

**IHLAS EV ALETLERİ İMALAT SANAYİ VE TİCARET A.Ş.**  
**MINUTES OF THE PREFERRED SHAREHOLDERS GENERAL ASSEMBLY HELD ON**  
**APRIL 22, 2011, FOR THE YEAR 2010.**

The Preferred Shareholders General Assembly of Ihlas Ev Aletleri İmalat Sanayi ve Ticaret Anonim Şirketi for the year 2010 was held at 15:30, April 22, 2011, at 29 Ekim Caddesi No:23, Orta Block, Kat: 5, Yenibosna, Bahçelievler, İstanbul. The Assembly was supervised by Mr. Kadir Aslan, ministry commissioner, assigned by Letter No. 23950, dated April 21, 2011, of the İstanbul Provincial Industry and Trade Directorate, Ministry of Industry and Trade.

The company announced the Preferred Shareholders General Assembly for the year 2010, according to the **Turkish Commercial Code, Article 368** in the Official Trade Registry Gazette No. 7783, dated March 30, 2011; and in the following Turkish daily newspapers: *Türkiye* No. 14623, dated March 30, 2011; and *Dünya* No. 10573-9397, March 30, 2011.

According to the list of attendees, out of a total of 4,853,140 shares equaling the company's paid-in capital of 48,531.40 Turkish lira, a total of 4,206,100 shares equaling 42,061.00 Turkish lira were in attendance and a total of 647,040 shares equaling 6,470.40 Turkish lira were represented by proxy; thus, the total number of shares represented were 4,853.140. Upon establishing the presence of a quorum required by law and by the company's Articles of Association, the Assembly was opened by Mr. Abdullah Turalı, chairman of the Assembly, followed by a discussion of the agenda.

**AGENDA ITEM 1:** The Assembly unanimously resolved to elect Mahmut Kemal Aydın as the chairman of the Assembly; Sedat Kurucan as canvasser; and Mehmet Küsmez as secretary.

**AGENDA ITEM 2:** The General Assembly unanimously resolved to authorize the Council Committee to sign the minutes of the Assembly.

**AGENDA ITEM 3:** Amendments on article 3 (Objective and Scope), article 11 (Administrative Committee Meeting) and article 12 (Representation of the Company) of the company's Articles of Association passed by the Capital Markets Board of Turkey and by the General Directorate of Domestic Trade of the Turkish Ministry of Trade was unanimously approved by the Assembly.

**AMENDED VERSION**

**OBJECTIVE AND SCOPE:**  
**ARTICLE 3:**

**I -** The objective and scope of the Company is to manufacture and market all kinds of electric and non-electric household appliances, audiovisual cassettes, video cassettes, movies, motion pictures and television films; to market other merchandise; to undertake printing, typesetting, bookselling, paper selling, journalism, publishing and distribution operations; to manufacture and market training and educational materials, and regarding all these activities the Company engages in:

1- Manufacturing and marketing electronic acupuncture therapy machines, sphygmomanometers, stimulators, water purifiers, electric water heaters, gas heaters, audiovisual cassettes, video cassettes, movies, motion pictures and television films, tens unit, radio/cassette players and all kinds of health and sports equipment;

2-Manufacturing, exporting, importing and domestically trading typewriters, calculators, duplicators, photocopiers, stationeries, computers, printers, laser printers, scanners and their spare parts and accessories.

3-Manufacturing, exporting, importing and domestically trading refrigerators, washing machines, dishwashers, electric vacuum cleaners, carpet machines and carpet washing machines, gas heaters, radiators, gas stoves, solid fuel-burning heaters, heaters and coolers of various systems, office and household-type air-conditioners, car air-conditioners, radios, tape players, record players, television sets, video sets, video cameras, music player sets, videotapes, video game tapes, tapes and their spare parts and accessories;

4-Manufacturing, exporting, importing and domestically trading all kinds of telecommunications equipment such as telephones, telexes, fax machines, pagers, mobile phones, cellular telephones, telephone switchboards, alarm systems and their spare parts, equipment and accessories;

5-Manufacturing, exporting and importing all kinds of hospital, laboratory equipment and x-ray machines, medical equipment, optical instruments, measuring instruments, clocks, wrist watches and their spare parts, equipment and accessories;

6-Manufacturing, exporting, importing and domestically trading photographic materials, cameras and films;

7-Manufacturing, exporting, importing and domestically trading all kinds of electrical equipment, construction materials, medical materials, installation materials;

8- Giving and receiving commitments, commissions, distributorships, franchises, general distributorships, dealerships and representations in every field and maritime businesses the Company operates;

9- Establishing sales offices and dealerships and setting up service stations and repair shops at home and abroad in every field of business in which the Company operates;

10- Participating in government and private sector tenders and placing bids; concluding contracts and making commitments;

11- Entering into partnerships with and making commitments to foreign companies in the areas of agriculture, industry and tourism which are within the scope of the Law for Encouragement of Foreign Capital and government orders; **The Company shall abide by the conditions set on Provision II-6 when passing resolutions on this subject matter.**

12- Selling, purchasing, registering in the name of the Company all copyrights, trademarks, models, images, know-how, patents, patent rights, and the like both at home and abroad; transferring and selling all kinds of technology;

13- Purchasing, selling, marketing, importing and exporting all consumer durable and non-durable goods (electrical, electronic and other household appliances);

14- Engaging in engineering and consulting activities within the scope of the Company's operations;

15) Purchasing, selling, importing and exporting raw materials (crystal, polystyrene, ABS, iron and steel products);

16- Fulfilling all necessary import and export procedures including customs clearance operations;

17) On the condition of making necessary informative disclosures that are required by the Board of Directors, obtaining long-term, medium-term and short-term loans, investment loans, commodity loans,

letters of credit, open credits, single credits against stocks and bonds and the like; extending and receiving all kinds of mortgages and collateral on behalf of the Company; **The Company shall abide by the conditions set on Provision II-6 when taking decisions on this subject matter.**

18) Entering into partnerships with natural or legal entities which undertake operations within the Company's scope of activities; participating in existing partnerships and entities; purchasing stock certificates, share certificates and their stock subscriptions; selling and exchanging its own stock certificates and share certificates provided that the Company does not engage in brokerage operations and portfolio management;

19) Purchasing real estate and rights which can be considered as real estate; engaging in construction activities and selling and leasing the finished products and leasing them partly or as a whole; leasing and purchasing buildings, facilities, factories, equipment and motor vehicles of others; acquiring rights in favor of the Company and disposing of the goods it owns at will in order to continue and develop the activities it carried out in accordance with its objectives. **The Company shall abide by the conditions set on Provision II-6 when passing resolutions on this subject matter.**

**II - In order to accomplish the objective and scope of the Company,**

1- Obtaining long-term, medium-term and short-term loans and investment loans; obtaining secured and unsecured loans; pledging or mortgaging the properties of the Company if necessary, in order to enter into all kinds of financial, commercial and industrial commitments and execute agreements. **The Company shall abide by the conditions set on Provision II-6 when passing resolutions on this subject matter.**

2- Purchasing real estate or ships required for business and selling them if needed;

3- Putting liens on or collateralizing the properties of others in favor of the Company or acquiring all rights on these in favor of the Company if the operations and business commitments undertaken requires them; **The Company shall abide by the conditions set on Provision II-6 when passing resolutions on this subject matter.**

4- Purchasing, hiring or leasing those it owns and selling if needed all kinds of transportation vehicles;

5- Establishing social associations for the benefit of the officers, employees and workers of the Company according to Article 468 of the Turkish Commercial Code and making investments with a view to secure their perpetuation and operation and making them productive in the best way possible.

**6- The Company shall issue guarantee, bail, security, lien and mortgage only on behalf of itself in favor of partners, which are included in the full consolidation during the preparation of financial statements and for the third parties, in order to run business operations and on the condition that it abides by the rules set by the Capital Markets Board.**

If and when the Company wishes to engage in other fields of business that may be deemed necessary and useful for the Company in the future, in addition to and besides the fields of business listed above, then and in this case, after receipt of required consents from the Ministry of Industry and Trade and the Capital Markets Board, a proposal of the Board of Directors related thereto will be submitted to the General Assembly of Shareholders for approval, and upon an affirmative resolution of the General Assembly of Shareholders, the Company may enter into such additional fields of business.

**AMENDED VERSION**

**MEETINGS OF THE BOARD OF DIRECTORS AND QUORUM OF THE MEETINGS:**

**ARTICLE 11:** The Board of Directors shall convene at any time it deems necessary to discuss business matters and conduct business. However, it has to convene at least once a month. At least half of the members plus one shall be present for the Board of Directors to pass a resolution. Resolutions shall be passed by the majority of the present members. Any member of the Board of Directors may not vote as a depute of another member. Resolutions shall be passed the following week in case of equal number of votes. In case of equal votes in that time as well, the proposal shall be deemed declined. Members may not participate in meetings regarding themselves or their relatives. Resolutions passed by the Board of Directors at the end of the meeting are recorded by the Secretary of the Board of Directors for signature. All members are required to sign the resolutions. All opposing members are also required to sign the resolution with the reason for their objection noted. Unless one of the members calls for a meeting, Board of Directors' resolutions may be passed by means of obtaining written consent from the members for a proposal made by one of them. Only written and signed resolutions shall be deemed valid.

## **AMENDED VERSION**

### **DUTIES OF THE BOARD OF DIRECTORS, AUTHORITY TO REPRESENT AND BIND:**

#### **ARTICLE 12:**

##### **A) Duties and Responsibilities of the Board of Directors**

The Company is managed and represented by the Board of Directors.

Documents given and agreements made by the Company shall be deemed valid when individuals, who are authorized to represent and bind the company, sign under the company title. The signatures, which will represent and bind the Company, will be determined by the Board of Directors.

Members of the Board of Directors elect a chairman and a deputy chairman to represent the chairman when he or she is not available.

Board of Directors may set up committees and commissions from the members as deemed necessary to manage operations, to prepare items presented to them, to report on items on vital matters and especially on drawing the balance and to follow up on resolutions.

The Board of Directors may elect a managing director or managing directors from its ranks to delegate some of the managerial powers to them as it becomes necessary.

The Board of Directors may also represent and bind the Company by appointing Directors.

Board of Directors shall keep the balance sheets for the past business year and submit to shareholders for review at least 15 days before the General Assembly according to the provisions of the law.

In addition to the balance sheet, the Board of Directors also prepares a report to be submitted to the General Assembly to display the Company's business, financial and economic state, to summarize operations and transactions that have been completed, as well as preparing a proposal on the amount of capital reserve and on the earnings to be distributed. Report and proposal documents shall be submitted for the inspection of the shareholders at least 15 days before the General Assembly.

The Board of Directors shall perform actions to meet the requirements stipulated in the Corporate Governance Principles that have been or will be published by the Capital Markets Board.

##### **B) MINIMUM REQUIREMENTS SOUGHT FROM THE MEMBERS OF THE BOARD**

As a principle, individuals with extensive knowledge and skills, who have enough experience and background, shall be elected as members of the board. Individuals, who have been jailed for more than

five years, with the exclusion of negligent crimes, for actions against Capital Market legislation, insurance legislation, banking legislation, anti money-laundering legislation and legislation on lending money, or individuals, who have been sentenced to five years of penal servitude for crimes of qualified embezzlement, extortion, bribery, robbery, fraud, forgery of official documents, misappropriation during service, fraudulent bankruptcy, qualified contraband, conspire to rig an official bid or trading, disclose government secrets, tax evasion by forging official documents, shall resign from their posts immediately and shall not hold this post for five years starting from their sentencing, if they have been put on trial and sentenced for the crimes herein mentioned within the past five years of being elected as a member of the board. Individuals, who have the attributes mentioned herein, shall not be elected as a member of the board for five years.

Members of the board shall be elected among qualified individuals who have knowledge regarding the business area and management of the company and who have gained experience by having worked in private or public sector.

Within the herein general framework, minimum qualifications sought for board membership candidacy shall be as follows;

a-Being able to read and analyze financial statements and reports,

b-Being knowledgeable regarding legal arrangements the company is subjected to in its daily as well as long-term transactions and operations.

c-Having the ability and the determination to participate in all of the projected meetings of the Board of Directors for the related fiscal year.

**AGENDA ITEM 4:** The Assembly was adjourned by a majority vote, with no other items on the agenda to be discussed.

Commissioner of the Ministry of Industry and Trade  
Kadir Aslan

Chairman  
Mahmut Kemal Aydın

Canvasser

Sedat Kurucan

Secretary  
Mehmet Ksmez