

## TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.

### ARTICLES OF ASSOCIATION

#### Article 1: FORMATION

A Joint Stock Company has been established by the founders whose names and addresses are mentioned below under the provisions of the Turkish Commercial Code regarding the accelerated establishment of joint-stock companies.

- **Koç Holding A.Ş. :**

İstanbul, Meclisi Mebusan Caddesi, 33, T.C.

- **Makina Kimya Endüstrisi Kurumu:**

Ankara, Tandoğan Meydanı, T.C.

- **Türkiye İş Bankası A.Ş. :**

Ankara, Ulus Meydanı, T.C.

- **Ege Petrol T.A.Ş. :**

İstanbul, Cumhuriyet Cad. 31, T.C. ile

- **Internazionale Holding FIAT S.A. :**

Piazza Ciocarro 2/V, Lugano-İsviçre

#### Article 2: TRADE NAME OF THE COMPANY

The trade name of the Company is "TOFAŞ Türk Otomobil Fabrikası A.Ş." and in these Articles of Association it will be referred to as the "**Company**".

#### Article 3: PURPOSE AND SCOPE

The Company has been established for the purpose of;

- a) manufacturing and assembly of motor vehicles, assembly and sub-assembly products, product groups and engines, equipment, spare parts and accessories of these vehicles under the Fiat Group Automobiles S.p.A. or any other company's license;

- b) the imports, distribution, trade, sales and after sales services of motor vehicles and their spare parts and accessories in Turkey, manufactured under the Fiat Group Automobiles S.p.A. or manufactured for or by Fiat Group Automobiles S.p.A.

The Company may carry out specifically the following activities for this purpose:

1. may establish and operate plants, factories and workshops,
2. may enter into agreements with Fiat Group Automobiles S.p.A or any other companies to obtain the necessary licenses for manufacturing, and relating to procurement and technical assistance,
3. may enter into agreements with Fiat Group Automobiles S.p.A to act as authorized importer and distributor of Fiat Group Automobiles S.p.A and motor vehicles, components, parts and spare parts imported or manufactured by the Company, and for the same purposes establish direct branches including independent retail sales and service dealers, distributorships, agencies, sales offices, retail sales and service branches or enter into partnerships with the same. The provisions of the Capital Markets laws and regulations pertaining to the disguised income distribution are reserved.
4. import assembled, semi-assembled products, product groups and parts, spare parts, accessories and equipment required for its manufacturing and after sales activities,
5. may, in or outside of Turkey, purchase, acquire, have built or manufactured any kind of movable or immovable property whether freehold or leasehold, or establish other rights or encumbrances thereon, or use, operate, let, sell or otherwise dispose of the same, or establish real rights thereon in favor of third parties or revoke the same in accordance with the regulations of the Capital Market Board,
6. may borrow from local or foreign people, entities or banks, or assume financial, commercial or economic commitments towards third parties, governmental organizations, or, in accordance with the Capital Market Board regulations, issue all types of bonds and other capital market instruments, or make investments in securities, derivative instruments and other capital market instruments. The company may give guarantees or stand as a guarantor in favor of the third parties in compliance with the regulations of the Capital Market Board. The Company may, as deemed necessary, accept pledges and/or mortgages in favor of itself on personal or real properties owned by third parties, or annul and remove such mortgages or release or waive pledges, or accept sureties or guarantees given by third parties in its favor,

7. save for the other provisions of this Articles of Association, the Company may carry out all or any of the activities and operations listed herein either by itself or through local or foreign real persons or legal entities. Furthermore, for this purpose, if deemed necessary, the Company may establish partnerships, trading companies or legal entities in any form in Turkey or abroad, or, subject to the provisions of the Capital Markets laws and regulations pertaining to the disguised income distribution, participate in existing entities or commercial banks and financial companies or may fully or partially acquire ordinary partnerships or other legal entities which serve the same purpose, and may acquire, hold and transfer shares of such entities for purposes other than investment services and activities and participate in ordinary partnerships,
8. may take all and any actions including exports, imports and any types of trading activities in order to perform the above-mentioned operations,
9. may, subject to the provisions of the Capital Markets laws and regulations pertaining to the disguised income distribution and provided that the necessary public disclosures are made, the information regarding the donations granted during the related fiscal year are submitted to the shareholders in the annual general assembly meeting, and the upper limit of donations is resolved by the general assembly of shareholders, and the donations granted are taken into consideration in calculation of the distributable profit, make donations and contributions to foundations, universities and similar institutions and organizations established for social purposes, and may enroll in associations and participate in foundations, in a manner not to interfere with its scope of activities and purpose. Donations in excess of the upper limit designated by the general assembly of shareholders are not permitted,
10. may, subject to the provisions of the Capital Markets laws and regulations pertaining to the disguised income distribution, abandon, donate and take all kinds of actions and measures with the land registry pertaining to the registration, annotation, type classification or correction, subdivision, amalgamation, allotment and parceling of all types of real properties; may carry out transactions for relinquishing its rights and interests for public utilization, or may transfer, donate such real properties or alienate otherwise on a free of charge basis,
11. may purchase, let, sell or lease any type of land, sea and air transportation vehicles, and may establish all kinds of real or personal rights and encumbrances, including but not limited to mortgage and pledge, on the same in its own favor and/or in favor of the third parties, and may relinquish such rights and interests in strict compliance with the regulations of the Capital Market Board,
12. in order to conduct its affairs, the Company may acquire, hold, transfer or otherwise dispose of all types of licenses, trademarks, patents, know-how, brand names, trade names and all other intellectual property rights, and have them duly registered in its own name, or may put up as collateral or enter into relevant

license agreements in full compliance with the regulations of the Capital Market Board,

13. in order to achieve its objectives, the Company may make all kinds of industrial and commercial investments as it deems appropriate, and establish plants, premises and sales offices, and provide architectural, engineering, design, software, bookkeeping, call center and data retention services both in Turkey and abroad,
14. may, subject to the provisions of the Capital Markets laws and regulations pertaining to the disguised income distribution, participate in tenders locally or abroad either by itself or in partnership with third parties.

In case of any modifications to the scope and purpose of the Company, the Company shall obtain the necessary permissions from the Ministry of Customs and Trade and the Capital Markets Board.

#### **Article 4: HEAD OFFICE AND BRANCH OFFICES OF THE COMPANY**

The headquarters of the Company is located at Büyükdere Caddesi Tofaş Han No. 145, Zincirlikuyu, 34394 Istanbul, and its Plant (the Branch) is located in Bursa. In the event of a change of place of domicile, the new address shall be registered with the Trade Registry and published in the Turkish Trade Registry Gazette. Failure to do so shall be considered as a just cause for the dissolution of the Company. All notifications delivered to the registered and published address of the Company is deemed to be properly served on the Company. If and when the Company opens branch(es), such branch(es) will also be registered with the Trade Registry and published in the Turkish Trade Registry Gazette.

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

The Company has been founded for an indefinite term and may be terminated either by legal reasons or by the decision of the General Assembly in accordance with the relevant provisions of the Turkish Commercial Code.

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

The Company has accepted the registered share capital system according to the provisions of the Capital Market Law and adopted the registered share capital system under the permission nr. 532 issued by the Capital Market Board on the date of 01/08/1991.

The registered share capital ceiling of the Company is TL 2,500,000,000 (two billion five hundred million Turkish Liras) and it is divided into 250,000,000,000 (two hundred fifty billion) shares with a nominal value of 1 (one) Kuruş each.

The registered share capital ceiling permission granted by the Capital Market Board is valid for 2025-2029 (5 years). Even if the permitted registered share capital ceiling is not reached by the end of the year 2029, in order for the Board of Directors to take a capital increase decision after 2029, the necessary authorization shall be obtained from the general assembly of shareholders for a new term of up to 5 years pursuant to the permission of the Capital Markets Board for the same amount or for a new ceiling. If such authorization is not taken, the Company cannot increase its capital by a resolution of the Board of Directors.

The issued share capital of the Company is TL 500,000,000 (five hundred million Turkish Liras) and it is divided into 50,000,000,000 (fifty billion) registered shares in total, consisting of three groups of Group A, Group D and Group E shares, each with a nominal value of 1 (one) Kuruş.

The issued share capital of the Company has been fully paid-in free of any collusion. The issued share capital has been allotted to Group A, Group D, and Group E shares as follows:

| Share Group          | Nr. Of Shares         | Amount (TL)        | Percentage (%) |
|----------------------|-----------------------|--------------------|----------------|
| Group A - Registered | 18,927,985,687        | 189,279,856.87     | 37.8560        |
| Group D - Registered | 18,927,985,687        | 189,279,856.87     | 37.8560        |
| Group E - Registered | 12,144,028,626        | 121,440,286.26     | 24.2880        |
| <b>TOTAL</b>         | <b>50,000,000,000</b> | <b>500,000,000</b> | <b>100</b>     |

The Company's share capital can be increased or decreased according to the relevant provisions of the Turkish Commercial Code and Capital Market regulations, as deemed necessary.

In the years between 2025 and 2029, The Board of Directors is authorized to resolve to increase the issued share capital of the Company by issuing new shares up to the registered share capital ceiling, if and when deemed necessary, in accordance with the related provisions of the Capital Markets Law, and to issue preference shares or shares at a premium or shares below its nominal value. The rights of the holders of preference shares and the pre-emptive rights shall be used according to the provisions of the Turkish Commercial Code and Articles of Association herein. The Board of Directors is authorized to restrict the pre-emptive rights on newly issued shares, provided, however, that such power cannot be used in such manner to cause inequality among the shareholders.

Shares representing the capital of the Company are registered and monitored according to the principles of dematerialization.

The Group D shares of the Company which benefits from the Incentives for Foreign Investments Act No. 6224 are held by the foreign partner Stellantis Europe S.p.A.

## **Article 7: ISSUANCE OF BONDS AND OTHER SECURITIES**

The Company may, by a resolution of the Board of Directors, issue all types of bonds and debentures, convertible bonds, precious metal bonds, commercial bills and papers, publicly offered dividend right certificates, profit and loss sharing certificates, and other capital market instruments and securities which are classified and accepted as instruments of debt by the Capital Market Board for sales to real persons or legal entities in Turkey and/or abroad in compliance with the provisions of the Capital Market Law and the applicable legislation. Under the Capital Market Law, the Board of Directors is authorized to designate the amount, type, maturity date, interest rate and other related terms and conditions relating to the issuance of such instruments as well as to empower the management of the Company in this respect. Such transactions shall be governed by the provisions of the Capital Market Law and applicable legislation.

## **Article 8: TRANSFER OF SHARES AND ESTABLISHMENT OF RIGHTS OF USUFRUCT ON SHARES**

**8.1.** In relation with the Company, only the real persons and legal entities which are registered in the share ledger of the Company as per the records kept in the Central Registry Agency shall be recognized by the Company as shareholders or holders of rights of usufruct on shares.

### **8.2. Transfer of Non-public Registered Shares**

The transfer of the registered shares which are not traded on the stock exchange market, the establishment of rights of usufruct on such shares, their pledge in favor of a third party, the transfer of pre-emptive rights on such shares or any form of disposition of such shares, shall require the approval of the Company. Provided, however, Group A and Group D shareholders may freely transfer their shares to the other shareholders holding the same group of shares or may establish rights of usufruct in favor of such shareholders with regard to their shares. Such share transfers shall be registered in the share ledger by the Company.

On the other hand, with regard to the transfer of the shares by a shareholder to a third party or establishment of rights of usufruct on such shares in favor of a third party other than the holders of the same group of shares, the Company may withhold its approval and consent for such share transfer or for establishment of rights of usufruct thereon based on any or all of the following material reasons (the “**Material Reasons**”):

- a) In order to maintain the joint management of the partnership of Koç Holding A.Ş. and the Fiat Group; if and when a third party which is not a member of the Koç Group or Fiat Group is willing to acquire shares or rights of usufruct thereon;
  - b) If and when a competing company or entity (the "Competitor"), or owner, operator partner (including private or venture capital funds and their partners) of a Competitor, or any director or employee of a Competitor regardless of their title therein, or the spouses and first degree relatives of these individuals, or the companies that are directly or indirectly controlled by the above are willing to acquire shares.
  - c) for the sake of protection of the economic independence of the Company; if and when any person or a group of persons acting together is willing to directly or indirectly acquire shares equal to or more than 5% in total of the share capital of the Company.
- (i) Provided, however, that a shareholder willing to transfer its shares (the "Offered Shares") at the bidding price and terms of the third party potential buyer (the "Potential Buyer") which reflects the prevailing market conditions (the "Offered Price and Terms") to the Potential Buyer (such shareholder being the "Transferring Shareholder") shall be entitled to freely transfer the Offered Shares to the Potential Buyer at the Offered Price and Terms and such transfer shall be recorded in the share ledger of the Company subject to fulfillment of the following conditions:
- A)
    - (a) the Transferring Shareholder notifies in writing, by means of registered mail (sent in advance via facsimile), the Company and the other non-public group of shareholders of its intention to transfer its shares and provide reasonable details as to the identity and qualifications of the Potential Buyer as well as the Offered Price and Terms;
    - (b) the Company does not object to such share transfer due to article b of the Material Reasons;
    - (c) the Company does not purchase the Offered Shares at the Actual Value as defined below upon completion of the process specified in Article 8.2.(ii).
  - B) the Transferring Shareholder, in the notice mentioned in Article 8.2(i) A(a) above, offers the Offered Shares to the other non-public group of shareholders ("Offerees") pro-rata to their shareholding among the total number of non-public shares held in the Company by such Offerees;
    - (a) the Transferring Shareholder grants an option right (the "Shareholders' Option") to be exercised in the period from the 15<sup>th</sup> (fifteenth) to the 25<sup>th</sup>

(twenty-fifth) calendar day from the Notice Period (as defined in Article 8.2(ii) below) for the purchase of the Offered Shares at the Offered Price and Terms;

(b) if each of the Offerees wishes to exercise its Shareholder's Option, then each Offeree shall be entitled to purchase the Offered Shares pro-rata to its shareholding among the total number of non-public shares held in the Company by the Offerees;

(c) if any of the Offerees does not exercise its Shareholder's Option, the relevant shares shall be deemed to have been offered to the other Offerees willing to exercise their Shareholders' Option, and such Offerees shall have the option to purchase such additional shares pro-rata to their shareholding among the total number of non-public shares held in the Company by the Offerees willing to exercise their Shareholders' Option.

(d) if and when only one of the Offerees wishes to acquire the Offered Shares, only whole of the Offered Shares will be purchased by such Offeree.

C) (unless the Company has determined to purchase the Offered Shares as contemplated by Article 8.2(ii) below or has objected to their transfer due to article b of the Material Reasons) none of the Offerees notifies in writing, by means of registered mail (to be addressed also to the Company and sent in advance via facsimile) their intent to exercise their Shareholders' Option and purchase whole of the Offered Shares in such option period.

If the Transferring Shareholder fails to offer the Offered Shares to the Offerees as specified above, then the Company may not record such share transfer in the share ledger of the Company due to any or all of the Material Reasons.

(ii) Besides or simultaneously with the procedure described in Article 8.2(i), the Company may purchase the Offered Shares at their actual value applicable at the moment the sales notice is served (the "**Actual Value**") on behalf of itself, other shareholders or the third parties. For this purpose, the Company will promptly send a notification to the other group of shareholders of the non-public shares ("**Notified Shareholders**"), requesting them to notify the Company of their intention to purchase the Offered Shares at their Actual Value in 20 (twenty) days ("**Notice Period**"). The other group of shareholders of the non-public shares may also request the Company to purchase, on their behalf, the Offered Shares at their Actual Value within 15 (fifteen) days from the receipt of the notice mentioned in Article 8.2 (i) A(a). Thereupon, if whole of the Offered Shares are requested to be purchased by the Notified Shareholders within the Notice Period or within 15 (fifteen) days from the receipt of the notice mentioned in Article 8.2 (i) A (a), the Company will purchase the Offered Shares from the Transferring Shareholder at their Actual Value on behalf of the Notified Shareholders. In this case, each of the Notified Shareholders may purchase the Offered Shares pro-rata to its shareholding in the total number of non-public shares held by the Notified Shareholders in the Company. If only one of the Notified Shareholders is willing to purchase the Offered Shares, the Company will purchase only whole of the Offered Shares on behalf of such Notified Shareholder.

In the event that no purchase request is served by the Notified Shareholders within the Notice Period or the Notified Shareholders are willing to purchase only a portion of the Offered Shares, within no later than 15 (fifteen) days after the expiry of the Notice Period, the Company may purchase: (a) all of the Offered Shares if none of Notified Shareholders serves a purchase request, or (b) the remaining portion of the Offered Shares if the Notified Shareholders are willing to purchase only a portion of the Offered Shares, on behalf of itself or the third parties, in its sole discretion, at the Actual Value, or otherwise, unless the Company withholds its approval to such share transfer due to the Material Reasons in letter b) above, the Transferring Shareholder may freely transfer all of the Offered Shares to the Potential Buyer at the Offered Price and Terms and such transfer shall be recorded in the share ledger of the Company. For the avoidance of doubt, in order to withhold its approval for the transfer of the Offered Shares by the Transferring Shareholder to the Potential Buyer by way of purchasing the Offered Shares at the Actual Value according to the provisions of this Article, the Company shall be obliged to purchase all of the Offered Shares either on behalf of itself, the Notified Shareholders or third parties as stipulated in this Article 8.2(ii).

- (iii) In the transactions carried out by the Company and the decisions taken by the Company pursuant to the procedures stipulated in Articles 8.2.(i) and 8.2.(ii), the member(s) of the Board of Directors who have been elected among the nominees nominated by the Transferring Shareholder or otherwise having any relation with the Transferring Shareholder, other than the members which qualify as independent members pursuant to the regulations of the Capital Market Board, shall not be entitled to participate in such negotiations and shall not be taken into consideration for the meeting and decision quorums. In such a case, such decisions shall require the affirmative votes of the simple majority of the remaining members of the Board of Directors which will be taken into consideration for the meeting and decision quorums.

Furthermore, if the transferee does not explicitly declare and warrant that it has purchased the subject shares in its own name and account, the Company may refuse to register such transfer in the company ledger.

In the event of acquisition of shares by inheritance or portioning of inheritance or under a prenuptial agreement or through forced execution proceedings, the Company may reject such share transfer provided that the Company proposes to the acquirer to purchase its shares at the Actual Value.

For the purposes of this Article, the Actual Value of the Offered Shares shall be determined by the Company and accepted by the Transferring Shareholder. In case of failing an agreement for determination of the Actual Value, the Actual Value shall be determined by an independent international investment bank, to be selected by the parties jointly or, in case of failing to reach an agreement, by random draw, having no direct or indirect shareholding or management relations with the

Company or the Transferring Shareholder. The fees and disbursements of the independent investment bank (the “**Fees**”) shall be shared equally between the Transferring Shareholder and the Company. The process contemplated above shall be completed in 15 (fifteen) calendar days.

The Transferring Shareholder shall be entitled, at any time before the completion of the transfer of the Offered Shares according to the provisions of this Article 8, to withdraw from his proposal to sell or transfer the Offered Shares and shall continue to hold such Offered Shares, provided however that, in this case, the Fees shall be borne by the Transferring Shareholder.

**8.3.** The provisions of Article 8.2 shall apply to the transfer of the pre-emptive rights attached to the non-public registered shares mutatis mutandis.

#### **8.4. Transfer of Listed and Publicly Traded Registered Shares:**

The transfer of the listed and publicly traded shares shall be regulated by the Capital Market Board.

#### **Article 9: THE ACQUISITION OR ACCEPTANCE OF PLEDGE OVER ITS OWN SHARES BY THE COMPANY:**

Subject to the Capital Market regulations and the applicable legislation and the necessary public disclosures, the Company may accept as pledge and/or acquire its own shares for a consideration.

#### **Article 10: THE BOARD OF DIRECTORS, ELECTION OF THE MEMBERS, AND RESOLUTIONS OF THE BOARD OF DIRECTORS**

Without prejudice to the non-transferrable powers of the General Assembly pursuant to the related provisions of the Turkish Commercial Code, all affairs and management of the Company shall be conducted by the Board of Directors composed of an even number of at least 8 (eight) and at most 12 (twelve) members to be elected by the General Assembly according to the provisions of the Turkish Commercial Code and the regulations of the Capital Market Board. The number and qualifications of the independent members of the Board of Directors shall be determined in compliance with the Corporate Governance Principles of the Capital Market Board (the “Independent Members”).

Half of the members of the Board of Directors shall be elected from among the nominees of the Group A shareholders, and the other half from among the nominees of the Group D shareholders.

One of the members nominated by each of the Group A and D shareholders shall qualify for independence pursuant to the regulations of the Capital Market Board.

The General Assembly is authorized to determine the number of and elect the Board of Directors members. Save for the mandatory provisions of the Corporate Governance Principles of the Capital Market Board with respect to the independent members of the Board of Directors, the General Assembly may, in accordance with article 364 of the Turkish Commercial Code, replace the members of the Board of Directors at any time as deemed necessary in accordance with the provisions of this Articles of Association.

The members of the Board of Directors shall be elected for a period not exceeding three years. Any member of the Board of Directors may be reelected after the termination of its term.

In the event of a vacancy of a position on the Board of Directors for any reason whatsoever or if and when any Independent Member loses its independence, or resigns, or becomes incapable of performing its duties, then, in accordance with the provisions of the Turkish Commercial Code and the regulations of the Capital Market Board, the Board of Directors shall temporarily elect a new member to fill such vacancy from among the nominees of the same group of shareholders which has designated the former member and submit such election to the next most recent General Assembly for ratification.

The meeting and decision quorum of the Board of Directors require the participation and affirmative votes of the simple majority of all of the members of the Board of Directors. Provided, however, the participation and affirmative votes of at least 2 (two) members nominated by the Group A shareholders other than the Independent Members and the participation an affirmative votes of at least 2 (two) members nominated by the Group D shareholders other than the Independent Members are required. The mandatory provisions of the Corporate Governance Principles of the Capital Market Board of are reserved.

Unless a member of the Board of Directors requires a Board of Directors meeting, the Board of Directors may take its decisions, without a meeting, by way of receiving written consent and approval of the other members of the Board of Directors on a motion submitted by a member of the Board of Directors. Such decisions may, however, require the written consent and approval of at least the majority of the total number of members of the Board of Directors consisting of at least 2 (two) members nominated by the Group A shareholders other than the Independent Members and the participation an affirmative votes of at least 2 (two) members nominated by the Group D shareholders other than the Independent Members. The Board of Directors can only validly take decisions without a meeting if such motion has been submitted to all of the members of the Board of Directors. Consents/approvals of the members of the Board of Directors are not required to be placed on the same paper, but all of the papers containing the related consents/approvals must be affixed to the decision book of the Board of Directors, or a single decision document containing signatures of all of the consenting members must be prepared and incorporated in the decisions book for a valid resolution without a meeting.

## **Article 11: STRUCTURE, REPRESENTATION AND DELEGATION OF POWERS OF THE BOARD OF DIRECTORS**

11.1. The Board of Directors shall elect a Chairman and a Vice Chairman of the Board of Directors in its first meeting pursuant to its election.

11.2. The Board of Directors meets as is necessitated by the Company's business. The meetings are held at the Company headquarters or at another location.

11.3. Without prejudice to the regulations of the Capital Market Board, if necessary, the Board of Directors may establish an executive committee consisting of four members to engage in matters stipulated by the Board of Directors in order to expedite the affairs of the Company between any two meetings of the Board of Directors. The executive committee shall consist of 4 members, 2 of which shall be elected from among the members of the Board of Directors nominated by the Group A shareholders and the other 2 shall be elected from among the members of the Board of Directors nominated by the Group D shareholders. The decisions taken by the majority of the executive committee shall be submitted to the Board of Directors in the first following meeting.

11.4. The following actions shall require the decision of the Board of Directors:

- a) Save for the provisions of Articles 11.7 and 11.8, the election of the Executive Member,
- b) The recruitment, dismissal and determination of the terms, conditions and powers of the officers specified in Article 11.8 and who will be reporting to the Executive Member and, if necessary, execution of contracts with such officers the validity of which may exceed the terms of office of the members of the Board of Directors.
- c) Establishment or termination of branches and industrial facilities,
- d) Creation of mortgages and liens on movable and immovable properties of the Company for the borrowings made by the Company.
- e) Establishment of subsidiaries and special partnerships pursuant to its purpose and the termination of the same,
- f) Agreements with companies other than Fiat Group Automobiles S.p.A concerning the manufacturing or supply of vehicles or components for competitors of Fiat Group Automobiles S.p.A or its affiliates,
- g) Save for the relevant provisions of the Turkish Commercial Code, the acquisition or disposal of real properties, whether freehold or leasehold by the Company and making necessary arrangements for construction works on such real properties,
- h) Approval of the Company's Business Plans and Annual Budgets,
- i) Preparation of the balance sheet, profit and loss statements and the work reports, submission of the same to the auditors and the General Assembly.

11.5. Pursuant to article 367 of the Turkish Commercial Code, the Board of Directors is entitled to delegate its powers and duties, in full or partially, to one or more persons who need not to be a Board of Directors member, (i.e. delegates) under an internal directive

issued by itself. Under this internal directive, the Board of Directors stipulates the powers and duties of the delegates, and may transfer and delegate all or some of the powers and duties allotted to the Board of Directors to the relevant persons subject to the terms, conditions and restrictions set forth by the Board of Directors, and if and when deemed necessary, may change, modify or revoke all or some of the powers and duties delegated as stipulated above. The provisions of articles 371, 374 and 375 of the Turkish Commercial Code are reserved.

11.6. The Board of Directors represents the Company towards the third parties. The Board of Directors may confer its representation rights to one or more executive members or third parties as managers. The representation rights of at least one Board of Directors member must be retained. The Board of Directors, with the joint signatures of two members of the Board of Directors, who are not the Independent Members, affixed under the title of the Company may represent the Company in all circumstances. The Board of Directors shall have full authority with respect to the delegation of its management and representation powers as stipulated above. The authorities of signature of the Company shall be determined by the Board of Directors.

11.7. The Board of Directors shall, without limiting its own powers, elect an Executive Member from among its members other than the ones who are not the independent members according to the regulations of the Capital Market Board. Without prejudice to the above provisions, the Board of Directors shall delegate necessary powers to the Executive Member to carry out the affairs within the ordinary course of business and/or for taking the actions contemplated by the Company's Budget.

11.8. The following Officers shall be elected from among the nominee(s) of the members of the Board of Directors designated by the Group D shareholders and from among the nominee(s) of the members of the Board of Directors designated by the Group A shareholders respectively by the Board of Directors.

**Management Positions**

- (i) The Executive Member
- (ii) Commercial Director
- (iii) Accounting, Finance and Control Director
- (iv) Deputy Director - Purchasing
- (v) Deputy Director -Marketing
- (vi) Deputy Director - After Sales Services

**Designating Party**

The members of the Board of Directors who were nominated by the Group D Shareholders

**Management Positions**

- (i) Industrial Director
- (ii) Director of External Relations

**Designating Party**

The members of the Board of Directors who were nominated by Group A

- (iii) Deputy Director – Accounting, Finance and Control                      Shareholders
- (iv) Deputy Director – Accounting
- (v) Deputy Director - Sales
- (vi) Deputy Director – Manufacturing

The Board of Directors may, in accordance with the applicable legislation and as deemed appropriate, establish committees or sub-committees for advisory, coordination, audit or similar purposes which comprises Board of Directors members and/or persons other than the members of the Board of Directors. The composition, meeting, functioning and reporting principles of the committee chairman and the members shall be determined, regulated and revised by the Board of Directors.

#### **Article 12: REMUNERATIONS OF THE BOARD OF DIRECTORS AND THE COMMITTEE MEMBERS**

Subject to and in accordance with the provisions of the Turkish Commercial Code and the regulations of the Capital Market Board, the Board of Directors and the committee members referred to in Article 11 may be entitled to remunerations, fees, bonuses or premiums in consideration of their services rendered to the Company as members of the Board of Directors and committee members. Amount and terms of payment due and payable to the members of the Board of Directors, including the executive members, shall be stipulated by the General Assembly, while amount and terms of payment due and payable to the committee members shall be determined by the Board of Directors in accordance with the applicable legislation. Stock options or performance-based payment schemes of the Company cannot be used in remuneration of the Independent Members.

#### **Article 13: AUDIT**

Audit of the Company and other matters as stipulated in the applicable legislation shall be governed by the relevant provisions of the Turkish Commercial Code and the Capital Markets regulations.

The financial statements and annual report of the Company shall be audited by an independent audit firm appointed yearly by the General Assembly.

The Board of Directors may, pursuant to article 366 of the Turkish Commercial Code, establish an internal audit system reporting to the Board of Directors for internal audit purposes.

#### **Article 14: GENERAL ASSEMBLY**

The following principles apply to the General Assembly meetings.

**a) Convocation:** The General Assembly shall convene either for ordinary or extraordinary meetings. The meetings shall be summoned in accordance with the provisions of the Turkish Commercial Code and the regulations of the Capital Market Board. The General Assembly meetings will be open to public, including but not limited to, the stakeholders and media, without, however, any right to speak at the meeting.

**b) Date and Time:** The ordinary General Assembly shall convene in a meeting at least once a year within three months following the end of the Company's relevant financial year. In these meetings, the issues included on the meeting agenda are reviewed and resolved.

The extraordinary General Assembly meetings shall convene, if and when deemed necessary, in the course of business of the Company in accordance with the provisions of the Turkish Commercial Code, the regulations of the Capital Market Board and the relevant provisions of this Articles of Association.

**c) Voting Right:** Shareholders present in the ordinary and extraordinary meetings of the General Assembly will cast vote pro-rata to the nominal value of their total shares in the share capital of the Company. In the General Assembly meetings, votes will be cast by raising hands. Provided, however, votes shall be cast by secret ballot upon the request of the shareholders representing at least one twentieth of the total shares represented in the meeting.

**d) Representation by Proxy:** Subject to and in accordance with the related regulations of the Capital Market Board, in the General Assembly meetings, shareholders may be represented through a proxy appointed from among the other shareholders or third parties. The proxies who hold shares in the share capital of the Company are authorized to cast votes both on behalf of themselves and the shareholders being represented by such proxies. Except for the appointment of proxies through the Electronic General Assembly System, the power of attorney to be issued in this respect should be in writing.

**e) Place of Meeting:** The General Assembly shall convene in meetings at the Company's headquarters or at any convenient location in İstanbul or Bursa.

**f) Participation in Meetings:** The Executive Member, at least one member of the Board of Directors, the auditor, at least one of the officers in charge of preparation of the financial statements, and at least one officer who is capable of furnishing necessary information about the specific issues included on the agenda thereon shall attend the General Assembly meeting. If any of the abovementioned persons, except for the ones whose participation is mandatory under the applicable legislation, does not attend the meeting, the reasons of absence will be reported by the chairman of the meeting to the General Assembly.

**g) Presiding the Meeting:** The chairman of the meeting will be in charge of moderating the meeting and appointed from among the shareholders, and at least 1 (one) vote-collector and a secretary of the meeting will be elected from among the shareholders or from third parties.

**(h) Meeting and Decision Quorums:** Unless a higher quorum is required under the Turkish Commercial Code or the regulations of the Capital Market Board, in all meetings of the General Assembly, the meeting and decision quorums shall require the presence and affirmative votes of the shareholders representing 75 % of the total share capital of the Company.

**(i) Internal Directive:** In accordance with the relevant provisions of the Turkish Commercial Code and the applicable legislation, the Board of Directors will issue and submit to the General Assembly for approval an internal directive which set forth the procedures and principles relating to the conduct of the General Assembly. Upon approval by the General Assembly, the internal directive will be registered with and published in the Trade Registry.

**(i) Participation in the General Assembly Meetings by Electronic Means:** The persons having right to participate in the General Assembly meetings of the Company may participate in these meetings via electronic means pursuant to article 1527 of the Turkish Commercial Code. Pursuant to the provisions of the Regulation on General Assembly Meetings Held Electronically in Joint-Stock Companies, the Company may either establish an electronic general assembly meeting system itself, or outsource such services to the existing service providers, in order to enable such right holders to participate, express their opinions, submit motions and proposals, and cast their votes electronically in the General Assembly meetings. In all of the General Assembly meetings, as per the provisions of this Article, the right holders and their proxies will be entitled to use their rights arising out of the aforementioned Regulation electronically.

## **15: CORPORATE GOVERNANCE PRINCIPLES**

The Company shall comply with the mandatory Corporate Governance Principles of the Capital Market Board.

All material transactions as specified under the Corporate Governance Principles, all related party transactions, and establishment of mortgages, pledges or other encumbrances in favor of the third parties shall be carried out in compliance with the Corporate Governance Principles of the Capital Market Board.

All actions and decisions of the Board of Directors which do not comply with the Mandatory Principles will be invalid and deemed to be in conflict with this Articles of Association.

## **Article 16: ANNOUNCEMENTS**

All information which the Company is legally liable to disclose to the public will be announced in accordance with the provisions of the Turkish Commercial Code, the regulations and communiqués to be adopted thereunder, the regulations of the Capital Market Board, and other applicable legislation. If place of announcement is not specified, such information will be posted on the website of the Company.

## **Article 17: FISCAL YEAR**

The fiscal year of the Company begins on the first day of January and ends on the last day of December.

#### **Article 18: DISTRIBUTION OF PROFIT**

The Company shall abide by the provisions of the Turkish Commercial Code and the Capital Markets regulations with respect to the distribution of profit.

After the deduction of the general expenses, other items such as depreciation and amortization mandatory to be paid or set aside by the Company and any and all taxes mandatory to be paid by the Company, the balance, after deduction of the previous year losses (if any), of the remaining profit for the period as shown in the balance sheet shall be distributed in the following manner;

General Statutory Reserve Fund:

- a) 5% is set aside as legal reserve fund until it reaches to 20 % of the paid-in capital of the Company as per the provisions of the Turkish Commercial Code.

First Dividend:

- b) Out of the balance, first dividend is set aside which to be calculated by taking into account any donations granted during the relevant fiscal year in accordance with the Turkish Commercial Code and the Capital Market regulations.

Second Dividend:

- c) After the deduction of the items stated in paragraphs (a) and (b) above from the net profit, the General Assembly is authorized to resolve either to fully or partially distribute the balance as second dividend or set aside as extraordinary statutory reserve fund pursuant to article 521 of the Turkish Commercial Code.

General Statutory Reserve Fund:

- d) After the deduction of the first dividend, 10 % of the second dividend shall be added to the statutory reserve fund pursuant to article 519/2 of the Turkish Commercial Code.

Unless all statutory reserves are set aside and the dividend determined for the shareholders as per these Articles of Association are distributed in cash and/or as gratis shares, it cannot be resolved to set aside other reserve funds, or to carry forward profit to the next year, or to distribute profit to the members of the Board of Directors, officers and other employees, foundations of various purposes and similar persons and/or entities.

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

The method and timing of distribution of profit resolved to be distributed will be decided by the General Assembly of Shareholders upon a proposal of the Board of Directors.

The profit distribution decision of the General Assembly of Shareholders taken in accordance with the provisions of these Articles of Association cannot be revoked.

#### **Article 19: ADVANCES ON PROFIT**

The General Assembly may resolve to pay advances on profit share as per the regulations of the Capital Market Board and the applicable legislation.

#### **Article 20: FOUNDATION FOR COMPANY PERSONNEL**

The Company may either found new foundations or participate in the existing foundations in favor of its officers and employees as stipulated in article 522 of the Turkish Commercial Code.

#### **21: LEGAL PROVISIONS**

All and any matter which is not included in this Articles of Association shall be governed by the relevant provisions of the Turkish Commercial Code, the Capital Market Law and applicable legislation.

