

Amendments to the Article 6 of Turkish Airlines' Articles of Association

CURRENT VERSION	NEW VERSION
SHARE CAPITAL AND SHARE CERTIFICATES ARTICLE 6	SHARE CAPITAL AND SHARE CERTIFICATES ARTICLE 6
<p>The Incorporation, pursuant to the provisions of Capital Market Law No: 2499 has adopted the authorised capital system and is applying this system according to the permission of the Capital Market Board dated 26.10.1990 No: 815.</p>	<p>The Incorporation, pursuant to the provisions of Capital Market Law No: 2499 has adopted the authorised capital system and is applying this system according to the permission of the Capital Market Board dated 26.10.1990 No: 815.</p>
<p>a. Authorised Capital</p>	<p>a. Authorised Capital</p>
<p>The authorised capital of the Incorporation is 5.000.000.000.- (five billion) Turkish Lira. This authorised capital is divided into 500.000.000.000 (five hundred billion) shares, each with the nominal value of 1 Kuruş (one kuruş).</p>	<p>The authorised capital of the Incorporation is 5.000.000.000.- (five billion) Turkish Lira. This authorised capital is divided into 500.000.000.000 (five hundred billion) shares, each with the nominal value of 1 Kuruş (one kuruş).</p>
<p>b. Issued Share Capital and Share Certificates</p>	<p>b. Issued Share Capital and Share Certificates</p>
<p>The issued share capital of the Incorporation is 1.380.000.000.- (one billion three hundred eighty million) Turkish Lira divided into 138.000.000.000.- (one hundred thirtyeight billion) shares each with the nominal value of 1 Kuruş (one kuruş) and is completely paid.</p>	<p>The issued share capital of the Incorporation is 1.380.000.000.- (one billion three hundred eighty million) Turkish Lira divided into 138.000.000.000.- (one hundred thirtyeight billion) shares each with the nominal value of 1 Kuruş (one kuruş) and is completely paid.</p>
<p>The permit provided by the Capital Market Board for the authorised capital ceiling is valid for the years 2015-2019 (5 years). In the period ended 2019, even if the authorised capital ceiling levels are not attained, in order for the Board of Directors to take capital increase decision for the period after 2019, the Board of Directors must get authorization for a new period at the Shareholders Assembly that will be held after permission of Capital Market Board for a previously approved ceiling level or a new level. In case the company doesn't get such an authorization, the company will be considered as signed out from the authorised capital system.</p>	<p>The permit provided by the Capital Market Board for the authorised capital ceiling is valid for the years <u>2020-2024</u> (5 years). In the period ended <u>2024</u>, even if the authorised capital ceiling levels are not attained, in order for the Board of Directors to take capital increase decision for the period after <u>2024</u>, the Board of Directors must get authorization for a new period at the Shareholders Assembly that will be held after permission of Capital Market Board for a previously approved ceiling level or a new level. In case the company doesn't get such an authorization, the company will be considered as signed out from the authorised capital system.</p>

Amendments to the Article 6 of Turkish Airlines' Articles of Association

From 2015 to 2019, The Board of Directors is authorized to increase the issued capital when necessary by issuing registered share certificates up to the registered capital ceiling, in compliance with the provisions of Capital Market Law.

The shares that represent the capital are being tracked within the frame of dematerialization principles.
Shares are separated into two groups and all of them are registered.

By taking into consideration the rules of Capital Market Board and upon consent of the Capital Market Board, the "nature of foreigner" as indicated in paragraph 6(d) below and the limitations incidental thereto and the rights granted to the Incorporation in case of share transfers exceeding the foreign limit not complying with the provisions of the Articles of Association will be denoted on the share certificates issued to represent the share capital.

Below are the shares of the share groups in the issued share capital of the Incorporation:

GROUP	AMOUNT OF CAPITAL	TYPE	AMOUNT OF SHARES
A	1.379.999.999,99	Registered	137.999.999.999
C	0,01	Registered	1
TOTAL	1.380.000.000,00		138.000.000.000

Group C share is owned by Prime Ministry, Privatisation Directorate, or in case such duties are transferred by the Prime Ministry, Privatisation Directorate then the transferee institution. Privileges granted to the Group C Share in this Articles of Association, will continue to apply as long as Prime Ministry, Privatisation Directorate or in case such duties are transferred by the Prime Ministry, Privatisation Directorate, then the transferee institution holds this Group C share.

From 2020 to 2024, The Board of Directors is authorized to increase the issued capital when necessary by issuing registered share certificates up to the authorised capital ceiling, in compliance with the provisions of Capital Market Law.

The shares that represent the capital are being tracked within the frame of dematerialization principles.
Shares are separated into two groups and all of them are registered.

By taking into consideration the rules of Capital Market Board and upon consent of the Capital Market Board, the "nature of foreigner" as indicated in paragraph 6(d) below and the limitations incidental thereto and the rights granted to the Incorporation in case of share transfers exceeding the foreign limit not complying with the provisions of the Articles of Association will be denoted on the share certificates issued to represent the share capital.

Below are the shares of the share groups in the issued share capital of the Incorporation:

GROUP	AMOUNT OF CAPITAL	TYPE	AMOUNT OF SHARES
A	1.379.999.999,99	Registered	137.999.999.999
C	0,01	Registered	1
TOTAL	1.380.000.000,00		138.000.000.000

Group C share is owned by Prime Ministry, Privatisation Directorate, or in case such duties are transferred by the Prime Ministry, Privatisation Directorate then the transferee institution. Privileges granted to the Group C Share in this Articles of Association, will continue to apply as long as Prime Ministry, Privatisation Directorate or in case such duties are transferred by the Prime Ministry, Privatisation Directorate, then the transferee institution holds this Group C share.

Amendments to the Article 6 of Turkish Airlines' Articles of Association

<p>In the event of cancellation of the privilege granted to Group C share in this Articles of Association, then Group C share will convert to a Group A share. Upon such conversion of the Group C share to a Group A share, then the right "to nominate a Board Member" granted in Article 10 of this Articles of Association to Group C, will pass to the shareholders holding Group A shares.</p> <p>c. Preferential Purchase Option</p> <p>The Board of Directors is entitled to issue premium shares in compliance with the provisions indicated in Article 8. Unless limited with the authorised board of the Incorporation, the shareholders will participate the capital increase in proportion to the shares held by them and will have the preferential option to purchase the shares issued under their group. Group C will not participate in the capital increase with a preferential purchase option.</p> <p>d. Shareholders Nature</p> <p>The shares held by the foreigner shareholders may not exceed 40 % of the issued share capital of the Incorporation. In calculating the rates of the shares held by the foreigner shareholders, the rate of foreign shareholding in the shares held by the shareholder holding Group A shares which are not open for public will be taken into consideration as well.</p> <p>Foreign shareholder shall mean:</p> <ul style="list-style-type: none">- foreign natural or legal persons;- Turkish companies, share capital of over 49 % of which are owned by foreigners;	<p>In the event of cancellation of the privilege granted to Group C share in this Articles of Association, then Group C share will convert to a Group A share. Upon such conversion of the Group C share to a Group A share, then the right "to nominate a Board Member" granted in Article 10 of this Articles of Association to Group C, will pass to the shareholders holding Group A shares.</p> <p>c. Preferential Purchase Option</p> <p>The Board of Directors is entitled to issue premium shares in compliance with the provisions indicated in Article 8. Unless limited with the authorised board of the Incorporation, the shareholders will participate the capital increase in proportion to the shares held by them and will have the preferential option to purchase the shares issued under their group. Group C will not participate in the capital increase with a preferential purchase option.</p> <p>d. Shareholders Nature</p> <p>The shares held by the foreigner shareholders may not exceed 40 % of the issued share capital of the Incorporation. In calculating the rates of the shares held by the foreigner shareholders, the rate of foreign shareholding in the shares held by the shareholder holding Group A shares which are not open for public will be taken into consideration as well.</p> <p>Foreign shareholder shall mean:</p> <ul style="list-style-type: none">- foreign natural or legal persons;- Turkish companies, share capital of over 49 % of which are owned by foreigners;
--	--

Amendments to the Article 6 of Turkish Airlines' Articles of Association

<p>- Turkish companies in which majority members of administrative and representative boards are not Turkish citizens and in which majority votes are not on Turkish partners according to their articles of associations;</p> <p>- Turkish companies under actual control of the aforementioned.</p> <p>In order to ensure that the aforementioned share rate limitations on the foreigner partners will be complied with the provisions of the Articles of Association, the Incorporation will use separate parts for foreign shareholders in registering the shareholders and their related share rates in the Share Register.</p> <p>It is obligatory to promptly notify the Incorporation of any share purchase and sale reaching to 1 % of the issued share capital of the Incorporation. Moreover, the shareholders who have reached or exceeded the maximum foreign shareholding rates as indicated in this Articles of Association, are obliged to promptly notify the Incorporation as they become aware of this. The purpose of such notification is to follow the foreigner element and remarkable share movements and to ensure the Board of Directors to perform its powers based on these, and only notification will not result with the nature of being a shareholder unless registered in the Share Register, and only the records in the Share Register will be relied on in such cases.</p> <p>In cases where it is understood through the notifications or through other means that the total shares held by the foreigner shareholders have exceed 40 % of the issued share capital of the Incorporation, then the Board of Directors will be under the obligation, to promptly notify the related shareholders lately within 7 (seven) days, starting from the latest share transfer, to dispose of the shares which exceed the foreign shareholding limit, in amounts and rates to be in conformity to the foreign shareholding limit and otherwise the Incorporation will be entitled to apply any of the measures indicated below. The foreign shareholder to whom the notice to dispose of its exceeding shares has been served, will be under the</p>	<p>- Turkish companies in which majority members of administrative and representative boards are not Turkish citizens and in which majority votes are not on Turkish partners according to their articles of associations;</p> <p>- Turkish companies under actual control of the aforementioned.</p> <p>In order to ensure that the aforementioned share rate limitations on the foreigner partners will be complied with the provisions of the Articles of Association, the Incorporation will use separate parts for foreign shareholders in registering the shareholders and their related share rates in the Share Register.</p> <p>It is obligatory to promptly notify the Incorporation of any share purchase and sale reaching to 1 % of the issued share capital of the Incorporation. Moreover, the shareholders who have reached or exceeded the maximum foreign shareholding rates as indicated in this Articles of Association, are obliged to promptly notify the Incorporation as they become aware of this. The purpose of such notification is to follow the foreigner element and remarkable share movements and to ensure the Board of Directors to perform its powers based on these, and only notification will not result with the nature of being a shareholder unless registered in the Share Register, and only the records in the Share Register will be relied on in such cases.</p> <p>In cases where it is understood through the notifications or through other means that the total shares held by the foreigner shareholders have exceed 40 % of the issued share capital of the Incorporation, then the Board of Directors will be under the obligation, to promptly notify the related shareholders lately within 7 (seven) days, starting from the latest share transfer, to dispose of the shares which exceed the foreign shareholding limit, in amounts and rates to be in conformity to the foreign shareholding limit and otherwise the Incorporation will be entitled to apply any of the measures indicated below. The foreign shareholder to whom the notice to dispose of its exceeding shares has been served, will be under the</p>
---	---

Amendments to the Article 6 of Turkish Airlines' Articles of Association

<p>obligation to sell such shares which have caused the foreign shareholding limit to be exceeded, to a person who is not included in the foreign shareholder definition in this Articles of Association, within the period stated in the notice. In case such shares are not disposed despite the notification, then the Board of Directors will be under the obligation to meet in 3 (three) days and to take a resolution to cover the measures indicated below in regard to the shares exceeding the limit.</p> <p>(i) To redeem with the nominal value, the shares held by the foreign shareholder which has caused the foreign shareholding limit to be exceed, through decreasing the share capital; with this purpose, the Incorporation will first notify the shareholder who has exceed the foreign shareholding limit that his shares will be redeemed. In case such a notice may not be served then the fact will be announced in two newspapers published at the place where the head office of the Incorporation is located. Expenses related with such redemption, will be collected from the shareholder who has caused the redemption, through deduction from the redemption amount.</p> <p>(ii) In cases where the total share rate of the foreign shareholder is over the limit indicated in this Articles of Association, then the Board of Directors will be entitled to increase the share capital in order to reduce the rate of the shares exceeding the limit. In this case, new shares may be issued by limiting the preferential purchase options of the existing shareholders according to the rules of the Capital Market Board.</p> <p>In cases where the foreign shareholding limit as indicated in this Article is exceed, the Board of Directors will be entitled to resolve about the method to apply firstly to reduce the share rates to the limits permitted.</p>	<p>obligation to sell such shares which have caused the foreign shareholding limit to be exceeded, to a person who is not included in the foreign shareholder definition in this Articles of Association, within the period stated in the notice. In case such shares are not disposed despite the notification, then the Board of Directors will be under the obligation to meet in 3 (three) days and to take a resolution to cover the measures indicated below in regard to the shares exceeding the limit.</p> <p>(i) To redeem with the nominal value, the shares held by the foreign shareholder which has caused the foreign shareholding limit to be exceed, through decreasing the share capital; with this purpose, the Incorporation will first notify the shareholder who has exceed the foreign shareholding limit that his shares will be redeemed. In case such a notice may not be served then the fact will be announced in two newspapers published at the place where the head office of the Incorporation is located. Expenses related with such redemption, will be collected from the shareholder who has caused the redemption, through deduction from the redemption amount.</p> <p>(ii) In cases where the total share rate of the foreign shareholder is over the limit indicated in this Articles of Association, then the Board of Directors will be entitled to increase the share capital in order to reduce the rate of the shares exceeding the limit. In this case, new shares may be issued by limiting the preferential purchase options of the existing shareholders according to the rules of the Capital Market Board.</p> <p>In cases where the foreign shareholding limit as indicated in this Article is exceed, the Board of Directors will be entitled to resolve about the method to apply firstly to reduce the share rates to the limits permitted.</p>
--	--