



# ARTICLES OF ASSOCIATION

2015

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IZOCAM TICARET VE SANAYİ A.S.

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- **Publication of the Company's First Articles of Association:**

Turkish Trade Register Gazette

<u>DATED</u>	<u>ISSUE NO</u>
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- **Date of Registration at the Trade Register Office and Registration Number**

Our Company is registered at Istanbul Trade Register Office on 6 November 1965 under registration no: 90639/35532

# İZOCAM TİCARET VE SANAYİ A.Ş.

(Reg. no. 90639/35532)

## **Article 1**

### **ESTABLISHMENT:**

A joint stock company is established by and among the founders whose names and addresses appear here below pursuant to instantaneous establishment provisions of Turkish Commercial Code.

Names, addresses and nationality of shareholders:

Koç Holding A.S: İstiklal cad. No.347 Merkez Han Beyoglu- İstanbul-Republic of Turkey

Koçtas Ticaret A.S: Fermeneciler cad. No.90 Karakoy-Istanbul-Republic of Turkey

Ziya Bengu: Cumhuriyet cad. Dag Apt. Elmadag-Istanbul-Republic of Turkey

Israel Menase: Cumhuriyet cad. Dag Apt. Elmadag-Istanbul-Republic of Turkey

Muhterem Kolay: Cumhuriyet cad. Kolay Apt. Harbiye-Istanbul-Republic of Turkey

Bulent Buktas: Selanik cad. 30/3 Ankara-Republic of Turkey

Linzer Glasspinnerei Franz Haider AG: Prager Str. 77 Stockerau-Austria

## **Article 2**

### **TRADE NAME:**

Trade name of the company is Izocam Ticaret ve Sanayi Anonim Sirketi (hereinafter referred to as "Company")

## **Article 3**

### **PURPOSE AND SCOPE :**

1. Manufacture of glass wool, stone wool, all types of mineral wools, glass fibre and products derivated from glass fibre, polystyrene board formwork, all types of chemical additives , glues and fuels, various items obtained from recycling of industrial wastes, chemical compounds, water insulation material and all types of organic and inorganic insulation material:

II- Manufacture of all types of packaging and construction material

III- Contracting in Turkey and abroad of prefabricated and heat insulated construction elements and turnkey or roof , facade or well coatings of any type of industrial facilities, office buildings, workplaces, work-site buildings, hospitals, hotels, hangars and cold storage facilities, residences, etc. using trapezoid, flat or crimped galvanized metal sheet and similar material painted-unpainted or plastic coated including polyurethane, stone wool, glass wool (mineral wool) and other insulation material; manufacture and installation of acoustic suspended ceilings equipped with lamped or spot lighting systems, sliding interior windows, filled walls and elevated floors for the facilities mentioned above:

IV-Purchasing, selling, importing and exporting all material and substances included in its fields of activity and any material and/or machinery used in manufacturing thereof;

V- Establishing and operating production plants and work-shops in Turkey and abroad in connection with its purpose and scope.

VI-Whole and retail selling of the commodities manufactured in Turkey and abroad:

- 1) Possess invention rights and patents, all types of licenses and certificates intellectual rights, concessions and copyrights, tradename, industrial and aesthetic models, drawings and trademarks; special manufacture and production methods, know-how, goodwill and other immovable rights including acquiring, leasing, using, selling and letting thereof and establishing usufruct an pledging rights thereon;

- 2) Deal with intermediary activities including distributorship, national and international agency, broker ship, etc., establish organizations, for this purpose, participate in such organizations or carry out joint businesses in their regard, assign others for these functions;
- 3) Open sales, dealership and representation offices;
- 4) Acquire sell, transfer and pledge share certificates and bonds issued legal or real persons and partnership rights provided that they constitute no stock exchange banking or broker ship status and portfolio operator status;
- 5) Participate in construction companies, foreign trade companies, commercial banks and any ether company dealing with stock-breeding or production of meat and meat products and liquidate partnership in such companies when deemed necessary;
- 6) Participate in entities which generate, distribute and market electric power purchase share certificates of such companies for participation and sell the same without dealing with broker ship or portfolio operations business;
- 7) Acquire, lease and sell transportation vehicles;
- 8) Establish, participate in and take over new companies and organizations in Turkey or abroad jointly with local or foreign legal and real persons in accordance with applicable legislation and transfer its shares to third persons if and when necessary;
- 9) Manufacture under its own or any foreign brand on contactual basis, deal with domestic trading, import, export and contracting business, participate in tenderings, render consultancy services;
- 10) Have others make use of its experiences, establish and have established industrial facilities;
- 11) Let its facilities partially or wholly as ordinary lease or for their proceeds and profits and rent the facilities of others partially or wholly as ordinary lease;
- 12) Make donations and provide support to social foundations, societies, universities, and other similar organizations in accordance with the rules and procedures set by the Capital Market Board.

Any investment in any business other than those mentioned above in the future which may be deemed necessary and beneficial for the Company shall require a proposal to be made by the Board of Directors to the General Assembly for approval.

However, implementation of this decision which amends the Articles of Association requires permission of the Capital Market Board and Ministry of Industry and Trade.

#### **Article 4**

##### **SAVINGS ON REAL ESTATE:**

The Company may acquire all kinds of assets and estates, rights, industrial and intellectual rights, limited real rights such as usufruct, easement and construction rights and claims; may sell or transfer them to others; may establish a lien or mortgage on them; may take a lien or mortgage on assets and estates in his/her favor; may release the current mortgages; may rent or lease out assets and estates; may rent or lease out industrial and intellectual rights partially or completely; may have lease and preliminary sales contracts annotated to the title deed in his/her favor; may have these annotations removed in order to realize the purpose and subject of the company by Board resolution.

In so far:

The company should act in compliance with the Capital Market Board regulations in establishing a mortgage, guarantee or other collaterals either to the name of the company or in favor of third parties.

#### **Article 5**

##### **HEAD OFFICE AND BRANCHES:**

Head office of the Company is situated at İstanbul - Maltepe, Altayçeşme Mahallesi, Öz Sokak No: 19 Kat:3,5,6. Any change in the head office address is registered at the Trade Registry Office, announced in the Turkish Trade Register Gazette and notified to the Ministry of Customs & Trade and Capital Market Board. Any notice made to registered and announced address is deemed to have been duly served to the Company. The Company's failure in having registered its new address after leaving the registered and announced address constitutes a reason of cancellation. The Company may open branches in Turkey or abroad by notifying the Ministry of Customs & Trade and Capital Market Board accordingly.

#### **Article 6**

##### **TERM:**

The Company is established for an indefinite term.

#### **Article 7**

##### **CAPITAL :**

The Company has adopted the registered capital system pursuant to relevant provisions of the Law no: 2499 and permission of the Capital Market Board dated 28.9.1984 no: 291. Registered capital of the Company is TL 60.000.000. (Sixty Million) divided into 6.000.000.000 (six billion) shares each with a par value of kr 1(one Kuruş).

The approval of Capital Markets Board for the registered capital is valid for 5 years period between 2013 and 2017. By the end of 2017, even though the allowed registered capital is not fulfilled, board should receive a new approval from Capital Board and have authorization from the general assembly in order to use the formerly approved registered capital or increasing the registered capital after 2017 and onwards. In case that approval is not received, the company is accepted to be out of registered capital system.

Issued capital of the Company is TL 24.534.143,35 (twenty-four million five hundred and thirty-four thousand one hundred and forty-three comma thirty-five). The capital increased this time in the amount of TL 3.534.143,35 is met nominally by the equity capital of Tekiz İzolasyon ve Yapı Elemanları Sanayi A.S. taken over as a whole in accordance with Articles 37-39 of the Corporation Tax Law, Article 451 and other relevant articles of the Turkish Commercial Code and provisions of the Capital Market Board Legislation upon merger with the said firm that has been approved through the expert witness report issued under the decision of Kadıköy 4th Commercial Court of First instance dated 05.04.2005 merits no.2005/337 D. Is decision no:2005/337 D is and the report issued by Ernst & Young Güney Serbest Muhasebeci Mali Müşavirlik A.Ş.about the merger dated 15.04.2005.

353.414.335 registered share certificates to be issued due to the merger each with a par value of kr 1 (disposition no.18) have been distributed among the shareholders of Tekiz İzolasyon ve Yapı Elemanları Sanayi A.Ş. which dissolved upon merger to have been replaced with the share certificates of İzocam Ticaret ve Sanayi A.Ş.

Shares representing the capital are all registered share certificates. The Board of Directors is entitled to increase the issued capital by issuing paid or no-par shares and to unite the share certificates in denominations corresponding to more than one share when deems necessary in accordance with the provisions of Capital Market Act and other applicable Law. The Board

of Directors may issued share certificates over the par value and restrict the rights of existing shareholder to acquire newly issued shares.

Temporary Article: Nominal value of a share which was TL1.000 formerly has been changed as kr 1 under the Act no.5274 on Amendment of Turkish Commercial Code in consequence of which total number of shares is decreased so that one share with the par value of kr 1 shall be replaced with one former share with the par value of TL 10.000 Fraction vouchers shall be issued for the shares which cannot be rounded up to kr 1. Rights of the shareholders arising from the shares they hold are reserved in relation with the said amendment.

As a result of the said amendment disposition no 12,13,14,15. and 16.share certificates have been united with the disposition 17 and 353.414.335 share certificates have been issued due to the merger with Tekiz İzolasyon ve Yapı Elemanları A.Ş each with a par value of 1 kr have been issued under disposition no.18 rights of the shareholders arising from the shares they hold are reserved in relation with uniting of shares and dispositions.

Replacement of share certificates have been commenced by the Board of Directors with the framework of relevant regulations upon implementation of the procedures relating to recording of Capital Market tools.

#### **Article 8**

##### **FOREIGN CAPITAL COMMITMENT:**

This article is cancelled.

#### **Article 9**

##### **INCREASING AND DECREASING THE CAPITAL, CAPITAL INCREASE WITHIN THE REGISTERED CAPITAL CEILING, PREFERENTIAL SUBSCRIPTION:**

Capital of the company may be increased or decreased in accordance with relevant provisions of Turkish Commercial Code and Capital Market Act. The Board of Directors is entitled to increase the issued capital up to the registered capital ceiling as per the provisions of Capital Market Act, Turkish Commercial Code and related communiqués in case the capital is so increased by the Board of Directors existing shareholders shall have the right of preferential subscription in proportion with the number of shares they hold according to the relevant articles of Turkish Commercial Code which is applicable in connection with the use of preferential subscription right. The Board of Directors may issue share certificates over the nominal value and restrict the rights of existing shareholders to acquire newly issued shares.

#### **Article 10**

##### **RE-DETERMINATION OF REGISTERED CAPITAL AMOUNT:**

In case the Board of Directors issues share certificates up to the registered capital ceiling permission of the Capital Market Board is obtained to re-determine the registered capital ceiling or change the amount of registered capital and the Articles of Association is amended accordingly.

#### **Article 11**

##### **STRUCTURE AND DUTIES OF THE BOARD OF DIRECTORS and REPRESENTATION OF THE COMPANY:**

Administration and representation of the Company shall be executed by the Board of Directors consisting of not at least 5 members elected within the framework of the Turkish Commercial Code, Capital Markets Board regulations and relevant legislation provisions.

Board of Directors shall be established and shall operate within the following principles:

**11.1** Number of Board members shall be determined by the General Assembly in a way to enable board members to undertake efficient and productive efforts, to take fast and rational decisions, to establish committees and to organize their works effectively on condition that there are at least 5 members in any situation.

The majority of members of Board of Directors is composed of such individuals who do not have any administrative position in the company other than board of directors membership and who do not intervene in the daily businesses and ordinary activities of the company.

**11.2** The number and attributes of independent board members shall be in compliance with the Capital Markets Board Corporate Governance Regulations.

**11.3** The execution and operating principles of Board of Directors together with its structure and meeting format and thereby the relevant structure of committees to be established within Board of Directors shall be in compliance with the Capital Markets Board Corporate Governance Regulations.

Board of Directors governs the Company and represents it against courts and third parties. Excluding the Article 408 of Turkish Commercial Code and the regulations in Clause 1 of Article 23 of Capital Markets Law, Board of Directors has the absolute authority to perform all kinds of proceedings and actions, related with the company's field of activity together with the administration and possession of all kinds of estates and assets belonging to the company.

To take customizable decisions in all issues that are not subject to the resolutions of General Assembly, to determine the authorities of the General Director, Vice General Directors and managers, to prepare regulations/circulars for the internal management of the Company and to approve the budgets and strategic plans are among the duties of Board of Directors. Board of Directors performs the duties assigned or will be assigned to itself under this Master Agreement and General Assembly resolutions based on the applicable laws, and exercises its authority in this context.

**11.4)** Duties and authorities of the General Director are determined by the Board of Directors. The Chairman of Board and the General Director cannot be the same person.

## **Article 12**

### **TERM OF BOARD OF DIRECTORS:**

In the determining the term of office of board members and independent board members, the company acts in compliance with the Turkish Commercial Code and Capital Markets Board Corporate Governance Regulations.

## **Article 13**

### **PROVISION RELATED WITH THE BOARD OF DIRECTORS:**

Rights, duties, liabilities and responsibilities of the Board of Directors, meeting way and quorum, election of the member, death or situations preventing the fulfillment of duties, elections made by the Board of Directors for emptied memberships, salaries and other issues regarding the Board of Directors shall take place in line with the provisions of the Turkish Commercial Code and Capital Markets Board Corporate Governance Principles. As per the law and Articles of Association, Board of Directors shall be entitled to accept all kinds of decisions except for issues decreed by the General Assembly. Board of Directors assembles at least three times in a year. Quorum of decision in the Board of Directors is the absolute majority of total number of members. Obligations imposed by Corporate Governance Regulations of Capital Market Board are reserved. In case, there is a board member who objects the decision taken, his/her objection is written to minutes.

The following issues are within the authority of the Board of Directors:

- 1- To elect the executive director as per relevant articles of the Capital Market Law and Turkish Commercial Code, in the event that a member is determined and offered to be entitled to manage and sign when a duty distribution is required among the Board of Directors, to determine the member and directors to whom these authorities will be given,
- 2- To employ and discharge Company's General Director and Deputy General Directors, to determine their way of work and authorities, to determine and assign authorized signatories on behalf of the company and their authority degrees,
- 3- Purchase, sale, lease and mortgage of real estate on behalf of the Company.
- 4- To make all kinds of agreements with banks and other credit institutions on behalf of the company and for obtaining all kinds of credits; to enter in lien and mortgage commitments for this purpose.

#### **Article 14**

#### **QUALIFICATIONS OF THE MEMBERS OF BOARD OF DIRECTORS AND THE WAY OF HOLDING THE MEETINGS:**

**14.1)** Board of Directors' Members are selected among person who are postgraduate, have technical information and/or general finance and legal knowledge and administrative experience in the related filed of activity of the company and having the potentiality and determination to attend all meetings of the board of directors. In compliance with Corporate Governance Principles, it is targeted to increase the number of female members among board members that will be nominated to Board of Directors in General Assembly and who have sufficient knowledge and experience.

**14.2.)** Board of Directors arranges the internal directive related with the designation of the ones authorized to represent the company and their authority level, distribution of the tasks of board members besides the Board Chairman and deputy chairman, and constitution of committees in its first meeting and finalizes these decisions. Board of Directors assigns a member to manage the meeting only and limited for that meeting, in case the Chairman or deputy chair is absent. The Board Chairman determines the meeting agenda. In case of necessity, meeting agenda can be determined by Board of Directors' decision too. At the end of each meeting, meeting notes are typed and and meeting minutes are signed by all members. Every member carries only a single right of vote. He/she personally uses this right. The votes in the Board of Directors meeting are casted as 'yes' or 'no'. In case, a a member objects the decisions taken in the meeting, this is noted to the meeting minutes.

The Board of Directors convenes as business of the Company necessitates Board meetings are held at the Company's head-office. However, a Board meeting can be held at another place upon proposal or consent of 2/3 of the Board members. Provisions of the Turkish Commercial Code are reserved. Board of Directors can also be assembled upon the request of shareholders who are either institutional investors or minority shareholders. The invitation request is first submitted to the Chairman of Board. If Chairman approves the invitation or decides that an urgent meeting is not necessary, he/she puts the invitation to the agenda of the first Board of Directors meeting to be conducted. Provisions of Turkish Commercial Code related with the meetings of board directors are reserved.

Those who are entitled to participate in company's board meetings, may also participate in these meetings electronically in line with article 1527 of the Turkish Commercial Code. Board of Directors meeting can be conducted either wholly through electronic media or with the participation of some members through electronic media and with some other members physically presence at the same time. The Company may build the Electronic Meeting System which will enable right-holders to participate and vote in these meetings electronically in line

with the provisions of the “Notification on Electronic Meetings Other Than Corporation General Assemblies in Commercial Companies” while it may also receive services from the systems created for this purpose. In meetings to be held, right-holders shall be made able to use their rights specified in the relevant legislation within the framework of the provisions of Notification through the system according to this provision of the articles of association or over the system through which support service will be received.

The members of the Board of Directors can not be present in a meeting where the issues are discussed related with personally themselves or with third parties who are either their partners or blood relatives up to third degree or a relative by marriage who are not a member of the Board of Directors. If such a topic is to be discussed in the meeting, it is their duty to notify their relationship to the Board and provide it to be noted on the minutes. Besides, board members can work in positions outside the company only in those corporations, businesses and proceedings that will not raise a conflict of interest and generate a competition for the company. The Board of Directors’ member who will take on a task outside the company is obliged to notify this circumstance to the Board of Directors.

#### **Article 15**

##### **COMPANY MANAGEMENT AND REPRESENTATION:**

The Company is managed and represented by the Board of directors any document or contract to which the Company is a party requires signature/signatures of a signatory/signatories to be placed under the corporate seal for becoming valid. Signatories and degree of powers vested thereon are determined by the Board of Directors. The Board of Directors may exercise its management and representation authority by itself, or it may delegate the management authority partially or fully to one or more Board members or third persons with an internal directive.

#### **Article 16**

##### **AUDITORS**

Auditors shall be elected by the Company’s General Assembly in line with the Capital Market Law and Turkish Code of Commerce notifications and legislations.

Even if it is not on the agenda, by acting pursuant to the articles 438 and 439 of Turkish Commercial Code, shareholders can request from the Board of Directors to elucidate certain events by means of conducting a specific audit, if that is necessary to exercise the rights of share ownership and if the right to request information is not exercised previously.

#### **Article 17**

##### **DUTIES AND OBLIGATIONS OF AUDITORS:**

Principles and procedures determined with the Turkish Code of Commerce, Capital Market Law and the notifications and legislations set by these laws shall be applied in issues related to the authorization, liabilities of auditors and auditing principles.

#### **Article 18**

##### **GENERAL ASSEMBLY MEETINGS:**

General Assembly meetings of the Company shall be held ordinarily and extra-ordinarily. Ordinary meetings shall be held at least once a year within three months as of the end of the activity period. Extra-ordinary General Assembly meetings can be held at any time if and when deemed necessary for the affairs of the Company.



General Assembly is hold as open session with the voiceless participation of beneficiaries and media besides the shareholders.

Pursuant to article 411 of Turkish Commercial Code no 6102, shareholders constituting the one-twentieth of the paid in capital can ask the Board of Directors to convene the General Assembly by stating in written stating the reasons and providing a written agenda including the issues they want to be decided if the General Assembly will be held anyway.

The General Assembly Meetings shall be announced in line with the principles set out in the regulations and in accordance with the provisions of the Capital Markets Board through any and all kinds of communication means including the electronic communication, in order to reach the highest number of shareholders possible.

### **1- Discussion of the Material Transactions at the General Assembly**

Assignment of all or a significant part of the assets by the Company or establishment of rights in rem on them (other than the establishment of rights in rem arising from the ordinary activities of the financial institutions) or lease of the same, acquisition or lease of a significant asset, anticipation of franchise or change of the scope or subject of the existing franchises and de-registry from the stock exchange are accepted as material transactions in terms of the implementation of Corporate Governance Principles. Unless a resolution of general assembly regarding material transactions is required in accordance with the relevant legislation, the approval of the majority of independent members is required, for the execution of the resolution of the board of directors with regard to such transactions. However, if the majority of the independent members do not approve any material transaction and it is desired that the mentioned transaction be performed, despite the opposition of the majority of independent members, the relevant transaction shall be submitted to the general assembly for its approval. In such case, the reason for the opposition of the independent members of board of directors shall be immediately disclosed to the public, notified to the Capital Markets Board and read in the general assembly meeting to be held. Provisions of Article 29/6 of the Capital Markets Law shall apply for the general assembly resolutions on material transactions.

### **2- Related Party Transactions and Discussion of the Mortgage-Pledge transactions at the General Assembly**

The approval of the majority of the independent members is sought in all sorts of related party transactions of the Company as well as the resolutions of board of directors related to provisions of warranty (excluding the financial institutions), pledge (excluding the financial institutions) and mortgage (excluding the financial institutions) in favor of the third parties. If the majority of the independent members do not approve the transaction in question, it shall be disclosed to the public within the framework of the public disclosure regulations and the transaction shall be submitted to the general assembly for its approval. In such general assembly meetings, a resolution shall be passed with a voting procedure where the parties of the transaction and the persons related with them do not vote and it shall be ensured that the other shareholders participate in such resolutions at the general assembly. The meeting quorum shall not be sought at the general assembly meetings that are held for the situations specified in this paragraph. The resolution shall be made with the simple majority of the parties having a voting right. Board of directors and general assembly resolutions that are not made in accordance with the principles specified in this paragraph shall not be deemed valid.

### **3- Electronic Participation to General Assembly Meetings**

The stockholders who are entitled to participate in the company's general assembly meetings may also participate in these meetings electronically as per the article 1527 of the Turkish Code of Commerce. The Company may set up the electronic general assembly meeting system which will enable stockholders to participate, express opinion, make suggestions and vote in these meetings electronically in line with the provisions of the Regulations on Electronic

General Assembly Meetings in Corporations while it may also buy services from the systems developed for this purpose. In all general assembly meetings to be held, stockholders and their representatives shall be made able to use their rights specified in the relevant provisions of the mentioned Regulations over the system built according to this provision of the articles of association.

**Article 19**

**VENUE OF MEETING:**

The General Assembly meeting is held upon decision of the Board of Directors at the headquarters of the Company or at any place of the city where the Company's head-office or factory is situated

**Article 20**

**QUORUM:**

Ordinary and Extraordinary General Assembly Meetings shall be held with the quorums accepted by the Capital Market Law and the Turkish Commercial Code and decisions shall be taken with the majority of votes that are presented in the meeting.

**Article 21**

**REPRESENTATIVE OF THE MINISTRY:**

In Ordinary and Extraordinary General Assembly meetings, it shall be mandatory for a representative of the Ministry of Customs and Trade to be present.

In cases where the ordinary and extraordinary general assembly meetings are carried out via an electronic media, the ministry representative may attend in person or he/she may attend via the electronic media. The Attendants List, the agenda and one copy of the general assembly meeting minute shall be submitted to the Representative of the Ministry of Customs and Trade.

**Article 22**

**NUMBER OF VOTES:**

Any shareholders or his/her proxy attending an Ordinary or Extraordinary General Assembly Meeting has one voting right for each share held.

**Article 23**

**REPRESENTATION BY PROXY:**

In General Assembly meetings, regulations of Capital Market Board relating to voting are applicable. Shareholders not attending the General Assembly meeting may have themselves represented by a proxy appointed among other shareholders or externally.

**Article 24**

**MODE OF VOTING:**

In General Assembly meetings, voting is made by raising of hands unless otherwise is agreed upon.

In electronic general assembly meetings, provisions regarding voting are reserved.

## **Article 25**

### **ANNOUNCEMENTS:**

Announcements relating to the Company and general assembly Meeting declarations shall be made by taking into consideration the minimum periods specified in Turkish Commercial Code, the Capital Market Law and other related regulation provisions beside the procedures envisaged by legislation in a way to reach the maximum possible number of shareholders by means of using all kinds of communication instruments including electronic communication.

Special situation declarations to be made in accordance with the Capital Market Board arrangements and all kinds of other declarations shall be made in line with the provisions of related regulations.

## **Article 26**

### **AMENDMENT OF ARTICLES OF ASSOCIATION:**

Adoption and implementation of amendments on this Articles of Association through the decisions of Board of Directors require permission of the Ministry of Customs and Trade and Capital Market Board. Such amendments become valid as of the date of announcement after duly attested and registered at the Trade Registry Office.

## **Article 27**

### **ISSUING OF BONDS AND OTHER SECURITIES:**

The Company may issue secured or unsecured bonds in Turkey or abroad in the amount allowed by the legislation in force with the decision of Board of Directors in which case provisions of the Turkish Commercial Code are not applied.

The Company may issue bonds to be replaced with share certificates with the decision of Board of Directors and within the rules and principles determined and notified by the Capital Market Board.

The Company may issue any type of commercial papers, dividend shares, profit or loss participation papers or any other securities and valuable papers accepted by the Capital Market Board for sale to real and legal person in Turkey or abroad in accordance with Turkish Commercial Code, Capital Market Act and other legislation in force. The authority to determine issuing and maximum amount of such securities and applicable conditions is vested to the Board of Directors by the General Assembly.

## **Article 28**

### **DOCUMENTS TO BE SUBMITTED TO THE MINISTRY :**

General assembly meeting minute, assignment letter of the Ministry representative and other documents requested by the Trade Registry of Commerce shall be submitted to the Capital Market Board and to the related ministry within one month performing the date of general assembly meeting.

## **Article 29**

### **ACCOUNT PERIOD:**

Accounting period of the Company is the calendar year. However first accounting period commences on the date the Company is actually established and ends on the last day of December of that year.

## **Article 30**

### **PROFIT DISTRIBUTION:**

Net profit of the Company reflected in the balance sheet to remain after deduction of general expenses and depreciation which should be paid and set aside by the company as well as all taxes payable by the company as a legal entity and losses to previous years (if any) from the income amount calculated at the end of the accounting period is distributed in the following order.

#### **Primary Legal Reserve**

a- 5% (Five Percent) of the Annual Profit shall be allocated as legal reserve until reaching 20% (Twenty Percent) of the Paid Capital.

#### **First Dividend**

b. First dividend shall be reserved from the rate and amount determined from the remaining amount by the Capital Market Board.

#### **Second Dividend**

- c. The amount of net profit to remain after deduction of the amounts mentioned above may be distributed partially or wholly as second dividend or set aside as extraordinary reserve with the decision of General Assembly.

#### **Secondary Legal Reserve**

- d. 10% (Ten Percent) of the amount found after deducting the profit share at a rate of 5% of the paid capital from the amount decided to be distributed to shareholders and other persons participating in the profit shall be allocated as secondary legal reserve according to the Turkish Commercial Code. Secondary legal reserve shall not be allocated in the event that the profit share and excess reserves are distributed as share certificates by increasing the capital
- e. No decision can be made to set aside any other reserve, to carry over profits to the next year or to distribute profit share to preferred stock holders or owners of participation, founder or common dividend shares or board members an officials workers and servers of the Company unless the reserves set forth in applicable legislation are set aside and first dividend is distributed to the shareholders as mentioned in the Article of Association in cash and/or in the form of share certificates.

Dividends shall be distributed equally among the existing shares as of the distribution date, regardless of their issuance and acquisition dates.

The date and method distribution of profit including the first dividend is determined by the General Assembly upon proposal of the Board of Directors in accordance with the communiqués of the Capital Market Board.

The Company may distribute to the shareholders a certain amount of dividends in advance in accordance with related provisions of Capital Market Act.

## **Article 30/A**

### **OTHER PAYMENTS:**

To perform payments to official departments with common budget, administrations with annexed budget, private provincial administrations, municipalities and villages societies caring for the benefits of public, foundations established in accordance with Turkish Civil Code, and exempted from tax by the Council of Ministers and State and foundation universities in the maximum amounts allowed by the tax legislation for deduction from the Company's revenues.

**Article 31**  
**RESERVE FUND**

This article has been removed

**Article 32**  
**TERMINATION AND DISSOLUTION**

The Company may be dissolved due to the reasons mentioned in Turkish Commercial Code or with a court decision, in addition, the Company may be dissolved upon a decision of the General Assembly within the legal framework in case of termination or dissolution of the Company, liquidation procedures are carried out in accordance with the provisions of Turkish Commercial Code.

**Article 33**  
**ARBITRATION AND JURISDICTION**

This article has been removed.

**Article 34**  
**LEGAL PROVISIONS**

Provisions of Turkish Commercial Code and Capital Market Act are applicable for the matters not mentioned in this Articles of Association.

**Article 35**  
**THE FINANCIAL RIGHTS GRANTED TO BOARD MEMBERS AND SENIOR EXECUTIVES**

The principles regarding financial benefits to be provided to Board Members and Senior Management are complied in line with the Turkish Commercial Code and Capital Markets Board Corporate Governance Regulations.

**Article 36**  
**COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES**

In the execution of company, the Capital Markets Board Corporate Governance Principles are complied. The decisions that are contrary to these principles are declared null to this Articles of Association.

In the context of Corporate Governance Principles, the transactions that are deemed to be important and all transactions with related parties together with the establishing of collaterals, mortgage and lien to the name of third parties should be in with the Capital Markets Board Corporate Governance Principles.

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