

# TAV AIRPORTS HOLDING

## ARTICLES OF INCORPORATION

### ARTICLE 1- ASSOCIATION

Trade Registry Gazette of 11th November 1997

A joint stock company was established among the founders, whose domiciles and nationalities stated below, in accordance with the provisions and other regulations on instantaneous association of Joint Stock Companies of Turkish Commercial Code.

TITLE	ADRESS	NATIONALITY
1-TEPE CONSTRUCTION INDUSTRY JOINT STOCK COMPANY	Beytepe Village No:5 Bilkent-ANKARA	TR
2- TEPE BUILDING INDUSTRY JOINT STOCK COMPANY	Beytepe Village No:5 Bilkent- ANKARA	TR
3- AKFEN ENGINEERING, CONSULTANCY, CONTRACTING AND REPRESENTATION JOINT STOCK COMPANY	Koza St. 22 Gaziosmanpasa- ANKARA	TR
4-AKFEN CONSTRUCTION TOURISM AND TRADE JOINT STOCK COMPANY	Koza St. 22 Gaziosmanpasa-ANKARA	TR
5- FLUGHAFEN WIEN AG (Vienna International Airport-VIE)	A- 1300 Flughafen Wien, Austria	Austria

### ARTICLE 2- TITLE OF THE COMPANY

The title of the company is TAV Airports Holding Joint Stock Company, hereinafter referred as the "Company" under the Articles of Incorporation.

### ARTICLE 3- MAIN OFFICE AND BRANCHES

The main office of the Company is located in the province of Istanbul, town of Sariyer. Its address is: "Vadistanbul Bulvar, Ayazaga Mahallesi Azerbaycan Caddesi 2C Blok No: 3L/6 34485 Sariyer/Istanbul".

In case of address change, the new address will be registered to the Trade Registry and announced in the Trade Registry Gazette. Ministry of Customs and Trade of T.R. and the Board of Capital Market are also notified. Notifications sent to the registered and published address shall be deemed to be sent to the Company. Failure

to register the new address within due time period, after leaving the registered and published address, will constitute a ground for termination.

The Company may open branches, offices and representations within and outside Turkey based on the resolution of the Board of Directors as per the valid legislation provided to inform the Ministry of Customs and Trade of T.R. and the Capital Market Board and if necessary other related authorities.

#### **ARTICLE 4- AIM AND SUBJECT**

Main aim and subject of the Company are as follows:

In the country and abroad, to participate in the capital and management of companies which build, operate, to market on behalf of such companies, sell or rent airport terminals, hangars and facilities, shopping centers, tourism facilities, sports facilities, entertainment centers, business places, industrial facilities, houses and mass houses, motorways, tunnels, subways, bridges, dams, telephone lines, other engineering facilities, substructure facilities, cultural and social facilities, directly by undertaking or in the scope of Build- Operate-Transfer model, or as a combined model, or against condominium, providing all kinds of facilities and undertaking, project works, providing counseling and control services regarding the subjects in its field of activity.

The aim of the company is to plan the activities of companies, manage and inspect, take precautions to make sure such companies which it has established or participated in the capital provide maximum efficiency, to determine principles for this purpose, establish necessary organizations to realize these aims by means of; joining companies by being a founder or a partner-shareholder by providing the capital in cash or in kind, during the incorporation or capital increase stage for companies which are joint stock companies or limited liability partnerships or partnerships, established either with foreign or local capital, established or will be established in the future for any purpose.

While the Company performs its aims stated above, it shall perform its liabilities of enlightening the public in order to inform the investors in accordance with the Capital Market Board and the related legislation. The company may carry out the following or give orders to have such carried out in order to pursue its aim stated above:

1. It may enforce and execute franchising, investment, construction, and operation agreements.
2. It may sell, rent lands or territories, it may provide and have provided zone plans, application plans, architectural projects, engineering projects, substructure projects, and all similar plans and projects related with them.
3. It may sign long, medium and short-term loan agreements locally or abroad, may obtain security loans;
4. It may acquire in part or in whole, rent, use, sell, lease intangible rights such as local and international permits, license patents, Commercial marks, licenses, franchises and copyrights, brands, models, picture and commercial titles, know-how, technical information, which it deems useful or necessary for the activities regarding the company aim and subject, and he may grant usufruct and pledge rights and may perform any similar legal savings on them without prejudice to the article 4.27 of the Articles of Incorporation.

5. It may participate and undertake on behalf of companies in which it has participated or will participate in the future local and international tenders through agreements with local and/or foreign companies.
6. It may provide the administrative and technical organizations of present or future companies, to which it participated and joined as founding partner.
7. It may provide counseling and control services regarding subjects included in its activity area, make or have made feasibility studies, project arrangement, technical and economic studies and may enter commercial activities with local and foreign persons and organizations.
8. It may plan mass and several residences, offices, houses, etc. on behalf of companies in which it participates;
9. It may be active in the wholesale and retail purchase and sale, transport, marketing, import, export, trusteeship and transit business of the goods related to its aim and subject, may enter tenders, auction billing and underbidding, may provide construction, undertaking, consultancy, studies, project services, warehousing, customs transactions and trading regarding its subject in order not to make customs brokerage on behalf of companies in which it participates
10. In order to realize its aim and activity subject, to meet its need or to evaluate its resources it may purchase, sell any type of real estates and properties and rights, the company may make real estate sales agreements, it may partially or wholly rent, lease, and may register and annotate them to title deeds. Regarding the real estates recorded in its name it may perform any type of transactions and savings at title deeds regarding type correction, division, unification, separation, parceling, it may leave and donate them to public institutions and organizations in order realize the company aim and activities, it may perform procedures regarding abandoning them to green places and roads, besides it can perform transfers.

Without prejudice to the article 4.27 of the Articles of Incorporation, because of its debts and credits on real estates owned and of others it may establish, enter satisfactions, maintain, purchase, establish lower and upper rights, enter satisfactions any type of mortgages, other real estates pledges and real and personal rights in favor or against, it may establish any real and personal rights on the upper rights it has acquired, it may partially or wholly sell its upper right within the period of the upper right, it may lease to local and foreign real persons and organizations, in order to provide for the debts of the company's debts or in order to realize the company aim, without prejudice to the article 4.27 of the Articles of Incorporation, it may establish mortgages, pledges, real estate liability, right of habitation, pledge of assets agreement, benefit, rights of access and any type of real or personal rights, it may accept the said right established on the estates and real estates of third parties in order to realize the credits from third parties or the company aim.

It may accept bill guarantees and guaranteeing, it may obtain and give real and personal securities for any type of rights and credits, it may give real and personal securities for its liabilities and debts mortgage its real estates against its debts to third parties, pledge the real estates, may give guarantee and securities in favor of third parties, it may sign guarantee and security agreements without prejudice to the article 4.27 of the Articles of Incorporation.

In order to provide for the debts and credits of the company, as per the civil code, it may perform any type of tenancy and saving procedures regarding real and intangible rights, it may perform any type of imperfect and perfect savings on real estates, it may perform any type of transfer and assignment on these subjects, it may accept the transfer and assignment, it may provide annotations to the title deed, accept these annotations and may perform and conclude other title deeds transactions without prejudice to the article 4.27 of the Articles of Incorporation.

11. Following the property division suits at courts it may participate and deposit at tenders of potential real estates at certain places.
12. By contacting the Treasury and the municipalities, may directly purchase lands and territories which are suitable for mass houses, commerce or industry areas, or those that can be used for operational purposes.
13. By opening zoning sites for mass housing, or detecting and purchasing the possible sites of zoning, may sell these as independent parts as land, territory, built or to be built;
14. By making buildings on lands that shall be indicated by the Real- estate Investment Trust, may act as intermediary in their sales on behalf of companies in which it participates. In case the company which has been participated is a Build-Operate-Transfer company, a party of the contract in concern, it may perform the above mentioned proceedings on behalf of the Build-Operate-Transfer company following the termination of contract period and partnership.
15. It may act as a mediatory on issues related with tendering and execution of contracts on constructions made by the landowner against condominium, on projects, control and consultancy issues on behalf of companies in which it participates;
16. It may purchase real estates, subdivide into lots and sell. In case the company which has been participated is a Build-Operate-Transfer company, a party of the contract in concern, it may perform the above mentioned proceedings on behalf of the Build-Operate- Transfer Company following the termination of contract period and partnership.
17. It may be active in the purchase and sell, plan and construction, leasing of houses, offices, governmental buildings, industrial, tourism, health, educational, sports and cultural facilities, and without prejudice to the article 4.27 of the Articles of Incorporation, it may establish any real and personal rights on these on behalf of companies in which it participates.  
  
In case the company which has been participated is a Build-Operate-Transfer company, a party of the contract in concern, it may perform the above mentioned proceedings on behalf of the Build-Operate-Transfer company following the termination of contract period and partnership.
18. It may purchase, deliver a promise to purchase the apartment easements, all or part of the independent parts that are classified and registered in accordance with the Condominium Law no.634 and may establish apartment easements and condominiums on them.
19. It may prepare and apply zoning plans for undeveloped lands, provide actual map allotting and unifying works, provide all kinds of cadastre studies, prepare projects for issuing title deeds for lands, may provide all photogrammetry and geodesy cartography works;
20. It may purchase, rent, lease, sell, transfer, lend any type of land, sea, air vehicles needed for the company business, it may perform real and personal savings on these and make financial rental agreements without prejudice to the article 4.27 of the Articles of Incorporation.
21. It may purchase, sell, rent, and import any type of vehicles, equipment and facilities needed for the realization of the company aim and to make financial lease agreements;
22. It may provide or have provided all the services, management, maintenance, repair, operation works required for the airports, hotels, motels, residences, all kinds of commercial facilities, social, sports and

cultural facilities, entertainment centers it operates upon undertaking their construction or give orders to the companies in which it participates to cause the same to be done. It may perform or make the companies in which it participates perform ground services, provision of food and beverages, cargo services and parking lot management in relation with airports.

- 23.** Regarding its activity subjects or other subjects and in accordance with transfer pricing rules set out in the Capital Market Law it may establish new local and international companies, participate to established companies or without prejudice to the article 4.27 of the Articles of Incorporation, purchase shares, it may sell owned shares provided not to have the characteristics of investment services and activities defined under Article 37 of the Capital Markets Law , it may establish partnerships with local and international real and judicial persons, participate to, merge with, acquire established partnerships, , it may purchase, sell, exchange, pledge and show as security their shares, bonds, and other securities provided not to have the characteristics of investment services and activities defined under Article 37 of the Capital Markets Law, open locally and internationally branches, liaison offices, representations, agencies, vendors, distributorships without prejudice to the article 4.27 of the Articles of Incorporation;
- 24.** It may establish an R&D center within the company regarding its field of activity;
- 25.** It may carry out and perform all commercial business and transactions necessitated by the aim and subject of the company and in order to realize these aim and subjects, provided to remain within the scope of the above mentioned operation subject, it may acquire all rights and tenure debts;
- 26.** Pursuant to Capital Market Law, related legislation and with the permission of Capital Market Board the company may issue all kinds of securities permitted under legislation and/or other capital market instruments and may offer to the public capital market instruments that it has issued in the country and abroad. General conditions for such securities and/or other capital market instruments are determined by the Board of Directors
- 27.** It adheres to the Capital Markets Regulation framework while establishing on its or other third parties' behalf, guarantees, sureties, collaterals and pledges including real estate mortgages.
- 28.** The provisions of Capital Markets Law on prohibition of the concealed gain transfer are reserved with respect to the business, transactions and activity of the Company
- 29.** The Company may make donations in accordance with the provisions of the Capital Markets Law and relevant legislation. The upper limit of the donations that will be made is determined by the General Assembly. The amount of the donations that were made by the Company within the related account period is added to the distributable profit base. Pursuant to the Legislation, it is mandatory that the donations and payments that were made within the related account period are presented to the information of the shareholders during the ordinary General Assembly and publicly disclosed within the framework of the Capital Markets Board regulations on the disclosure of material matters. The Company cannot make donations with the amounts exceeding the upper limit determined by the General Assembly. Donations must not be contrary to the regulations of the Capital Markets Law regarding "Distribution of Concealed Gain" and must be made in a manner that will not hamper the Company's objectives and field of activity. In case an amendment is made to the Company's objectives and field of activity, required permissions must be obtained from the Ministry of Customs and Trade and Capital Markets Board.

## **ARTICLE 5- TIME LIMIT**

The Company was founded for an indefinite period of time.

## **ARTICLE 6- CAPITAL**

The company has adopted registered capital system pursuant to the provisions of the Capital Markets Law No. 2499 and with the permission of the Capital Markets Board dated 15.10.2008 and No. 27/1073.

The registered capital ceiling of the Company is 1.500, 000,000.-TL (One billion five hundred million Turkish Liras) divided into 1.500.000.000 (One billion five hundred million) shares having a nominal value of 1 TL (One Turkish Liras) each.

The registered capital ceiling permit issued by the Capital Market Board is valid between 2021 and 2025 (for 5 years). At the end 2025, even if the permitted registered capital ceiling has not been attained, in order for the Board of Directors to pass a resolution for a capital increase after 2025, it is obligatory to obtain authorization from the general council for a new period, by asking for permission from the Capital Market Board for the ceiling permitted previously, or for a new ceiling amount. In case the relevant authorization cannot be obtained, the Company cannot make a capital increase by a decision of the board of directors.

The Company's issued capital is 363,281,250 TL (three hundred sixty three million two hundred eighty one thousand two hundred fifty Turkish Liras). This issued capital is divided into 363,281,250 (three hundred sixty three million two hundred eighty one thousand two hundred fifty) bearer shares having a nominal value of 1 TL (One Turkish Lira) each.

The Board of Directors of the Company is authorized to increase the issued share capital by issuing new registered or bearer shares up to the registered share capital between 2021 and 2025, in compliance with the Capital Market Law and relevant regulations.

The Board of Directors of the Company is also authorized to take resolutions regarding the issuance of premium shares and to resolve to restrict, partly or wholly, the pre-emption rights of the shareholders. The resolutions of the Board of Directors adopted pursuant to the authority granted in this Article are published in compliance with the principles set forth by of the Capital Markets Board.

The shares representing the capital are registered and monitored as per the principles of registration.

## **ARTICLE 7- INCREASE OF CAPITAL AND PRE-EMPTION RIGHTS**

The capital of the company may be increased as per the provisions of the Turkish Commercial Code and the Capital Markets Law provided required permissions are obtained.

In the capital increase, each shareholder has the pre-emption right proportional to their existing shareholdings in the capital of the Company. However, the Board of Directors is entitled to restrict the pre-emption rights in case of capital increases. The Board of Directors determines the form conditions for the pre-emption rights of the shareholders to be used in compliance with the provisions of the Turkish Commercial Law, the Capital Market Law and these Articles of Incorporation. In addition to its powers set out in Article 6, the Board of Directors is also authorized to resolve upon issuance of shares with prices lower than their nominal value.

## **ARTICLE 8- DECREASE OF CAPITAL**

The capital of the company may be decreased as per the provisions of the Turkish Commercial Code and the Capital Markets Law and the related legislation provided required permissions are obtained

## **ARTICLE 9- ACQUISITION BY THE COMPANY OF ITS SHARES AND ITS ACCEPTANCE THEREOF FOR PLEDGE**

The Company may acquire the shares issued by it or accept thereof as pledge subject to the limitations set forth in Turkish Commercial Code and the Capital Market Law.

## **ARTICLE 10- FORM OF SHARES**

The provisions of the Capital Market Legislation and the procedures and principles for the dematerialization of shares and monitoring of dematerialized shares are required to be complied with regarding the shares that have been issued and to be issued by the Company.

## **ARTICLE 11- CAPITAL MARKET INSTRUMENTS**

Provided not to have the characteristics of investment services and activities defined under Article 37 of the Capital Markets Law, upon the resolution of the board of directors, in accordance with the Capital Market Law and provisions of related legislation, the company may issue at national and/or international level, with guarantees or without guarantees, any type of debentures and similar debt instruments, financial bonds, on joint profit and loss certificates, profit sharing securities, convertible debentures, sharing bonus certificates, asset backed securities, other debt securities including those that are issued on discounted basis, redeemable and convertible securities and other securities accepted as capital market instruments. Capital Market Law will be conformed to regarding the capital market instruments issued by the Company. In relation to the issuance of capital markets instruments above, the Board of Directors is entitled to resolve upon issues such as the type of issuance, maturity date, the rate and amount of the interest.

## **ARTICLE 12- TRANSFER OF SHARES**

There is no limitation for the transfer of shares. The Capital Market Board Regulations and Decrees, and related provisions of Turkish Commercial Code are complied with regarding the transfer of the shares.

## **ARTICLE 13 – BOARD OF DIRECTORS**

13.1. The Company is managed and represented by a Board of Directors consisting of 11 (eleven) members elected by the General Assembly.

The number and qualifications of the independent board members shall be determined by adherence to the Corporate Governance Principles outlined by the Capital Markets Board.

The members must be appointed among the person who, preferably graduated from faculty, has basic knowledge of the legal framework regulating the transactions related to the field of the Company and experience and education concerning company management and the ability of analyzing the financial accounts and reports.

13.2. All Members of the Board, including Independent Members of the Board are elected from among person(s) nominated by the shareholders at the General Assembly in accordance with the General Assembly meeting and resolution quorum.

It is mandatory that the independent board members issue an independence declaration and inform immediately the Board of Directors in case their independence is compromised.

In such an event it is principally required that the member whose independence is compromised resign and a new member is elected in his/her place.

The committee in charge of the matter evaluates in writing the candidature for the vacant memberships to make sure that the minimum number of independent members as required by the CMB legislation are elected to the Board of Directors and submits the written evaluation to the Board of Directors. This article shall also apply in cases where the independent board member resigns or is unable to fulfill his/her duties.

The clauses of the article above are without prejudice to the CMB Corporate Governance Principles.

13.3. If a board membership is vacant due to any reason, the Board of Directors shall temporarily elect somebody who is legally qualified to be submitted to the approval of the next General Assembly. The member elected by this means shall serve until the General Assembly at which he is being submitted for approval, and if approved by the General Assembly, will serve to complete the term of the member in replacement of whom he is being elected.

The election of independent members for the newly vacant independent board memberships is carried out according to the relevant paragraphs of article 13.2 of the Articles of Incorporation and CMB Corporate Governance Principles.

13.4. The Board of Directors elects a Chairman and at least one Vice Chairman to represent the Chairman in his absence in accordance with Article 366 of Turkish Commercial Code.

#### **ARTICLE 14- DUTY PERIOD OF THE BOARD OF DIRECTORS**

The members of the board may be appointed for 3 (three years) years to the maximum until the election of their successors. Following the termination of the duty period the member of the board can be reelected. Board of Directors may be dismissed at any time by a General Assembly resolution. A legal entity may change the person who is registered in its name at any time.

#### **ARTICLE 15- BOARD OF DIRECTORS MEETING**

15.1 The Board of Directors convenes in case that any affairs and actions of the Company necessitate. However, it is mandatory for the Board of Directors to convene 6 (six) times at least in a calendar year. The Chairman, Vice Chairman and each Member of the Board have the right to invite the members at least 10 work days before and/or discuss the subjects on the agenda. These invitations are performed by electronic mail/fax message. The members may waiver the right by written notice.

15.2. Board of Directors convenes at the main Office unless otherwise expressed by the Board of Directors.

15.3. The ones who have the right to participate in the board of directors meetings of the Company may participate in these meetings via electronic media pursuant to Article 1527 of the Turkish Commercial Code. The Company may set up the electronic meeting system that will enable the right holders to participate and vote at these meetings via electronic media pursuant to the Communiqué Regarding Boards to be Convened Via Electronic Media in Commercial Companies Other than the General Assemblies of the Joint Stock Companies or it may procure services from the systems formed by service providers for this purpose. It is required to ensure



that the right holders exercise their rights specified in the related legislation on the basis set forth in the provisions of the above mentioned Communiqué in meetings to be held via the system set up or the system to be procured from support service pursuant to this Article herein.

#### **ARTICLE 16- QUORUM FOR THE BOARD OF DIRECTORS**

The quorum for holding a Board of Directors meeting is the majority of the members of the Board of Directors. The foregoing rule also applies to the board meetings held via electronic media.

#### **ARTICLE 17- BOARD OF DIRECTORS RESOLUTIONS**

17.1. The actions and activities of the Board of Directors are based on resolutions taken. The Board of Directors is authorized to make resolutions on every subject that is under its authority.

17.2. The Board of Directors cannot make resolutions on subjects that are not on the agenda. However, in a Board of Directors meeting where all members are present, a subject which is not on the agenda may be put on the agenda with the unanimous decision of the members.

17.3. Pursuant to the provisions of Article 390(4) of the Turkish Commercial Code, in the event that none of the members request convening of a meeting, a board of directors resolution may be rendered by way of obtaining the written approval of all of the total number of the board members for a proposition written in the form of a resolution which is made by one of the board members on a specific matter provided that the same proposition has been made to all board members.

17.4. The quorum for the resolutions of the Board of Directors is the affirmative votes of the majority of the members of the Board of Directors. The articles 17.3. and 19. of the Articles of Incorporation are reserved.

#### **ARTICLE 18- DUTIES OF BOARD OF DIRECTORS**

Unless otherwise resolved by the General Assembly, the Board of Directors has the following duties in addition to such duties and powers set forth in Article 375 and related provisions of Turkish Commercial Code:

18.1. To make proposals to the General Assembly on distribution of company profits, creation of all reserve funds, changing the location of Head Office, opening and closing of branches and liaison offices; to present information and reports to the General Assembly on the Company's investment and finance policies, annual financial statements and reports, annual budget and organizational structure,

18.2. Make proposals to the General Assembly for amendments and adjustments in the Articles of Incorporation and for increasing the registered capital of the Company,

18.3. Invite the General Assembly to convene, preparation of annual activity report and corporate governance statement and submission thereof to the general assembly, preparation of the general assembly meeting and implementation of the general assembly resolutions,

18.4. Keep the board of directors resolution book and general assembly resolution book of the Company in addition to the books that merchants are obliged to keep,

18.5. Cause the preparation of the financial tables as of the year end in accordance with Turkish Commercial Code, Capital Markets Law and other related legislation and present it for the information of the shareholders in order to be reviewed within such period prior to the General Assembly as required by the Turkish Commercial Code and Capital Markets Law and the related legislation, and maintain all ledgers.

18.6. In addition to the year-end financial tables, present for the information of the shareholders in order to be reviewed within such period prior to the General Assembly as required by the Turkish Commercial

Code, Capital Markets Law and the relevant legislation, the annual activity report that includes the commercial, financial and economic state of the Company, a summary of transactions and the dividend distributable to the shareholders and the reserves to be set aside and other information required by the Turkish Commercial Code, Capital Markets Board and other related legislation.

18.7. Approve the annual budget of the Company,

18.8. Resolve the Capital increase up to registered capital and perform all actions that should be performed by the Board of Directors pursuant to the Articles of Incorporation, the Turkish Commercial Code, the Capital Market Law and relevant regulations.

18.9. To prepare financial statements, to have these financial statements independently audited and declared to the public within the frame of the Capital Market Board regulations.

#### **ARTICLE 19- TRANSACTIONS RELATED WITH THE RESOLUTIONS OF GENERAL ASSEMBLY**

A Board of Directors Resolution is prepared as the result of the Board of Directors meeting and it is signed by the members of the Board of Directors. The date of the Board meeting, the names of the Board Members who have attended to the meeting and the content of the resolution is set forth in the Board of Directors Resolutions that are rendered by way of holding Board of Directors meeting. The Board of Directors Resolutions so completed are affixed to the Board of Directors Resolution Book. In respect of those resolutions that are rendered without convening a meeting pursuant to Article 17.3 of the Articles of Incorporation, the names of all members of the Board of Directors to whom the proposition is submitted, date of the resolution and the content of the resolution are set forth therein, and such resolution is required to be signed by all of the total number of the board members, inclusion of approvals of all members on the same paper is not required provided that all papers of counterparts which include approvals separately are required to be affixed to the Board of Directors Book or it is required to be converted to a resolution which includes the signatures of the members and to be stuck in the Board of Directors Book, for the validity of such resolution.

#### **ARTICLE 20- RIGTH OF RECEIVING INFORMATION AND OBLIGATION TO KEEP CONFIDENTIALITY**

20.1. Shareholders are authorized to request necessary explanations as specified under Capital Markets Law, Turkish Commercial Code and the related legislation in relation to matters that they deem doubtful.

20.2. Each shareholder is obliged to keep the secrets of the Company however learned even after he no longer holds the status of a shareholder. Any shareholder who fails to observe such obligation shall be liable with the damages caused to the company as well as may be penalized upon the litigation of the company. However, the provisions of this Article do not apply to such information that is disclosed to public.

#### **ARTICLE 21- ADMINISTRATION AND REPRESENTATION**

21.1. The Company is managed and represented by the Board of Directors. The Board of Directors is authorized to perform all types of actions, legal, financial and technical affairs included in the aim and business of the company on behalf of the Company and use them on behalf of the Company.

21.2. the Board of Directors, establishes charges in favor of third parties on such immovable property and assets qualified as immovable and associated rights in short, medium and long term borrowings by presenting them as security, accepts all charges presented by third parties in favor of the Company at any level and grade at the land register office, signs documents associated with such transactions and terminates as necessary such charges, provided that these are in compliance with the Capital Markets Legislation.

### 21.3. Assignment of Representation Authorization

The Board of Directors may assign the representation authority to one or more managing directors who are Board Members and/or managers who are not Board Members in whole or in part pursuant to Article 370(2) of the Turkish Commercial Code. The term of authorization is not limited to the office term of the Board of Directors. However, in any case, at least one Board Member shall have the representation power.

### 21.4. Assignment of Management

The Board of Directors is authorized to assign the management to one or more managing directors who are Board Members and/or one or more Board Members and/or managers who are not Board Members and deputy managers according to an internal directive to be prepared by the Board of Directors in accordance with Article 367(1) of the Turkish Commercial Code. In the event that such an internal directive is prepared the Board of Directors will provide information about the internal directive upon their request.

The duties and authorizations which are not assignable that are set forth in Article 375 are reserved.

21.5. All documents issued by the Company and all contracts made by the Company must carry the signature of two persons authorized to bind the Company placed under the title of the Company to have validity.

21.6. The Board of Directors may establish committees and commissions which may include Board Members for the purposes of monitoring the conduct of the activities, preparation of reports to be submitted to the Board of Directors, implementation of the Board of Directors Resolutions or internal audit.

## **ARTICLE 22- PROHIBITED TRANSACTIONS AND OBLIGATIONS**

Without the prior consent of the General Assembly, the Board Members cannot enter into the transactions set forth in Articles 395(1) and 396(1) of Turkish Commercial Code. In order to be able to effect transactions by controlling shareholders, board members, senior executives and their spouses, relatives and next of kin up to second degree which may cause conflict of interest or compete with the company or the subsidiaries, prior approval of the general assembly is required, and information needs to be provided about such transactions at the general assembly. Provisions of the Capital Markets Legislation regarding the foregoing provisions are reserved.

## **ARTICLE 23- MONETARY RIGHTS OF THE BOARD MEMBERS**

Attendance fee, remuneration, bonus, premium or percentage of annual profit may be paid to the Board Members provided that the amount thereof is determined under the articles of Incorporation or by a General Assembly Resolution.

The remuneration of Board members and senior management complies with the Capital Markets Board legislation.

## **ARTICLE 24- AUDIT**

The auditing of the Company is carried out by an auditor to be elected in accordance with Turkish Commercial Code, Capital Markets Law and the related legislation. The election and dismissal of the auditor, termination of its agreement and the procedures and principles of the company's audit are performed in accordance with the provisions of Turkish Commercial Code, Capital Markets Law and the related legislation.

## **ARTICLE 25- THE DUTIES OF THE AUDITORS**

The provisions of Turkish Commercial Code, Capital Markets Law and the related legislation are applied for the duties and responsibilities of the auditors and other related matters.

## **ARTICLE 26- AUDITOR FEE**

Turkish Commercial Code and Capital Markets Legislation shall be complied with in relation to the remuneration payable to the auditors.

## **ARTICLE 27- GENERAL ASSEMBLY MEETINGS**

### **27.1 General Assembly Meetings and Participation in General Assembly Meeting Via Electronic Media**

The General Assembly convenes ordinarily or extraordinarily. The ordinary General Assembly convenes within 3 months from the end of the accounting period of the Company, and the extraordinary General Assembly convenes as necessary. General Assembly meetings are implemented in accordance with the "Internal Directive" of the Company for General Assembly.

The General Assembly may be called by the Board of Directors as indicated in the Turkish Commercial Code. Further, the Board of Directors has to invite the General Assembly to meet upon receiving the request from shareholder(s) holding at least 5% of the share capital of the Company and the agenda for such call pursuant to Articles 411 and 412 of the Turkish Commercial Code.

Attending to the general assembly meeting via electronic media:

The right holders who have the right to attend the general assembly meetings of the Company participate in these meetings via electronic media pursuant to Article 1527 of the Turkish Commercial Code. The Company may set up the electronic general assembly system that will enable the right holders to participate, to declare their opinions, to present their suggestions and to exercise their votes at the general assembly meetings via electronic media pursuant to the Regulation Regarding General Assemblies to be Convened Via Electronic Media in Joint Stock Companies or it may procure services from the systems formed by service providers for this purpose. It is required to ensure that the right holders exercise their rights specified in the related legislation on the basis set forth in the provisions of the above mentioned Regulation in all general assemblies to be held via the system set up or the system to be procured from support service pursuant to this Article herein.

### **27.2 Invitation for General Assembly Meetings**

Invitation to General Assemblies are made through all kinds of communication instruments that will enable to reach as maximum number of shareholders as possible including without limitation electronic communication,

in addition to the instruments set forth in the related legislation, by taking the minimum periods prescribed under Turkish Commercial Code, Capital Markets Law and other related legislation into consideration and the related provisions of the above mentioned legislation are applied with respect thereto. Further, information that is required to be provided pursuant to Turkish Commercial Code, Capital Markets Law and the related legislation are disclosed to public at the internet site of the Company at the same time with the announcement of the General Assembly meeting.

The Representative of the T.R. Ministry of Customs and Trade must attend to all meetings as long as this is mandatory as per the relevant legislation. In the absence of the Representative the meetings and resolutions taken thereof shall not be valid.

### 27.3 Appointment of representative

The shareholders may be represented at the General Assembly meetings by way of another shareholder or a third party who is not a shareholder to whom they have granted proxy or who have been authorized by them as described below. The arrangements of the Capital Market Board, representing the public joint stock companies for voting by proxy are reserved. If the representative in lieu of the shareholder is to attend the General Assembly, the identity information of the representative is required to be recorded in the Electronic General Assembly System. Authorization may also be made as such in cases which the representative is to attend the meeting physically

## **ARTICLE 28- ORDINARY GENERAL ASSEMBLY**

At Ordinary General Assemblies election of corporate bodies, financial tables, annual report of the board of directors, the manner of usage of the profit, determination of the ratios of the dividend and profit percentage to be distributed, release of the board members, other matters relating to the relevant activity period that are deemed necessary, the issues stated in the provisions of the Turkish Commercial Code and other issues stated in the agenda prepared by the Board of Directors are discussed and resolved.

## **ARTICLE 29- EXTRAORDINARY GENERAL ASSEMBLY**

Extraordinary General Assembly is convened as necessitates. As per the provisions of the Turkish Commercial Code in Extraordinary General Assemblies any type of issues which are appropriate to be resolved by Extraordinary General Assemblies are negotiated and resolved.

## **ARTICLE 30- QUORUM AND VOTING**

### 30.1. Quorum for Meeting

The provisions of the Turkish Commercial Code, the Capital Markets Law and the related legislation are applied regarding the meeting quorum of the Ordinary and Extraordinary General Assemblies.

### 30.2. Voting

Voting is exercised openly and by way of raising hand and/or participation via electronic media. The procedures for participating at the meeting via electronic media, the actions of appointment of representative, making proposal, declaring opinion and exercising votes thereat are made through the Electronic General Assembly System provided by the Central Registry Agency.

Shareholders or their representatives have one vote for each stock certificate (on one voting slip) and all share groups have the same voting rights in every respect.

### 30.3. Resolution Quorum

Provisions of Turkish Commercial Code are applied in connection with the resolution quorum of the Ordinary and Extraordinary General Assemblies.

The rights granted to such shareholders that represent minimum one tenth of the principal capital under the Turkish Commercial Code are exercised by such shareholders that represent minimum one twentieth of the principal capital.

### 30.4 Internal Directive

The Board of Directors prepares an internal directive regarding the procedures and principles of activities of General Assembly in accordance with the related provisions of the Turkish Commercial Code and the regulations and communiqués issued with respect thereto and submits such internal directive for the approval of the General Assembly. The internal directive which has been approved by the General Assembly is registered at the Trade Registry and it is published at the Trade Registry Gazette.

## **ARTICLE 31- LIST OF ATTENDEES**

The list of those who may attend the General Assembly meeting is prepared by the Board of Directors pursuant to the shareholders chart for the dematerialized shares monitored by the Central Registry Agency and the above mentioned list is signed by the Chairman of the Board of Directors or a Board Member authorized by the Chairman of the Board of Directors.

The list of those who may attend the General Assembly meeting so prepared by the Board of Directors is signed by the shareholders or their representatives who attend the meeting, the Chairman of the Meeting and the representative of the Ministry of Customs and Trade (in cases where such representative is required to attend the meeting as per the applicable legislation) and it becomes an attendees list.

## **ARTICLE 32- MEETING CHAIRMANSHIP**

All General Assembly meetings are presided by a meeting chairman, who is not required to be a shareholder, to be elected by the shareholders attending to the related meetings. The meeting chairman forms the meeting chairmanship by appointing secretary for recording the minutes and if he deems necessary vote counter. Persons who have expertise may be assigned by the meeting chairman for implementing the technical operations in respect of the Electronic General Assembly System during the meeting.

## **ARTICLE 33- GENERAL ASSEMBLY MEETING MINUTES**

The discussions made and the resolutions rendered during a General Assembly meeting is recorded in meeting minutes by meeting chairmanship. General Assembly meeting minutes is issued sufficient number of copies at the location of the meeting and during the meeting. Meeting minutes is signed by the meeting chairmanship and the representative of the Customs and Trade Ministry of T.R (in cases where such representative is required to attend the meeting as per the applicable legislation).

## **ARTICLE 34- ANNOUNCEMENTS**

34.1. The announcements regarding the Company shall be made in accordance with the Turkish Commercial Code and Capital Markets Legislation.

34.2. Articles 474 and 532 and 541 of the Turkish Commercial Code shall apply to announcements regarding capital reduction and liquidation. Besides, the regulations of the Capital Market Board regarding announcements are complied with.

Special condition declarations and any type of declarations to be foreseen by the Capital Market Board as per the regulations of the Capital Market Board are made duly in time.

The whole reporting conditions of the Company shall be performed in accordance with the legislation of the Capital Market and financial statements and reports and the Independent Audit Reports foreseen to be prepared with the methods and principles determined by the Capital Market Board and have to be submitted to the Capital Market Board. Announcements made pursuant to relevant regulations shall be also published in the web site of the Company.

### **ARTICLE 34 A- COMMITTEES**

Besides the committees made obligatory as per the provisions of the Turkish Commercial Code and Capital Markets Legislation, the Board of Directors, in order to carry out its duties and liabilities efficiently, shall establish the required committees considering the requirements of the company. The committees established by the Board of Directors shall function within the scope of Turkish Commercial Code and Capital Markets Legislation.

The scope of duties and working principles of committees shall be determined in detail in the resolutions for establishing the committees by also considering the provisions of these Articles of Incorporation and disclosed to the public. The Board of Directors may always redefine the scope of duties and working of the committees and make any necessary changes in the appointments of the Chairman and members.

The committees conduct their transactions independently and make suggestions to the Board of Directors. The committees shall convene at a frequency according to the necessity of their duties and with the invitation of the chairman. All works shall be fulfilled in written and the necessary records shall be kept. Whole correspondences and informatory duties of the committees shall be carried out by the secretariat of the Board of Directors.

The clauses of the article above are without prejudice to the CMB Corporate Governance Principles.

#### **34. A.1 The Committee Responsible for Audit**

The Committee Responsible for Audit is formed and functions in accordance with Corporate Governance Principles Communiqué and Capital Markets Law and the provisions of related legislation.

The Committee Responsible for Audit meets at least once every three months with invitation of the Chairman of the Committee. The chairman, if deemed necessary, may invite managers, internal and external independent auditors and experts to the meetings in order to take their advice. The Committee Responsible for Audit, if deemed necessary, may inform General Assembly.

### **34. A.2 Corporate Governance Committee**

Corporate Governance Committee; reviews whether the corporate governance principles are properly adhered to and if such principles are not adhered to, determines the reasons therein and the conflict of interests occurring as a result of non-compliance with such principles, and suggests measures for improving corporate governance practices to the board of directors. Corporate Governance Committee monitors the activities of the investors relations unit and performs other duties set forth under the relevant legislation.

### **34 B Corporate Governance Principles**

Corporate Governance Principles stipulated as mandatory by the Capital Market Board shall be complied with. Transactions carried out and Board of Directors Resolutions resolved without complying mandatory principles are void and considered to be contrary to the articles of incorporation.

As for the application of Corporate Governance Principles, in material transactions, and in all related party transactions of the company, and in the case of issuing guarantees, pledges and mortgages in favour of third parties, the corporate governance stipulations of the Capital Market Board shall be complied with.

### **ARTICLE 35- AMENDMENT OF THE ARTICLES OF INCORPORATION**

35.1. Realization and implementation of all amendments within the Articles of Incorporation is subject to the approval of the Capital Market Board and the permission of Republic Ministry of Customs and Trade of T.R.

35.2. All amendments to these Articles of Incorporation shall take effect from the date of announcement after due approval and registration at the Commercial Register.

### **ARTICLE 36- ANNUAL REPORT OF THE BOARD OF DIRECTORS AND AUDIT REPORT AND SENDING YEAR-END FINANCIAL TABLES TO RELATED AUTHORITIES**

Sufficient number of the copies of the financial tables prepared within the framework of Turkish Accounting Standards in accordance with the arrangements determined by the Capital Market Board, reports independent audit report, general assembly minutes and attendees list are sent to the related authorities within the periods prescribed by the related legislation and the same is announced to public.

### **ARTICLE 37- PROFIT DETERMINATION AND DISTRIBUTION AND DIVIDEND ADVANCE**

#### **37.1 Dividend**

Periodical profit which is shown in the annual balance sheet and which is the remainder after deduction of the Company's general expenses, amounts that are required to be paid or reserved by the Company such as various amortizations and taxes the payment of which are mandatory by the Company from the revenue that is calculated at the end of the Company's activity period, shall be distributed in the following order, upon deduction of losses pertaining to the previous year, if any,:



## General Legal Reserve

a) 5% shall be allocated for legal reserves.

## First Dividend

b) From the sum of the remaining amount and amounts donated throughout the year (if any), first dividend shall be reserved in accordance with the Turkish Commercial Code and Capital Markets Legislation.

c) Upon making the above-mentioned deductions, General Assembly shall have the right to decide the distribution of dividend to the Board Members and officers, servants and employees, to foundations established for various purposes and to persons and institutions with similar qualifications.

## Second Dividend

d) The General Assembly is authorized to distribute as second dividend in whole or in part, the amount remaining of the net periodical profit after deduction of amounts set out under paragraphs (a), (b) and (c) or to reserve such amount in whole or in part as voluntary reserves in accordance with Article 521 of the Turkish Commercial Code.

## General Legal Reserve

e) One-tenth of the amount remaining after deduction of the dividend in the ratio of 5%, from the portion decided to be distributed to the shareholders and other persons participating to the profit, shall be added to the general legal reserve as per the second paragraph of Article 519 of the Turkish Commercial Code.

Unless the legal reserves that are legally required to be allocated, are allocated; unless the first dividend specified in the articles of incorporation for the shareholders is distributed in cash and/or in the form of share; it is not possible to resolve allocation of any other reserves, transfer of profit to the consequent year or to distribute percentage of profit to board members, officers, servants and employees, to foundations established for various purposes and to similar persons and institutions.

The dividend is equally distributed as of the dividend distribution date to all existing shares without taking into account their issuance and acquisition dates.

Regarding the profit distribution, the regulations published or to be published by the Capital Market Board are complied with.

## 37.2 Dividend Advance

On the condition that the Board of Directors is authorized by the General Assembly and that Article 20 of the Capital Market Law and the communiqués issued by the Capital Market Board are complied with, the Board of Directors may distribute cash dividend advance in a manner as limited with the year for which the authorization is granted.

## **ARTICLE 38- RESERVE MONIES**

38.1. Regarding the separation of reserve monies, the provisions of article 37 of the Articles of Incorporation, the Turkish Commercial Code and the Capital Market Legislation are conformed to.

38.2. The Board of Directors may propose to the General Assembly that reserves in addition to those indicated in the law and the Articles of Incorporation should be set aside in order to ensure steady improvement of the Company or stable dividend distribution to the extent possible

#### **ARTICLE 39- PROFIT DISTRIBUTION DATE**

The date and the form of the distribution of the annual profit to the shareholders are resolved by the General Assembly upon the offer of the Board of Directors and in accordance with the provisions of the Turkish Commercial Code and the Capital Market Legislation. The profit distributed in accordance with the provisions of the Articles of Incorporation, Turkish Commerce Code and the Capital Market Legislation cannot be refunded.

#### **ARTICLE 40- TERMINATION AND LIQUIDATION**

Provisions of Articles between 529 to 561 of the Turkish Commercial Code and the provisions of the other related legislation are applied in relation to the termination and liquidation of the Company.

#### **ARTICLE 41- SETTLEMENT OF DISPUTES**

The disputes which arise between the Company and the shareholders during the performance of the Articles of Incorporation of the Company are settled by the competent courts in the area where the main office of the Company is located.

#### **ARTICLE 42- LEGAL PROVISIONS**

In respect of the matters not covered in these Articles of Incorporation, the provisions of the Turkish Commercial Code and the Capital Market Legislation shall apply.