

# TAT GIDA SANAYİ ANONİM ŞİRKETİ

## ARTICLES OF ASSOCIATION

### **Article 1 : FORMATION**

A Joint Stock Company has been established by and between the founders whose names/titles and domiciles appear hereinbelow according to the provisions on immediate establishment of the Turkish Commercial Code.

NAME/TITLE :

Koç Holding A.Ş. : T.C. İstiklal Cad. 347 Merkez Han, Istanbul

Türkiye Şeker Fabrikaları A.Ş. : T.C. Mithatpaşa Cad. Ankara

Vehbi Koç : T.C. Halaskargazi Cad. 266/9 Çankaya Apt. Şişli-Istanbul

Şeker Sigorta A.Ş. : T.C. Aşirefendi Cad. Şeker Han Istanbul

Rahmi M.Koç : T.C. Büyükdere Cad. 97/6 Lalezar Apt. Mecidiyeköy- Istanbul

### **Article 2 : BUSINESS NAME OF THE COMPANY**

The name of the Company is Tat Gıda Sanayi Anonim Şirketi and is hereinafter referred to as “**the Company**”.

### **Article 3 : PURPOSE and OBJECT**

Production, distribution, marketing, domestic and foreign trade and brokerage of any merchandise, food, drinks, beverages, food articles and products of agricultural and animal origin, sea products including frozen, dried and powdered types and varieties, and their raw materials and initial materials, auxiliary materials and additives, juices and cans containing sugar or not, semi-processed and finished products, especially;

A) Production, breeding, marketing, import and export of bovine and small cattle and aquatic animals and poultry and games, edible and inedible meat and byproducts, fish, aqua products of shelled mollusk type, feed and feed materials, red and white meats, meat pieces and packed meats, meat preparations,

B) Producing any unprocessed and intense feed materials, mixed feeds, Industrial-Field and Garden feed residues, enhancing the nutritional value thereof by means of processing, silaging, drying naturally or artificially, storing and making available for use through mixing the same,

C) Processing, making use of packed meat pieces, meat preparations, delicatessen and can products, ready to cook meats and meat dishes, dehydrated meats and meat extracts, skin and intestines when required, fats, fish and pharmaceutical materials and other byproducts, processing fruits and vegetables, cooking or freezing by shocking the meats and fish, drying, canning, liquefying, concentrating the same or making gravies or meals from the same. Producing, marketing, importing and exporting any ready to cook soups and concentrates, chicken broths and gravies, concentrates in bouillons, food products specific to pudding and ice cream making, food products specific to making desserts, and additives for desserts and dough (baking powder),

D) Producing any milks and milk products, engaging in cattle breeding, establishing stud farms and farms, providing training for the farmers, engaging in stock farming, importing and exporting any and

all food products, engaging in wholesale and retail and domestic and international distribution and marketing of the produced or imported food products,

E) Producing any ice creams and any mixtures thereof, producing, purchase and sale, marketing, importing and exporting ice creams and ice cream raw materials as well as any food and care products for infants and kids, including infant formulas, follow-on formulas and crisps for infants and kids,

F) Producing pasta and farinaceous products as well as flour, semolina, bulgur, pasta sauce, ready to cook soups, salad sauce and raw and initial materials thereof, auxiliary materials and additives, and acting as representative, commissioner, distributor, engaging in transport and agricultural activities,

G) Production, purchase and sale, import and export of pizzas, pastry products and cakes, ready cakes, desserts, products made from dough, swelling and dough improvement items, agricultural products and pulses such as wheat, barley, oat, rye, maize and potatoes, and chips made from these products, mashes, appetizers,

H) Production, purchase and sale, import and export of fertilizers, veterinary and agricultural drugs and agricultural tools and machinery,

İ) Purchasing any raw materials and auxiliary materials and articles required for the manufacture of the products above, and wholesale and retail purchase and sale, import and export thereof when required,

İ) Production, import and export, purchase and sale of any vegetable oils and animal fats, refined oil and any oils and fats and margarines, and any materials, semi-processed products and packing materials beneficial for the production and refining oils,

J) Production, wholesale and retail purchase and sale, marketing, import and export of biscuits, chocolates, confectionery and similar articles as well as any farinaceous and sweet products and products made from sugar, fresh and dried vegetables and fruits, secondary products and goods thereof and halva, desserts, crushed sesame seeds, grape molasses, jams, honey, confectionery, Turkish delights, sweet pastes and similar products, boza (beverage made of slightly fermented millet), vinegar, must etc.

K) Purchasing and processing any fresh tea leaves, producing, purchasing, selling, packing, marketing, importing and exporting black tea and any other tea, coffee and coffee mixtures, drinks based on tea and coffee, drinks with tea flavor, tea concentrates, syrups and sherbets, powder drinks and drinks containing cereals, and producing their by-products and auxiliary products used for the consumption of the same, engaging in trade and sale thereof domestically and abroad,

L) Searching for any springs, rivers and well waters, mineral waters and artesian wells, acquiring easement for water sources, managing, leasing, letting on lease, purchasing, marketing and producing for these purposes, establishing facilities for this purpose, treating the waters produced in these facilities, packing and making the same available for consumption, marketing, importing and exporting the same, producing, marketing, importing and exporting any fruit and vegetable concentrates, fruit juices made therefrom and any natural concentrate juices, fruit juices and beverages with acid of pop type and beverages containing cola.

M) Establishing facilities for producing any alcoholic mixtures and drinks made from alcohol with a view to preparing alcohols and alcoholic drinks, packing and making such products available for consumption, marketing, importing and exporting the same,

N) Growing any types of olives, establishing facilities to process the same, packing the same, making the same available for consumption, marketing, importing and exporting the same,

O) Establishing facilities with a view to producing flavors/relishes for food, ketchups, mayonnaise, mustards, tomato pastes, vegetable cans, ready to cook meals, dried and frozen food, vinegars, aromas (spices) for foods and beverages, granulated sugar, lump sugar and icing sugar, packing such products and making them ready for consumption, marketing, importing and exporting the same,

P) Marketing, importing and exporting proteins, carbohydrates and mineral substances used as herbs and herbal products related to diet or otherwise, which do not have medical quality and which have the nature of supplemental food products,

R) Establishing facilities in order to produce processed or unprocessed tobacco, cigarettes, cigars, snuff boxes, cigarillos, substances used to replace tobacco, chewing tobacco, tobaccos, materials exclusive to tobacco consumers that are not from valuable metals and their alloys, pipes, mouthpieces and their filters, lighters, ashtrays, tobacco boxes, cigarette cutters, pipe boxes, pipe cleaners, cigar and cigarette cases, pocket tools for rolling cigarettes, cigarette papers, cigarette holders, gas cartridges for lighters, water pipes, flints and matches, packing such products and making them ready for consumption, marketing, importing and exporting the same.

S) Growing pulses, i.e., beans, peas, chickpeas, lentils, soy, cereals and unprocessed cereals, i.e. wheat, barley, rice in the husk, oat, maize, millet, rye, fresh lentils, beets, fresh fruits and vegetables, mushrooms, cultivated mushrooms, plant seeds, flower seeds, vegetable seeds, flowers, grasses, seedlings and saplings, establishing facilities to process the same, packing such products and making them ready for consumption, marketing, importing and exporting the same.

The company may engage in the following activities, provided that the Capital Market legislation and other applicable legislation shall be observed and that the necessary disclosures as sought by the Capital Market Board shall be made within the scope of the special circumstances in cases where required to ensure that the investors are informed;

1. The company may purchase any moveables and real estates domestically and abroad in order to fulfill the purpose of the company, may cause the same to be constructed or manufactured or may acquire any personal or in-kind rights thereon, may lease the same, may operate those acquired or leased, may lease the same, may sell the same, may create in-kind rights for the benefit of third persons, provided that the principles as determined by the Capital Market Board shall be observed and may cancel the same.
2. The company may receive loans from domestic and foreign persons, companies and banks in order to fulfill the company's object, may engage in any financial, commercial, and economic undertakings before third parties, may issue debentures and any capital market tools provided that the principles as determined by the Capital Market Code shall be observed; may invest in any securities, derivative products and capital market tools. May provide surety and guarantees to the benefit of third persons, provided that the principles determined by the Capital Market Board shall be observed. If necessary, the company may accept creation of mortgage and/or pledge over real estates and movables owned by others to the benefit of the company; may cancel mortgages created to the benefit of the company, may give up pledge rights and may accept creation of surety and guarantee by third persons to the benefit of the company.
3. The company may engage in the above-mentioned activities actually or through domestic and

foreign natural and legal persons, provided that other provisions of these Articles of Association shall be reserved. For this purpose, if the company considers beneficial, the company may establish ordinary partnerships, trading companies or other legal entities domestically or abroad or may take over the ordinary partnerships or other legal entities established for the same purposes and may purchase and transfer shares of ordinary partnerships and companies established for this purpose without seeking to act as a dealer or to operate as a security portfolio operator.

4. The company may engage in any transactions to realize the matters given in the paragraphs above and may engage in import, export and any type of trade.
5. Provided that the principles as determined by the Capital Market Board shall be observed, the company may provide aids and donations to foundations, associations, universities and similar organizations established for social purposes within the specified principles.
6. The company may engage in any transaction and discretion, including registration, annotation, type classification, parceling, amalgamation, division, subdivision and relevant grant and waiver with respect to any real estates; may provide grant to green spaces and roads, and also may provide waivers and may grant and waiver from the said real estates as free of charge.
7. The company may purchase vehicles of land, sea and air transport, may lease the same, may sell those owned and may let on lease the same. Provided that the regulations of the Capital Market Code shall be observed, the company may create in-kind and personal rights over the same to the benefit of the company and/or third parties and may cancel the same. The principles as laid down within the framework of the Capital Market legislation shall be observed with respect to the cases where the company provides guarantee, surety and security for itself or for third persons or creates or cancels any lien, including mortgage.
8. The company may register, acquire, transfer any licenses, patents, know-how, trademarks and business names, operational names and any other intellectual property rights to the company in relation with the purpose of the company, may provide the same as guarantees provided that the regulations of the Capital Market Board shall be observed and may enter into license agreements relating therewith. May act as a consultant by offering information and experience to the service of others.
9. The company may engage in any industrial and commercial investments as considered appropriate domestically and abroad in order to fulfill the company's purpose; within this parallel, the company may establish factories, plants and sale offices domestically and abroad, may provide architecture, engineering, design, software, accounting recording, call center and data storage services, may enter into technical assistance agreements, and may accept to act as and may authorize others to act as a vendor, representative and distributor, may act as an insurance agent.
10. May participate in tenders domestically and abroad alone or by establishing partnerships with third parties, provided that the provision of article 21, paragraph 1 of the Capital Market Code shall be reserved.

#### **Article 4 : HEAD OFFICE AND BRANCHES OF THE COMPANY**

The company's head office is at Merkezi Çamlık Mah. Sırrı Çelik Bulvarı No:7 Taşdelen, Çekmeköy, Istanbul. In case of a change in address, the new address is registered in the Trade Registry and announced in the Turkish Trade Registry Gazette. Any notices served to the registered and announced address shall be considered as served to the company. If the company has not registered and

announced the new address within due time despite having left the announced and registered address, this case will be considered as the grounds for termination for the company. If the company opens a branch, then such branches shall be registered in the Trade Registry and announced in the Turkish Trade Registry Gazette.

#### **Article 5 : TERM OF COMPANY**

The company is established for an indefinite period and it ceases to exist due to legal reasons or by a decision to be made by the General Assembly under the respective provisions of the Turkish Commercial Code.

#### **Article 6 : CAPITAL**

The company has adopted the registered capital system according to the provisions of the Capital Market Code and has initiated this system by the permission of the Capital Market Board dated 20.08.1992 and numbered 454.

The registered capital of the company is TL 250.000.000 (two hundred and fifty million Turkish Liras). Such capital is divided in 25.000.000.000 (twenty five billion) shares, each with the value of Kr 1 (one Kuruş).

The registered capital ceiling permit issued by the Capital Market Board is valid for a period of 5 (five) years between 2017 and 2021. Even if the permitted registered capital ceiling is not achieved by late 2021, the Board of the Directors needs to seek authorization from the general assembly for a new period after receiving permit from the Capital Market Board for the previously permitted or new ceiling amount in order to make a decision for capital increment after year 2021. In case such authorization is not received, the company may not increment capital by the resolution of the board of directors.

The issued capital of the company is TL 136.000.000 (one hundred and thirty six million Turkish Liras). Such capital is divided into 13.600.000.000 (thirteen billion six hundred million) shares, all of which are registered shares and all of which have a nominal value of Kr 1 (one Kuruş). The entire issued capital of the company of TL 136.000.000 is subscribed and paid in full by the shareholders.

The Board of Directors may increment the capital by issuing registered shares with a nominal value of Kr 1 (one Kuruş) up to the registered capital ceiling provided above for years 2017 to 2021. In cases, where necessitated by the Capital Market Board regulations, the amount for the issued shares is received in cash and in advance. No new shares may be issued unless and until the issued shares are sold and their price is paid in full.

While making a decision to issue new shares, the Board of Directors may issue premium shares (over nominal value) and may limit the rights of the existing shareholders to purchase new shares.

The shares of the company are registered. The shares representing the capital shall be monitored and registered within the framework of the principles for registration.

5.26% of the shares in company, which is subject to the Foreign Direct Investment Code numbered 4875, belong to the foreign shareholders. Foreign shareholders participate in the capital increments by the rate specified above. The distribution of the shares between the local and foreign shareholders is as follows.

<u>Shareholders</u>	<u>Number of Registered Shares</u>	<u>Share Amount (TL)</u>	<u>Share Ratio (%)</u>
1- Foreign Shareholders			
-Kagome Co. Ltd	507.116.820	5.071.168,20	3,73
-Sumitomo Corp	207.798.334	2.077.983,34	1,53
2-Other	12.885.084.846	128.850.848,46	94,74
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TOTAL	<u>13.600.000.000</u>	<u>136.000.000,00</u>	<u>100,00</u>

**Article 7 : PREFERRED SHARES FOR THE FOUNDERS**

Considering the services and financial burdens before the company was founded, total 16 registered shares to benefit from a dividend of 5% are issued as mentioned in article 19, paragraph (c), and 6 of such shares are issued to Koç Holding A.Ş., 6 to Mr. Vehbi Koç and 4 to Türkiye Şeker Fabrikaları A.Ş.

**Article 8 : ISSUING BONDS AND OTHER SECURITIES**

The company may issue any bonds, convertible bonds, exchangeable bonds, gold, silver and platinum bonds, commercial bills, participation dividend certificates, profit and loss sharing certificates, other capital market tools to be acknowledged as tools for borrowing in nature by the Capital Market Board and any other capital market tools for sale to natural and legal persons inside or outside the country in accordance with the provisions of the Capital Market Code and other applicable legislation. The Board of Directors shall be authorized under the Capital Market Code to determine issuing and maximum amounts for issuing, type, term, interest rate and other conditions and to authorize the company's management in this respect. The arrangements given in the Capital Market Code and the relevant legislation shall be observed with respect to any issuing.

**Article 9 : TRANSFER OF SHARES and ESTABLISHMENT OF USUFRUCT OVER THE SHARES**

With respect to relations with the company, only people registered in the share book are considered as shareholders or holders of usufruct over the shares, with due consideration of the records kept by the Central Registry Agency.

Regulations of Capital Market Board shall be applicable with respect to the transfer of the Company's registered shares traded in the stock market.

**Article 10 : COMPANY ACCEPTING OWN SHARES AS PLEDGE OR TAKING THEM OVER**

The company may accept own shares as pledge as consideration and/or may acquire the same under the relevant articles of the Turkish Commercial Code, Capital Market Board regulations and other applicable legislation.

**Article 11 : BOARD OF DIRECTORS, ELECTION OF THE MEMBERS and THE RESOLUTIONS OF THE BOARD OF DIRECTORS**

All affairs and management of the company shall be performed by the Board of Directors to consist of minimum 5 (five) and maximum 13 (thirteen) people to be elected by the General Assembly within the regulations of the Turkish Commercial Code and Capital Market Board regulations under article 408 of the Turkish Commercial Code and provided that the non-transferable powers of the General Assembly shall be reserved. The number and qualifications of the independent members to be appointed at the Board of Directors shall be determined according to the regulations of the Capital Market Board on Corporate Governance Principles.

The members of the Board of Directors may be elected for a period of one year. Any member, whose period in office expires, may be reelected.

The General Assembly is authorized to determine the number of members of the Board of Directors and to elect the members. With respect to independent members, the General Assembly may replace the members of the Board of Directors at any time if considered necessary, provided that the requirements introduced by the Capital Market Board's Corporate Governance Principles shall be reserved.

In cases, where a position in the Board of Directors becomes vacant for any reason whatsoever, the Board of Directors temporarily elects a person to meet the legal requirements and submits to the approval of the first General Assembly to convene. If an independent member loses independence, resigns or becomes unable to serve, then the procedures determined in the Capital Market Board regulations shall be observed.

The quorum for meetings and decision-making shall be the absolute majority of the full number of the members. The requirements introduced by the Capital Market Board's Corporate Governance Principles shall be reserved.

Unless one of the members of the Board of Directors requires negotiations, the Board of Directors may also resolve through written approvals of the members for a proposal of a member on a certain issue. The resolutions made as such may also be made by receiving written approval at least majority of the full number of members. The same suggestion being made to all the members of the Board of Directors is a condition for validity of any such decisions made in this way. The approvals do not have to be contained on the same paper; however, all the papers bearing the approving signatures should be attached to the resolution book or should be transformed into a resolution containing signatures of all parties accepting and should be included in the resolution book so that such resolution may be valid.

**Article 12 : BOARD OF DIRECTORS, DISTRIBUTION OF DUTIES, REPRESENTATION and TRANSFER OF MANAGEMENT**

Unless the General Assembly appoints one Chairman of the Board of Directors, then the Chairman of the Board of Directors and a deputy chairman, who will act on behalf of the chairman when the chairman is absent, shall be elected by the Board of Directors. The deputy chairman of the Board of Directors is also authorized with respect to the powers granted by the Turkish Commercial Code to the chairman of the Board of Directors with respect to call for the meeting and information requests of the members of the Board of Directors.

The Board of Directors may especially file any case, arbitration, any administrative and judicial actions, and any actions of settlement and release on behalf of the company, may propose cease of proceedings relating to bankruptcy and composition with creditors, may make donations, provided that the Capital Market Board Regulations shall be observed, may make commitments in foreign exchange, may provide guarantees, may create transfer and mortgage over real estates. If required, may authorize third parties in this respect.

The Board of Directors is authorized to partially or completely transfer management to one or more person(s) (executive director(s)), who may or may not be members of the Board of Directors, by internal regulations to be issued by the Board of Directors under article 367 of the Turkish Commercial Code. The Board of Directors determines the powers and responsibilities of the executives by such internal regulations and may transfer any powers and responsibilities granted to the Board of Directors to the relevant persons within the conditions, provisions and restrictions to be determined by the Board of Directors again and may amend or retrieve some or all of such powers in cases where considered necessary. Article 375 of the Turkish Commercial Code shall be reserved.

Within the framework of article 370 of the Turkish Commercial Code, the Board of Directors may leave the power of representation to one or more person(s), who doe(es) not have to be a shareholder or a member of the Board of Directors. However, in such a case, at least one member of the Board of Directors should be authorized to represent. Unless the Board of Directors makes a special resolution, any two members of the Board of Directors, who do not qualify as independent, may bind the company in all aspects by their joint signatures to be executed below the company's business name within the scope of the Capital Market Board regulations.

The Board of Directors is authorized to distribute the management and representation tasks as mentioned.

The Board of Directors may create committees or sub-committees of consulting, coordination, audit and of similar nature consisting of the members of the Board of Directors and/or people who are not members of the Board of Directors with respect to any matters considered as appropriate. The principles for meetings, operations and reporting for the members and chairmen of the committees shall be determined, arranged and modified by the Board of Directors.

Under article 378 of the Turkish Commercial Code, the board of directors is liable to establish a committee and set up and operate a system for early detection of the reasons that jeopardize the existence, development and continuity of the company, for implementation of the measures and means for such purpose and management and early detection of risks.

### **Article 13 : REMUNERATION FOR BOARD OF DIRECTORS and COMMITTEE MEMBERS**

Within the scope of the respective provisions of the Turkish Commercial Code and the capital Market Board regulations, the members of the Board of Directors and the committee members specified in article 12 can be paid certain financial rights in return for their services to the company as a member of the Board of Directors and committee, such as attendance fees, remunerations, bonuses or premiums. The form and amount for the payments to be made to the members of the board of directors for membership of the board of directors, including executive directors, shall be determined by the General Assembly, while the form and amount for the payments to be made to the committee members for committee membership shall be determined by the Board of Directors. For remunerations of



independent members of the board of directors, share options or payment schedules based on performance in the company shall not be used.

#### **Article 14 : AUDIT**

The financial statements and annual activity report of the company are audited by an independent audit company according to the Audit Standards in Turkey. The General Assembly of the company is liable to elect such auditor according to the provisions of the Turkish Commercial Code and the Capital Market Board regulations by not later than the fourth month of such year for each activity year.

Under article 366 of the Turkish Commercial Code, the Board of Directors may also establish an internal audit system under the auditor.

#### **Article 15 : GENERAL ASSEMBLY**

The following principles are applied for the General Assemblies.

**a) Convocation Method:** General Assemblies convene ordinarily or extraordinarily. The provisions of the Turkish Commercial Code and the Capital Market Board regulations are applicable for convocation for such assemblies. General Assembly is held publicly, with stakeholders and media included without the right for speech.

**b) Time for Assembly;** Ordinary General Assembly convenes at least once a year and within not later than three months following the end of the account period of the company. During such assemblies, the matters that should be negotiated under the agenda are negotiated and decided.

Extraordinary General Assembly convenes in cases and at times as necessitated by the company affairs and according to the regulations of the Turkish Commercial Code, Capital Market Code and the provisions stipulated in these Articles of Association and resolves as necessary.

**c) Voting Right;** the shareholders attending the Ordinary and Extraordinary General Assemblies exercise their voting rights pro rata total nominal value of their shares. During General Assemblies, votes are cast explicitly. However, secret ballot is exercised upon application by shareholders owning at least one tenth of the shares represented at the assembly.

**d) Representation;** Provided that the Capital Market Board regulations shall be observed with respect to representation by proxy, the shareholders may have themselves represented by other shareholders or through an attorney that they appoint from without. The attorneys, who are also shareholders at the company, are authorized to vote for themselves as well as for the shares held by the shareholder that they represent. Provided that the appointments of representatives through the Electronic General Assembly System shall be reserved, the power of attorney to be issued in this respect should also be in writing.

**e) Place of Assembly;** The General Assembly meets at the head office of the company or at a suitable location in Ankara, Istanbul or Izmir.

**f) Attendance to Meetings:** Executive directors and at least one member of the board of directors, auditor, at least one official responsible to issue financial schedules and at least one official who is aware of a matter, who will provide explanations about issues that are special in nature, attend the General Assemblies. Among these people, if anybody, who is excluded from the group of people who has to attend the assembly is not present during the assembly, then the reason for their absence is announced to the General Assembly by the president of the assembly.

**g) Presiding over the assembly;** The President of the Assembly, who is authorized to preside over the negotiations is elected among the shareholders, while at least 1 (one) member authorized to collect votes and the Minutes Clerk shall be elected among the shareholders or from without.

**h) Quorum for the Assembly and Decision-Making;** The quorums for meeting and decision-making for all general assemblies of the company shall be the absolute majority of the capital, provided that the special quorums regulated in the Turkish Commercial Code and Capital Market Board regulations shall be reserved.

**i) Internal Directive;** The board of directors shall issue internal directive in accordance with the respective provisions of the Turkish Commercial Code and regulations and communiqués issued within the framework of such Code, which directive shall include the rules regarding the principles and procedures of the General Assembly, and shall submit the same to the General Assembly for approval. The internal directive approved by the General Assembly shall be registered and announced in the Trade Registry.

**j) Attendance to General Assembly in electronic platform;** The shareholders, who are entitled to participate in the general assemblies of the company, may also attend the same in electronic platform under article 1527 of the Turkish Commercial Code. The company may establish the general assembly system, which will enable the holders of the right to attend the general assemblies in electronic platform, to explain their views, to make suggestions and to vote under the provisions of the Regulations Regarding General Assemblies of Incorporated Companies to be Held in Electronic Platform, and may also purchase services from systems created for such purposes. Under this provision of the articles of association, it is ensured that the holders of the right and their representatives can exercise their rights specified in the provisions of the said Regulations over the established system in all general assemblies to be held.

## **Article 16 : CORPORATE GOVERNANCE PRINCIPLES**

The Corporate Governance Principles made mandatory for implementation by the Capital Market Board shall be observed.

For actions considered important in terms of implementation of the Corporate Governance Principles and for any related party transactions involving the company and for issuing guarantees, pledges and mortgages to the favor of third parties, the regulations of the Capital Market Board regarding corporate governance shall be observed.

Any actions taken without observing the mandatory principles and any decisions by the Board of Directors to meet the same shall be invalid and shall be considered as in violation of the articles of association.

## **Article 17 : ANNOUNCEMENTS**

The matters that should be announced by the company under the applicable laws are announced according to the respective provisions of the Turkish Commercial Code and any regulations and communiqués issued within the framework of such code and other applicable legislation. The matters not mentioned in the regulations are announced in the company's website.

## **Article 18 : ACCOUNTING PERIOD**

The accounting year of the company starts as of the first day of January and ends on the last day of December.

## **Article 19 : DETERMINATION AND DISTRIBUTION OF PROFIT**

The company observes the arrangements as provided for in the Turkish Commercial Code and capital market legislation with respect to distribution of profit.

After deducting the general costs of the company and miscellaneous amounts that must be paid or reserved by the company, such as depreciation, and also the taxes that should be mandatorily paid by the company as a legal entity from the Company's income found at the end of the activity period, the period profit remaining and as provided for in the annual balance sheet will be distributed in the following order after deducting the losses of the past years:

### General Legal Reserve Fund:

a) 5% is reserved for legal reserve fund.

### First Dividend:

b) From the remaining amount, the first dividend is reserved from the amount to be found by adding the amount of donations made within the year, if any, in accordance with the Turkish Commercial Code and Capital Market Legislation.

c) Following the deductions above, the General Assembly is entitled to decide for the distribution of the profit share among the members of the board of directors and officers, employees and workers, foundations established for various purposes and people and entities of similar nature. Within this scope, after meeting the requirements of the arrangements given in paragraphs (a) and (b), and after deducting 5% of the paid-in capital based on the amount assessed for the first dividend within the framework of the Capital Market Regulations, an amount that is equal to 5% of the remaining amount shall be payable to the holders of the founder dividend shares.

### Second Dividend:

d) After deducting the amounts given in paragraphs (a), (b) and (c) from the net period profit, the General Assembly is authorized to distribute the remaining portion in part or in entirety as the second dividend or to reserve the same as reserve fund reserved voluntarily under article 521 of the Turkish Commercial Code.

### General Legal Reserve Fund:

e) One tenth of the amount, which is found after deducting a 5% profit share from the portion decided for distribution among the shareholders and others with a share in the profit, shall be added on the general legal reserve fund under article 519, paragraph 2 of the Turkish Commercial Code.

No decision may be made to reserve any other reserve funds, to transfer profit to the next year and to distribute a profit in the share to members of the board of directors and officers, employees and workers, foundations established for various purposes and others such persons and/or entities unless the reserve funds, which should be reserved under the provisions of the laws, are duly reserved and the share in profit as determined for the shareholders is distributed in cash and/or in the form of share certificates.

Share in profit is distributed equally among all the existing shares as of the date of distribution, regardless of the date any such share is issued and acquired.

The manner and time of distributing the profit decided for distribution shall be decided by the general assembly upon the proposal of the board of directors in this respect.

A decision made by the general assembly according to the provisions of the present articles of association may not be unmade.

**Article 20 : ADVANCE PAYMENT ON DIVIDEND**

The General Assembly may decide for the distribution of advance payment on dividend to the shareholder within the framework of the Capital Market Board regulations and the relevant legislation.

**Article 21 : FOUNDATION FOR THE COMPANY'S STAFF**

The company may create foundations with the nature as stipulated in article 522 of the Turkish Commercial Code to the benefit of the company's officials, servants and employees or may participate in the foundations established within this scope.

**Article 22 : LEGAL PROVISIONS**

The provisions of the Turkish Commercial Code, Capital Market Law and the relevant legislation shall be applicable for matters not contained in these articles of association.