

# KOTON MAĞAZACILIK TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

## ARTICLES OF ASSOCIATION

### ESTABLISHMENT

**ARTICLE 1-** "KOTON KOLLEKSİYON TEKSTİL SANAYİ VE TİCARET LİMİTED ŞİRKETİ", which was established by the founders whose names, surnames, nationalities and residence addresses are written below, in accordance with the provisions of the Turkish Commercial Code on the sudden establishment of joint stock companies and registered in Büyükçekmece-1243 registry number of Istanbul Trade Registry Office, has been established as a joint stock company in accordance with the provisions of the Turkish Commercial Code on the sudden establishment of joint stock companies by changing its type according to Article 152 of the Turkish Commercial Code.

Name-Surname or Title	Nationality	Residence Address
Yılmaz YILMAZ	T.R.	
Şükriye Gülden YILMAZ	T.R.	
Güler YILMAZ	T.R.	
Eser YILMAZ	T.R.	
Feruz ERTÜNER	T.R.	

### TRADE NAME

**ARTICLE 2-** The trade name of the Company is "KOTON MAĞAZACILIK TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ". In this articles of association, it will be referred to as "the Company".

### PURPOSE AND SUBJECT

**ARTICLE 3-** The Company's objectives and activities are mainly as follows:

1- Buying, selling, manufacturing, exporting, importing and marketing all kinds of textile, weaving, men's, women's, women's, children's garments and leather products and all kinds of ready-to-wear garments and having the production of the products and products required by this subject partially or completely outsourced to other industrial enterprises, establishing organisations with these enterprises when necessary, making studies and projects, providing consultancy services and establishing facilities and factories due to these activities.

2- To carry out wholesale and retail sales of goods within the scope of all kinds of merchandising activities in order to carry out merchandising activities, to open and operate stores in Turkey and abroad in order to carry out merchandising activities, to lease the stores established, to purchase, sell, market or promote all kinds of goods manufactured or purchased in these stores; to purchase, sell,

manufacture, export, import and market all kinds of decoration, metal and wooden furniture, accessories, hardware, electrical and electronic devices necessary for its stores abroad and the fairs it participates in.

3- To manufacture all kinds of wool, hair, cotton, yarn, raw cloth; to manufacture cotton, woollen, synthetic, linen, velvet, silk, mercerised cloth, fabric and similar weaving products that are ched, finished, dyed, dyed, printed with dyed patterns and patterned by weaving; to manufacture, purchase, sell, import, export and

market all kinds of carpets, rugs, cotton fabrics, towels, curtains, covers, sheets, upholstery fabrics, blankets.

4- Manufacture, purchase, sale, export, import and marketing of all kinds of dyes, accessories, natural and artificial silk, natural and artificial leather and all kinds of similar materials used in the production of materials belonging to weaving, textile and apparel products.

5- Manufacture, purchase, sale, import, export of zips, buttons, buckles and similar by-products used in textile and apparel products.

6- Manufacture, purchase, sale, import and export of all kinds of clothes, coats, jackets, coats and similar clothing made of fur and leather and all kinds of leather and suede shoes, boots, bags, suitcases and similar products and all kinds of accessories and all kinds of clothing items.

7- To purchase, sell, import and export all kinds of food products, fresh and dried vegetables, fruits and packaged and frozen food products for store-market management, to purchase, sell, import and export all kinds of plant and animal products and seafood.

8- To manufacture, buy, sell, import and export sports equipment, tools and equipment, goods and materials, uniforms and other clothing items and all kinds of products within the field of activity of schools, private schools, classrooms, dormitories, dining halls, hospitals, dispensaries, clinics, nurseries, barracks, nursing homes and similar private and public institutions.

9- To purchase, sell, manufacture, import and export all kinds of electrical and electronic office and household goods, machinery, durable consumer goods, audio recording and video devices, mobile phones, televisions, stereos, radios, tapes and the materials used in them, all kinds of video tapes, records, cassettes, discs, computers and computer spare materials and other products used in them.

10- To purchase, sell, import and export all kinds of toys, stationery, books, magazines, home decoration items, artificial flowers, souvenirs, kitchenware, perfumes, cosmetics, bijouterie, cleaning materials, soap and shampoo within the scope of merchandising activities.

11- Establishing, operating, renting, leasing, renting out, purchasing all kinds of restaurants, recreation, sightseeing places, sports centres, cinemas and cafes within the scope of merchandising activities, establishing the sound systems of these facilities, purchasing, selling, importing, exporting, wholesale and retail internal trade and marketing of the necessary tools and equipment for this in Turkey and abroad.

12- To sell all kinds of industrial frozen, dried meat and meat products or liquidised food, fruit, vegetables and meat products obtained from food, fruit, vegetables and meat products, food, fruit and vegetables; to sell hot and cold food and non-alcoholic beverages in the form of canned ready meals or

tabldot, to produce and sell food and beverages in buffets and cafeterias; to establish and operate restaurants and restaurants.

The Company may acquire all kinds of rights and incur all kinds of obligations in order to realise the activities within the scope of its purpose and subject matter.

For this purpose, the Company;

1- The Company may obtain all kinds of long, medium and short-term and other loans from domestic and foreign banks or other financial institutions for its own needs or the needs of the companies in which it participates in the capital management and the institutions and enterprises affiliated to them, provided that it complies with the capital markets legislation and other relevant legislation, and for this purpose, if necessary, it may give guarantees on all its assets in favour of third parties, and may borrow and obtain loans and other loans against collateral or without collateral. The principles determined within the framework of the capital markets legislation shall be complied with for the Company to provide guarantees, sureties, collaterals and establish pledge rights including mortgages on its own behalf and in favour of third parties.

2- The Company may acquire, sell, lease, transfer and assign all kinds of movable and immovable property, register, annotate and release its rights to movable and immovable property before all kinds of authorities, including registries and deeds, and may make all kinds of dispositions on movable and immovable assets. The Company may purchase all kinds of motorised and non-motorised vehicles and all kinds of land, air and sea transport vehicles and all kinds of tools and equipment, may engage in transport activities in order to carry out its activities, may carry out the shipment of the goods constituting the subject of its activities, The Company may lease transport vehicles and carry out the transport business itself or have other enterprises carry out the transport business, may sell, lease, rent, lease, lease, acquire through financial leasing, pledge or take pledge on these vehicles, make technical assistance, support contracts and make all kinds of legal disposals. The Company may make all kinds of disposals on all kinds of movable and immovable assets, including establishing all kinds of guarantees and all kinds of real and personal rights, including movable pledge, commercial enterprise pledge, mortgage and other guarantees to be established in accordance with the Law No. 6750 on Movable Pledge in Commercial Transactions and Turkish Civil Code No. 4721, The Company may allocate or divide the said assets to others without prejudice to the provisions of the Capital Markets Law regarding the transfer of hidden income; the Company may obtain all kinds of in-kind or personal guarantees, sureties and warranties, including those specified in this paragraph, on all kinds of movable and immovable assets of third parties, both in favour of itself and third parties; the Company may give all kinds of guarantees and sureties, and in return for these, if necessary, may collect an appropriate provision from the companies in whose favour it has established guarantees. The Company may transfer or lease all or part of the Company's commercial enterprise, or dispose of its licences or any other material assets in a single transaction or in a series of transactions, provided that the obligations under the Capital Markets Law and related regulations are complied with. The principles determined within the framework of the capital markets legislation shall be complied with for the Company to provide guarantees, sureties, collaterals and establish pledge rights including mortgages on its own behalf and in favour of third parties.

3- Establish, operate, lease, rent, sell and transfer sales stores, markets, super-markets, manufacturing

plants, factories, storage and distribution facilities in Turkey and abroad in order to better market and preserve the products manufactured, traded, imported and exported in relation to its fields of activity.

4- The Company may give, receive and have received all kinds of trainings related to its fields of activity. It may receive services from within and outside the country for the provision of these trainings..

5- It may participate in all kinds of fashion events related to its field of activity, prepare creations, carry out promotional activities related to them in Turkey and abroad, make all kinds of initiatives related to model design and drawing, organise and participate in organisations such as fashion shows and exhibitions.

6- Provided that it is not in the nature of investment services and activities regulated by the capital market legislation, it may purchase, sell, transfer, pledge as collateral, establish usufruct rights on them or benefit from their usufruct or make other legal disposals related to them, provided that they are not in the nature of investment services and activities regulated by the capital market legislation, shares and other securities similar to shares issued or to be issued by legal entities subject to private and public law, debt instruments, usufruct certificates and other capital market instruments; Provided that it complies with the provisions of the Capital Markets Law regarding the transfer of hidden income and the obligations in other relevant regulations, it may merge with them and establish partnerships or invest directly or indirectly in all kinds of partnerships related to the objectives of the Company by other means; it may establish distributorships, agencies and open branches, carry out representation and dealership and Without prejudice to the provisions of the capital markets legislation regarding the transfer of hidden income, the Company may cooperate with domestic and foreign real and legal persons, establish new companies, business partnerships, joint ventures, participate in established companies and business partnerships, take over and transfer the shares of these companies, participate in tenders and auctions, and make commitments; may conclude all kinds of contracts in accordance with the law, including purchase, sale, lease, exception, publication, commission, proxy, service, borrowing, trustee, transport, escrow, consultancy, contracting, representation, project engineering, internal and external technical assistance, know-how, franchising, consignment contracts and licence agreements.

7- Acquire all kinds of intangible, intellectual, industrial and commercial rights such as projects, patents, patents, certificates of invention, trademarks, know-how, utility models, industrial designs, etc. related to the matters within the scope of its purpose and subject matter, make all kinds of dispositions on these rights, register and cancel these rights, and make agreements regulating the use of these rights.

8- Manufacture, purchase, sale, import and export of all kinds of textile and weaving machines and their spare parts.

9- It may participate in public and private construction tenders, make commitments, construct, purchase land, construct on the purchased land and sell or have them sold as a whole or in independent sections when its needs are fulfilled in Turkey and abroad, and may receive and give commissions in this regard.

10- It may establish all kinds of organisations, make advertisements, partner with established organisations, cooperate with local and foreign persons and organisations in order to be better known in the fields of activity related to its purpose and subject matter at home and abroad.

11- In order to carry out its activities, it may carry out all kinds of customs activities, meet goods from customs and dispatch goods.

12- The Company may buy back its own shares, provided that it acts in accordance with the capital markets legislation and other relevant legislation and makes the necessary material event disclosures.

13- The Company may make all kinds of donations and aids to all kinds of persons, institutions and organisations, including universities, educational institutions, foundations, public benefit associations and persons or organisations of this nature, in a manner not to hinder its own purpose and subject matter, provided that such donations and aids do not contradict the hidden profit transfer and other regulations of the capital markets legislation, the necessary material event disclosures are made and the donations made during the year are submitted to the information of the shareholders at the general assembly. The annual upper limit of the donations to be made shall be determined by the General Assembly, no donation exceeding this limit may be made in the same year and the donations made shall be added to the distributable profit base. Regarding the amount of donations, in any case, the mandatory limits to be determined by the Capital Markets Board shall be complied with.

The principles determined within the framework of the capital markets legislation shall be complied with in respect of the Company's providing guarantees, sureties, sureties or establishing pledge rights, including mortgages, on its own behalf and in favour of third parties.

The Company carries out the above-mentioned activities in accordance with the Turkish Commercial Code, capital markets legislation and other relevant legislation.

In case of any change in the purpose and subject of the Company, the necessary authorisations must be obtained from the Ministry of Trade and the Capital Markets Board.

#### **COMPANY'S HEAD OFFICE**

**ARTICLE 4-** The registered office of the Company is located at Ayazağa Mahallesi, Maslak Ayazağa Caddesi, No: 3, Interior Door No: 5, Sarıyer, İstanbul, Turkey. In case of any change of address, the new address shall be registered with the trade registry, announced in the Turkish Trade Registry Gazette and also notified to the Republic of Turkey Ministry of Trade and Capital Markets Board.

Notifications made to the registered and announced address shall be deemed to have been made to the Company.

If the Company has left its registered and announced address but has not registered its new address in due time, this shall be deemed as a reason for termination of the Company.

The Company may open branches, representative offices, agencies and liaison offices in Turkey and abroad, provided that it informs the Ministry of Commerce and the Capital Markets Board and notifies the relevant official institutions, if necessary in accordance with the relevant legislation.

#### **TERM**

**ARTICLE 5-** The duration of the Company is unlimited as of its establishment. This period may be extended or shortened by amending the articles of association.

## CAPITAL

**ARTICLE 6-** The Company has accepted the registered capital system in accordance with the provisions of the Capital Markets Law No. 6362 and has switched to the registered capital system with the permission of the Capital Markets Board dated 16 November 2023 and numbered E-29833736-110.03.03.-45362.

The registered capital ceiling of the Company is TL 6,600,000,000 (six billion six hundred million) and is divided into 6,600,000,000 registered shares of TL 1 (one) each.

The authorisation for registered capital ceiling granted by the Capital Markets Board is valid for the years [2023-2027] (5 years). At the end of 2027, even if the registered capital ceiling has not been reached, in order for the board of directors to take a capital increase decision after [2027], it is obligatory to obtain authorisation from the general assembly for a new period not exceeding five years by obtaining permission from the Capital Markets Board for the previously permitted ceiling or a new ceiling amount. If the said authorisation is not obtained, no capital increase can be made by the board of directors' resolution.

The issued capital of the Company is TL 829,650,000 (eight hundred twenty nine million six hundred and fifty thousand). All of this capital has been paid in full, free of collusion. The issued capital of the Company amounting to TL 829,650,000 is divided into 198,875,000 Class A registered shares and 630,775,000 Class B registered shares, each amounting to TL 1 (one).

Group A shares have voting privileges in the General Assembly on the matters specified in these Articles of Association. Group B shares do not have voting privileges.

Between the years [2023-2027], the board of directors is authorised to take decisions on increasing the issued capital by issuing new shares up to the registered capital ceiling, limiting the shareholders' right to purchase new shares and issuing shares at a premium or below their nominal value when deemed necessary in accordance with the provisions of the Capital Markets Law. The authorisation to restrict the right to purchase new shares may not be used in a way to cause inequality among shareholders.

The capital of the Company may be increased or decreased in accordance with the provisions of the Turkish Commercial Code and capital markets legislation when necessary.

No new shares may be issued unless the issued shares are fully sold and the consideration is paid or the unsold shares are cancelled.

In case of bonus share capital increases, the bonus shares issued shall be distributed to the existing shares at the date of the increase. Shares representing the issued capital are monitored in dematerialised form within the framework of dematerialisation principles.

In capital increases, unless otherwise agreed, Group A shares shall be issued against Group A shares and Group B shares shall be issued against Group B shares. However, if the Board of Directors decides to issue only Group B shares, Group A shareholders have the right to purchase new Group B shares in proportion to their shares in the capital, unless their right to purchase new shares is restricted.

In the initial public offering of the Company's shares, the board of directors is authorised to issue all shares to be issued within the scope of the capital increase as Group B shares by restricting the rights of all existing shareholders to acquire new shares and to offer all of these shares to the public.

## **SHARE TRANSFER**

**ARTICLE 7-** The transfer of the Company's shares is carried out in accordance with the Turkish Commercial Code, the Capital Markets Law and the relevant legislation. No restrictions may be imposed on the transfer of shares traded on the stock exchange.

In order for Class A shares to be sold on or off the stock exchange, such sale must be approved by the shareholders holding the majority of the capital represented by Class A shares and the shares to be sold must have been converted into Class B shares in case of sale on the stock exchange.

If any of the Group A shareholders wishes to transfer his/her Group A shares partially or wholly to a third party, he/she shall first make an offer to the other Group A shareholders for such transfer by specifying the transfer price and the number of shares subject to transfer at the market price and shall allow a reasonable time. If the other Group A shareholders do not apply to the seller shareholder to purchase the shares under the conditions notified within the given period, the seller Group A shareholder shall have the right to transfer the shares subject to the transfer to a third person or persons. Share transfers made in violation of this provision shall be invalid and shall not be recorded in the share ledger by the Board of Directors.

Upon the application of the shareholders holding Class A shares to the Central Registry Agency or its substitute institution in order to convert such shares into shares that can be traded on the stock exchange for any reason, including selling them on the stock exchange or pledging them as collateral, within the scope of the provisions of this article, the shares subject to the application are automatically converted into Class B shares.

## **ISSUANCE OF CAPITAL MARKET INSTRUMENTS**

**ARTICLE 8-** The Company may issue all kinds of capital market instruments in Turkey and abroad in accordance with the provisions of the Turkish Commercial Code, the Capital Markets Law and other applicable legislation.

The Board of Directors of the Company is authorised indefinitely to issue bonds, commercial papers and other capital market instruments determined by the Capital Markets Board to be within the scope of debt instruments, including capital market instruments in the nature of debt instruments within the framework of the Capital Markets Law and the relevant capital markets legislation, and to determine all kinds of issuance conditions of these instruments.

## **BOARD OF DIRECTORS, DURATION AND DUTIES**

**ARTICLE 9-** The affairs and management of the Company shall be carried out by the Board of Directors consisting of six members of the Board of Directors to be elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Law, who have the qualifications specified in the Turkish Commercial Code and the capital markets legislation.

The members of the board of directors elect a chairman and a vice-chairman to act in his/her absence at the first meeting following the ordinary general assembly meeting each year. The chairman or vice-chairman of the board of directors has no casting vote.

A sufficient number of independent members of the board of directors are elected to the board of directors by the general assembly within the framework of the principles regarding the independence of the members of the board of directors specified in the Corporate Governance Principles of the Capital Markets Board. Independent members must fulfil the conditions specified in the regulations of the Capital Markets Board on corporate governance.

Regarding the terms of office of the independent board members, the regulations of the Capital Markets Board on corporate governance and the provisions of these articles of association shall be complied with.

Board members are elected for a maximum of three years. Board members whose term of office expires may be re-elected. In the event that there is a relevant item on the agenda of the general assembly or even if there is no relevant item, the general assembly may dismiss the members of the board of directors at any time if it deems necessary in the presence of a justifiable reason. In the event that one of the memberships becomes vacant for any reason or an independent member of the Board of Directors loses his/her independence, an appointment is made in accordance with the provisions of the Turkish Commercial Code and capital markets legislation and submitted to the approval of the first subsequent general assembly. The member whose election is approved by the General Assembly shall complete the remaining term of office of the member he/she is elected to replace.

The board of directors may conclude contracts and other transactions exceeding its term of office.

## **CORPORATE GOVERNANCE PRINCIPLES**

**ARTICLE 10-** The Corporate Governance Principles required to be implemented by the Capital Markets Board shall be complied with. Transactions and decisions of the Board of Directors taken without complying with the mandatory corporate governance principles are invalid and deemed to be contrary to the Articles of Association.

The regulations of the Capital Markets Board on corporate governance shall be complied with in transactions deemed to be material in terms of the application of corporate governance principles and in the Company's material related party transactions and in transactions relating to the provision of guarantees, pledges and mortgages in favour of third parties.

## **BOARD OF DIRECTORS MEETINGS**

**ARTICLE 11-** The Board of Directors convenes in accordance with the Turkish Commercial Code, capital markets legislation and related secondary regulations as often as it can fulfil its duties effectively.

Pursuant to the provisions of the Turkish Commercial Code, the board of directors may adopt resolutions provided that none of the members request a meeting and provided that the written approval of the absolute majority of the members of the board of directors is obtained for the proposal made by one of the members of the board of directors in the form of a resolution on a specific issue. For the decisions to be taken pursuant to this provision, the same proposal must be made to all members of the board of directors. Although the approvals of the said resolutions do not have to be on the same paper, all of the papers containing the approval signatures must be affixed to the decision book of the board of directors or converted into a resolution containing the signatures of the acceptors.

Those who have the right to attend the meetings of the Board of Directors of the Company may also attend these meetings electronically in accordance with Article 1527 of the Turkish Commercial Code. Pursuant to the provisions of the Communiqué on the Meetings to be held electronically in Commercial Companies other than the General Assemblies of Joint Stock Companies, the Company may establish an Electronic Meeting System that will enable the right holders to participate and vote in these meetings electronically, or may purchase services from systems established for this purpose. In the meetings to be held, it is ensured that the right holders can exercise their rights specified in the relevant legislation through the system established in accordance with this provision of the Articles of Association or through the system from which support services will be procured, within the framework specified in the provisions of the Communiqué on the Meetings to be held electronically in Commercial Companies other than the General Assemblies of Joint Stock Companies.

The meeting and decision quorums determined in accordance with the provisions of the Turkish Commercial Code, capital markets legislation and the relevant secondary regulations shall be applied for the meeting and decision quorums in the meetings of the Board of Directors.

## **REPRESENTATION AND MANAGEMENT OF THE COMPANY**

**ARTICLE 12-** The management and representation of the Company against outsiders belongs to the Board of Directors. In order for all documents and agreements to be issued on behalf of the Company and to put the Company under commitment to be valid, they must bear the signatures of the persons authorised to represent and bind the Company under the Company's title in accordance with Article 373 of the Turkish Commercial Code by a resolution of the Board of Directors. The Board of Directors is authorised to determine the persons authorised to sign in favour of the Company and the limits of their signature authority. Only the authorised signatories registered and announced shall represent and bind the Company. Unless the notarised copy of the resolution showing the persons authorised to represent and their representation forms is registered and announced in the trade registry, the transfer of the representation authority shall not be valid. The limitation of the power of representation shall not be effective against third parties in good faith; however, the registered and announced limitations regarding the exclusive or joint exercise of the power of representation only for the affairs of the head office or a branch office shall be valid. The provisions of Articles 371, 374 and 375 of the Turkish Commercial Code are reserved.

The board of directors is authorised to delegate the authority to represent and manage the Company, in whole or in part, to one or more members of the board of directors or to a third party by an internal directive to be prepared in accordance with Article 367 of the Turkish Commercial Code. In case the representation of the Company is delegated to a single person, this person must be a member of the board of directors, and in case the representation authority is delegated to a third person as a manager, a member of the board of directors must be authorised to represent the Company together with the manager to whom the representation authority is delegated. The term of authorisation of third parties to whom management authority is delegated in this way is not limited to the term of office of the members of the board of directors.

## **COMMITTEES OF THE BOARD OF DIRECTORS**

**ARTICLE 13-** The provisions of the relevant legislation apply to the formation, duties and working principles of the committees that the board of directors is obliged to establish within the scope of the Capital Markets Law, the regulations of the Capital Markets Board on corporate governance, the Turkish Commercial Code and related legislation, and their relations with the board of directors. In order to ensure that the board of directors fulfils its duties and responsibilities in a healthy manner, other committees required by law or deemed appropriate by the board of directors, including the Early Detection of Risk Committee, Audit Committee, Corporate Governance Committee, Nomination Committee and Remuneration Committee, are established within the board of directors. However, if a separate Nomination Committee and Remuneration Committee cannot be established due to the structure of the board of directors, the Corporate Governance Committee fulfils the duties of these committees. Functions, working principles and members of the committees are determined by the board of directors and disclosed to the public. All members of the Audit Committee and the chairmen of the other committees must be elected among the independent board members.

## **REMUNERATION OF BOARD MEMBERS**

**ARTICLE 14-** Pursuant to Article 394 of the Turkish Commercial Code, the members of the Board of Directors may be paid attendance fees, salaries, bonuses, premiums and a share of the annual profit, provided that these payments are determined by a resolution of the General Assembly.

The provisions of the Capital Markets Law and related legislation regarding the remuneration of independent board members are reserved.

## **AUDIT**

**ARTICLE 15-** The provisions of the Turkish Commercial Code, capital markets legislation and other relevant legislation shall apply to the audit of the Company and other matters stipulated in the legislation and the auditor.

## **ACCOUNTING PERIOD**

**ARTICLE 16-** The fiscal year of the Company starts on the 1st day of January and ends on the 31st day of December. However, the first accounting year shall commence on the date of the Company's definitive establishment and end on the thirty-first day of December of that year.

## **DETERMINATION AND DISTRIBUTION OF PROFIT**

**ARTICLE 17-** The Company complies with the provisions of the Turkish Commercial Code and capital markets legislation on dividend distribution.

The net profit for the period as shown in the annual balance sheet prepared in accordance with the capital markets legislation and remaining after deducting the amounts that must be paid and set aside by the Company such as general expenses of the Company and various depreciation from the income determined at the end of the operating period and the compulsory taxes to be paid by the legal entity of the Company, and the amount remaining after deducting the losses of previous years, if any, shall be distributed in the following order and principles:

- a) 5% is set aside as legal reserves until it reaches 20% of the issued capital.
- b) First dividend is allocated from the remaining amount, over the amount to be found by adding the amount of donations made during the year, if any, in accordance with the Turkish Commercial Code and capital markets legislation within the framework of the Company's profit distribution policy.
- c) After making the above-mentioned deductions, the general assembly has the right to resolve to distribute the dividend to the members of the board of directors, employees of the company or persons other than shareholders.
- d) The General Assembly is authorised to distribute the remaining amount after deducting the amounts specified in subparagraphs (a), (b) and (c) from the net profit for the period, in whole or in part, as second dividend or to set aside as voluntary reserves in accordance with Article 521 of the Turkish Commercial Code.
- e) 10% of the amount found after deducting the dividend at the rate of 5% of the capital from the portion decided to be distributed to the shareholders and other persons participating in the profit, shall be added to the general legal reserve fund in accordance with the second paragraph of Article 519 of the Turkish Commercial Code

Unless and until the reserves required to be set aside in accordance with the Turkish Commercial Code and the dividend determined for the shareholders in the articles of association or dividend distribution policy are set aside, it shall not be resolved to set aside other reserves, to transfer profits to the following year and to distribute dividends to the members of the board of directors, employees of the partnership and persons and institutions other than shareholders, nor shall dividends be distributed to these persons unless the dividend determined for the shareholders is paid in cash.

Dividends are distributed equally to all existing shares as of the distribution date, regardless of their issue and acquisition dates.

The method and time of distribution of the profit decided to be distributed shall be decided by the General Assembly upon the proposal of the Board of Directors.

The dividend distribution decision made by the General Assembly in accordance with the provisions of these Articles of Association cannot be revoked unless permitted by law.

The General Assembly may decide to distribute advance dividend to the shareholders in accordance with the provisions of the Capital Markets Law and other relevant legislation. The provisions of the relevant legislation shall be complied with in the calculation and distribution of the advance dividend amount. For this purpose, the board of directors may be authorised by a resolution of the general assembly limited to the relevant accounting period.

## **ANNOUNCEMENT**

**ARTICLE 18-** The Company fulfils its obligations to provide information to the Capital Markets Board in accordance with the procedures and principles set forth in the capital markets legislation. The financial statements and reports and independent audit reports stipulated to be issued by the Capital Markets Board are disclosed to the public in accordance with the relevant provisions of the Turkish Commercial Code and the procedures and principles set out in the capital markets legislation.

Announcements pertaining to the Company shall be made in accordance with the provisions of the Turkish Commercial Code, capital markets legislation and other relevant legislation and within the specified periods and on time.

Material event disclosures to be made in accordance with the regulations of the Capital Markets Board and all kinds of disclosures stipulated by the Board are made in a timely manner in accordance with the relevant legislation.

## **GENERAL ASSEMBLY**

**ARTICLE 19-** The General Assembly convenes as ordinary or extraordinary. The following principles shall be observed in the general assembly meetings.

- a) **Form of Invitation:** Notifications regarding general assembly meetings are made in accordance with the provisions of the Turkish Commercial Code and capital markets legislation. In addition to the procedures stipulated in the legislation, the announcement of the general assembly meeting shall be made at least three weeks prior to the date of the general assembly meeting, excluding the announcement and meeting days, by using all means of communication including electronic communication. The said announcement shall be published on the Company's website, Public Disclosure Platform, other places determined by the Capital Markets Board and the Turkish Trade Registry Gazette. In addition to the announcement of the general assembly meeting on the Company's website, in addition to the notifications and disclosures that the Company is required to make pursuant to the legislation, the issues determined by the corporate governance regulations of the Capital Markets Board are announced to the shareholders.
- b) **Meeting Time:** Ordinary general assembly meetings shall be held within 3 months following the end of the accounting period of the Company and at least once a year, and extraordinary general assembly meetings shall be held whenever and wherever required by the Company's business.
- c) **Place of Meeting:** General Assembly meetings shall be held at the Company's head office or at a convenient place in the city where the head office is located.
- d) **Voting and Appointment of Proxy:** Each share entitles its holder to one vote at the general assembly meetings. However, for (i) the election of the members of the board of directors other than the independent members of the board of directors and (ii) the election of the chairman of the general assembly meeting and the formation of the chairmanship of the meeting, each Group A share entitles its holder to five votes and each Group B share entitles its holder to one vote. Each shareholder may attend the general assembly meetings himself/herself or may have himself/herself represented by a proxy who is or is not a shareholder. Proxies who are shareholders of the Company are authorised to use the votes of the shareholders they represent in addition to their own votes. The form of

authorisations shall be determined and announced by the Board of Directors. The regulations of the Capital Markets Board regarding voting by proxy shall be complied with.

The provisions of the Turkish Commercial Code, Capital Markets Law and other relevant legislation shall be complied with when voting.

Shares are indivisible against the Company. If a share has more than one owner, they may exercise their rights against the Company only through a jointly appointed proxy. In case they do not appoint a joint proxy, notifications to be made by the Company to one of the shareholders shall be valid for all of them.

The privilege granted to Group A shares with respect to voting rights is exercised by Group A shareholders as long as the sum of Group A and Group B shares held by Group A shareholders represents at least 20% (including this ratio) of the issued capital of the Company. In the event that the sum of Group A and Group B shares held by Group A shareholders represents less than 20% of the issued capital of the Company, the privilege granted to Group A shares shall cease to exist as soon as this situation occurs. In addition, in the first general assembly meeting to be held upon the realisation of this situation, these articles of association shall be amended and the references to the privilege of the share group in question shall be removed.

e) Conduct of Negotiations and Quorum: In the general assembly meetings of the Company, the agenda determined within the framework of the Turkish Commercial Code and capital markets legislation is discussed and necessary decisions are taken. Without prejudice to Article 438 of the Turkish Commercial Code and Article 29 of the Capital Markets Law, matters not included in the agenda cannot be discussed and resolved.

In the general assembly meetings, except in cases where a higher quorum is otherwise stipulated in these articles of association, the provisions of the capital markets legislation and the regulations of the Capital Markets Board's corporate governance principles and the provisions of the Turkish Commercial Code shall be complied with in the meeting and decision quorums.

#### Aggravated Meeting and Decision Quorums

Provided that the quorums stipulated in the Capital Markets Law and the Turkish Commercial Code are maintained, the affirmative vote of the majority of the Group A shares will also be required for the general assembly of the Company to adopt resolutions on the following matters and amendments to the articles of association within the scope of these matters ("Matters Requiring Aggravated General Assembly Resolution"):

- i) Except for the capital increases to be made according to the registered capital system, capital increase, capital decrease, liquidation, termination, dissolution, change of type of the Company,
- ii) Application for bankruptcy, concordat, financial restructuring,
- iii) Transfer of all or part of the Company's commercial enterprise, merger, demerger,
- iv) Abolishing or changing the scope of the privileges of Group A shareholders in the articles of

association;

v) Changing the structure of the Company's board of directors and the meeting and resolution quorums of the board of directors and its committees,

vi) Approval of the annual report, profit and loss statements and balance sheet and release of the members of the board of directors,

The aggravated quorums for the Matters Requiring Aggravated General Assembly Resolution Quorums shall be in force as long as the ratio of the sum of Group A and Group B shares held by Group A shareholders to the issued capital of the Company is at least 20% (including this ratio). In the event that the said ratio falls below 20%, the aggravated quorums for the aforementioned Matters Requiring Aggravated General Assembly Resolution Quorum will automatically cease to be effective. In addition, in the first general assembly meeting to be held upon the realisation of this situation, this article of the articles of association will be amended and the relevant regulations will be removed.

In the event that the required meeting quorum cannot be achieved due to the absence or non-representation of the shareholders at the first meeting to be held on the issues requiring an Aggravated General Assembly Resolution Quorum, a second general assembly meeting will be called as soon as possible and again with the same agenda. The same quorum shall be sought for the second meeting.

f) Procedure of Meetings and Internal Directive: The functioning of the General Assembly meetings shall be regulated by an internal directive. The provisions of the Turkish Commercial Code, capital markets legislation, these Articles of Association and the Company's Internal Directive on the Working Principles and Procedures of the General Assembly shall apply to the General Assembly meetings.

g) Electronic General Assembly: Those who have the right to attend the general assembly meetings of the Company may also attend these meetings electronically in accordance with Article 1527 of the Turkish Commercial Code. Pursuant to the provisions of the Regulation on General Assembly Meetings of Joint Stock Companies to be held in Electronic Environment, the Company may establish an electronic general assembly system that will enable the right holders to participate in the general assembly meetings electronically, to express their opinions, to make suggestions and to vote, or may benefit from the systems established for this purpose by purchasing services. In all general assembly meetings to be held, pursuant to this provision of the articles of association, it is ensured that the right holders and their representatives can exercise their rights specified in the provisions of the Regulation on General Assembly Meetings to be held in Electronic Environment in Joint Stock Companies through the established system.

## **PRESENCE OF A MINISTRY REPRESENTATIVE AT THE MEETING**

**ARTICLE 20-** In the ordinary and extraordinary general assembly meetings required by the Turkish Commercial Code, the Capital Markets Law and the relevant legislation, the Ministry representative must be present and the minutes of the meeting must be signed together with the relevant persons. In these cases, the resolutions to be taken at the general assembly meetings to be held in the absence of the Ministry representative and the minutes of the meeting not bearing the signature of the Ministry representative are not valid.

## **TERMINATION AND LIQUIDATION**

**ARTICLE 21-** In the termination and liquidation of the Company, the rules stipulated in the Turkish Commercial Code and the relevant legislation shall be complied with.

## **LEGAL PROVISIONS**

**ARTICLE 22-** The provisions of the Turkish Commercial Code and capital markets legislation shall apply to matters not stipulated in these Articles of Association.

## **AMENDMENT OF THE ARTICLES OF ASSOCIATION**

**ARTICLE 23-** Amendments to these Articles of Association are subject to the approval of the Capital Markets Board and the authorisation of the Ministry of Trade. After obtaining the approval of the Capital Markets Board and the authorisation of the Ministry of Trade, the General Assembly, which will be invited in accordance with the provisions of the Turkish Commercial Code, the Capital Markets Law and the provisions of the Articles of Association, shall decide on the amendment of the Articles of Association within the framework of the provisions of the Turkish Commercial Code, the Capital Markets Law and the relevant legislation and the provisions specified in the Articles of Association. Amendments to the articles of association shall become effective against third parties upon registration.