

## ARTICLES OF ASSOCIATION OF KOÇ HOLDING A.Ş.

### Article 1: ESTABLISHMENT

A joint stock company has been established between the partners whose signatures, names and addresses specified below as per this Articles of Associations and provisions of the Turkish Commercial Code related to instantaneous establishment.

#### The partners participating in establishment:

<u>Name of the Shareholders</u>	<u>Nationalities</u>	<u>Addresses</u>
Vehbi Koç	T.R.	İstanbul-Şişli Halaskargazi Cad. No. 266 Çankaya Apt. Daire 9
Sadberk Koç	T.R.	İstanbul-Şişli Halaskargazi Cad. No. 266 Çankaya Apt. Daire 9
Semahat Arsel	T.R.	İstanbul-Şişli Halaskargazi Cad. No. 266 Çankaya Apt. Daire 7
Rahmi M. Koç	T.R.	Ankara-Yenişehir Atatürk Bulvarı Koç Apt. Daire 9
Sevgi Gönül	T.R.	İstanbul-Şişli Halaskargazi Cad. No. 266 Çankaya Apt. Daire 3
Suna Koç	T.R.	İstanbul-Şişli Halaskargazi Cad. No. 266 Çankaya Apt. Daire 9
Hulki Alisbah	T.R.	İstanbul-Nişantaşı Teşvikiye Cad. No. 141 Nar Apt. Daire 5
Dr. Nusret Arsel	T.R.	İstanbul-Şişli Halaskargazi Cad. No. 266 Çankaya Apt. Daire 7
Ziya Bengü	T.R.	İstanbul-Elmadağ Cumhuriyet Cad. No. 15 Dağ Apt. Daire 5
Adnan Berkay	T.R.	İstanbul-Nişantaşı Çınar Cad. Sümbül Apt.

İsak De Eskinazis	T.R.	İstanbul-Maçka Silahhane Cad. No. 266 Arda Apt. Daire 3
Erdoğan Gönül	T.R.	İstanbul-Şişli Halaskargazi Cad. No. 266 Çankaya Apt. Daire 3
Kenan İnal	T.R.	İstanbul-Nişantaşı Emlak Caddesi No. 38/4
Can Kıraç	T.R.	İzmir-Mithatpaşa Cad. No. 752 Binaz Apt. Daire 3
Çiğdem Koç	T.R.	Ankara-Yenişehir Atatürk Bulvarı Koç Apt. Daire 9
Muhterem Kolay	T.R.	İstanbul-Harbiye Cumhuriyet Cad. Kolay Apt. Daire 6
İsrail Menaşe	T.R.	İstanbul-Elmadağ Cumhuriyet Cad. No. 10 Dağ Apt. Daire 11
Bernar Nahum	T.R.	İstanbul-Nişantaşı Valikonağı Caddesi Perihan Apt.
Behçet Osmanağaoğlu	T.R.	İstanbul-Teşvikiye Eski Kağıthane Cad. 104/1
Fazıl Öziş	T.R.	İstanbul-Topağacı İhlamur Yolu No. 24 Renk Apt. Daire 4
Hüseyin Sermet	T.R.	Ankara-Çankaya Farabi Sok. No. 14 Yalı Apt. Daire 2

**Article 2: TITLE OF THE COMPANY:**

Name of the Company is “Koç Holding Anonim Şirketi” which will hereafter be shortly referred to as the “Company”.

### **Article 3: PURPOSE AND SCOPE:**

The Company has been founded for the purpose of starting up various businesses or participating in the share capital of various entities, and to promote and contribute to the successes of companies founded or participated or otherwise managed by the Company in their own fields of business, and to ensure that they are administered and managed in a more profitable, efficient manner and in accordance with the prevailing market conditions and requirements, and to provide shared service platforms for diminishing the financial burden of such services. For these purposes, the Company may particularly engage in the following activities:

1. In order to achieve its objectives, the Company may purchase, build or cause others build, all types of movable and immovable assets and personal and real properties at home or abroad; and may establish all kinds of other personal rights or rights in kind thereon; and may lease such properties; and may operate, let or sell the properties whether acquired or leased as above; and may establish real rights in favor of the third parties, and may revoke the same in compliance with the regulations of the Capital Markets Board.
2. In order to achieve its objectives, the Company may borrow from local or foreign persons, firms or banks; and may assume all kinds of other financial, commercial and economic commitments towards third parties; and may issue bonds and other types of capital market instruments in compliance with the regulations of the Capital Markets Board; and may invest in securities, derivatives and other types of capital market instruments; and may give sureties and guarantees in favor of third parties in compliance with the regulations of the Capital Markets Board; and may, if required, accept establishment of pledges and/or mortgages in its own favor on movable and immovable properties of third parties; and may annul the mortgages established in its own favor or waive its rights of pledge, and may accept sureties and guarantees given by third parties in favor of the Company.
3. Without prejudice to other provisions of these Articles of Association, the Company may carry out the activities and operations listed above either directly or indirectly through local or foreign persons or entities; and to this end, if deemed useful and necessary, may found ordinary partnerships, commercial companies or other legal entities at home or abroad, or may fully or partially acquire ordinary partnerships or other legal entities with the same purpose, and may acquire, hold or transfer the shares of such companies, and may participate in ordinary partnerships, for the purposes other than brokerage or asset or portfolio management businesses. The provisions of the Capital Markets laws and regulations pertaining to the disguised income transfer are reserved.
4. The Company may take all and any actions including imports, exports and any types of trading activities on behalf of itself or its affiliates in order to perform the above mentioned transactions, and may assume management of other companies through agreements entered into with such companies.
5. Provided that it does not conflict with the Capital Markets laws and regulations, and the required public disclosures are made, and the information regarding

donations granted during the year are submitted to the shareholders in the annual general assembly meeting, and the upper limit of donations is determined and approved by the general assembly of shareholders, and the donations granted are taken into consideration in calculation of the distributable profit, the Company may make donations and grants to foundations, associations, universities and similar other institutions established for social and charitable purposes, and may enroll in societies and associations, and may participate in foundations, in a manner not to interfere with its activities within its scope and purpose. Donations in excess of the upper limit designated by the general assembly of shareholders are not permitted.

6. Subject to compliance with the provisions of the Capital Markets laws and regulations pertaining to disguised income transfer, the Company may engage in all kinds of registration, annotation, correction of kind, subdivision, combination, sharing, parceling or related abandonments and disposals with respect to all and any real properties in land registries, and may make abandonments for green areas and roads, and may give statements and waivers, and may abandon or dispose of the said real properties free of charge.
7. The Company may purchase, let, sell or lease land, sea and air transportation means and vehicles, and subject to compliance with provisions of the Capital Markets laws and regulations, may establish all types of personal rights and rights in kind, including, but not limited to, mortgages and pledges, on the same in its own favor and/or in favor of third parties, and may remove and annul such encumbrances.
8. In line with its objectives, 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 compliance with provisions of the Capital Markets laws and regulations
9. The Company may provide technical services by using its own expertise and experience; and may make all kinds of industrial and commercial investments at home or abroad for achievement of its objectives; and accordingly, may establish factories, plants and sales offices at home or abroad, and may provide services relating to architecture, engineering, design, software, book keeping, call center and data retention; and may enter into technical assistance agreements on behalf of itself or other companies.
10. Without prejudice to the provisions of the Capital Markets laws and regulations pertaining to disguised income transfer, the Company may participate in tenders locally or abroad either by itself or in partnership with third parties.
11. Subject to compliance with provisions of the laws and regulations of the Capital Markets Board and provided that it obtains the necessary permissions, the Company may take out insurance coverage on behalf of itself or its affiliates.

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

#### **Article 4: HEAD OFFICES AND BRANCHES OF THE COMPANY**

The Company is domiciled Üsküdar, Istanbul. Its address is Azizbey Sok., No. 1, Nakkaştepe, Kuzguncuk 34674 Üsküdar. In the case of a change of address, new address shall be registered with Trade Registry and published in the Turkish Trade Registry Gazette; and necessary notifications shall be filed with the Ministry of Customs and Trade and the capital Markets Board. All notifications and correspondence delivered to the registered and published address of the Company are deemed to be properly served on the Company. Failure of the Company to have its new address duly registered and published in a timely manner after moving from its registered and published address shall be considered as a just cause for dissolution. If the Company opens branches, the branches will also be registered with the Trade Registry and published in the Turkish Trade Registry Gazette.

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

The Company is founded for an indefinite term, and may be dissolved due to legal reasons or by a decision to be taken by the General Assembly of Shareholders in accordance with the pertinent provisions of the Turkish Commercial Code.

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

The Company has accepted authorised capital system according to the provisions of the repealed Law no. 2499, and has shifted to authorised capital system with a permission, no. 219, dated 13.7.1984, of the Capital Markets Board.

The authorised capital limit of the Company is TL 5,000,000,000 (five billion Turkish Lira), divided into 500,000,000,000 (five hundred billion) registered shares each with a nominal value of 1 (One) Kuruş.

The authorised capital limit granted by the Capital Markets Board is valid for (five years) between 2017 and 2021. Even if the authorised capital limit permitted as above is not reached as of the end of 2021, in order for the Board of Directors to take a capital increase decision after 2021, authorization is required to be taken from the General Assembly of Shareholders for a new term of up to 5 years, with a prior permission of the Capital Markets Board for the previous upper limit or for a new upper limit amount. If such authorization is not taken, the Company cannot make a capital increase by a decision of the board of directors.

Issued capital of the Company is TL 2,535,898,050 (two billion five hundred and thirty-five million eight hundred and ninety-eight thousand and fifty Turkish Lira), divided into 67,877,342,230 Group "A" and 185,712,462,770 Group "B" registered shares each with a nominal value of 1 (One) Kuruş.

The issued capital of the Company of TL 2,535,898,050 (two billion five hundred and thirty-five million eight hundred and ninety-eight thousand and fifty Turkish Lira) has been fully paid free of any collusion.

All of Group “A” and Group “B” shares of the Company are registered shares. The shares representing the share capital of the Company are dematerialized in accordance with the dematerialization principles.

Capital of the Company may be reduced or increased if and when required, within the frame of provisions of the Turkish Commercial Code and Capital Markets laws and regulations.

The Board of Directors is authorized to decide to increase the issued capital by issuing new shares up to the upper limit of the authorised capital if and when deemed necessary in accordance with the pertinent provisions of the Capital Markets Law, and to restrict the rights of the holders of preferential shares, and to limit the rights of option of shareholders on newly issued shares, and to issue shares above (with premium) or below the nominal value per share. Provided, however, the power to restrict the preemptive rights on newly issued shares cannot be used in such manner to cause inequality between shareholders. The pre-emptive rights of shareholders on newly issued shares may be restricted in each capital increase; provided, however, that total sum of capital increases restricting the pre-emptive rights on newly issued shares within the authorization period of 5 (five) years cannot exceed 10% of the issued capital.

In any case, the Board of Directors will issue new Group “A” and Group “B” shares in proportion to the existing shares held by the Group A and Group B shareholders respectively as of the time of capital increase. Shareholders participate in capital increases by subscribing for the shares to be issued in the same group as their existing shares, along with the privileges attached to the related group. Provided, however, the pre-emptive rights not used in Group B will pass to Group A shareholders. Group A Shareholders may use such pre-emptive rights in accordance with the regulations of the Capital Markets Board. Those who subscribe for shares to be issued with a premium in the related capital increase shall be obliged to separately pay to the Company, pursuant to article 519 of the Turkish Commercial Code, the premiums to be determined in addition to the nominal value of shares as of the date of issue.”

#### **Article 7: DIVIDEND RIGHT CERTIFICATES**

At the time of foundation of the Company, in consideration of his efforts and services for improvement of the business activities of the Company, Vehbi Koç was granted 100 registered dividend right certificates on a free of charge basis which can be and freely transferred without any restriction, and the founder’s dividend right certificates are recorded in the book of holders of dividend right certificates.

## **Article 8: ISSUE OF BONDS AND OTHER SECURITIES**

For sale to natural persons and legal entities at home or abroad, and subject to compliance with the provisions of the Capital Markets Law and other pertinent laws, the Company may, by a decision of its Board of Directors, issue all types of bonds, convertible bonds, interchangeable bonds, and gold, silver and platinum bonds, and commercial papers, dividend right certificates, profit and loss sharing certificates, and other types of capital market instruments accepted and classified by the Capital Markets Board as debt instruments, and all kinds of other capital market instruments. Pursuant to the Capital Markets Board, the Board of Directors is authorized to determine maximum amounts, type, maturity, interest rate and other conditions of issue, and to authorize the Company management in connection therewith. Such transactions shall be performed in compliance with the provisions of the Capital Markets Law and other pertinent laws.

## **Article 9: TRANSFER OF SHARES AND ESTABLISHMENT OF RIGHT OF USUFRUCT ON SHARES**

Transfer of shares is subject to the pertinent provisions of the Turkish Commercial Code and the Capital Markets laws and regulations. In relations with the Company, only the persons registered in the share book as per the records kept in the Central Registry Agency will be considered and treated as holders of shares or holders of rights of usufruct on shares.

The transfer of the publicly traded registered shares of the Company shall be governed by and subject to the pertinent regulations of the Capital Markets Board.

Group "A" shares which are not publicly traded may be transferred outside the stock exchange only with the prior consent of the Company. The Company may refuse to give its consent by offering the transferor to purchase its shares on behalf of itself, other shareholders or third parties at their actual value applicable as of the time of application.

## **Article 10: ACQUISITION OR ACCEPTANCE OF ITS OWN SHARES AS PLEDGE BY THE COMPANY**

The Company may accept as pledge and/or acquire its own shares for consideration in accordance with the relevant articles of the Turkish Commercial Code, and regulations of the Capital Markets Board and other applicable legislation.

## **Article 11: BOARD OF DIRECTORS, ELECTION OF DIRECTORS AND BOARD DECISIONS**

11.1. Without prejudice to the non-transferable powers of the General Assembly of Shareholders pursuant to the relevant provisions of the Turkish Commercial Code, the Company will be managed and directed by a Board of Directors consisting of minimum 9 and maximum 18 members to be elected by the General Assembly of Shareholders in accordance with the relevant articles of the Turkish Commercial Code, and regulations of the Capital Markets Board. Number and qualifications of

independent members of the Board of Directors will be governed by the regulations of the Capital Markets Board pertaining to Corporate Governance Principles.

11.2. Members of the Board of Directors are elected for a maximum term of three years. Any Director whose term of office is over may be re-elected.

11.3. The General Assembly of Shareholders is authorized to determine the number of and to elect members of the Board of Directors. Without prejudice to the obligations with regard to independent members arising out of the Corporate Governance Principles of the Capital Markets Board, the General Assembly of Shareholders may at all times replace all or any of the Directors if and when deemed necessary pursuant to provisions of article 364 of the Turkish Commercial Code.

11.4. If and when a vacancy occurs in the Board of Directors for any reason whatsoever, the Board of Directors temporarily elects a member who is eligible and meets the legal requirements, and submits such election to the approval of the next subsequent meeting of the General Assembly of Shareholders. If any independent member loses its independence, or resigns, or becomes incapable of performing its duties, the procedures envisaged in the pertinent regulations of the Capital Markets Board shall apply.

11.5. Meeting and decision quorum in the Board of Directors is the simple majority of the total number of Directors. Provided, however, the decisions pertaining to the participation in a company or disposal of any existing shares require an affirmative votes of 7 Directors in a Board of Directors comprising 9 members, or of 8 Directors in a Board of Directors comprising 10 members, or of 9 Directors in a Board of Directors comprising 11, 12 or 13 members, or of 10 Directors in a Board of Directors comprising 14 members, or of 11 Directors in a Board of Directors comprising 15, 16 and 17 members, or of 12 Directors in a Board of Directors comprising 18 members. The obligations arising out of the Corporate Governance Principles of the Capital Markets Board are, however, reserved.

11.6. Unless any one of the Directors requests a negotiation, the Board of Directors may take its decisions by way of receiving written consents and approvals of all Directors on a motion submitted by any one Director. Such decisions may, however, require the written consent and approval of the number and composition of the members as stipulated in Article 11.5 of these Articles of Association. 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 12: STRUCTURE, REPRESENTATION AND DELEGATION OF POWERS OF THE BOARD OF DIRECTORS**

12.1.If not elected by the General Assembly, the Board of Directors itself shall elect the Chairman of the Board and at least one Vice Chairman of the Board of Directors to act as deputy in the absence of the Chairman. The Vice Chairman of the Board of Directors will also be granted the powers allotted to the Chairman of the Board of Directors under the Turkish Commercial Code for convening meetings and request of information.

12.2.The Board of Directors may, specifically initiate lawsuits in the name and on behalf of the Company, settle, apply to arbitration, request bankruptcy, suspension of bankruptcy and concordat, undertake foreign exchange transactions, make donations subject to compliance with the regulations of the Capital Markets Board, become guarantor, transfer immovables and establish encumbrance on the same. If need be, the Board of Directors may authorize third persons in this respect.

12.3.The Board of Directors is authorized to delegate all or some of its managerial powers to one or more directors or non-directors (executive directors) by an internal directive to be prepared pursuant to article 367 of the Turkish Commercial Code. By the said internal directive, the Board of Directors determines the powers and responsibilities of the executive directors, and may delegate to the relevant persons all kinds of powers and responsibilities of the Board of Directors under conditions, provisions and restrictions to be determined again by the Board of Directors, and if and when deemed necessary, may change or withdraw all or some of these powers. The provisions of articles 371, 374 and 375 of the Turkish Commercial Code are reserved. Provided, however, in any case, the following actions require the decision of the Board of Directors; purchase, lease, sale or rent of real properties, and sea and air transportation means and vehicles, and subject to compliance with the regulations of the by the Capital Markets Board, establishment of all kinds of rights, including, but not limited to mortgages and pledges, on such properties in favor of itself and/or third parties, and removal and annulment of such encumbrances, and establishment and removal of such rights on the real properties and other assets and properties of the third parties by the Company, and carrying out commercial passenger and cargo transportation by its own aircrafts.

12.4.Pursuant to article 370 of the Turkish Commercial Code, the Board of Directors may delegate its representation rights to one or more persons who need not to be a member of the Board of Directors or a shareholder. Provided, however, the representation rights of at least one member of the Board of Directors must be retained. Unless otherwise resolved by the Board of Directors, the Board of Directors, with the joint signatures of any two members of the Board of Directors, who are not the independent members as per the pertinent regulations of the Capital Markets Board, affixed under the title of the Company may represent the Company in all circumstances.

12.5.The Board of Directors shall have full authority with respect to the delegation of its management and representation powers as stipulated above.

12.6. The Company shall have a Planning and Coordination Council (the "Council") consisting of members to be designated by the Board of Directors. The Chairman of the Board of Directors shall preside the meetings of the Council.

The main purpose of the Council is to review, assess, and advise on the operating results, business plans, long-term plans and personnel policies of the companies which are directly or indirectly controlled by the Company or of the Company participates in management of.

The meeting and functioning principles of the Council shall be determined by the Board of Directors.

12.7. Besides, the Board of Directors may, as deemed appropriate and subject to compliance with the applicable laws and regulations, establish committees or sub-committees for advisory, coordination, audit or similar purposes which may consist of the directors of the Board and/or members other than the directors of the Board. 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 13: REMUNERATIONS AND FEES OF DIRECTORS AND COMMITTEE MEMBERS**

Pursuant to the relevant provisions of the Turkish Commercial Code and regulations of the Capital Markets Board, the members of the Board of Directors and the committee members referred to in Article 12 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 the committee members. Amount and terms of payment due and payable to the members of the Board of Directors, including the executive directors, 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 of the Board of Directors.

#### **Article 14: 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 laws and regulations. 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 15: GENERAL ASSEMBLY OF SHAREHOLDERS**

The following principles shall be applied in the meetings of the General Assembly of Shareholders:

**(a) Convocation:** The General Assembly of Shareholders 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 Markets Board. The meetings of the General Assembly of Shareholders shall be open to public, including but not limited to, the stakeholders and media, who will have no right to speak therein.

- (b) Date and Time:** The ordinary meetings of the General Assembly of Shareholders are to be held at least once a year within three months following the end of each fiscal year of the Company. The agenda topics are discussed and resolved in these meetings.

The extraordinary General Assembly of Shareholders shall convene in a meeting, 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 Markets Board, and these Articles of Association.

- (c) Right to Vote:** In the ordinary and extraordinary meetings of the General Assembly of Shareholders, the holders of Group “A” shares shall have two voting rights per share, and the holders of other group of shares shall have one voting right per share. Provided, however, the holders of the any group of shares shall have only one voting right per share in the decisions pertaining to the amendments to the Articles of Association, and acquittal and initiation of lawsuits for liability. 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 regulations of the Capital Markets Board, in the meetings of the General Assembly of Shareholders, the 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 via 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 of Shareholders shall convene in meetings at the headquarters of the Company or at any convenient place in Ankara, Istanbul or İzmir.

- (f) Participation in Meetings:** The executive directors and at least one member of the Board of Directors, the auditor, at least one of the officers in charge of preparation of 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 meetings of the General Assembly of Shareholders. If any person, other than those who are legally required to attend the General Assembly meetings, does not attend the meeting, the reasons of absence will be reported by the chairman of the meeting to the General Assembly of Shareholders.

- (g) Presiding the Meeting:** The chairman of the meeting who is authorized to moderate in the meeting of the General Assembly of Shareholders will be appointed from among shareholders, and at least 1 (one) vote-collector and a secretary will be appointed from among shareholders or from third parties.
- (h) Meeting and Decision Quorums:** Unless a higher quorum is required as per these Articles of Association, the meeting and decision quorums in all meetings of the General Assembly of Shareholders of the Company shall be governed by the provisions of the Turkish Commercial Code and the regulations of the Capital Markets Board.
- (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 sets 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.
- (j) Participation in the Meetings of the General Assembly of Shareholders 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 enabled to use their rights arising out of the aforementioned Regulation.

## **Article 16: CORPORATE GOVERNANCE PRINCIPLES**

The mandatory Corporate Governance Principles of the Capital Markets Board shall be complied with.

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 these Articles of Association.

## **Article 17: ANNOUNCEMENTS**

Information legally required to be announced by the Company shall be announced in accordance with the relevant articles of the Turkish Commercial Code, and regulations, communiqués and circulars issued by virtue of the said Code, and

regulations of the Capital Markets Board, and other applicable legislation. If place of announcement is not stipulated in the pertaining regulations, such information will be posted on the website of the Company.

#### **Article 18: FISCAL YEAR**

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

#### **Article 19: DISTRIBUTION OF PROFIT**

The Company shall comply with the provisions of the Turkish Commercial Code and the Capital Markets laws and regulations pertaining to the distribution of profit.

The balance, after deduction of the previous year losses (if any) from the remaining current profit of the of the Company as shown in the balance sheet of the Company which yields to the total income of the Company as of the end of the related fiscal year, less the general expenses and overheads along with the amounts, such as various depreciation items, mandatory to be paid by the Company and other amounts mandatory to be set aside by the Company, and all and any taxes payable by the Company, will be allocated and distributed as shown below:

General Legal 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 pertinent 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 Markets laws and regulations.

(c) After setting aside 5% legal reserve fund according to the provisions of the Turkish Commercial Code and the financial obligations due and payable by the Company, and after deducting first dividend to be calculated as per sub-paragraph (b) over the paid-in capital of the Company, out of the before tax profit of the Company, an amount up to 2% as determined by the General Assembly of Shareholders shall be allocated to Koç Holding Pension and Support Fund Foundation.

(d) Save for the obligations with regard to first dividend as set forth in sub-paragraph (b), after setting aside 5% legal reserve fund in accordance with the provisions of the Turkish Commercial Code and the financial obligations due and payable by the Company, and after deduction of an amount equal to 5% of paid-in capital, 3% of the remaining amount will be allocated to the holders of the dividend right certificates. Provided, however, the amount to be paid to the holders of the dividend right certificates cannot be exceed one tenth of the amount remaining after

making the deductions set forth in sub-paragraphs (a) and (b) of this Article from the net profit of the Company

Second Dividend:

(e) As for the remainder of the relevant net profit after deduction of the amounts referred to in sub-paragraphs (a), (b), (c) and (d) hereof, the General Assembly of Shareholders is authorized to fully or partially distribute the said amount as second dividend, or to set aside as reserve funds pursuant to article 521 of the Turkish Commercial Code.

Unless all reserves required by law 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.

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 20: ADVANCES ON PROFIT**

The General Assembly of Shareholders may resolve to pay to the shareholders advances on profit in accordance with the regulations of the Capital Markets Board and applicable legislation.

#### **Article 21: 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.

#### **Article 22: LEGAL PROVISIONS**

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