



## ÜLKER BİSKÜVİ SANAYİ ANONİM ŞİRKETİ

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### Articles of Association

[The original version of these Articles of Association has been prepared in Turkish. This is a translation into English of the original version. In case of discrepancies between the Turkish version and English version, the Turkish version shall be the governing text.]

## Principal Provisions

### 1 - Foundation:

**Article 1** – An incorporated company was founded between the founders with the below mentioned names and addresses in accordance with the provisions regarding the immediate foundation of incorporated companies of Article 152 of Turkish Code of Commerce through the instrumentality of the same law.

### 2 - Founders:

**Article 2** – The names, nationalities and addresses of the founders are as follows.

1-Sabri Ülker, Turkish National, Aksaray Lütfü Efendi Sokak No:20/4 Istanbul

2-Asım Ülker, Turkish National, Aksaray Lütfü Efendi Sokak No:20/3 Istanbul

3-Selçuk Ülker, Turkish National, Fatih Dolap Sokak No:9/8 Istanbul

4-Güzide Ülker, Turkish National, Aksaray Lütfü Efendi Sokak No:20/4 Istanbul

5-Faruk Ülker, Turkish National, Aksaray Lütfü Efendi Sokak No:20/3 Istanbul

### 3 – Title of the Company:

Article 3 – The Title of the Company is “Ülker Bisküvi Sanayi Anonim Şirketi”.

### 4 – Corporate Headquarters and Branches:

**Article 4** – Headquarters of the Company is Istanbul Province Üsküdar Borough Kısıklı Mahallesi Ferah Caddesi No: 1 Büyük Çamlıca. In the address changing, new address is registered in Trade Registry and announced in Turkey Trade Registry Gazette and additionally notified to Customs and Trade Ministry and Capital Market Board. Notifications done to registered and announced address are considered as being done to the Company. When the Company does not register it's new address within the required period of time despite of leaving it's registered and announced address, it will be a reason of dissolution. Company can open branches inland and abroad and it can establish production facilities with the condition of informing Customs and Trade Ministry and Capital Market Board.

### 5-Purpose and subject of the company:

**Article 5** – The purpose and fields of activity of the company are mainly as follows:

1 - a) Manufacture of all foodstuffs and particularly, manufacture, purchase, sale, export and import of all kinds of flour and sugar, cacao, nut finished and semi-finished products such as biscuits,

chocolates, bars, chocolate covered biscuits and bars, cakes, chewing gums, candies etc. and all raw stuffs and auxiliary products related to these finished and semi-finished products,

b) Manufacture, purchase, sale, export and import of all kinds of canned foods and marmalades made from fruits and vegetables,

2 - Manufacture, purchase, sale, export and import of construction materials and other goods and facilities required for property construction and thereby related and manufacture of construction materials such as profile sheet metal and iron and sanitary installation goods such as sinks, kitchen sinks, taps, mixers and shower,

3 - a) Manufacture, purchase, sale, export and import of food stuffs, food additives, chemical substances in all kinds of finished, semi-finished products and raw stuffs condition and all kinds of agricultural and animal products and their derivatives

b) Manufacture, purchase, sale, export and import of packaging materials which are used in the packaging of the products found within the fields of activity in Article 1 above and paper, cardboard, cellophane, and all kinds of cellulose, plastic, polyethylene and polypropylene based materials

4 - Manufacture, purchase, sale, export and import of all clothes and textile products and all sorts of raw, semi-finished and auxiliary materials and confection product dresses, rainwear fabrics, shirts, blouses, cardigans, jumpers, wind jackets, two-piece suits, jackets related to them and materials such as fabric, thread and wool,

5 - a) Exercising all import, export, domestic trade, commission, commitment and legation works in relation to the above written fields of activity and for all other reasons; taking industrial and commercial legations, representations, distributorships, brokering and agencies within the country or from abroad; giving industrial and commercial legations, representations, distributorships, brokering and agencies within the country or abroad and outside the country.

b) Performing or causing contract manufacturing in relation to the above businesses or for all other reasons and leasing facilities for such purposes.

c) Manufacture, export, import, purchase, sale, leasing of all machines, facilities, tools, equipment, transportation vehicles, instruments, outfits and all kinds of electric and electronic appliances, all kinds of office equipment and materials and tools in relation to the above written field of activities and for all other reasons and brokering in commercial transaction in relation to them,

6- Incorporating with real or legal persons, participating in the companies already existing or to be founded, purchasing the stock certificates or shares of the companies already existing or to be founded; disposing of the values it has acquired when necessary in accordance with its purpose provided not brokering and performing security portfolio management in relation to the activities of the company or for all other reasons.

7 – Purchasing, selling all properties acquired and to be acquired and all properties which require the acquisition and saving of the rights appurtenant to them and establishing all kinds of real and personal rights on such properties in relation to the above written businesses and for all other reasons, performing and causing, leasing and leasing out construction,

8 – To ensure the illumination of the investors, provided making necessary explanations sought by the Capital Market Board within the scope of special conditions, taking all kinds of securities in cash and in kind to ensure the collection of the company receivables, taking and releasing mortgages on the properties that are possessed by others; giving all kinds of securities in cash and in kind, giving and releasing mortgages so as to provide the fulfilment of the commitments,

9 – Making all kinds of savings in relation to domestic and foreign technical assistance, information, patent, letters patent, license, mark, certificate, trademark, know-how, privilege and all other intangible rights in relation to the activities of the company or for all other reasons; leasing, leasing out, purchasing, selling these rights, establishing new rights on them and taking new rights,

10 – Shipping company goods or the goods of others, performing shipping business inside and outside the country in general terms and obtaining, using, importing, purchasing, selling and leasing vehicles for all other purposes,

11- Establishing, operating a cogeneration plant complete with all accessories so as to enable uninterrupted, affordable and regular supply of electric energy to be used in the products that are involved in the purpose and subject of the company and steam heat energy which is required in the process and selling surplus energy. Participating in the auto producer companies which perform energy production provided without brokering activity.

12- Carrying out works for developing technology and know-how for food industry, carrying out R&D works,

13- Participating in all kinds of government and private industry tenders, winning tenders, participating in the tenders won, withdrawing from tenders, assigns tenders to third parties or taking over tenders from third parties in relation to the activities of the company or for all other reasons,

14- The Company may provide and use long, medium or short-term loans from domestic or foreign markets for the execution of its activities.

15- The Company may perform all kinds of activities in the free zones that are established or to be established in our country in relation to the activities of the company or for all other reasons,

16- The Company may open branches, representations, legations, agencies and communication offices inside and outside the country in relation to the activities of the company or for all other reasons provided notifying the Ministry of Customs and Trade.

17- Incorporating with real and legal persons that perform the businesses involved within the subject of the company, participating in the commercial enterprise already existing or to be founded, buying and selling stock certificates or shares of the companies already existing or to be founded provided not serving as a brokering activity and portfolio management.

18- The Company may grant compensations to the universities, educational institutions, foundations, publicly beneficial associations or such persons or institutions, provided not delivering the result involved within the scope of the last clause of article 15 of the Law on Capital Market, thereby informing the shareholders in the General Assembly about everything including those performed within the year and making necessary explanations about any special conditions.

In case the company desires to take other steps which are deemed to be useful for the company other than the abovementioned works and operations, the circumstance will be submitted to the approval of the General Assembly thereby receiving permit from the Ministry of Customs and Trade and the Capital Market Board upon the proposal of the Board of Directors and the company will be able to exercise any works it wishes after such resolution has been taken.

The principles that are determined by the Capital Market Board shall be abided by with respect to the Company giving warranty, surety, and security or establishing lien including mortgage on behalf of itself and in favour of third parties.

## II

### Capital and Stock Certificates

#### 1 – The Capital of the Company:

**Article 7** – Company has accepted registered capital system according to the provisions of Law Number 6362 and it has passed to registered capital system with the permission of Capital Market Board. Registered Capital of the Company is 500.000.000 (Five Hundred Million) Turkish Liras and it has been divided to 50.000.000.000 (Fifty Billion) shares and each shares has 1 (One) Kuruş nominal value.

Registered capital ceiling permission given by Capital Market Board is valid between the years of 2013-2017 (5 years). In the end of year 2017, even if permitted registered capital ceiling can not be reached, in order to have Board of Directors decide for the capital increase after the year of 2017, by way of obtaining permission from Capital Market Board for the ceiling permitted before or for the amount of new ceiling, it is compulsory to obtain authorization from General Assembly for a new period of time. In the event of not being able to get the authorization in question and losing the qualifications sought for the registered capital system, Company becomes removed from the system by Capital Market Board.

Issued Capital of the Company is 342.000.000.- (Three Hundred Forty Two Million) Turkish Liras and it has been divided to 34.200.000.000 (Thirty Four Billion Two Hundred Million) nominative shares and each share has the nominal value of 1 Kuruş and it has been completely paid. There is no concession and group discrimination between the shares.

Board of Directors, between the years of 2013-2017, is authorized to increase issued capital by being in compliance with the provisions of Capital Market Law and at the times deemed required and with the needed amount up to registered capital ceiling, by issuing new shares and to decide in the topics of limiting share owners' new share purchasings and issuing of premium stocks.

Shares to be issued from the funds of the Company Company will be distributed to existing partners of the Company on free of charge basis according to their participation rates to Company Capital.

Shares representing the capital are monitored as registered within the framework of registration rudiments.

## **2 – Increasing the Capital:**

### **Article 8 –**

a) Increasing the Issued Capital; The Board of Directors shall be authorized to increase the issued capital to the registered equity ceiling as preferential or in the value registered in the name of the holder or the bearer and combine the share certificates in denominations representing more than one share when it deems necessary in accordance with the provisions of the Board of Directors Capital Market Law.

The Board of Directors shall also be authorized to decide to limit the rights of the shareholders to take new shares.

b) Increasing the Registered Capital; The Registered Capital of the Company may be increased with the resolution of the General Assembly and in accordance with the Provisions of the Turkish Code of Commerce and Capital Market Law. The amendment of the articles of association which means the enforcement of this resolution shall depend on the permission of the Capital Market Law and the Ministry of Customs and Trade under any circumstances.

### **3 – Article 9 - REPEALED.**

## **4 – Bonds and Similar Document Issuance:**

**Article 10** – The Company may issue all kinds of Bonds, Finance Bonds, Participation Dividend Certificate, Profit and Loss Partnership Certificate or other securities or valuable papers to be accepted by the Capital Market Board to be sold to real and legal persons inside and outside the country in accordance with the provisions of the Turkish Code of Commerce, Capital Market Law and other relevant legislations in force.

## **III**

### **Management**

#### **A – Board of Directors**

##### **Memberships**

**Article 11** – Board of Directors consists of members taking place or not taking place in execution. Corporate Governance Principles of Capital Market Board are complied with about the number and qualifications of independent members within the members of Board of Directors with the structure and formation Board of Directors.

By reserving above stated first paragraph of this Article, businesses of the Company are conducted and represented by Board of Directors formed by at least seven members to be selected by General Assembly within the framework of Turkish Trade Code provisions and below stated terms.

It is the rudiment to select at least 1/3 members of the Board of Directors from the persons possessing basic knowledge about the legal rudiments arranging the transactions and dispositions related with the activity area of the Company, qualified about the management of the Company and experienced, having the competence to scrutinize financial statements and reports and with higher education.

Board of Directors selects one Chairman and one Deputy Chairman among it's members in order to accomplish duties and responsibilities as required. Care is given so that Chairman of the Board of Directors and General Manager are separate. If Board of Directors deems required, it can do distribution of tasks by way of determining executive members to assume one part of it's authorities in order to fulfill certain parts of Company's works, to monitor the application of the decisions taken.

Chairman of the Board of Directors is responsible to convene Board of Directors and to accomplish the negotiations in the correct way and to enter the decision in the minutes; he achieves this responsibility through Board of Directors Secretariat. Deputy Chairman of the Board of Directors assumes the authorizations and responsibilities transferred to himself by the Chairman, manages the meetings of the board when the Chairman can not participate for any reason and he assists in the realization of all functionalities of the Chairman.

In the event of having one of the memberships of the Board of Directors vacated for any reason, a person carrying required qualifications is selected in place by being in compliance with the rudiments determined in rudiments taking place in this Articles above stated first paragraph by the Board of Directors to be submitted to the approval of General Assembly. Mentioned person completes the time period of the person he places with the condition of having his membership approved by the General Assembly.

## **2 – Duties and Authorities of the Board of Directors:**

**Article 12** – Reserving Section VII, Article 41 of these articles of association titled Corporate Management Principles, the duties and powers of the Board of Directors shall be as follows;

The Board of Directors shall be liable for fulfilling the duties granted to him by the Turkish Code of Commerce, Capital Market Law and these articles of association. All works and transactions that do not fulfil the resolution of the General Assembly in accordance with both laws and these articles of association shall be assumed by the Board of Directors.

The Board of Directors shall particularly;

- Work to achieve the specified financial and operational performance targets of the Company.
- Determine and explain the mission and the vision of the company to public.
- Work in collaboration with the directors continuously and effectively while fulfilling its tasks and powers as the Board of Directors.
- Take necessary resolutions, plans and audits activities so that the Company can achieve its purposes.
- Represent the company with due diligence.
- Create a risk management and interior supervision order which can minimize the effects of the risks to be faced by the company and take necessary measures for the healthy execution of these.
- Watch the compliance of the activities of the company to the legislation, articles of association, internal regulations.
- Determine the approach towards the shareholders and public relations of the Company, pioneer in the removal of the controversies to occur between the Company and the shareholders.
- Determine and approve annual business schedule, budget and the staff, examine and compare the changes to be required in them.
- Have the responsibilities of the preparation, fair and proper arrangement and delivery to necessary places of the balance and income table, periodical financial tables and annual activity report in accordance with the legislation and international standards including the Corporate Management Principles of the Capital Market Board.
- Audit the use of the expenses in the amounts exceeding the active total of the last balance of the company.
- Determine the information policy of the company.
- Take necessary measures to ensure the compliance of the company structure to the conditions of the day, organize on-the-job trainings and career planning of the directors and other employees, and determine the assessment of their activities and awarding principles.
- Determine the ethical rules for the company and the employees.
- Watch the general meetings being made in compliance with the laws and articles of association.
- Provide the fulfilment of the resolutions of the General Assembly.
- Determine the committees to be created within the body of the company and their working principles, determine their members.



While fulfilling the tasks and responsibilities laid on it through both the law and these articles of association, the Board of Directors may partly assign them to the committees and/or company directors within the body of the company without disposing its own responsibility.

### **3 – Term:**

**Article 13** – The members of the first Board of Directors were selected for three years. Upon the expiration of this term, the function of the Board of Directors terminates and a reselection is held. The former members may be selected again. The members of the Board of Directors may be changed at any time if deemed necessary by the members of the Board of Directors. The members of the Board of Directors shall be selected for maximum three years.

### **4 – Meetings of the Board of Directors and the Quorum:**

**Article 14** – The Board of Directors shall convene once a month when it is deemed necessary due to the company businesses and transactions.

The Board of Directors has to convene also when it is deemed necessary by the Chairman or 1/3 of the members. Any one of the auditors shall have the right to call the Board of Directors for a meeting by determining the agendum. The meetings of the Board of Directors may be held in the headquarters of the company or a convenient place in the city where the headquarters is located or in another city by the resolution of the Board of Directors.

The members of the Board of Directors shall determine whether they can make task distribution by a resolution to be taken among them.

It is necessary to call for the meeting minimum 7 days prior to the date of the meeting, and the call should contain the agendum and the documents related to the agendum should be included in the call.

It is essential for the members of the Board of Directors to attend the meeting in person. They may attend the meetings through any kinds of method providing remote access to the meeting. The opinions of the members who could not attend the meeting but communicated their opinions shall be submitted to the information of other members.

The negotiations and the resolutions of the Board of Directors have to be written in the resolution book and the minutes of the meeting and signed by the attendants of the meeting. The members who exercise negative votes should sign the minutes by specifying their reasons. The minutes of the meeting and the relevant documents and related correspondences shall be regularly archived by the Secretariat of the Board of Directors.

The meeting shall be held with the attendance of at least one person more than the half of the members of the Board of Directors and the resolutions shall be taken with the majority of the votes of the attending members. In case of equality of votes, the matter shall be taken to the following meeting agendum; if the majority of votes cannot be provided at this meeting either, the suggestion shall be considered as rejected. Each member of the Board of Directors shall have a right to vote regardless of their positions and areas of duty.

## **5 – Secretariat of the Board of Directors:**

**Article 15** – A secretariat shall be established consisting of sufficient number of staffs with sufficient qualification to report the Chairman of the Board of Directors. The duties of the Secretariat of the Board of Directors are mainly as follows:

Making meeting preparations of both the Board of Directors and the Committees and issuing the minutes of the meetings.

Monitoring the internal correspondences related to the said board and committees.

Coordinating all necessary documentation.

Creating the archive and watching and organizing it livingly.

Enabling communication between the members of the Board and the Committee.

Fulfilling the requests of the members of the Board of Directors with regard to taking information, asking questions, performing examinations in relation the company businesses through the permission of the chairman of the Board of Directors; directing these demands to the relevant units and committees of the company, coordinating the preparations with respect to that matter, submitting the incoming responses, information, documents or books to the chairman of the Board of Directors.

Enabling the communication, information and document flow between the auditor and the members of the Board of Directors

## **6 – Committees:**

**Article 16** – Committees that are specified in the Corporate Management Principles of the Capital Market and the relevant legislation shall be formed so that the Board of Directors can healthily fulfil its duties and responsibilities. Within this framework, Supervising Committee, Corporate Management Committee, Nomination Committee, Committee of Early Determination of Risks and Price Committee shall be formed. However, in case a separate Nomination Committee, Committee of Early Determination of Risks and Price Committee cannot be formed due to the structure of the Board of Directors, the Corporate Management Committee shall fulfil the duties of these committees.

The areas of duty, working principles of the committees and which members they should consist of shall be determined and explained to public by the Board of Directors. All members of the Supervising Committee and the chairmen of other committees shall be selected among the members of the independent Board of Directors. The chief executive/general manager shall not take charge in the committees. The organization, areas of duty, working principles of these committees and which members they should consist of shall be determined by the administrative council and explained to

the public by watching the principles that are specified in the Capital Market Corporate Management Principles and the relevant legislation.

## **7 – Management, Represent and Bind the Company:**

**Article 17** – By reserving the provisions of the first paragraph of 12th Article of this Articles of Association’s Section III with the heading of Duties and Authorities of the Board of Directors, management and representation of the Company against the outside belongs to Board of Directors. The way of having the validness of Company’s representation against the outside is determined by the Board of Directors. Unless otherwise decided, validness of all documents and agreements to be given and signed by the Company, it is the condition to have the signatures of any two Board of Directors Members under the official title of the Company for the binding of the Company.

Board of Directors can assign all or a part of representation and binding authority and management works to one or more members with the capacity of executive member within the framework of Article 370 taking place in Turkish Trade Code and at the same time, it can also leave these to manager or managers who are share owners or not. Managers can be appointed for a time period exceeding duty periods of Board of Directors Members. Board of Directors can establish committees or commissions in order to conduct the works.

Powers of the managers and whether or not they will bind the Company individually or collectively are determined with the decision to be given by the Board of Directors. Decisions of the Board of Directors in this topic are registered and announced.

## **8 – Power of Attorney:**

**Article 18** – The Board of Directors may give powers of attorney to one of its members or third parties for company businesses and it shall determine the binding limits of them.

## **9 – Wages of the Members of the Board of Directors and Senior Managers:**

**Article 19** – The wages of the members of the Board of Directors shall be determined separately for each one according to the time they spend for company businesses and according to the financial condition of the company by the General Assembly every year.

Whether any wage will be paid to the Chairman and Members of the Committee and the resolution about the formation of the amount and conditions by the related committee in case paid shall be determined by the Board of Directors. In case the chairman and members of the Committee are the chairman and members of the Board of Directors at the same time, whether any wage will be paid to the said members of the committee and the amount and the conditions in case paid shall be determined by the general assembly.

The principles given in the Capital Market Corporate Management Principles and legislation shall be abided by in terms of the wages of both the members of the Board of Directors and the senior managers.

## **B – Auditors**

**Article 20** – Auditing of the Company is done by the Auditor to be selected by the General Assembly according to Turkish Trade Code and Capital Market Law and communiques. Provisions of Turkish Trade Code are complied with for the selection of the Auditor, his dismissal, cancellation of the agreement and about the procedures and rudiments of company auditing

## **Article 21- REPEALED**

## **C – General Assembly**

### **1 – Form of the Meeting:**

**Article 22** – General Assembly meets as ordinary or extraordinary. Ordinary General Assembly meets at least time in a year and within three months from the end of Company’s fiscal period by being in compliance with the provisions of Turkish Trade Code’s related Articles and takes required decisions.

Extraordinary General Assembly convenes when it becomes required by the businesses of the Company at at times according to Turkish Trade Code and provisions written in this Articles of Incorporation and takes required decisions.

Meeting place of General Assembly is the head-office of the Company. Upon the necessity to be shown by the Board of Directors, it can also convene in a convenient place in the cities where head-office or branches take place. This particularity will be itemized in meeting’s convocation letters and announcements.

Additionally, information is also given about the resumes of the persons who are the candidates for the Membership of Board of Directors in the General Assembly Meeting in which the selection will be done.

### **Place of the Meeting:**

**Article 23** – General Meetings shall be held in the headquarters of the company or a convenient place of the city where the headquarters is located or a convenient place of one of the following cities: Ankara, İzmir, Bursa or Adana.

The resolutions and transactions in that respect shall be fulfilled by by the Board of Directors taking the principles contained in the Capital Market Corporate Management Principles into consideration.

### **3 – Proxy Appointment:**

**Article 24** – In the particularity of representation by proxy, with the condition of complying with the arrangements of Capital Market Board, in General Assembly Meeting, shareholders can have themselves represented through the proxy they can appoint among the other shareholders or from

the outside. Proxies who are the shareholders of the Company are authorized to use the votes of the shareholders represented by them other than their own votes. By reserving the appointments of representative from Electronic General Assembly System, it is compulsory to have the power of attorney in written format to be given in this subject.

#### **4 – Announcement:**

**Article 25** – Announcements belonging to the Company, by considering the arrangements related with the subject and also including Corporate Governance Principles of Capital Market Board, and with the condition of reserving the provisions of Turkish Trade Code's 35th Article's 4th Paragraph, are done minimum 21 days before with a newspaper published in the venue of Company's head-office.

General Assembly Meeting announcement, alongside of the procedures foreseen with the legislation, is done with all kinds of communication means, including electronic communication to provide reaching the most share owner as much as possible, minimum three weeks before from the date of General Assembly Meeting. In the internet site of the Company, together with the announcement of General Assembly Meeting, alongside of the notifications and explanations to be done by the Company as per legislation, particularities determined by Capital Market Corporate Governance Principles are announced to the shareholders arrestingly.

#### **5 – How to Exercise the Votes:**

**Article 26** – Turkish Trade Code and Capital Market Board arrangements are complied with in voting in the General Assembly Meeting.

Participation in General Assembly Meeting in electronic environment:

Right owners having the right to participate Company's General Assembly Meetings can also participate in these meetings in in electronic environment as per 1527th Article of Turkish Trade Code. Company can establish electronic general assembly system as per the provisions related with General Assemblies to be done in Corporations in Electronic Environment and to provide possibility for the right owners participate General Assembly Meetings in electronic environment, to express their opinions, to make proposals to enable them to use their votes and at the same time, it can procure services from the systems configured for this purpose. As per this provision of Articles of Incorporation, possibility is provided to right owners and their representatives so that they can use their indicated rights in the mentioned Regulation's provisions over the established system in all General Assembly Meetings to be done.

#### **6 – Rights of the Minority:**

**Article 27** – Representation of the one twentieth of the capital shall be sufficient for the use of the rights of the minority stipulated in this agreement.

## **7 – Quorum:**

**Article 28** – General Meetings shall be held with the presence of the shareholders representing at least one fourth of the company capital except for cases involving contrary provisions in the Turkish Code of Commerce. In case this quorum is not present at the first meeting, they should be recalled to the meeting. The shareholders who are present at the second meeting shall be authorized to negotiate and decide any amount of the capital that they represent.

## **8 – The Attendance of a Government Commissioner in The general Assembly Meetings:**

**Article 29** –The Ministry of Customs and Trade shall be notified about both ordinary and extraordinary meetings before the date of the meetings within the times that are specified in the relevant legislation and given one copy of the meeting agenda and relating documents. It is compulsory to have the commissioner of the Ministry of Science, Industry and Technology present at all meetings. The resolutions which are taken in General Meetings in the absence of the commissioner shall not be valid.

## **9 – Amendment of the Articles of Association:**

**Article 30** – The consummation and implementation of all amendments to occur in these articles of association shall depend on the permission of the Ministry of Customs and Trade and Capital Market Board. The amendments in that respect shall be valid as of the date of their announcement after being duly approved and registered to the trade registry.

## **IV**

### **Annual Reports and Accounts**

#### **1 – Annual reports and liability of notice:**

##### **Article 31 –**

a) Annual Reports; Three copies each of the Board of Directors and auditors' reports and General Meeting protocol from the annual balance and the sheet showing the names of the shareholders and the amounts of the shares present at the General Meeting shall be sent to the Ministry of Customs and Trade within one month at the latest as of the date of the last General Meeting or given to the commissioner at the meeting. The financial tables and reports which will be issued by the Capital Market Board and the Independent Auditing Report, in case subject to Independent audit, shall be sent to the board within the limits of the principles and procedures that are specified by the board and notified to the public.

b) Liability of Notice; The information within the scope of the special conditions which are deemed necessary by the Capital Market Board in terms of illuminating the public shall be notified to the Capital Market Board and relevant Exchange Markets within the limits of forms and principles to be determined.

#### **2 – Annual Accounts:**

Article 32 – The fiscal year of the company shall start on the first day of January and ends on the last day of December. However, the first fiscal year is the period exceptionally starting from the date when the company becomes finally incorporated to the last day of December within that year.

## V

### Distribution of Profits, Reserve Funds

#### 1 – Distribution of Profits:

**Article 33** - In the topic of Profit Distribution, Company complies with the arrangements taking place in Turkish Trade Code and Capital Market Legislation. After deducting the taxes which are due and payable by the corporate body of the Company and the general expenses, various amortization considerations determined in the end of the fiscal year, the remaining amount composes the net profit seen in the annual balance sheet prepared by being in compliance with Capital Market Legislation and it is distributed with the order as seen below after deducting the losses of the previous years (if any):

a) General Legal Reserve Fund: 5% of balance sheet profit is separated as legal reserve according to provisions of 519th Article of Turkish Trade Code.

First Dividend:

b) From the remaining, over the amount to be found with the addition of the donation done within the year (if any), first dividend is distributed with the rate and amount determined by the General Assembly by being in compliance with Turkish Trade Code and Capital Market Legislation.

c) After doing above stated deductions, General Assembly is entitled to decide to distribute the profit share to Members of the Board of Directors and to employees, servants and workers; to the foundations established with various purposes and to persons and institutions having similar characteristics.

Second Dividend:

d) From the Net Profit, after deducting the amounts indicated in (a), (b), (c) parts, General Assembly is entitled to distribute the remaining amount partially or totally as the Second Dividend, to leave it in the balance sheet as end of period profit, to add it to legal and reserve funds or to separate it as extraordinary reserve fund.

e) From the part decided to be distributed to share owners and to the other persons participating in the profit, one tenth of the amount found after deducting 5% profit share of the paid capital is added to general legal reserve fund as per the related provisions of Turkish Trade Code.

f) Unless reserve funds required to be separated by the provision of the law and first dividend determined for the share owners in the articles of incorporation are not distributed in cash and/or in the form of share, decision can not be taken in order to separate another reserve fund, to transfer profit to the following year, to distribute share from the profit to Members of the Board of Directors and to employees, servants and workers of the Company; to the foundations established with various purposes and to persons and institutions having similar characteristics.

g) Profit share is done to all of the existing shares as of the distribution date without taking their issuing and possession dates into account.

Dates and the way of distributing the profit decided to be distributed are decided by the General Assembly upon the proposal of Board of Directors in the topic.

Dividend Advance can be distributed as per the provisions of Capital Market Law.

Provisions of Capital Market Legislation related with the distribution of profit share are complied with. Dates and the way of distributing the profit decided to be distributed are decided by the General Assembly upon the proposal of Board of Directors in the topic.

## **2 – Reserve Funds:**

**Article 34** – The reserve funds which are allocated by the company shall be allocated up to 20% of the company capital. In case general reserves reduce below the amount amounting to 20% of the capital for any reason, it will be continued to allocate reserve funds again until this amount is achieved.

Unless general reserves do not exceed the half of the main capital, it can be consumed for only closing losses, preventing unemployment to continue the operation of the enterprise in bad times or taking measures to minimize its results.

No profit can be distributed to the shareholders unless legal and optional reserves and the monies which have to be allocated in accordance with law and these articles of association are not allocated from the net profit.

## **VI**

### **Termination and liquidation of the Company**

#### **1 – States of termination:**

**Article 35** – The Company shall be terminated with the reasons shown in the Turkish Code of Commerce or with the court decision or with the resolution of the General Assembly in accordance with the provision of the Turkish Code of Commerce.

#### **2 – Call for General Meeting:**

**Article 36** – The Board of Directors may call for General Meeting to discuss the termination and liquidation of the company for any reason and the rest.

#### **3 – Official liquidators:**

**Article 37** – If the Company dissolves or terminates for a reason other than bankruptcy, official liquidators will be appointed by the General Assembly.

#### **4 – The provisions of law to be enforced upon liquidation:**

**Article 38** – Liquidation and dissolution procedures of the Company and the powers and responsibilities of the liquidation agent are determined according to the relevant provisions of Turkish Trade Code.

## **VII**

### **Miscellaneous Provisions**



### **1 – The agreement to be sent to the Ministry:**

**Article 39** – The Company shall either print these articles of association and give them to the shareholders and send ten copies to the Ministry of Customs and Trade and one copy to the Capital Market Board.

### **2 – Legal provisions:**

**Article 40** – The provisions of the Turkish Code of Commerce and other relevant legislations shall apply for the matters which are not included in these articles of association.

### **3 – Compliance with the Corporate Management Principles:**

**Article 41** – The Corporate Management Principles that are made obligatory by the Capital Market Board shall be complied. Transactions made without compliance with the obligatory principles and resolutions taken by the Board of Directors shall be invalid and considered contrary to these articles of association. The regulations of the Capital Market Board with regard to corporate management shall apply in transactions which are considered to be important in terms of applying Corporate Management Principles and all kinds of relevant party transactions of the company and the transactions with regard to giving security, lien and mortgage in favour of third parties.