

**ANNEX I
[DRAFT] SCHEDULE OF TURKEY**

Sector:	All Sectors
Obligations Concerned:	National Treatment (Article 1.4)
Measures:	Turkish Civil Code, (Law No. 4721, as amended by Law No. 4778, January 2, 2003), Article 92 and 117
Description:	Foreign associations, foundations and other non-profit entities must obtain prior authorization from Turkish Ministry of Interior in order to establish a corporation, trust, partnership, sole proprietorship, joint venture, association or another similar organization in the territory of Turkey or to acquire shares of these entities or to do other business activities.

Sector:	All Sectors
Obligations Concerned:	National Treatment (Article 1.4) Senior Management and Boards of Directors (Article 1.9)
Measures:	Turkish Commercial Code (Law No. 6102, February 14, 2011), Article 40
Description:	A branch of a commercial enterprise in Turkey, the headquarters of which is located abroad; must register a commercial representative who is fully authorized and resident in Turkey.

Sector:	Acquisition of Land
Obligations Concerned:	National Treatment (Article 1.4)
Measures:	Land Registry Law (Law No. 2644, as amended by Law No. 6302 May 3, 2012), Article 35 Cabinet Decree No. 3504 June 25, 2012
Description:	<p>Maximum size of immovable property and limited rights <i>in rem</i> over them that a foreign person¹ may acquire is thirty hectares in total within the Turkish territory, in conformity with the legal restrictions.</p> <p>A foreign natural person may acquire ten percent of total lands available for private possession in a ilçe/district, in maximum. (Turkish: “ilçe”, which is the smallest administrative boundary).</p> <p>Foreign natural persons must have prior authorization from Turkish Ministry of Food, Agriculture and Livestock in order to acquire immovable property and limited rights <i>in rem</i> over them which is classified as agricultural land according to Law on Protection of Soil and Use of Land (Law No.5403).</p> <p>A foreign corporation, which is established under laws of its country and has juridical personality, may acquire immovable property and limited rights <i>in rem</i> over them solely according to special laws (Tourism Incentive Law, Turkish Petroleum Law, Industrial Zones Laws). Other corporations which are not included in this definition may not acquire immovable property and limited rights <i>in rem</i> over them.</p> <p>When it is deemed necessary for national interest or security, Council of Ministers may ban, suspend partially or fully, restrict and/or determine acquisition of immovable property and limited rights <i>in rem</i> over them in respect with country, personality, geographical zone, time period, number, proportion, type, qualification, area and/or quantity by foreign nationals and foreign corporations</p>

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¹ Only nationals of countries that are determined by a Cabinet Decree may possess immovable property and limited rights *in rem* over them in Turkey, in case of necessities with regard to national interest and international relations.

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which are established under the laws of their country and have juridical personalities.

Foreign nationals or foreign corporations which are established under laws of their country and have juridical personality, shall present in two years the project that they will develop on an immovable property to the consent relevant Ministry.

The immovable properties or the limited rights *in rem* over them that are acquired in violation of this Article (Land Registry Law, Article 35) or that are determined by the relevant Ministry or authority that they are not used in accordance with the purpose of the acquisition or in case the projects of which are not conducted in given period of time, or not presented to consent of the relevant Ministry or authority, and the immovable properties or the limited rights *in rem* over them that are acquired by inheritance apart from restrictions mentioned in Paragraph 1, will be liquidated; and the value of liquidation will be paid to the owner unless the owner fulfill the liquidation in a certain period of time determined by the Turkish Ministry of Finance, and this period shall not be longer than a year.

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Sector:	Acquisition of Land
Obligations Concerned:	National Treatment (Article 1.4)
Measures:	<p>Land Registry Law (Law No. 2644, as amended by Law No. 6302 May 3, 2012), Article 36</p> <p>Military Forbidden Zones and Security Zones Law, (Law No. 2565),</p>
Description:	<p>A corporation which has legal personality and established and registered in conformity with Turkish Laws and registered in Turkey, has right to acquire immovable property and limited rights <i>in rem</i> over them only to conduct business activities stated in articles of incorporation; in case foreign nationals or foreign juridical persons or international entities have fifty percent or more than fifty percent shares of such corporation or have the right to appoint or remove the majority of people who have management rights.</p> <p>If such corporations directly or indirectly acquire shares of another corporation that is established in Turkey, the latter corporation shall be subject to the same conditions specified in Paragraph 1; provided that the foreign investor acquires or possesses fifty percent or more of total shares in such corporation or the shares of foreign investors reach or exceeds, directly or indirectly, fifty percent of total shares of a Turkish corporation which possesses immovable property including in case of transfer of shares.</p> <p>Without prejudice to Military Forbidden Zones and Security Zones Law, acquisition of land by such corporations in military forbidden zones, military security zones or other zones stated in Article 28 of this Law requires permission from the Presidency of General Staff or the Command Office that is authorized by the Presidency of General Staff. . Acquisition of land by such corporations in the special security zones are subject to permission from the Office of the Province Governor where the land is located situated</p> <p>Utilization purposes of immovable properties that are acquired according to Article 36 of Land Registry Law, will be monitored by Office of the Province Governor.</p>

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Immovable properties or limited rights *in rem* over them that are not acquired or utilized in accordance with provisions of according to the Article 36 will be liquidated by the Turkish Ministry of Finance and the value of liquidation will be paid to the owner unless the owner fulfill the liquidation in a certain given period of time determined by the Turkish Ministry of Finance.

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Sector: Publishing of Periodicals

Obligations Concerned: National Treatment (Article 1.4)
Most-Favored-Nation Treatment (Article 1.5)
Senior Management and Boards of Directors (Article 1.9)

Measures: Press Code (Law No. 5187 June 9, 2004), Article 5

Description: An enterprise which will publish periodicals has to be managed by a natural person resident in Turkey and in case of a foreign person, reciprocity is required.

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Sector: Pharmaceuticals and Medical Products

Obligations Concerned: National Treatment (Article 1.4)
Senior Management and Boards of Directors (Article 1.9)

Measures: Law on Pharmaceuticals and Medical Products (Law No. 1262, as amended by Law No. 6243 February 8, 1954), Article 5

Description: An enterprise which will produce pharmaceuticals or medical products has to be managed by a medical doctor, or a pharmacist, or a chemist and where the necessity of the specialization according to the relevant Articles of Law No. 1262 requires so, a veterinarian or a dentist who is a Turkish National.

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Sector:	Mining
Obligations Concerned:	National Treatment (Article 1.4) Senior Management and Boards of Directors (Article 1.9)
Measures:	Law on Mining (Law No. 3213, June 4, 1985), Article 6 By-Law on Mining Activities (Published in the Official Gazette on November 6, 2010), Articles 132, 140 and 145 Law on Mining (Law No. 3213, June 4, 1985), Article 16
Description:	<p>Establishing a corporation which has legal personality in Turkey is required. Foreign nationals and foreign corporations cannot operate in this area without establishing a Turkish corporation.</p> <p>Technical staff, technical supervisors and permanent supervisors of the corporations operating in mining sector shall be Turkish nationals.</p> <p>Enterprises that have license to extract coccolith, sapropel and hydrogen sulfide from sea are required to have at least one board of directors member and an auditor who shall be appointed by Turkish Petroleum Corporation or a Corporation that belongs to Turkish Petroleum Corporation.</p>

Sector:	Petroleum
Obligations Concerned:	National Treatment (Article 1.4) Senior Management and Boards of Directors (Article 1.9) Performance Requirements (Article 1.8)
Measures:	Turkish Petroleum Law (Law No. 6491, May 30, 2013), Articles 18 and 22 By-Law on Licensing in Petroleum Market (Published in the Official Gazette on June 17, 2004), Article 7 Notice on Blending Ethanol with Gasoline Types (Published in the Official Gazette on July 7, 2012) Article 5
Description:	<p>Only corporations that are mentioned as “equity corporations” in either Turkish Laws or in the Laws of the countries where they are established may obtain research permissions, research licenses and operating licenses in Petroleum sector.</p> <p>A natural or a juridical person who will make a license application for refining of petroleum products shall be resident in Turkey, registered in trade or industrial register and shall be an income or corporate tax payer in Turkey.</p> <p>An address in Turkey shall be registered in order to obtain research permissions, research licenses and operating licenses.</p> <p>Juridical persons who will obtain petroleum right (having research permission or research license or operating license) shall be subject to Turkish Commercial Code provisions.</p> <p>Corporations who will obtain petroleum right that are mentioned as “equity corporations” in the Laws of the countries where they are established shall be deemed as resident in Turkey with respect to their operations in Turkey, according to the Legislation on Protection of the value of Turkish Currency.</p> <p>Gasoline types that are delivered by a refinery license owner via tank truck filling units shall meet the requirements of Notice on Blending Ethanol with Gasoline Types mentioned above.</p>

Sector:	Natural Gas
Obligations Concerned:	National Treatment (Article 1.4) Senior Management and Boards of Directors (Article 1.9)
Measures:	Natural Gas Market Law (Law No. 4646, April 18, 2001), Article 4 Turkish Petroleum Law (Law No. 6491, May 30, 2013), Articles 18 and 22
Description:	Research and manufacturing operations in natural gas sector shall be subject to Turkish Petroleum Law (Law No. 6491, May 30, 2013). Only corporations that are mentioned as "equity corporations" in either Turkish Laws or in the Laws of the countries where they are established may obtain research permissions, research licenses and operating licenses in Natural Gas sector.

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Sector:	Fishery
Obligations Concerned:	National Treatment (Article 1.4)
Measures:	<p>Law on Fisheries (Law No. 1380, March 22, 1971), Article 21</p> <p>By-Law on Fisheries (Published in the Official Gazette on October 10, 1995), Article 5</p> <p>Notice on Commercial Fishing (Notice No: 2012/65 Published in the Official Gazette on August 18, 2012) Article 21</p>
Description:	<p>Foreign natural or juridical persons cannot operate in fishery sector. Operations of juridical persons that are established in Turkey in conformity with the legislation on Foreign Direct Investment are subject to prior authorization and license requirements of the Ministry of Food, Agriculture and Livestock.</p> <p>Foreign natural and juridical persons cannot operate in Tuna fishing by renting Turkish vessels.</p>

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Sector:	Manufacturing of Tobacco Products
Obligations Concerned:	National Treatment (Article 1.4) Senior Management and Boards of Directors (Article 1.9)
Measures:	Law on Organization and Duties of Tobacco and Alcohol Market Regulatory Authority (Law No. 4733, as amended by Law No. 6111 February 13, 2011), Article 8
Description:	An enterprise which will produce tobacco products shall procure cut rag from a producer in Turkey.

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Sector: Manufacturing of Sugar

Obligations Concerned: Performance Requirements (Article 1.8)

Measures: Law on Sugar (Law No. 4634, as amended by Law No. 6111, February 13, 2011) Article 5

Regulation on Raw Material and Sugar Prices (Published in the Official Gazette on June 28, 2002), Articles 4 and 5

Description: An enterprise which will produce sugar shall procure sugar beet and other raw materials from producers in Turkey.

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Sector:	Agriculture
Obligations Concerned:	Senior Management and Boards of Directors (Article 1.9)
Measures:	Articles of Incorporation for the Central Union of Turkish Agricultural Credit Cooperatives, Articles 30 and 37
Description:	All members of the boards of directors and auditors of Turkish Agricultural Credit Cooperatives must be Turkish nationals.

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Sector: Electricity

Obligations Concerned: National Treatment (Article 1.4)

Measures: Electricity Market Law (Law No. 6446, March 14, 2013), Article 4

Description: Only joint-stock corporations and limited liability corporations which are established according to Turkish Laws may operate in this sector. Shares of joint-stock corporations shall be registered shares, apart from the shares traded in stock exchange markets.

ANNEX II
[DRAFT] SCHEDULE OF TURKEY

Sector:	All Sectors
Obligations Concerned:	National Treatment (Article 1.4) Most-Favored-Nation Treatment (Article 1.5) Performance Requirements (Article 1.8) Senior Management and Boards of Directors (Article 1.9)
Description:	Turkey reserves the right to adopt or maintain any measure with respect to the transfer or disposition of equity interests or assets held by state enterprises or governmental authorities.

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Sector: All Sectors

Obligations Concerned: National Treatment (Article 1.4)
Most-Favored-Nation Treatment (Article 1.5)
Performance Requirements (Article 1.8)
Senior Management and Boards of Directors (Article 1.9)

Description: Turkey reserves the right to adopt or maintain any measure with respect to the establishment or acquisition of an investment by foreign nationals or foreign juridical persons that is necessary for the maintenance of public order.

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Sector: All Sectors

Obligations Concerned: Most-Favored-Nation Treatment (Article 1.5)

Description: Turkey reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreement in force or signed prior to the date of entry into force of this Agreement.

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Sector:	All Sectors
Obligations Concerned:	Performance Requirements (Article 1.8)
Description:	Turkey reserves the right to adopt or maintain any measure with regard to hazardous chemicals and hazardous waste.
Existing Measures:	Law on Environment (Law No. 2872, as amended by Law No. 5491, April 26, 2006), Article 13

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Sector: Acquisition of Land

Obligations Concerned: National Treatment (Article 1.4)
Most-Favored-Nation Treatment (Article 1.5)
Performance Requirements (Article 1.8)
Senior Management and Boards of Directors (Article 1.9)

Description: Turkey reserves the right to adopt or maintain any measure with respect to acquisition of land by foreign nationals, foreign juridical persons, and corporations established in Turkey in which foreign investors have shares.

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Sector: Firearms, Swords, Explosives, Munitions, War Materials and Similar Items

Obligations Concerned: National Treatment (Article 1.4)
Most-Favored-Nation Treatment (Article 1.5)
Performance Requirements (Article 1.8)
Senior Management and Boards of Directors (Article 1.9)

Description: Turkey reserves the right to adopt or maintain any measure with respect to the firearms, swords, explosives, munitions or war materials sector, including the manufacture, use, sale, storage, transport, import, export, and possession of firearms, swords, explosives, munitions or war materials.

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Sector: Defense Industry

Obligations Concerned: National Treatment (Article 1.4)
Most-Favored-Nation Treatment (Article 1.5)
Performance Requirements (Article 1.8)
Senior Management and Boards of Directors (Article 1.9)

Description: Turkey reserves the right to adopt or maintain any measure with respect to defense industry.

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Sector: State-Owned National Electronic/Information System

Obligations Concerned: National Treatment (Article 1.4)
Most-Favored-Nation Treatment (Article 1.5)
Performance Requirements (Article 1.8)
Senior Management and Boards of Directors (Article 1.9)

Description: Turkey reserves the right to adopt or maintain any measure affecting the administration and operation of any state-owned electronic information system that contains proprietary government information or information gathered pursuant to the regulatory functions and powers of the government.

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Sector:	Manufacturing of Biological Products
Obligations Concerned:	National Treatment (Article 1.4) Most-Favored-Nation Treatment (Article 1.5) Performance Requirements (Article 1.8) Senior Management and Boards of Directors (Article 1.9)
Description:	Turkey reserves the right to adopt or maintain any measure with respect to manufacturing of biological medical products or biopharmaceuticals.

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Sector: Atomic Energy and Nuclear Energy, Atomic Materials,
Radioactive materials, Radioactive Waste Management

Obligations Concerned: National Treatment (Article 1.4)
Most-Favored-Nation Treatment (Article 1.5)
Performance Requirements (Article 1.8)
Senior Management and Boards of Directors (Article 1.9)

Description: Turkey reserves the right to adopt or maintain any measure
with respect to the generation and sale of atomic energy
and nuclear energy, production of atomic and radioactive
materials, radioactive waste management.

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Sector: Aquaculture

Obligations Concerned: National Treatment (Article 1.4)

Description: Turkey reserves the right to adopt or maintain any measure with respect to aquaculture activities in Turkey's internal waters, territorial sea and Exclusive Economic Zone.

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Sector: Manufacturing of Sugar

Obligations Concerned: Performance Requirements (Article 1.8)

Description: Turkey reserves the right to adopt or maintain any measure with respect to manufacturing of sugar.

Existing Measures: Law on Sugar (Law No. 4634, as amended by Law No. 6111, February 13, 2011) Article 5

Regulation on Raw Material and Sugar Prices (Published in the Official Gazette on June 28, 2002), Articles 4 and 5

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Sector: Manufacturing of Tobacco Products

Obligations Concerned: Performance Requirements (Article 1.8)

Description: Turkey reserves the right to adopt or maintain any measure with respect to manufacturing of tobacco products.

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Sector: Natural Gas

Obligations Concerned: National Treatment (Article 1.4)
Most-Favored-Nation Treatment (Article 1.5)
Performance Requirements (Article 1.8)
Senior Management and Boards of Directors (Article 1.9)

Description: Turkey reserves the right to adopt or maintain any measure with respect to natural gas industry.

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Sector:	Boron, Thorium and Uranium
Obligations Concerned:	National Treatment (Article 1.4) Most-Favored-Nation Treatment (Article 1.5) Performance Requirements (Article 1.8) Senior Management and Boards of Directors (Article 1.9)
Measures:	Law on the exploitation of boron salts, trona and asphaltit minerals and nuclear energy raw materials, and return of lignite and iron fields, No. 2840. Law on Mining, No 3213, June 4, 1985, Article 50
Description:	Turkey reserves the right to adopt or maintain any measure with respect to boron, thorium and uranium minerals.

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Sector: Electric Power Generation

Obligations Concerned: National Treatment (Article 1.4)
Most-Favored-Nation Treatment (Article 1.5)
Performance Requirements (Article 1.8)
Senior Management and Boards of Directors (Article 1.9)

Description: Turkey reserves the right to adopt or maintain any measure with respect to electric power generation sector.