



Corporate Governance and Credit Rating Services, Inc.

Corporate Governance Rating Report



5 October 2010

CONTENTS

Rating and Executive Summary	3
Rating Methodology	5
Company Overview	6
SECTION 1: SHAREHOLDERS	10
Facilitating the Exercise of Shareholders’ Statutory Rights	10
Shareholders’ Right to Obtain and Evaluate Information	11
Minority Rights	11
The Right to Participate in the General Shareholder Meeting	12
Voting Rights	13
Dividend Rights	13
Transfer of Shares	14
Equal Treatment of Shareholders	14
SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY	15
Principles and Means for Public Disclosure	16
Public Disclosure of Relations Between the Company and Its Shareholders, The Board of Directors and Executives	17
Periodical Financial Statement and Reports in Public Disclosure	17
Functions of External Audit	18
The Concept of Trade Secret and Insider Trading	18
Significant Events and Developments That Must Be Disclosed to the Public	18
SECTION 3: STAKEHOLDERS.	19
Company Policy Regarding Stakeholders	19
Stakeholders’ Participation in the Company Management	20
Protection of Company Assets	20
Company Policy on Human Resources	21
Relations with Customers and Suppliers	21
Ethical Rules	22
Social Responsibility	22
SECTION 4: BOARD OF DIRECTORS.	24
Fundamental Functions of the Board of Directors	24
Principles of Activity and Duties and Responsibilities of the Board of Directors	25
Formation and Election of the Board of Directors	25
Remuneration of the Board of Directors	26
Number, Structure and Independence of the Committees Established by the Board of Directors	26
Executives	27
Rating Definitions	28

Rating and Executive Summary

TÜPRAŞ TÜRKİYE PETROL RAFİNERİLERİ A.Ş. (TUPRS)

SAHA
Corporate Governance Rating:

8.56

Contacts:

S. Suhan Seçkin
suhan@saharating.com
Ali Perşembe
apersembe@saharating.com
M. Metin Tosun
mtosun@saharating.com

MAIN SECTIONS: Avg. 85.58

Shareholders: 84.76



Public Disclosure & Transparency: 91.17



Stakeholders: 98.21



Board of Directors: 70.98



0 10 20 30 40 50 60 70 80 90 100

EXECUTIVE SUMMARY

TÜPRAŞ is rated with **8.56** as a result of the Corporate Governance study done by SAHA. Details of this study are presented in the following chapters as main sections and sub-sections. Our rating methodology (page 5) is based on the Capital Markets Board's (CMB) "Corporate Governance Principles" (the Principles). Ratings of main sections and sub-sections are disclosed separately.

With a view to country specific conditions, we observed that TÜPRAŞ took the necessary steps to determine its Corporate Governance risks and improved in setting up sound internal controls and management systems. However, there is still room for improvements in order to fully comply with the CMB's Corporate Governance Principles.

Under the **Shareholders** heading, TÜPRAŞ scored **8.48**. Having no limitations for voting rights, presence of an investor relations department, conducting general shareholder meetings in compliance with the country's rules and regulations and implementing a well established dividend payment policy are positive aspects, whereas, the privilege of Class C shareholders in nominating board members, the lack of cumulative voting procedures and shareholders' not having the right to request appointment of special auditors are areas that need further improvement.

The proactive approach of the Investor Relations department is a sign of corporate sensitivity in this area and further improvements to come in the near future.

TÜPRAŞ attained **9.12** under the **Public Disclosure and Transparency** caption. There is a well organized, informative, and comprehensive website that includes all information listed in the "Corporate Governance Principles" pertinent to public disclosure. Public announcements are made via all communications channels and are in accordance with the CMB and ISE's rules and regulations. As apposed to these positive features, the fact that the company's ultimate controlling individual shareholders are not disclosed to public, as identified after being released from indirect or cross shareholding relationships between co-owners stands out as an area of further progress.

On the topic of **Stakeholders**, TÜPRAŞ has broadly complied with the CMB Principles apropos company policy regarding stakeholders, protection of company assets, human resources policy, social responsibility, and relations with the customers and suppliers and scored a well deserved **9.82**. TÜPRAŞ's obligation to abide by the rules and regulations of the Energy Market Regulatory Authority and International Energy Agency contributes to and encourages the prompt exercise of stakeholder rights. Specifically, the existence of a methodically working law department, the appropriate content and coverage of contracts, the organization of human resources department and its working papers and the scope of social responsibility projects have positively influenced our deductions.

From the perspective of the Principles regarding the **Board of Directors**, TÜPRAŞ's tally is **7.10**. There is a well communicated company mission and vision; a board that consists of broadly experienced, competent, suitably educated individuals of high ethical standards; and no executives in the board, except for GM. However, lack of independent members in the board and therefore in committees, and the lack of cumulative voting system procedures remain to be areas that need further improvement.

DISCLAIMER

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

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

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

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

© 2007, Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. All rights reserved. This publication or parts thereof may not be republished, broadcast, or redistributed without the prior written consent of Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. and Tüpraş Türkiye Petrol Rafineleri A.Ş.

Rating Methodology

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

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

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

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

On the foundation of these Principles, SAHA Corporate Governance Rating methodology features over 350 code criteria. During the rating process, each criterion is evaluated on the basis of information provided by the company officials and disclosed publicly. Some of these criteria can be evaluated by a simple YES/NO answer; others require more detailed analysis and examination.

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

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

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

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

Company Overview

Tüpraş Türkiye Petrol Rafinerileri A.Ş	
	CHAIRMAN Ömer M. Koç GENERAL MANAGER Yavuz ERKUT
41790 Petrol Cad., Körfez, Kocaeli www.tupras.com.tr	Investor Relations & Strategic Planning Manager T. Tuncay ÖNBİLGİN Tel: (0 262) 316 32 69 Fax: (0 262) 316 30 10 tuncayonbilgin@tupras.com.tr

The Capital of Tüpraş as of 31.12.2009 is TL 250.4 Million fully paid up and Registered Capital ceiling is TL 500 Million. No change has occurred in the capital during 2009 in cash or non-cash.

Tüpraş shares have been trading at the Istanbul Stock Exchange (ISE) since 1991 (code: **TUPRS**). Tüpraş is a constituent of ISE National 100 (XU100), ISE National 50 (XU050), ISE National 30 (XU30), ISE National Industrials (XUSIN) and ISE Chemical, Petroleum, Plastic (XKMYA), ISE Kocaeli (XSKOC) and ISE Corporate Governance (XKURY) indices. Tüpraş shares (GDR) are also quoted at the London Stock Exchange.

The auction on September 12, 2005 by the Privatization Administration for the block sale of 51% of state owned Tüpraş's shares was granted to the Koç-Shell Joint Venture Group at a value of US\$ 4.14 billion. On November 7, 2005, Supreme Board of Privatization approved the result of the auction. Accordingly, a Share Purchase Agreement was signed with Koç Holding on January 26, 2006, endorsing the actual transfer of the shares.

Capital Structure and Shareholding		
Shareholder	Amount (TL)	Percentage %
Enerji Yatırımları A.Ş.	127,713,792.22	% 51
Privatization Administration	0.01	
Public Shares	122,705,407.77	% 49
	250,419,200.00	% 100

In accordance with the tender specifications from the Privatization Administration, the Joint Venture Group established a joint stock company, Enerji Yatırımları A.Ş., to take delivery of the transferred Tüpraş shares. The company's shares were divided among the shareholders as follows:

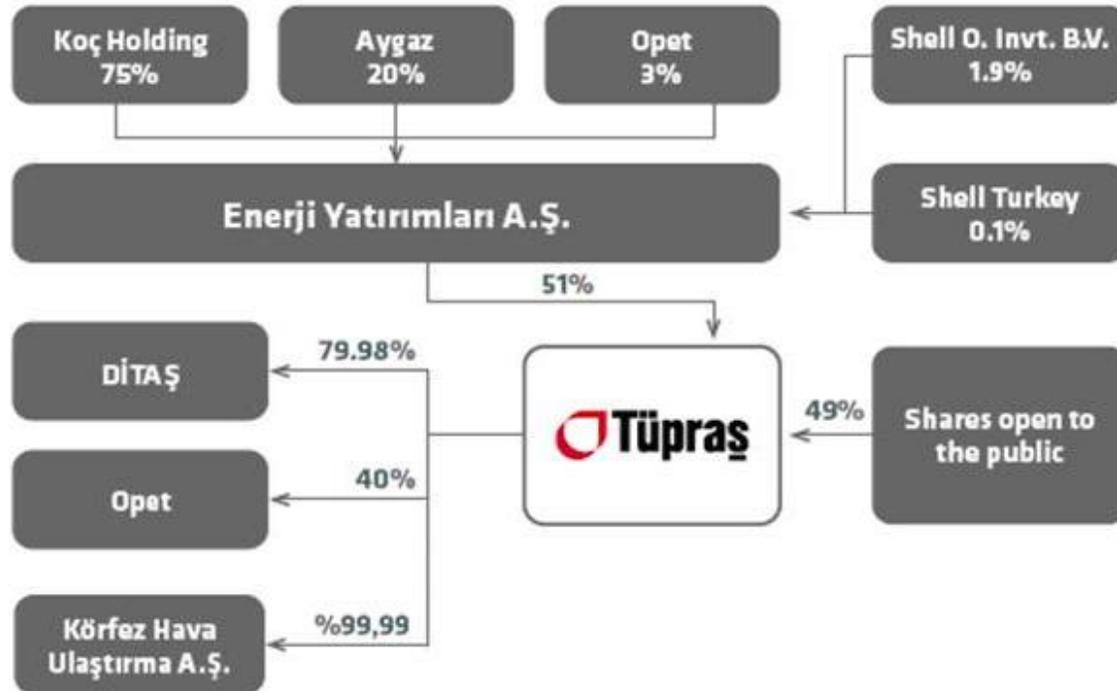
Capital Structure of Controlling Shareholder (Enerji Yatırımları A.Ş.)	
Shareholder	Percentage %
Koç Holding A.Ş.	% 75.0
Aygaz A.Ş.	% 20.0
Opet Petrolcülük A.Ş.	% 3.0
Shell Overseas Investment B.V.	% 1.9
The Shell Company of Turkey Ltd.	% 0.1

Tüpraş, Turkey's only producer in the refining sector and its largest industrial corporation, joined the Koç Group of companies in 2006. With its production facilities and partnerships Tüpraş provides products and services in refining and distribution to meet approximately 70 % of Turkey's fuel demand.

Tüpraş is Europe's 8th and the world's 30th largest refining corporation and is one of the most important players in the Black Sea and Mediterranean energy markets, with a 28.1 million ton refining capacity.

Acquisitions made in the distribution and transportation fields paved the way towards vertical integration and therefore minimize the long-term risks. On the **distribution** front, Tüpraş owns 40% of Opet, with 1,324 stations in Turkey and as of year end 2009, the third largest fuel distributor in the white product segment with 16,6% market share and the second largest in black products with 26.3% market share. On the **transportation** front, Tüpraş owns 79.98% of Ditaş that undertakes domestic and overseas maritime transport of Tüpraş's crude oil and petroleum products as well as providing intermediary and port services to other companies in the industry.

Consequently, Tüpraş's capital and subsidiary structure has developed as follows:



DİTAŞ's capital structure is as follows:

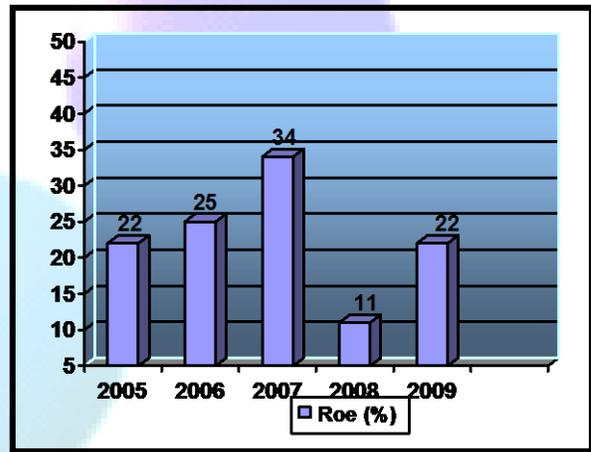
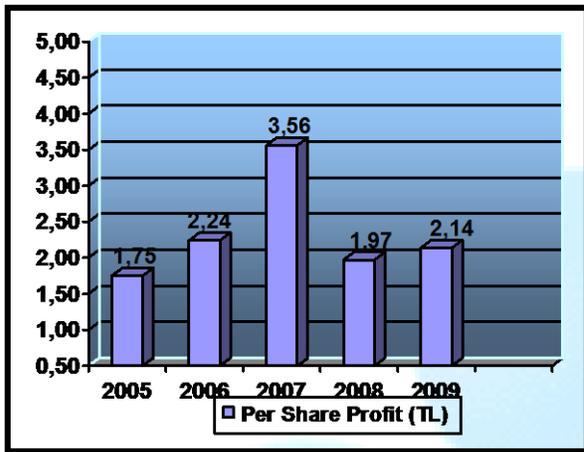
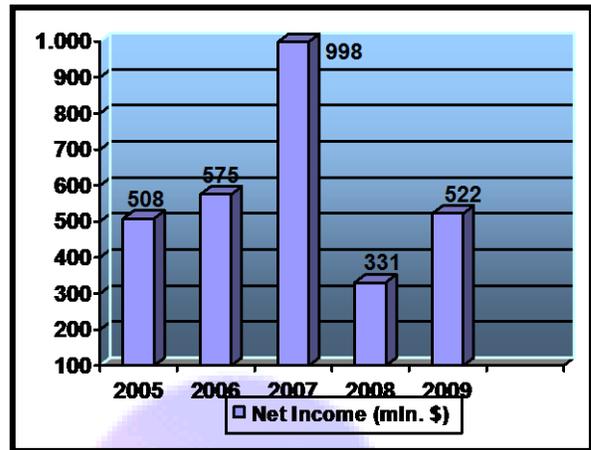
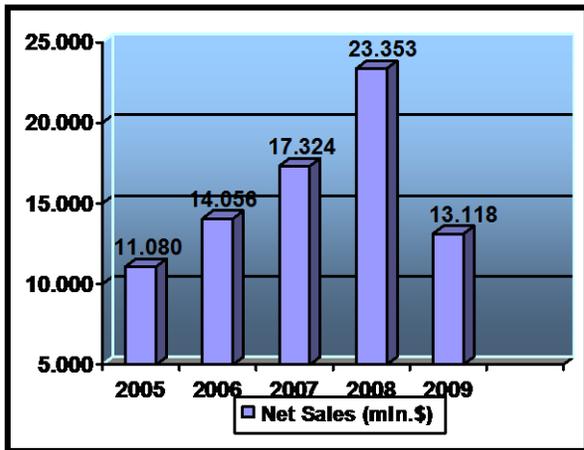
Ditaş's Capital Structure		
Shareholders	Amount TL	Percentage (%)
Tüpraş	7,998,000	79.98
Turkish Armed Forces Foundation	2,000,000	20.00
Mogaz, Akpa, Demir Export	2,000	0.02
Total	10,000,000	100.00

Opet's capital structure is as follows:

Opet' s Capital Structure		
Shareholders	Amount TL	Percentage (%)
Tüpraş	60,000,000	40.00
Fikret Öztürk	29,997,797	19.87
Nurten Öztürk	18,431,700	12.29
Mogaz, Akpa, Demir Export	13,005,000	8.67
Ufuk Öztürk	6,918,847	4.61
Filiz Gürgöze	6,918,847	4.61
Güvenok Tzm.Pet.Nak.ve İnş.Taah. San. Dış Tic. A.Ş.	6,767,629	4.51
Ali Şafak Öztürk	6,154,994	4.11
Zer Merkezi Hizmetler ve Ticaret A.Ş.	1,995,000	1.33
Temel Ticaret ve Yatırım A.Ş.	7	0.00
Koç Yapı Malzemeleri Tic. A.Ş.	7	0.00
Total	150,000,028	100.00

TÜPRAŞ BOARD OF DIRECTORS	
Name	Title
Mehmet Ömer KOÇ	Chairman
Mustafa Vehbi KOÇ	Vice Chairman
Rahmi Mustafa KOÇ	Member
Semahat Sevim ARSEL	Member
Ali Yıldırım KOÇ	Member
Osman Turgay DURAK	Member
Bülent BULGURLU	Member
Temel Kamil ATAY	Member
Erol MEMİOĞLU	Member
Yavuz ERKUT	Member/ General Manager
Ahmet AKSU	Privatization Administration Class C Representative

In addition to its high processing and production capacity and robust infrastructure, Tüpraş has an efficient logistical organization in terms of its distribution and transportation capabilities as well as a sound financial foundation. Selected financial highlights are depicted below:

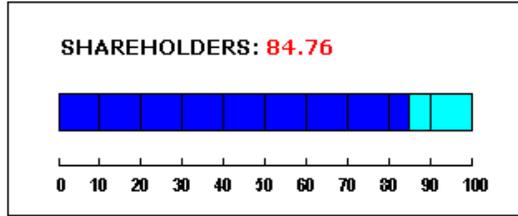


In the four-year period between 2006-2009, Tüpraş investment expenditures reached USD 1 billion 213 million.

Tüpraş completed the evaluation studies of the Residuum Upgrading Project that will process high sulphur fuel oil - demand for which is declining, both in Turkey and Globally - to produce white products such as diesel oil and gasoline at Euro V standards. Tüpraş has signed an agreement with the Spanish firm Tecnicas Reunidas to implement the project. The project is designed with state-of-the-art refining technology and the total estimated investment of USD 1.8 billion is projected to be completed in 2014. The project will allow the transformation of approximately 4.2 million tons of low value, black products (fuel oil and atmospheric dip) into approximately 3.5 million tons of more valuable and environmentally-friendly white products such as gasoline and diesel oil at EU standards.

As of year-end, Tüpraş employed a total of 4,130 personnel, of which, 211 work in the Head Office, 1,373 at the İzmit Refinery, 1,206 at the İzmir Refinery, 911 at the Kırıkkale Refinery and 429 at the Batman Refinery.

SECTION 1: SHAREHOLDERS



SYNOPSIS

+	There is a shareholder relations division
+	General shareholder meetings are conducted in compliance with the CMB's rules and regulations
+	Dividend policy is defined
+	Equal treatment of shareholders
+	Preparation and disclosure prior to general shareholder meetings are satisfactory
+	Voting rights are facilitated
-	Shareholders do not have the right to request appointment of special auditors from the general shareholder meeting
-	Minority rights are not defined
-	Existence of voting privileges
-	Lack of cumulative voting procedures

At Tüpraş, the Investor Relations and Strategic Planning Department (IRSP) and the Capital Movements Unit under the Financial Affairs Department work in coordination to liaise with individual shareholders and corporate investors. These units function under the coordination of CFO İbrahim Yelmenoğlu.

There are no ceilings applied on the number of votes that a shareholder may exercise during the general shareholder meeting. The conduct of general shareholder meetings poses no risk upon the rights of shareholders

and complies with the relevant rules and regulations.

There are no provisions to impede the transfer of public Class A shares. However, the Privatization Law No. 4046 which established and authorized the Privatization Administration to privatize SOEs (State Owned Enterprises) limits the transfer of SOE shares only to those SOEs endowed with similar authorities. Therefore, the one Class C share cannot be transferred freely.

The privilege enjoyed by the Class C share owned by the Privatization Administration contradicts, at first glance, with best practice principles. However, the fact that the primary purpose of this privilege is to give priority to supply requirements of the Turkish Armed Forces and therefore guard national security interests neutralizes our conclusions.

In addition, the facts that the minority shareholders lack the right to request the appointment of a special auditor from the general shareholder meeting for the examination and clarification of a specific material situation; and lack of cumulative voting procedures are risky areas with respect to the shareholders' right to obtain and evaluate information.

1.1. Facilitating the Exercise of Shareholders' Statutory Rights:

All governance issues are handled by the "Investor Relations and Strategic Planning" (IRSP) unit. Mr. Tuncay Önbilgin, assisted by seven staff reporting to him is in charge of this unit. This unit was set up back in 2000 and its internal procedures and systems are well established. Mr.

İbrahim Yelmenođlu, Mr. Tuncay Önbilgin, Mr. Cengiz Demirtürk and Mr. Deniz Köseođlu are authorized to send statements to the KAP (Public Disclosure Platform). The unit appears to be sufficient in terms of qualification, experience and number of delegated staff and as a whole, displays a proactive approach, genuine willingness to improve the implementation of the Principles, and employ an ongoing procedure to improve upon them.

Shareholder records are kept appropriately; inquiries and requests are answered promptly; and the general shareholder meeting follows principles set out by the articles of association and laws. Information on agenda items and other relevant details are well posted on the web site and at the headquarters of the company prior to the general meeting. Voting results and minutes are well documented, duly disclosed and published on the company web site. All participants of the general meeting have access to this documentation upon request.

1.2. Shareholders' Right to Obtain and Evaluate Information:

With regard to facilitating shareholder rights, all necessary information and documentation are available for and easily accessible by the shareholders. All channels of communications, such as the comprehensive corporate web site (www.tupras.com.tr), telephone, e-mail and personal visits are open to shareholders and investors. Procedures of investor relations and shareholders' right to obtain and evaluate information are documented in the company's *information policy* document.

The IRSP responds to all enquiries raised, except those involving trade secrets, in line with the principle of equality. Corporate shareholders of

Tüpraş or potential investors are regularly briefed and updated through presentations and teleconferences, as well as meetings held domestically or abroad. This serves to promote active communication between the shareholders and the executives and enables shareholders to access all types of information required directly from its source.

In the articles of association, there is no provision that allows each shareholder to have the right to request from the general shareholder meeting that a special auditor is appointed for the examination and clarification of a specific material situation.

1.3. Minority Rights:

As per the articles of association, to take the resolution of the Board of Directors in the subjects listed below depends on an affirmative vote by the Board Member representing group (C):

a) All kinds of amendments in the articles of association which may directly or indirectly effect the meeting and the resolution quorum of the Board of Directors, and the rights that belong to the "Privileged share", and the obligation of accomodating the needs of the Turkish Armed Forces, and the rights of the privileged Share that relate to this obligation.

b) Accomodation of the petroleum products demand of Turkish Armed Forces outside the required quality, timing and quantity and with higher prices than suitable market prices in line with similar products since it is essential that petroleum products demand of the Turkish Armed Forces - including the procurement and protection of production capability and all systems related to transportation of such petroleum products- shall be accomodated with priority in accordance with the required quality,

timing and quantity and with suitable market prices that are in line with similar products.

c) i- Closure, sale, limitation of any kind or capacity decrease of more than 10 percent of any of the refineries that are owned by the company or
ii- partition of the company or merger with another company, that may restrict and/or hinder the accommodation of the petroleum products demand of Turkish Armed Forces.

d) Liquidation of the company.

The resolution about the matters other than listed above is subject to the approval of the general shareholders' meeting after the Board discussion.

The one C Class share owned by the Privatization Administration has the privilege to nominate a member to the Board. The remaining ten members of the Board of Directors are nominated by other shareholders.

There is no privilege of C Class share other than the one mentioned above. There are no provisions to apply certain ceilings on the number of votes a shareholder might exercise. Like wise, no obstacles to the implementation of voting rights of foreign investors are present. Proxy forms are announced for those who will appoint a proxy for the meeting and these forms are also open to use of shareholders in electronic media.

The articles of association of the company do not allow the execution of cumulative voting procedures.

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

The general meeting announcement is published within the legal time limit and in two high circulation and nation wide newspapers. The requests for

participation in the General Shareholders Meeting are made in accordance with the existing rules and regulations.

The purpose and content of the information released prior to the general meeting are clear, informative of and pertinent to the agenda items so as not to lead to any potential misinterpretations.

Prior to the meeting, proxy forms are announced for those who will appoint a proxy for the meeting and open to use of shareholders in compliance with regulations. The board values shareholder views and opinions, endeavors to consider all requests about items to be placed on the agenda, and strives to achieve the highest level of attendance.

The minutes of general meetings show that the conduct and execution have been appropriate, fair, and efficient. Chairman and others board members have attended in person, however we have noted that 5 members were missing. The chairman announced the reasons for the absence of those members. Verbal and written information about the candidates for board membership was given to the shareholders during the general meeting. Minimum requirements for disclosure of information about candidates however are not stated in the articles of association either.

The company is subject to external audit by the Capital Markets Law and the external audit firm has made the necessary presentation to the General Meeting. Although the articles of association of the company do not include a provision to maintain that decisions regarding the sale, purchase or lease of tangible/intangible assets or grants in significant amounts are adopted in general shareholder meeting, such information was duly provided for the evaluation of

shareholders during the general meeting and included in the agenda and minutes.

General shareholder meetings are conducted on time and in compliance with rules and regulations and shareholders are provided with sufficient time and information to make informed decisions. Annual reports, financial statements and dividend proposals are at the disposal of shareholders before the general meeting. Invitation to the general meeting is done well in advance and the meeting venue (company premises) is easily accessible, comfortable and suitable for maximum attendance.

The general shareholder meetings are executed according to the procedures and the chairman conducts the meeting efficiently on fair grounds. Shareholders are provided with equal opportunities to express their opinions, and raise any questions. Each agenda item is voted separately, the votes are counted and results of voting are announced before the end of the meeting.

Information about the organizational changes in the affiliates and the subsidiaries of the company are included in the annual report. In addition to the affiliates and subsidiaries, a link to the web site of KOÇ Group, the controlling shareholder, is provided on the company's web site.

1.5. Voting Rights:

There are no ceilings applied on the number of votes that a shareholder may exercise during the general shareholder meeting. Each shareholder is provided with the opportunity to exercise his/her voting right in the most appropriate and convenient way. The right to vote is automatically granted once the share

is acquired. There are no obstacles on the voting of institutional and legal representatives. Procedures of voting are stated in the articles of association and announced to shareholders prior to the general shareholder meeting. Voting was conducted through open ballot and by raising hands during the general shareholder meeting.

On a weaker note however, the C Class minority shareholder enjoys the privilege of nominating a board member. Although this privilege is simple and allows shareholders to easily understand their rights, it reduces the representation of other shareholders by a ratio of 1/11. Nevertheless, the fact that this distortion is the result of the company's strategic status and its relevance to national security should not be ignored.

1.6. Dividend Rights:

Tüpraş has a clearly defined and consistent dividend policy which is in compliance with the Turkish Commercial Code. This policy is announced to the shareholders at the general shareholder meeting and also included in the company's annual report. There are no privileges imposed on dividend rights. The dividend policy prescribes that, to the extent permitted by relevant legislation and the company's investment requirements and financial resources, the Board of Directors shall propose the distribution of the entire distributable profit of the company, subject to approval by the general shareholder meeting. The annual profit, amount and sources of distributable profit dividend policy; the criteria according to which the board prepares the dividend distribution proposal; dividend to be paid to each share, while indicating different groups of shares; location, time and terms of payment for dividends; and all other relevant information are announced to

the shareholders at the general shareholder meeting and also included in the company's articles of association, annual report, prospectus and circulars. Interim and advanced dividend payment policy is included in the articles of association, however, there has been no execution up to date. On the other hand, the amount of dividends due to be paid to real persons who own a significant portion of distributable profit, by taking into consideration any indirect shareholder relationship, are not included in these documents.

1.7. Transfer of Shares:

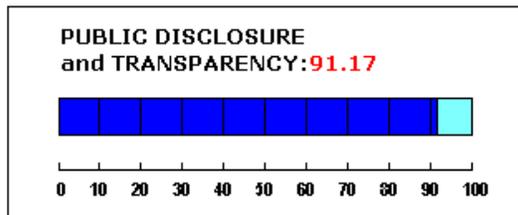
The restriction of the transfer of 51 % Class A shares owned by Enerji Yatırımları A.Ş. during privatization period is over by 26 January 2009. The transfer of Class A shares are not subject to approval of Privatization Administration from then on.

The one Class C share owned by the Privatization Administration can only be transferred to another State Owned Enterprise endowed with those authorities listed in the Privatization Law No. 4046 and is not subject to approval by the Board of Directors.

1.8. Equal Treatment of Shareholders:

As a result of our examinations of the conduct, execution and minutes of the General Meetings, the Articles of Association, pending litigations, and interviews with company officials, we have no reason to speak against the equitable treatment of shareholders.

SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY



SYNOPSIS

+	Comprehensive web site, actively used for public disclosure
+	Comprehensive annual report, includes analysis of the sector and forward looking information
+	Dividend policy disclosed in the annual report
+	Ethical rules published
+	List of insiders published
+	Disclosure about developments that may affect the value of the company complies with the legislation
+	Information policy established, and presented to the shareholders at the general shareholder meeting
-	List of ultimate controlling individual shareholders after being released from indirect or cross shareholding relationships between co-owners undisclosed
-	Remuneration of executives not in annual report

Tüpraş is performing well above the country averages in terms of public disclosure and transparency. The existence of a working "Investor Relations and Strategic Planning" unit is an important and positive step towards better governance. The unit has recently published its information policy and ethical rules documents and

confirmed its commitment to the issue. Furthermore, the company has a well arranged, easy to access and informative web site and tries to inform the public by any means available. The scope and content of the information disclosed are in compliance with the rules and regulations of the CMB and the ISE.

Both the annual report and the periodical financial statements and reports of the company are signed by the responsible board members and executives indicating that the current periodical financial statements completely reflect the true financial status of the company and that the company acts in accordance with the related legislation. The external audit firm chosen by the company is an independent and international audit company accredited by the CMB. There has been no legal conflict between the company and the external audit firm and the company does not receive consultancy services from the audit firm in any form.

The annual report and the corporate governance compliance report does include the acknowledgement by the board of directors' that internal financial control and auditing functions are fulfilled by the audit committee.

However, the list of ultimate controlling individual shareholders after being released from indirect or cross shareholding relationships between co-owners and payments affected including payments in cash such as salary, bonuses, other regular and irregular payments, etc. are not included in the annual report.

2.1. Principles and Means for Public Disclosure:

The task of public disclosure is executed by the "Investor Relations and Strategic Planning" department. The manager of the department is bestowed with the authority to sign official documentation. Periodic presentations are performed for investors, financial analysts, the press, and other interested parties and these presentations are well documented and posted on the company's web site. For KAP disclosures, 4 managers are designated as the authorized user and signatories.

Tüpraş has a collective set of written principles to be used in the public disclosure and information policy of the company, presented these to the shareholders at the general shareholder meeting and disclosed the same to the public. Disclosure is normally done in the general shareholder meeting and via the press and the internet. Additional information is provided to the CMB and the ISE as required. Any developments that may affect the value of the company's capital market instruments are disclosed to the public via the "disclosure of special events" within the time period required by the current legislation and via the above mentioned media. Overall, in terms of public disclosure, we can conclude that Tüpraş fully complies with the current legislation and strives to be as accurate, comprehensive, and factual as possible.

Also the information policy of the company does incorporate the type of information to be discussed at the general shareholder meeting in addition to the requirements of the relevant legislation and other relevant issues.

Similarly, the company has taken up social and environmental initiatives and these projects are well documented in the annual report.

The corporate governance compliance report that lists the principles and implementations that are embraced and omitted by the company is incorporated in the annual report. However, the report does not include reasons of lacking implementation. Dividend policy, on the other hand, is included in the annual report of the company and disclosed to public within the framework of the public information policy.

Tüpraş shares are also quoted at the London Stock Exchange as GDRs. "Disclosure of special events" communicated to the ISE and the LSE are executed simultaneously and transmitted to foreign investors and shareholders electronically. These are published in the company's web site in both languages (Turkish and English).

Save for the provisions of the legislation, the preparation or revision of financial statements are subject to a compliance audit by the external auditor. The audit and public disclosure thereof, and the method to be adopted for disclosing forward looking information are in compliance with the international standards. The Principles applicable to disclose forward looking information are also included in the information policy of the company.

The company's website is all-inclusive, secure and easily accessible. Significant amount of information such as trade register information; detailed information about the shareholder and management structure; the final version of the company's articles of association; privileges on voting rights; publicly disclosed material information; annual reports, periodical

financial statements, prospectuses and circulars; agendas of the general shareholder meetings and minutes of the general shareholder meeting; form for proxy voting at the general shareholder meeting; frequently asked questions including requests for information, queries and notifications and responses thereof are suitably included.

The English version of the web site is equally comprehensive. The letterhead includes the address of the web site of the company.

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

No transactions that involved 5% or more of the total number of shares have been in effect, however company officials formally declare that they will disclose such information immediately upon being informed thereof, except otherwise required under relevant legislation. The company's public disclosure policy is in accordance with current CMB and ISE legislations.

The company's ultimate controlling individual shareholder or shareholders are not disclosed to the public, as identified after being released from indirect or cross shareholding relationships between co-owners. The company's capital structure is not presented in a table format that would include the names of the ultimate controlling individual shareholder/s (names of the real personalities), amount and proportion of their shares and their share class and such a table is not incorporated into the annual report and notes to the financial statements.

On the other hand, commercial and non-commercial transactions between the company and companies, where board members, executives and

shareholders, who either directly or indirectly own at least 5% of the company's capital, possess at least 5% and more of shareholding or having the control of the latter are disclosed to public as per the CMB legislation.

2.3. Periodical Financial Statement and Reports in Public Disclosure:

As part of its listing requirements in the ISE, Tüpraş duly discloses information that is not included in the periodical financial statements or notes to the financial statements, such as significant investment decisions, in the "disclosure of special events" published by the ISE.

Both the annual report and the periodical financial statements and reports of the company are signed by the responsible board members and executives, indicating that the current periodical financial statements completely reflect the true financial status of the company and that the company acts in accordance with the related legislation. The annual report, periodical financial statements and their notes are prepared in accordance with the existing legislation and international accounting standards. The annual report incorporates the scope of activities of the company and information about the sector in which the company operates and the company's status within this sector; however, it does not include the audit firm's opinion about the internal control system.

The fact that financial statements present fairly the financial position of Tüpraş, as of 31.12.2009 and its financial performance for the year ended in accordance with Financial Reporting Standards published by the CMB, is clearly confirmed in the independent auditor's report. Periodical financial statements and footnotes are prepared in accordance with the current CMB legislation and

international accounting standards and applied accounting policies are included in the notes to the financial statements. The organization, capital, ownership and management structure of the company as well as its dividend distribution policy are clearly incorporated in the company's annual report.

2.4. Functions of External Audit:

The external audit firm chosen by the company, Güney Bağımsız Denetim ve SMMM A.Ş., (Ernst & Young Global Limited member) is an independent and international audit company accredited by the CMB. The operations of the audit firm and the contents of the contract signed with them are in compliance with the legislation. The audit firm, auditors and other related staff working for the audit firm are not providing consultancy services to the company. There has been no legal conflict between the company and the external audit firm.

The nomination and election process of the audit firm is taken at the Board, after suggestions of the Audit Committee and then presented to the General Meeting for the approval.

2.5. The Concept of Trade Secret and Insider Trading:

Tüpraş acts in accordance with the rules of accuracy, reliability and good faith and attains a good balance between the protection of trade secrets of the company and the stakeholders' right to obtain information. A list of the names of executives and other persons/institutions who provide services to the company, and who can potentially possess price-sensitive information are prepared and disclosed to public. The concept of trade secret

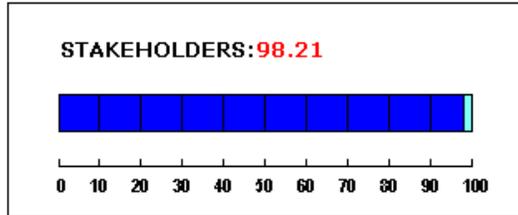
is defined in detail in the personnel code of the company. Physical barriers such as fingerprint checks, magnetic identity cards, and closed circuit cameras are set up to control access to the systems center. Additional security and control is provided by requiring passwords to enter the system and backing up all electronic communication. All systems are equipped with antivirus software.

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

Our analysis shows that Tüpraş complies with the rules and regulations of the CMB and the ISE.

The company shows first-rate care and sensitivity in the timely and comprehensive disclosure to public of changes in the organization, capital, ownership, management structure and core activities of the company; all important development and events and their possible implications on the financial status and operational results of the company; the rating agency's grade assigned to the company's creditability and issuance of shares, any changes that may take place thereafter.

SECTION 3: STAKEHOLDERS



SYNOPSIS

+	All necessary facilities are utilized to preserve stakeholders' rights
+	Active trade union
+	Effective human resources policy
+	Strict quality standards in products and services
+	Ethical rules specified and declared to the public and presented to the shareholders' meeting
=	No provision in the articles of association regarding the participation of stakeholders in the management of the company

With regard to relations between the company and all related public and private parties (stakeholders) other than shareholders and the board of directors, over 40 sub-sections have been analyzed under the following headings:

- Company policy,
- Participation in the company management,
- Protection of company assets,
- Human resources policy,
- Relations with customers and suppliers,
- Social Responsibility and
- Ethical rules.

Our conclusions are particularly positive with respect to company policy about stakeholders, protection of company assets, human resources

policy, ethical rules and relations with customers and suppliers.

The dominant factors that were effective in reaching our conclusions are: the company acted with goodwill and within the capabilities of the company in cases that are related to the protection of stakeholders' rights when these rights are either regulated or not regulated by the legislation.

The company has prepared the Ethical Rules and declared to public via internet and presented to the shareholders' meeting.

Tüpraş is highly considerate of its social responsibilities. Activities of NGOs and initiatives concerning education, environment, athletics, and arts and culture are supported.

We came across to no evidence of any negligent or wrong doing either by the Board or the top management that caused the company assets loose value and led to a deliberate loss for stakeholders.

3.1. Company Policy Regarding Stakeholders:

Tüpraş's management is dominated by the KOÇ group of Turkey. Due to its substantial size and prominent corporate identity, KOÇ group possesses consistent and advanced policies regarding the rights of stakeholders as well as relations with the private sector.

Apropos sales and marketing, the quality standards of each product batch are analyzed and specified in laboratories certified by the Turkish Accreditation Agency (TÜRKAK) and

each sample is archived since 6th April 2007.

The activities of Tüpraş are regulated by the Energy Market Regulatory Authority (EPDK) according to the Petroleum Market Law. The purpose of this legislation is the supervision, monitoring and regulation of market activities in a fair, transparent and consistent manner in order to achieve a reliable and competitive supply of petroleum products from domestic or foreign sources to the consumers.

Tüpraş has a refinery license under the auspices of this legislation and can manufacture within or around its plant, can store and transport to nearby plants through pipelines and can distribute fuel via its distribution company's facilities. Tüpraş is obliged to concede to other distribution companies the same conditions it grants to its own distribution company for each category. The same legislation necessitates the safeguard of the production capacity of tactical fuels used by the Turkish Armed Forces and the supply thereof in case of demand.

In addition, Tüpraş is also bound with the regulations imposed by the International Energy Agency (IEA). Accordingly, Tüpraş has to keep a minimum inventory, the level of which is determined as a certain fraction of total annual oil imports.

Company officials stated that all customer feedback records are tracked and evaluated in-house. Customer satisfaction questionnaires are distributed and processed; targets and performance criteria are reassessed based on these results.

The web site of the company (www.tupras.com.tr) is actively used to provide adequate information on policies and procedures towards the protection of stakeholders' rights; the

intranet portal, accessed by individual staff account's username and passwords provides reach to announcements and documentation.

In addition, the corporate communications department issues press releases, attains press coverage, engages in social responsibility projects, and issues a four monthly corporate magazine, *Rafine*, to enhance the quality of communication among staff members located in geographically dispersed units.

3.2. Stakeholders' Participation in the Company Management:

Even though there are no provisions in the articles of association of the company promoting the participation of stakeholders in the management of the company, in order to encourage and reward staff contributions and efforts towards company goals and values, the "Tüpraş Appreciation, Acknowledgement and Rewarding System" has been implemented alongside the "Refined Suggestions" system which aims to encourage original ideas in process enhancements, resource savings, production efficiency, environment protection and safety.

The Petrol-İş trade union is observed to be actively participating in in-house interactions and management.

3.3. Protection of Company Assets:

The company pays due attention to the protection of company assets as its ISE (Istanbul Stock Exchange) membership and shareholder structure dictate stringent care and adherence to rules and regulations.

Neither the board nor any of the executives of Tüpraş have been involved in any actions that caused the company assets loose value and led to deliberate loss for stakeholders.

3.4. Company Policy on Human Resources:

As is the case with other companies of the Koç Group, the essence of the human resources policy at Tüpraş is embodied in the maxim "the most precious asset are our human resources."

The principles of the human resources policy adopted by the Company are as follows:

- Job descriptions, their delegation and performance criteria applied are defined and communicated to the employees by the company.
- Recruitment criteria are laid out and communicated in writing and these criteria are applied for recruitment.
- Decisions for training, appointments and promotions are taken diligently by consulting objective data and considering corporate interests.
- There is great emphasis on providing training to develop both the professional knowledge and capabilities and personal talents of the staff.
- A safe work environment and work conditions are provided for the staff and efforts are constantly made to improve them.
- Events relating to or decisions concerning our employees are communicated to the employees.
- Rewards are presented to employees upon completion of five years, and multiples thereof, in service thus encouraging qualified, trained and experienced staff for continued service.
- There is no discrimination between the employees. There have been no complaints brought by Tüpraş

employees to senior management concerning discrimination.

- There is no practice of assigning representatives for liaising with the employees.

3.5. Relations with Customers and Suppliers:

Tüpraş keeps records of customers and suppliers meticulously and within the scope of trade-secret concept, confidentiality of information is duly respected. Tüpraş evaluates and selects suppliers on the basis of capacity and quality. The company has established criteria for evaluating, selecting and re-evaluating the suppliers. Evaluation results and necessary actions to be taken as a result of evaluation are recorded.

Tüpraş collects "Yearly Demand Estimates" from the customers and plans its production accordingly. Demand estimates are revised on a monthly basis to ensure uninterrupted flow of supply and formation of necessary mechanisms in order to meet customer demand.

Company officials emphasize Tüpraş's sensitivity to its environment, the community, employee health, and quality. The following certificates, which were obtained simultaneously by all the refineries, endorse this sensitivity:

- i) ISO 9001:2000 Quality Certificate
- ii) ISO 14001:2004 Environment Certificate
- iii) OHSAS 18001:2007 Employee Health and Safety Management Systems Certificate.

Within the framework of the modern management philosophy of Total Quality Management, the company signed a goodwill statement with

Turkish Society for Quality (KALDER) on April 4, 2006, as the first step of admission to the National Quality Movement and Journey to Excellence Program and it has introduced EFQM Excellence Model, a continuous development tool in Total Quality Management to its practices.

3.6. Ethical Rules:

A written document of ethical rules, prepared by the ethical committee as a part of the personnel code of the company, can be found both on the internet site and in the corporate governance compliance report of Tüpraş and the same is presented to the general shareholders' meeting.

3.7. Social Responsibility:

Tüpraş aims to embed and develop its corporate social responsibility activities into its business targets, management strategy and work culture and to report its performance in these areas according to international criteria. Therefore, Tüpraş aims to create an efficient, transparent and ethical communications strategy with all parties that could affect and be affected by its activities, to implant its social, economic and environmental responsibilities in its company strategy and to maintain the sustainability of the outcomes.

In applying the principles of social responsibility, Tüpraş refers to the "United Nations Global Compact" signed between Mr. Mustafa V. Koç and the UN Secretary-General Mr. Kofi Annan. Within this context, Tüpraş participates in almost all the projects of social responsibility carried out by KOÇ Holding and supports education and health initiatives mainly in cities where refineries are located.

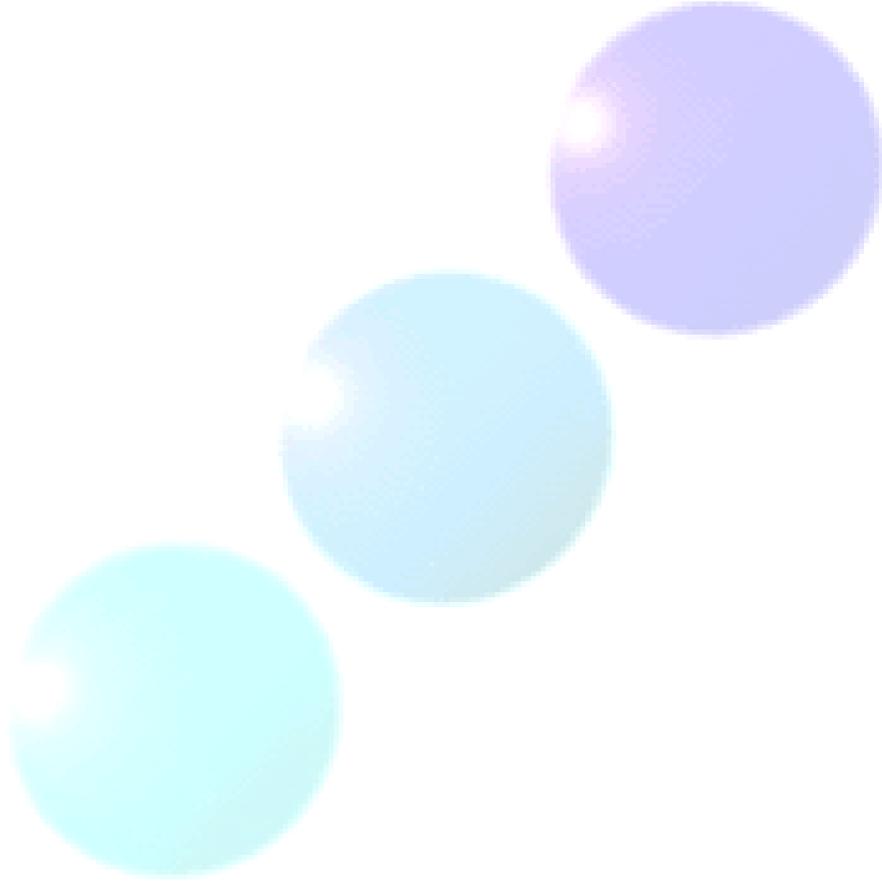
The aim of April 23rd Children's Day Festivities is to celebrate the April 23rd National Sovereignty and

Children's Day -a gift from the great leader Mustafa Kemal Atatürk to all children of the world- in a manner which goes beyond formalities and to make sure that children living around Tüpraş facilities enjoy the festivities fully. Primary school kids happily and wholeheartedly participate in this festival full of fun activities.

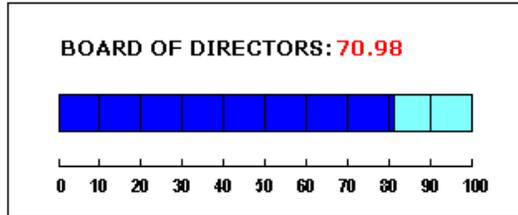
For two years, (2008-2009/2009-2010), Tüpraş has been the company sponsor for six Firefly Mobile Education Units of the Turkish Education Volunteers Foundation (TEV). The objective of the sponsorship is to ensure that this beneficial project continues. Tüpraş believes that TEV is providing an important service to society with its mobile education units that travel through Turkey, delivering education in various fields. In provinces where Tüpraş refineries operate, these mobile education units are located in schools selected by Tüpraş. As this project continues, competent experts will continue to contribute to the educational projects, a priority in Tüpraş' social responsibility programs

Tüpraş has sponsored the Geyre Foundation which was established to support archeological work and studies on the ancient city of Aphrodisias, located in the Geyre village of Karacasu, Aydın, to organize courses and conferences for this purpose and to exhibit the pieces found in Aphrodisias nationally and internationally. Tüpraş heeded the call of the Geyre Foundation and has given its support so that historical artifacts discovered in the Aphrodisias excavation can be displayed in the Aphrodisias Museum, located in the ancient city, at international standards. The objective is to ensure that scientific studies aiming to identify our nation's rich historical and cultural heritage can continue.

It is a very crucial and saddening fact that every year thousands of Turkish women lose their lives because of ignorance about reproductive health. Tüpraş contributes to solving this problem by supporting the Turkish Family Planning Foundation (TAPV) which is active in the areas of reproductive health, safe motherhood, mother-child health, pregnancy and postnatal care and the sexual education of youngsters.



SECTION 4: BOARD OF DIRECTORS



SYNOPSIS

+	The Company's vision, mission and strategic goals are clearly defined
+	The Board is staffed with effective and highly qualified members
+	One executive member in the Board of 11 members
+	CEO and Chairman positions are separately chaired
+	Directors and officers liability insurance
+	Audit Committee and Corporate Governance Committee are active
=	The representative of the Privatization Administration holds veto rights in certain issues
-	No independent members in the Board and in the committees
-	Cumulative voting rights not in effect
-	No signed compliance and liability statement by board members
-	No provisions in the Articles of Association defining procedures for shareholders or stakeholders to invite the board to convene

It is our observation that the board of directors has clearly defined the vision and mission of the company and is staffed by highly qualified, experienced members maintaining high moral standards.

The board is overseeing that company activities are managed in compliance with the legislation, articles of association, internal procedures and established policies. It has been stated that none of the board members is indulged in any transaction or is engaged in any form of competition with the company.

Notwithstanding, the lack of independent members in the board and in the committees, and unavailability of cumulative voting rights reflect important areas for improvement under this topic.

Similarly, upon commencing work, a written compliance and joint liability declaration by the board members endorsing losses incurred to shareholders and stakeholders due to deliberate incompliance and misconduct is not in effect.

The remuneration of the board of directors is observed to be fair, adequate and in par with general standards.

4.1. Fundamental Functions of the Board of Directors:

The Board of Directors of Tüpraş has stated and publicly declared that the target of the company is to become an effective and dependable global player in the petroleum industry with its exemplary performance and human resources; towards a goal of becoming an effective leader in sector development, meeting domestic demand for petroleum products and add value to shareholders' equity, business partners and the society alike.

The board is overseeing that the company activities comply with legislation, articles of association, internal procedures and established policies and monitors company financials to assure their validity.

Audit, Corporate Governance and Risk Committees are established within the board. Relations and potential problems with shareholders are managed and settled through the "Investors Relations and Strategic Planning" department.

The board of directors is ensuring that executive positions are staffed by appropriately qualified personnel, taking measures to support their long term commitment, is promptly dismissing unqualified personnel when necessary and duly replacing positions with qualified and competent staff.

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

The board of directors approves annual business plans and budgets, inspects and approves periodic financial reports, prepares annual reports and declares them to the public. In addition, it facilitates and ensures shareholders meetings to be held in compliance with regulations and articles of association, approves career plans and incentive policies for executives. The board of directors has also approved and publicly declared company ethical rules and information policy documents.

Articles of association clearly identify the rights and responsibilities of the board as distinguished from the legally defined rights of the general shareholder meeting. No evidence has been encountered as to any misuse of confidential and undisclosed information to the illegal benefit of board members or other parties.

Board meetings have been observed to be held at appropriate intervals.

Although each member has an equal vote in the board, the representative of the Class C shareholder has a veto right in specific issues. This veto right of capacity reduction, sale of refinery plant, division, merger and liquidation, which may result a decrease in military sales aim to safeguard national security and public benefit.

A written declaration by members of the board before commencing work, that they will comply with the legislation, articles of association, in-house regulations and policies, and in case of incompliance, that they would be jointly liable to compensate the loss accrued to the shareholders and stakeholders, is not practiced.

Provisions regarding the procedures for inviting the members of the board for a meeting by shareholders and stakeholders are not incorporated in the articles of association.

A secretariat under the responsibility of the chairman, with the aim to serve the board of directors and to keep documents related to the board meetings is not established. However, the tasks of preparing the agenda, the necessary documentation and presentations for the board members, recording and following up the minutes and decisions, are endorsed by the deputy general manager in charge of finance.

4.3. Formation and Election of the Board of Directors:

None of the Board members have been convicted or sentenced of non-conformity with the capital markets legislation or the Turkish penal code. All members are qualified and experienced persons maintaining high moral standards and fully capable of

endorsing the required tasks to direct the company.

Only one member out of eleven members is executive member. As a result, the chairman and the CEO positions are not occupied by the same person.

Nevertheless, the required qualifications of the board members have not been specified in the articles of association. It has been observed that there are as yet no steps taken towards incorporating independent members capable of impartially performing their duty, into the board. In addition, cumulative voting rights are not practiced. The lack of independent members in the board and hence at the head of present and future committees, and the lack of cumulative voting rights are important shortcomings with respect to full compliance to the "Corporate Governance Principles" of the Capital Markets Board.

4.4. Remuneration of the Board of Directors:

It has been stated that there is no debit on board members and no credits or loans have been extended to any board member. The remuneration of board members is fair and adequate and has been specified by the shareholder's assembly.

Nevertheless, there exists no incentive policy for board members and no written performance criteria.

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

An audit committee in charge of supervision of the financial and operational activities of the company is established from within the board. Since there are no independent

members on the board, the audit committee is also not chaired by an independent member. The audit committee took all necessary measures in order to ensure that internal auditing is carried out adequately and transparently. The audit committee also supervises the execution and efficiency of the accounting system of the company and external audit of the company.

The audit committee supervises whether or not periodic financial statements and its footnotes are prepared in accordance with the current legislation and international accounting standards and declares its opinion to the board in writing upon receiving the opinion of the independent audit firm.

Appointment of the external audit firm and the services to be provided thereby are submitted to the board upon the preliminary approval by the audit committee. Prior to appointment of the external audit firm, the audit committee reports whether or not there exist any issues that may jeopardize independence of the audit company.

A corporate governance committee is established in order to monitor the company's compliance with the corporate governance principles and perform improvement studies and offer any possible suggestions to the board. The corporate governance committee determines whether or not corporate governance principles are being fully implemented by the company, if not, the reason thereof, and state any conflict of interests arising as a result of imperfect implementation of these principles, and present remedial proposals to the board, and coordinates the work of shareholders relations division.

Amongst the written working principles of this committee; constituting a

transparent system for determination, evaluation, training and rewarding of candidates eligible for the board and determining policies and strategies in this respect, offering suggestions regarding the number of board members and executives, determining the principles and practices regarding the evaluation of performances of the board members and executives, career planning and rewarding of the same are listed as committee functions. However, minutes of the meetings show no evidence of the execution of such duties.

In addition to these committees, to support the board; an Ethics Council and to make recommendations to the board in regards to issues related to identifying, measuring, analyzing, monitoring and reporting risks that the company is exposed to and to decrease controllable and uncontrollable risks a Risk Management Committee are established.

4.6. Executives:

It has been observed that the company executives are operating in accordance with the company's vision, mission and strategic goals and in compliance with the financial and operational plans approved by the board. It is also our observation that company executives are delegated with adequate authority and equipped with the professional qualifications required. None of the executives have been reported to have gained illegitimate or dishonest benefits at the expense of the company. There are no executives that had ever been sentenced for crimes against the capital markets legislation or the Turkish penal code. However, in the employment agreements with the executives; there is no clause that protects the interests of the company and describes the sanctions to be implemented in case of a violation. In

case an executive leaves his/her job, whether he/she will be permitted to work for a competitor of the company for a certain period of time is not specified.

On the other hand, it has been stated that the executives are issuing periodic reports regarding the conformity of in-house procedures to the articles of association and internal procedures to the board of directors.

Also in order to compensate the losses incurred by the company and third persons as a result of not performing the executives' duties duly, activation of "Directors and Officers liability Insurance" is a positive aspect of compliance to the corporate governance principles.

Rating Definitions

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