

# **INTERNAL DIRECTIVE ON THE WORK BASIS AND PROCEDURES OF THE GENERAL ASSEMBLY OF İZOCAM TİCARET VE SANAYİ ANONİM ŞİRKETİ**

## **FIRST PART**

### **Objective, Scope, Basis and Definitions**

#### **Objective and Basis**

**ARTICLE: 1-** The objective of this Internal Directive is the determination of the working basis and procedures of the General Assembly of the Company, İzocam Ticaret ve Sanayi Anonim Şirketi, within the framework of provisions of the applicable Law, related legislation and articles of association. This Internal Directive shall comprise all ordinary and extraordinary General Assembly meetings of İzocam Ticaret ve Sanayi Anonim Şirketi.

#### **Basis**

**ARTICLE: 2 –** This Internal Directive is prepared by the board of directors in accordance with the provisions of the basis and procedures of the General Assemblies of Joint Stock Companies and Representatives of the Ministry of Customs and Trade Due To Be Attended in These Meetings.”

#### **Definitions**

**ARTICLE: 3-** For the purpose of this Directive hereof, the following words and terms shall have the meaning set forth herein below;

- a) Sitting means a daily meeting of the General Assembly,
- b) Law means the Turkish Commercial Code no. 6102, dated as January 13, 2011,
- c) Session means each of the parts of every sitting, cut off for break, lunch break and similar reasons,
- d) Meeting means any of the ordinary and extraordinary General Assembly meetings,
- e) Meeting chairmanship (presiding board) means a board consisting of the chairman of the presiding board, elected by the general assembly in order to conduct the meeting, in accordance with the first subparagraph of Article 419 of the Law and in the meantime, vice-chairman of the meeting to be elected by the General Assembly when necessary, and secretary of the meeting (to write the minutes) due to be determined by the chairman of the presiding board and also vote-collector, if deemed as necessary by the chairman of the presiding board.

## **SECOND PART**

### **Basis and Procedures of the General Assembly Applicable Provisions**

**ARTICLE: 4 –** The meeting shall be conducted in accordance with the provisions of the applicable Law, related legislation and articles of association pertaining to the general assembly.

### **Entry into the Meeting Location and relevant preparations**

**ARTICLE: 5 –** Those of individuals such as shareholders, registered in the attendance list to be issued by the Board of Directors or their representatives (proxies), members of the Board of Directors, Auditors, Ministerial Representative and any persons, who will either be elected as the Chairman of the Presiding Board or be assigned in this respect, other managers of the company and related technical personnel, who will use necessary equipment and system for the conduct of electronic general assemblies pursuant to Article 1527 of the Turkish Commercial Code no. 6102 and technicians for taking sound and image, employees, guests, media members and so on, may enter into the meeting location.

It is obligatory for the real entity shareholders and representatives, who are appointed through the electronic general assembly system to be established pursuant to the provision of Article 1527 of the Turkish Commercial Code no. 6102 to show their identity cards and for the representatives of such real entity shareholders to show their identity cards together with the representation documents and for the representatives of the legal entity shareholders to submit their letters of authorization and to affix their signatures at places, indicated on the attendance list for them in this way, at the entry into the meeting location. The mentioned control procedures shall be carried out by the board of directors, or one or more members of the Board of Directors to be appointed by the Board of Directors or any other person(s) to be appointed by the latter.

All sorts of duties related to the preparation of the meeting place in a manner to comprise all shareholders, keeping any stationeries, documents, equipment and supplies that may be available at the meeting place shall be fulfilled by the Board of Directors. The Meeting may be sound and video-recorded under the circumstances where the Board of Directors deems as necessary.

### **Opening of Meeting**

**ARTICLE: 6** – The General Assemblies shall be opened upon determination by the chairman or Vice-Chairman or any of the members of the Board of Directors through a minutes of the fact that the meeting quorums, indicated in Articles 418 and 421 of the Law, are available, at any location of the city where the head office of the Company is available or the place where its factory is located thereto at any time that is announced in advance.

### **Election of Presiding Board**

**ARTICLE: 7-** A chairman and if necessary, a vice-chairman, who will be responsible for the conduct of the general assembly and do not have to be a shareholder, shall be elected among the candidates, nominated before all else under the management of the person opening the meeting, shall be elected pursuant to the provision of Article 6 of this Internal Directive.

The Chairman shall designate at least one meeting secretary and if deemed necessary, sufficient number of vote collectors and individuals, who will be using the electronic general assembly system. The presiding board shall be authorized to sign the meeting minutes and other documentation that forms the basis of such minutes.

The chairman of the presiding board shall act in accordance with the provisions of this Internal Directive, applicable Law and articles of association.

### **Duties and authorizations of the presiding board**

**ARTICLE: 8** – The presiding board shall fulfil the following duties under the management of the chairman:

a) To examine whether the meeting is conducted at the address, indicated at the announcement and meeting place is in conformity with this, if indicated at the articles of association.

b) To examine whether the General Assembly is called for a meeting with the mode or form as is indicated in the articles of association and in a manner to reach the maximum number of shareholders possible, and through an announcement, published in the Turkish Trade Registration Journal, at the electronic general assembly system and website of the company, and whether this call is made at least three weeks in advance of the meeting date excluding the announcement and meeting dates, and to include this matter in the meeting minutes,

- c) To check those of individuals, who have no authorization to enter in the meeting place, whether they have attended in the meeting and duties, indicated in Article 5 of this Internal Directive with relation to the entry in the meeting place are fulfilled by the Board of Directors,
- d) To examine whether the General Assembly quorum is maintained until the end of the meeting.
- e) To determine whether the final version of amendments of the articles of association, annual activity report of the Board of Directors, audit reports, financial tables, meeting agenda, amendment of the articles of association if there is any proposal for the amendment of the articles of association on the agenda, any letters of permission due to be taken from the Ministry and Committee and amendment proposal forming an attachment of the latter in case such amendment is subject to the preliminary permission of the capital market committee and Ministry of Customs and Trade, attendance list that is issued by the Board of Directors, and adjournment report (minutes) related to the preceding meeting if the General Assembly is called by the Board of Directors for a meeting and other necessary documents pertaining to the meeting are available at the meeting place in a complete manner and to indicate the same at the meeting minutes,
- f) To make the identity check of those of individuals attending in the General Assembly either in person or by proxy by way of signing the attendance list upon relevant objection or as a result of requirement and to check the accuracy of representation documents,
- g) To determine whether the managing directors and at least one member of the Board of Directors and auditor pertaining to the companies subject to auditing are available at the meeting, and to determine the same at the meeting minutes,
- h) To conduct the general assembly works within the framework of the agenda, and to prevent getting out of the agenda apart from the exceptions, indicated at the applicable Law, and to ensure the order at the meeting, and to take necessary measures to this end,
- i) To open and close the sessions and sittings and in the meantime, to finalize the meetings,
- j) To read any decisions, written proposals, reports, suggestions and similar documents with relation to the matters to be discussed there under or cause the same to be read before the General Assembly, and to give permission to those, who want to speak with regard to them,
- k) To cause a voting process to be held with relation to the decisions due to be made by the General Assembly, and to report their results,
- l) To observe whether the meeting quorum is maintained at the beginning, continuation and end of the meeting, and decisions are made in accordance with the quorums, envisaged in the applicable Law and articles of association,
- m) To prevent those lacking the right of voting to cast vote in the decisions, indicated at the said article pursuant to Article 436 of the Law, and to observe all sorts of limitations, brought in for the right of voting and preferential vote casting pursuant to the Law and articles of association,
- n) To postpone the discussion of financial tables and negotiation of the subject matter depending on them upon request of the shareholders holding one in twentieth of the capital and adjourn the same to a meeting to be held one month later without requirement of any decision to be made by the General Assembly on this matter,
- o) To ensure the arrangement of minutes related to the works of the General Assembly, and include any objections in the minutes, sign the decisions and minutes and indicate all votes, cast in favour and disfavour with relation to the decisions due to be made at the meeting, at the meeting minutes without any hesitation,

p) To deliver the meeting minutes, annual activity report of the Board of Directors, audit report at the companies subject to auditing, financial tables, attendance list, agenda, motions, voting papers and minutes of the elections, if any, and all documents pertaining to the meeting, to any attending member of the Board of Directors or persons in charge of the Company through a report at the end of the meeting,

#### **Procedures to be made in advance of proceeding with the discussion of agenda**

**ARTICLE: 9** – The chairman of the presiding board shall read the meeting agenda or cause the same to be read to the General Assembly. It shall be asked by the Chairman whether any proposal for the change in the negotiation order of agenda topics is available, if there is any proposal, the same shall be submitted to the approval of the General Assembly. Then, it may be possible to change the order of negotiation of agenda topics upon majority decision of votes available at the meeting.

#### **Discussion of Agenda and agenda topics**

**ARTICLE: 10** – It is obligatory to include the following matters in the agenda of ordinary general assembly:

- a) Opening and election (formation) of the presiding board.
- b) Discussion of annual activity report of the Board of Directors, audit report at companies being subject to auditing and financial tables.
- c) Release of the members of the Board of Directors and auditor(s), if any.
- d) Election of the members of the Board of Directors and auditor whose duty periods are expired at companies being subject to auditing.
- e) Determination of the rights of the Board of Directors such as fees and honorariums as well as bonuses and premiums.
- f) Determination of the mode of use and distribution of profit and proportions of dividend shares.
- g) Negotiation of amendments in the articles of association, if any.
- h) Any other matters that may be requested in this respect.

The agenda of the extraordinary general assembly meeting is formed by any causes that may require the conduct of such meeting.

Any subject matters that do not take place in the agenda topic of the meeting apart from the exceptions, indicated herein below, can be discussed and decided upon:

- a) It may be possible to add any topic to the agenda by a unanimous vote in case of full attendance of the shareholders.
- b) In case of request by any shareholder for private audit shall be decided upon by the General Assembly pursuant to Article 438 of the Law no matter whether it takes place on the agenda or not.
- c) The matters such as revocation of the members of the Board of Directors and election of new ones instead of them shall be deemed as related to the article for the discussion of end-of-year financial tables and in case of any request, be subject to a decision by direct negotiation in case of request no matter whether any article pertaining to the subject matter thereof is available on the agenda.
- d) In case of availability of just (valid) causes such as improprieties, insufficiencies, violation of loyalty obligation, difficulty in the performance of duty as a result of membership in various companies, incompatibility, fraud on power and so on, and even if no article takes place on the agenda, the matters such as revocation of the members of the Board of Directors election of new members instead may be included in the agenda by the majority votes of those attending in the General Assembly.

Any agenda topic that is discussed and decided upon at the General Assembly cannot be re-discussed and decided upon unless it is resolved by the unanimous votes of attending shareholders.

The subject matters that may be requested by the Ministry to be discussed at the General Assembly of the Company at the end of an audit or for any reason whatsoever shall be included in the agenda.

The agenda shall be determined by the party calling the General Assembly for a meeting.

### **Taking floor at the meeting**

**ARTICLE: 11** – Any shareholders or other related persons, who want to speak on an agenda topic under negotiation, shall submit the matter to the presiding board. The presiding board shall announce the persons, who will take the floor, to the General Assembly and allow them to speak according to the order of application. The person whose turn to speak comes in, is not available at the meeting place, he/she will lose the right to speak. The speeches shall be made via the location, allocated for this purpose, addressing to the General Assembly. The person may exchange their turn(s) to speak by and between themselves. In the event that the duration for speech is limited, the person whose turn comes and makes his/her speech can only continue the speech when the time, granted upon him/her, is terminated, if the person, who will speak first after the foregoing waives from his/her right to speech instead of the mentioned speaker, provided to complete the speech related thereto within the speech period of the waiving party. Otherwise, the time for speech cannot be extended.

The members of the Board of Directors and auditor, who want to speak on the subject matters so discussed, may be allowed by the chairman of the presiding board to speak irrespective of applicable order.

The duration of speech shall be determined by the General Assembly upon proposal of the chairman or shareholders in consideration of the busy agenda, high number and degree of importance of subject matters to be discussed there under and number of persons, who want to speak. Under these kinds of circumstances, the General Assembly may firstly decide on through separate voting processes whether it may be necessary to bring a limitation to the time to speak and subsequently, what this period will be.

The modes and principles, determined in the mentioned articles and sub-arrangements with relation to the submission of opinions and suggestions by the shareholders or their representatives, attending in the General Assembly at an electronic media shall be applicable pursuant to Article 1527 of the Law.

### **Voting and mode of vote casting**

**ARTICLE: 12** – Before the commencement of voting process, the chairman of the presiding board shall reveal the matter to be voted for to the General Assembly. In the event that the voting for a draft resolution will be made, then the voting process shall commence after the subject matter thereof is determined in writing and read accordingly. After the announcement about due voting process, it is possible to ask for permission to speak only on procedural basis. In the event that there remains any shareholder, who is not given chance to speak despite of his/or request for it, it shall exercise his/right to speak, provided that the matter is reminded by the latter and confirmed by the Chairman. It is not possible to take the floor after the commencement of the voting process.

The votes, related to the agenda topics that are discussed at the meeting, shall be made by open ballot and hand-raising. These votes shall be counted by the chairmanship of the presiding board. It is possible for the presiding board to assign sufficient numbers of persons to help with the vote counting. Those of persons, who do not raise hand, shall be deemed to have cast their vote as dissent vote and such votes shall be regarded in the assessment as cast in disfavour of the related decision.

The modes and principles, determined in the mentioned articles and sub-arrangements with relation to the casting of votes by the shareholders or their representatives, attending in the General Assembly at an electronic media shall be applicable pursuant to Article 1527 of the Law.

### **Issuance of meeting minutes**

**ARTICLE: 13** – The attendance list showing the shareholders or their representatives, the shares that are owned by them, groups, numbers and nominal values shall be signed by the chairman of the presiding board and then, it shall be ensured that the meeting minutes is issued in accordance with the principles, indicated at the applicable Law and related legislation by the indication of the questions, asked and answers, given at the General Assembly, in brief, and decisions made, and votes cast in favour or disfavour of each decision, in a clear manner at the minutes.

The general assembly minutes shall be issued by hand writing through the use of a pen in a legible or manner, or by computer at the meeting location and during the meeting. It is necessary to have a printer that will allow taking the printouts at the meeting location for the issuance of the minutes at computer.

The minutes shall be issued at least in two copies and each page of the minutes shall be signed by the representative of the Ministry in case of his attendance with the presiding board.

It is necessary to indicate at the minutes the matters such as the commercial title of the company, date and place of meeting, total nominal value of and number of share of the company shares, total number of shares that are represented at the meeting both in person and in proxy, and name and surname of the representative of the Ministry, if attended in, and date and document number of the letter of assignment, and the mode of invitation, if the meeting is made with an announcement, and indication of the mode of conduct of the meeting, if made without announcement.

The numbers of votes related to the decisions, made at the meeting shall be indicated at the meeting minutes by figures and in writing without causing any hesitation at all.

Name, surname and opposition grounds of those, who vote in disfavour of the decisions, made at the meeting and want to have such opposition be written in the minutes.

In case of submission of the ground of opposition in writing, this shall be added to the minutes. The name and surname of the shareholder or representative, who specifies his/her dissention, shall be written in the minutes and be indicated that the letter of dissention is in the attachment. The letter of dissention, attached to the minutes, shall be signed by the chairmanship of the presiding board and representative of the Ministry, if attended.

### **Procedures to be made at the end of meeting**

**ARTICLE: 14-** The chairman of the presiding board shall deliver a copy of the meeting minutes at the end of meeting and all other documentation pertaining to the General Assembly to one of the members of the Board of Directors or persons in charge of the company, available at the meeting. This circumstance shall be determined by a separate minutes to be issued by and between the parties.

The Board of Directors shall be obliged to deliver a notarized copy of the minutes to the trade registry office within a period of fifteen days the latest from the meeting date, and to register and announce the matters subject to registration and announcement taking place at these minutes.

The minutes shall be published at the website of the company within a minimum period of five days from the date of meeting.

The chairman of the presiding board shall also deliver the copy of the attendance list, agenda and minutes of the General Assembly to the representative of the Ministry, if attended in the meeting.

### **Attendance in meeting at electronic media**

**ARTICLE: 15-** Under the circumstances where the opportunity is provided to attend in the General Assembly at electronic media pursuant to the provision of Article 1527 of the Law, any procedures to be carried out by the Board of Directors and the chairmanship of the presiding board shall be performed in consideration of Article 1527 of the law and applicable legislation.

### **THIRD PART**

#### **Miscellaneous provisions**

#### **Attendance of representative of the Ministry and documents, related to the general assembly meeting**

**ARTICLE: 16 –** The provisions of “the Regulation on the Modes and Principles of the General Assembly meetings of Joint Stock Companies and Representatives of the Ministry of Customs and Trade To Be Attended in Such Meetings” pertaining to the requirement of a representative for the meetings where the attendance of the representative of the Ministry is obligatory as well as duties and authorizations of such representative shall be reserved.

It is obligatory to conform to the provisions of the Regulation, indicated in the first subparagraph, for the preparation of the list of the persons, who will be and have been attended in the General Assembly and issuance of the representation documents and meeting minutes to be used at the General Assembly.

#### **Circumstances, not envisaged in the Internal Directive**

**ARTICLE: 17 –** In the event that any circumstance, not envisaged at this Internal Directive, is faced with, then, the action shall be taken in the direction of decision to be made by the general assembly.

#### **Acceptance of Internal Directive and due amendments**

**ARTICLE: 18 –** This Internal Directive shall be put into force by the Board of Directors upon approval of the General Assembly of İzocam Ticaret ve Sanayi Anonim Şirketi and be registered and announced accordingly. Any amendments due to be made in the Internal Directive shall be subject to the same procedure.

#### **Effective date of Internal Directive**

**ARTICLE: 19 –** This Internal Directive was adopted at the General Assembly meeting of İzocam Ticaret ve Sanayi Anonim Şirketi, held on March 25, 2013 and shall be effective on the date of its announcement at the Turkish Trade Registration Journal.

**SAMIR MAMDOUH KASEM**

**Chairman of the Board**

**GIANNI SCOTTI**

**Vice Chairman of the Board**

**WILLIAM MARK SCHMITZ**

**Member**

**ARNAUD JACQUES GÈRARD MOISSET**

**Member**

**GÜLSÜM AZERİ**

**Member**

**POL ZAZADZE**

**Member**

**ARİF NURİ BULUT**

**Member**