information

In 2005, 14 fund managers from 11 local investment firms and 88 fund managers from 55 foreign investment firms, a total of 102 fund managers and analysts from 66 investment companies visited the Investor Relations and Information Management Departments or were contacted abroad. At these meetings, the firms concerned and their representatives were given information on the current status and prospects of TÜPRAS, thus ensuring continued investment in TÜPRAS shares.

In addition to these meetings aimed to ensure that shareholders freely exercise their right to obtain information, responses were provided to the many requests for information via e-mail and phone. These requests mainly concerned the amount of dividends, payment dates, times and capital increases. Written answers were prepared for frequently-asked questions and made available on the Investor

NAMES AND CONTACT DETAILS

Name	Title	Phone	E-mail
T. Tuncay Önbilgin	Investor Relations and Information Management Director	(+90 262) 316 32 16	tonbilgin@tupras.com.tr

Relations pages of Tüpraş's website. Also in 2005, a total of 1,052 shareholder requests concerning dividend coupons (761 requests), bonus issue coupons (193 requests) and share certificate renewals (98 requests) were processed. Shareholders were notified of the General Meeting through announcements in the visual media and letters sent by the company. Shareholders were also provided information on the company through material disclosures submitted to the London Stock Exchange and the Istanbul Stock Exchange, as defined in the Capital Markets Board's relevant communiqué. Information on all disclosures is publicly available on the company's website.

The Articles of Association will be amended to recognize the right to appoint special auditors as an individual right.

4. General Meeting

Shareholders representing 72.67% of the company's capital attended the 2005 Ordinary General Meeting, thereby achieving the necessary quorum. A material disclosure was sent to the Istanbul Stock Exchange to announce the meeting to shareholders and institutional investors. Following this disclosure, invitations to the General Meeting were published in the Turkish Commercial Registration Gazette and two high-circulation newspapers. At the General Meetings, booklets featuring the company's annual performance and financial statements were distributed and shareholders exercised their right to ask questions, which were noted by the company.

The company's Articles of Association stipulate that material decisions such as spin-offs, material asset sales, purchases or leases require the approval of the holders of Class C (preferred) shares.

Within this context, at the General Meeting, the Privatization Administration representing Class C shares should approve decisions concerning actions that would restrict and/or prevent the procurement of fuels to the Turkish Armed Forces, the closing or sale of any of the refineries, the setting up of any encumbrances on the refineries, the reduction of their capacity by more than 10% and the spinning off, merger and/or liquidation of the company. Decisions in matters other than those mentioned above require the consent of the General Meeting following discussions by the Board of Directors. General Meetings of the company are open to members of the media. A provision is planned to be included in the Articles of Association to permit the public, including members of the media and stakeholders, to attend General Meetings, without the right to vote or take the floor.

Minutes of General Meetings, lists of participants, agendas and announcements are made available to all investors on the Tüpraş website.

5. Voting Rights and Minority Shareholder Rights

Class C shares (Golden Shares), which are defined in the Articles of Association and held by the Privatization Administration, do not enjoy voting privileges other than in matters described under the General Meeting Information heading and decisions concerning the liquidation of the company.

Cumulative voting, which ensures that minority shareholders send their representatives to Board Meetings, is not available in the Articles of Association since such a regulation is thought to hinder the harmonious management of the Company.

The General Meeting will take up the matter once legislation has been passed to prevent abuse through cumulative voting.

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6.Dividend Policy and Timing of Distributions

A balanced and consistent dividend policy has been defined in accordance with Corporate Governance Principles and the company's interests.

To the extent permitted by relevant legislation and the company's investment needs and financial resources, the Board of Directors shall propose the distribution of the entire distributable profit of the company, which shall be approved by the General Meeting.

The company's profit is distributed in accordance with the Turkish Commercial Code and the regulations of the Capital Markets Board, within the timeframe specified by law. No privileges are granted under the Articles of Association in relation to the sharing of the company's profit.

7.Transfer of Shares

The transfer of Class A bearer's shares held by Enerji Yatirimlari A.S. is subject to the approval of the Privatization Administration until January 26, 2009. The transfer of other Class A bearer's shares is not subject to any restriction at any time, and the restriction on the transfer of Class A bearer's shares owned by Enerji Yatirimlari A.S. will be lifted on January 26, 2009.

Class C registered shares may be transferred to another state-owned Turkish enterprise having the same authorities granted to the Turkish Privatization Administration under Law No: 4046. In such a case, the transfer shall be immediately entered into the stock ledger without necessitating a Board of Directors decision.

PART II: PUBLIC DISCLOSURES AND TRANSPARENCY

8.The Disclosure Policy of the Company

The company has adopted a disclosure policy in accordance with the Capital Markets Board's Corporate Governance Principles. This policy stipulates that other than the public disclosures required in accordance with CMB Communiqué Series VIII, No: 39, the following matters also be publicly disclosed whenever the need arises:

- Results of and reports on, the rating study conducted by international rating agencies approved by the Board.
- Changes in legislation applicable to the refining industry that would materially affect the activities and/or the financial position of the enterprise.
- Other changes that could affect share price.

In addition to material disclosures and other activities of the Investor Relations Directorate under the Shareholders' Right to Obtain Information heading, efforts are made to publish analyses and announcements concerning quarterly activities and financial results. These reports are sent to all members in the company's investor database, including those signing up through the investor membership page on the website. Gross Refining Margins and Mediterranean Region Margins, which are the most important indicators of the company's profitability, are published on the website every month, along with relevant comparative data.

9.Material Disclosures

In 2005, 35 material disclosures were made under the Capital Markets Board's Communiqué Series VIII, No: 39. The Capital Markets Board and the Istanbul Stock Exchange did not request additional explanations regarding these disclosures. The company's material disclosure obligations pertaining to GDR shares, which have been traded on the London Stock Exchange since April 2000, are managed in coordination with the Istanbul Stock Exchange. All disclosures submitted to the London Stock Exchange

have also been made in Turkey. An effort is made to submit material disclosures simultaneously to both stock exchanges, within the limits of the company's obligations in this regard.

In 2005, the Capital Markets Board did not impose any sanctions on the company due to delays in material disclosures.

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People who are in a position to obtain insider information:

Mustafa Vehbi KOÇ	Chairman
Mehmet Ömer KOÇ	Vice Chairman
Temel Kamil ATAY	Board Member
F. Bülend ÖZAYDINLI	Board Member
Erol MEMİOĞLU	Board Member
Cüneyt AĞCA	Board Member
Hasan KÖKTAŞ	Priv. Adm. Class-C Representative
Ali Tarık UZUN	Auditor
İbrahim Murat ÇAĞLAR	Auditor
Şükrü DİLAVER	Auditor
Yavuz ERKUT	General Manager
Gürol ACAR	Assistant General Manager (Production)
Yılmaz BAYRAKTAR	Assistant General Manager (Human Resources)
Hasan TAN	Assistant General Manager (Trade)
İbrahim YELMENOĞLU	Assistant General Manager (Finance)
Cengiz DEMİRTÜRK	Accounting Director
Suphi ERGEÇ	Finance Director
Tuncay ÖNBİLGİN	Investor Relations and Information Management Director

10. The Company's Website and its Content

The company's website can be found at www.tupras.com.tr. Most of the issues mentioned in the CMB's Corporate Governance Principles are available on the website.

Since its inception in 2002, the website has featured information and documents specified in CMB regulations, albeit under different headings.

Information required to be made available on the website is shown on the site map below:

All information required to be given under the Corporate Governance Principles heading are available on Tüpraş's website under the headings - Overview, Investor Relations and Media Relations.

Although there is no FAQ section on the website, documents under the Introductory Documents heading provide answers to questions that are frequently asked to the company. Work is ongoing to include on the website the minutes of Board Meetings that contain resolutions that might have an effect on capital market instruments.

11. Disclosure of Ultimate Controlling Individual Shareholder(s)

No individual owns more than 5% of the capital of the company or its subsidiaries. In addition, distribution of the company's shares among corporations is indicated on the website under the heading, Capital Structure.

12. Disclosure of Potential Insiders

In keeping with the balance sought between transparency and the company's interests, great care is taken regarding the use of information obtained by company employees.

In this context, it is forbidden for the Chairman and Members of TUPRAS Board of Directors, Auditors, employees of the Investor Relations and Finance Directorates and other individuals who are in a position to obtain sensitive information during their employment to use such information for their own benefit or for the benefit of third parties.

The list of individuals who may be in a position to obtain insider information has been disclosed to the public.

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PART III: STAKEHOLDERS

13. Disclosures to Stakeholders

Stakeholders of the company are notified of General Meetings through invitation letters, newspaper announcements and disclosures to the Istanbul Stock Exchange. An attempt is made to include on the website detailed information on conferences, media announcements and presentations, with a view to providing information to stakeholders.

Employees are kept informed at every opportunity through e-mails sent to them by management, or printed materials and announcements.

14. Participation of Stakeholders in Management

No model is available for stakeholder participation in management.

15. Human Resources Policy

As with other companies in the Koç Group, the essence of the human resources policy of Tüpraş is summarized by the motto, "Our most valuable asset is our human resources."

The human resources policy of the company is built along the following principles:

- a) Job descriptions, the delegation of authorities and performance criteria have been defined by company management and disclosed to employees.
- b) Hiring criteria are defined and announced in writing; employment decisions are made in accordance with these criteria.
- c) An attempt is made to use objective criteria in making training, appointment and promotion decisions and to take into account the company's interests in this context.
- d) It is a top priority to provide training aimed at improving the professional and individual skills of employees and developing individual competencies.
- e) Employees are provided a safe working environment and efforts are made to continuously improve working conditions.
- f) Decisions and changes concerning employees are shared with them.
- g) Employees who have completed five years and multiples of five years in service are rewarded; well-trained, qualified and experienced employees are encouraged to continue working at the company.
- h) There is no discrimination among employees in any form. Tüpraş employees have not filed complaints with top management regarding discrimination.
- i) There are no representatives assigned to manage employee relations.

16. Relations with Customers and Suppliers

Customer Relations:

TUPRAS Quality, Environment, Occupational Health and Safety Management Systems are dedicated to maximizing customer satisfaction.

As a criterion for measuring the performance of the company's management systems, the General Directorate of TUPRAS monitors customer perceptions on matters pertaining to customer satisfaction. The General Directorate has defined a methodology to obtain this information and to use it to achieve targets. In this context, customer surveys are carried out, assessed and targets determined accordingly.

Supplier Relations:

The General Directorate of TUPRAS makes an effort to ensure that the goods and services it purchases comply with predetermined purchasing criteria. It also aims to ensure that the type and detail of the controls imposed on suppliers and goods purchased are regulated by taking into consideration their impact on consecutive production processes and the final product.

The TUPRAS General Directorate evaluates and selects suppliers on the basis of their ability to provide products complying with TUPRAS requirements. Criteria have been defined for selection, evaluation and re-evaluation. TUPRAS keeps records of evaluation results and actions to be taken in response to these.

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17. Social Responsibility

TUPRAS aims to maintain its leadership position in the oil industry by meeting its social and environmental responsibilities.

It is an undeniable fact that education plays a crucial role in the progress of a nation. With this in mind, TUPRAS has built schools and has provided educational materials in the provinces where it operates, under the Support to Education project. TUPRAS has built 92 classrooms in four provinces with approximately 3,300 students enrolled at these facilities.

TUPRAS has also set up a library in Rize and a public education center in Izmir. Extra computers and printers are donated to schools in provinces where TUPRAS operates.

In addition to donating vehicles and equipment to university and state hospitals, TUPRAS has also provided support for the establishment of intensive care units and makes its equipment and personnel available in case of a major fire in the region. Thus, TUPRAS makes every effort to meet its social and environmental responsibilities.

PART IV: THE BOARD OF DIRECTORS

18. Structure and Organization of the Board of Directors; Independent Members

The Board of Directors consists of seven members appointed by the General Meeting. Six board members are elected from among Class A shareholders who have received the highest number of votes at the General Meeting and one member from among the candidates nominated by the Class C shareholder. In the event a Board seat is vacated due to death, resignation or dismissal of a member, this position is filled through an election held by the Board of Directors in accordance with Article 315 of the Turkish Commercial Code. In the event of a vacancy representing Class A shares, the Board of Directors fills the vacant position by holding an election from among candidates nominated by Class A shareholders on the Board. In the event a position representing Class C shares becomes vacant for the above-mentioned reasons, the Board of Directors fills the vacant position by holding an election from among candidates nominated by Class C shareholders on the Board.

19. Status of Board Members

The minimum criteria required by the company for Board Membership are compatible with the criteria specified in Articles 3.1.2 and 3.1.5 of Part IV of the Capital Markets Board's Corporate Governance Principles.

According to Article 11 of the Articles of Association, Board Membership candidates should not have been legally incapacitated, they themselves or the company they were managing should not have been declared bankrupt or insolvent, they should own an interest in the company and they should not have been convicted of infamous crimes. In cases where persons who are not shareholders of the company are elected members, they may only become a member after becoming a shareholder. The General Meeting may provide consent in the cases described in Articles 334 and 335 of the Turkish Commercial Code.

The minimum conditions required by the company for eligibility to the Board of Directors are not set forth in the Articles of Association in accordance with Article 3.1.1, Part IV of the Capital Markets Board's Corporate Governance Principles.

20. The Company's Vision, Mission and Values

Vision

Our vision is to be an effective and reliable player in the global petroleum industry most admired for its human resources and performance.

Mission

Our mission is to play an active and leading role in petroleum industry, add value to our shareholders, business partners and the community while supplying domestic needs for oil products.

Values

Honest, transparent and ethical; respectful to people; sensitive to environment; creative and innovative; customer oriented; encouraging employee development; promoting teamwork.

21. Internal Control Mechanisms

The Board of Directors supervises internal control and auditing activities, principally through the

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committee in charge of auditing. The Auditing Committee's duties are to study the detailed reports submitted by the Internal Control Department, instructing company management whenever necessary and presenting

results to the Board of Directors if required, for its information and to receive its approval. The Internal Control Directorate was established in 2006. It operates under the organization and coordination of the Board of Directors Auditing Committee.

The responsibilities of the Internal Control Directorate include the review of all work processes, testing these to ascertain whether the proper control mechanisms have been applied, to ensure that they are effective and to determine levels of implementation, ensuring that deficiencies, if any, are remedied through measures to be decided upon jointly with operational units, reporting the results of such work to the Auditing Committee.

22. Duties and Authorities of Directors and Managers

The Board of Directors is the representing and governing body of the company. It assumes all duties other than those assigned to the General Meeting under the laws and the Articles of Association and is equipped with all authorities required to perform these tasks.

According to Article 319 of the Turkish Commercial Code, the Board of Directors may delegate all or part of its management and representation authority to one or more Board Members, to a Board Member and a general manager or manager(s) who are not Board Members and may set up executive committees made up of members or non-members to perform its duties or exercise its authorities.

23. Activities of the Board of Directors

At Board Meetings, all opinions voiced in relation to agenda items are indicated in decision texts in the form of meeting minutes.

In matters pertaining to Article 2.17.4, Part IV of the Capital Markets Board's Corporate Governance Principles, Board Members are required to attend meetings in person. However, in urgent matters required by law, this principle is waived. Outside of such matters, the quorum for Board Meetings is five members and decisions require the favorable vote of five members. A member who does not attend four consecutive Board meetings without a valid excuse is deemed to have resigned.

Until the Articles of Association are changed, the Board of Directors convenes at least once a month and whenever the business of the company requires. The place of meetings is the company headquarters. Meetings may be held in another place decided by the Board of Directors. Matters to be discussed at Board Meetings must be indicated in an agenda that is presented to Board Members before the date of the meeting. Invitations to Board meetings must be made at least three days before the actual date of meeting.

The Board of Directors holds regular meetings at least four times a year and with the participation of all its members. These meetings review all operations of the company and decisions are taken on important matters. In addition to these regular meetings, the Board of Directors meets with the attendance of the absolute majority of its members, to take decisions on special matters brought to the Board's attention, or, in accordance with Article 330/2 of the Turkish Commercial Code, the Board may take this decision without actually convening.

The Board of Directors Secretariat draws up agendas of regular meetings after consulting with Board Members as to which decisions have already been taken and which need to be taken in upcoming meeting. Agendas of other types of meetings are determined with reference to matters for which a decision is required by law.

The Board of Directors Secretariat is under the supervision of the Assistant General Manager in charge of Finance.

The Articles of Association do not provide Members of the Board of Directors weighted voting rights or the right to veto.

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24. Dealing with the Company and Non-competition

The General Meeting may provide consent for cases specified in Articles 334 and 335 of the Turkish Commercial Code.

25. Rules of Ethics

The company adopts the following rules of business ethics:

- a) We act honestly in all relations inside and outside the company.
- b) The company adheres to the Constitution, to laws and regulations.
- c) We actively participate in improvement efforts in the industry and in the countries or unions of countries where TUPRAS operates.
- d) We act in compliance with Tüpraş's corporate identity in our dealings with suppliers, contractors and customers.
- e) We keep abreast of latest developments and act proactively.
- f) We strive toward the profitability targets of our company.
- g) We build intellectual capital using information obtained from customers and suppliers.
- h) In making decisions concerning ongoing processes, we choose the best alternative in terms of timing, competence and environmental conditions, using our experience.
- i) We maximize customer satisfaction by taking customer complaints and expectations seriously and finding quick and lasting solutions.
- j) We refrain from acts that would result in our company's violating the values of the communities where we operate.
- k) We refrain from refusing services that would benefit the company and from delaying or avoiding decisions that would further the company's well-being, for reasons of personal expectations and preferences.
- l) We do not allow discrimination based on race, religion, language or gender to infiltrate our decision-making mechanisms.
- m) We support activities to improve Tüpraş's image among stakeholders.

26. Number, Organization and Independence of Board Committees

An Audit Committee has been established to ensure that the Board performs its duties and responsibilities in a sound manner. No other committee has been formed.

The establishment of a Corporate Governance Committee will be considered in the near future.

27. Remuneration of Board Members

All rights, benefits and remuneration to which Board Members shall be entitled are determined at the General Meeting.

No loans have been extended to Board Members or managers in any form.