

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

### Article 1: FORMATION

A joint-stock company is created under the provisions of the Turkish Commercial Law that concern the instantaneous foundation of joint-stock companies among the founders whose names, last names, titles, nationalities and full addresses are written below.

	Name-Last Name	Title	Nationality	Address
1	TC Ziraat Bankası	TC Ziraat Bankası	Turkish	Ulus / ANKARA
2	Makina ve Kimya Endüstrisi Kurumu	Makina ve Kimya Endüstrisi Kurumu	Turkish	Tandoğan / ANKARA
3	T. Zirai Donatım Kurumu	T. Zirai Donatım Kurumu	Turkish	Dışkapı / ANKARA
4	Tariş	Tariş	Turkish	İZMİR
5	Çukobirlik	Çukobirlik	Turkish	ADANA
6	Mithat Dülge	Mithat Dülge	Turkish	Tuna Cd. Adakale Sk. No.1 ANKARA
7	Fikret Çeltikçi	Fikret Çeltikçi	Turkish	Tuna Cd. Adakale Sk. No.1 ANKARA
8	Adnan Çiftçi	Adnan Çiftçi	Turkish	Selanik Cd. No.15 ANKARA
9	Vecdi Diker	Vecdi Diker	Turkish	İzmir Cd. No.25/2 ANKARA
10	William F. Foss	William F. Foss	USA	Mithatpaşa Cad. 54/E ANKARA

### Article 2: TITLE

The title of the Company is Türk Traktör ve Ziraat Makineleri Anonim Şirketi which is hereinafter referred to as the "Company".

As per Article 53 of the Turkish Commercial Code, the trade name of the Company is TÜRK TRAKTÖR.

### Article 3: PURPOSE AND SCOPE

The Company has been founded for the purposes of design, manufacturing, sale, export, import, marketing, after sales services of tractors, harvesters and other agricultural machinery and equipment including their engines, components and other parts **and manufacturing, import, domestic sale, marketing and after sales services of all kinds of construction equipments.** For this purpose, the Company may enter into and carry out the following activities and operations:

**a-** The manufacturing and distribution of tractors, all kinds of engines, components, harvesters and other agricultural machinery and equipment in Turkey; export and import of the same.

**b- The manufacturing and distribution of all kinds of construction equipments, import and sale of the same.**

**c-** The purchase and supply, locally and internationally, of all types of machinery, parts and equipment, raw materials, other goods necessary for its manufacturing and sales operations or export of the same, establishment of assembly and after sales service facilities pertaining to the products which the Company sells in Turkey and abroad.

**d-** To the extent the production plan of agricultural tractors and agricultural machinery and equipment, **all kinds of construction equipments** allows, engagement in production, domestic and international sales of other industrial products; making arrangements for facilitating deferred payment systems,

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**e-** The Company may, in or outside of Turkey, purchase or acquire 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.

**f-** The Company may borrow from local or foreign persons, 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.

In case, the company shall fully compliance with the regulations of the Capital Market Board incase it gives guarantee, indemnity, pledge on its own name and in favor of third parties or gives the right of pledge including also mortgage.

**g-** 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 save for 21/1 article of Capital Markets Law, 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 business and activities.

**h-** The Company may take all and any actions including exports, imports and any types of trading activities in order to perform the abovementioned operations.

**i-** Save for the conditions that the upper limit of donations shall be determined by the general assembly, not making any donation in excess of this limit and the donations shall be added to base of distributable profit and the donations shall in line with the provisions of Capital Markets Board concerning concealed gain transfer, the necessary material event disclosures shall be made and the donations made in the year shall be presented to the information of shareholders in the general assembly; the company shall make donations provided that the subject of the company's own purposes to foundations established for social purposes, associations, universities and similar institutions.

**j-** The Company may 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.

**k-** The Company may engage in representation, sole distributorship and distributorship. The Company may establish resale network within its territory.

**l-** The Company 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.

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**m-** 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.

**n-** 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 both in Turkey and abroad, provide services relating to architecture, engineering, design, software, book keeping, call center and data retention.

**o-** The Company may participate in tenders locally or abroad either by itself or in partnership with third parties, save for 21/1 article of Capital Markets Law.

The approval of Ministry of Customs and Trade and Capital Markets Board are necessary incase there is any change in the purpose and scope of the company.

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

The Company is domiciled at Güvercin Yolu 11-112 06560 Gazi, Ankara. 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 the decision of the General Assembly in accordance with the provisions of the Turkish Commercial Code or for legal reasons.

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

**6.1.** The Company has accepted the registered share capital system according to the provisions of the abrogated Capital Market Law no 2499 and adopted this system under the permission nr. 11/328 issued by the Capital Market Board on the date of 17.03.2005.

**6.2.** The registered share capital of the Company is TL 250,000,000 (Two hundred fifty million Turkish Liras). It is divided into 25,000,000,000 (Twenty five billion) shares each with a nominal value of 1 (one) Kuruş.

**6.3.** The permission granted by the Capital Market Board for the upper limit of the registered share capital is valid for a period of 5 (five) years between 2013 and 2017. Even if the permitted limit of the registered capital is not exceeded in the end of the year 2017, in order to increase the share capital of the Company after the expiry of the 5 year term; it is compulsory for the Board of Directors to obtain authorization for an additional five year term from the General Assembly by means of renewing the permission of the Capital Market Board accordingly. Otherwise, the Company shall be deemed exited from the registered capital system.

**6.4.** The issued capital of the Company is TL 53,369,000 (Fifty three million three hundred sixty nine thousand Turkish Liras). It is divided into three groups, 2,001,337,500 registered shares of Group "A", 2,001,337,500 registered shares of Group "B" and 1,334,225,000 registered shares of Group "C", each with a nominal value of 1 (one) Kuruş.

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

SHAREHOLDERS	SHARE GROUP	CAPITAL STRUCTURE		
		NUMBER OF SHARES	AMOUNT (TL)	%
KOÇ HOLDİNG A.Ş.	A	2.001.337.500,00	20.013.375,00	37,50
<b>CNH INDUSTRIAL OSTERREICH GmbH</b>	<b>B</b>	<b>2.001.337.500,00</b>	<b>20.013.375,00</b>	<b>37,50</b>
OTHER	C	3.539.141,00	35.391,41	0,07
PUBLIC SHARES	C	1.330.685.859,00	13.306.858,59	24,93
<b>GRAND TOTAL</b>		<b>5.336.900.000,00</b>	<b>53.369.000,00</b>	<b>100</b>

The issued share capital of the Company amounting TL 53,369,000 has been fully subscribed and paid-in by the shareholders without collusion.

**6.5.** At any time between 2013 and 2017, the Company may increase its issued capital by issuing new registered shares each with a nominal value of 1 Kuruş up to the registered share capital ceiling. In any case, the number of new Group “A”, Group “B” and Group “C” shares issued shall be in proportion to the existing shares held by the Group “A”, Group “B” and Group “C” shareholders respectively. Each group of shareholders shall be allotted the same group of shares as their existing shareholdings. The pre-emptive rights of the shareholders, whether used or not, shall be governed by the regulations of the Capital Market Board and the provisions of this Articles of Association. The consideration for the subscribed shares shall be fully paid in cash as per Capital Market Board requirements. The Company cannot issue additional shares unless the issued shares are fully subscribed and paid-in.

The capital of the Company shall be increased or decreased if deemed necessary within the context of Turkish Commercial Code and Capital Markets legislations.

**6.6.** The Board of Directors may resolve to issue preference shares or shares at a premium, and may restrict the pre-emptive rights of the existing shareholders.

The authorization to restrict the pre-emptive rights of the existing shareholders shall not be used in the way that may cause inequality between the shareholders.

**6.7.** All of the shares of the Company are registered shares. The Company shares shall be registered and monitored according to the principles of dematerialization.

### **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**

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

**(I) Transfer of Non-public Registered Shares:**

The transfer of registered shares **and pre-emptive rights of these shares** which are not traded on the stock exchange market shall require the approval of the Company. Provided, however, a shareholder may freely transfer its shares to the holders of the same group of shares or may establish rights of usufruct on its shares in favor of such shareholders. In the same manner, the Group "A" and Group "B" may freely transfer their shares to their subsidiaries which they hold 90 % of the total voting rights (**the "Subsidiaries"**) or may establish rights of usufruct on its shares in favor of the Subsidiaries.

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 or the Subsidiaries, 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 Koç Holding A.Ş. and CNH **Industrial NV**, if and when a third party which is not a member of Koç Group or CNH **Industrial NV** is willing to acquire shares or rights of usufruct thereon;

**b)** If and when a competing company or entity (**the "Competitor"**) or owner, operator, or partner (including private or venture capital funds and their partners) of a Competitor, or any director or employee of a Competitor, regardless of its position therein, or its spouses and family members, or any companies or entities 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, if a shareholder willing to transfer its shares (**the "Transferring Shareholder"**), firstly, offers such shares (**the "Offered Shares"**), at the bidding price and terms of the potential buyer (**the "Potential Buyer"**) which reflects the prevailing market conditions (**the "Offered Price and Terms"**), to the other non-public group of shareholders (**"Offerees"**) pro-rata to the shareholding of the Offerees among the Company's total non-public shares in accordance with the following procedure, then the Transferring Shareholder will be entitled to freely transfer the Offered Shares to the Potential Buyer at the Offered Price and Terms. In such case, the Transferring Shareholder will grant an option right to the Offeree(s) for the purchase of the Offered Shares which shall be exercised within a period of 30 (thirty) days. If the whole of the Offered Shares is not purchased by the Offeree(s) in such option period of 30 days, the Transferring Shareholder may, upon completion of the process specified in Article 8(ii), 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. If a purchase notice for the Offered Shares is served by more than one Offeree, then each of such Offerees may purchase the Offered Shares pro-rata to its shareholding among the total number of non-public shares held in the Company by such Offerees. 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.

If the Transferring Shareholder fails to offer the Offered Shares to the Offerees as specified above, then the Company may withhold its approval for such share transfer based on any or all of the Material Reasons.

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

(ii) Besides or simultaneously with the procedure described in Article 8(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 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**"). Thereupon, if whole of the Offered Shares are requested to be purchased by the Notified Shareholders within the Notice Period, 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 received from 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 third parties, in its sole discretion, at the Actual Value, or otherwise, 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(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(i) and (ii), the member(s) of the Board of Directors designated by the Transferring Shareholder or otherwise having any relation with the Transferring Shareholder, other than the independent members, shall not be entitled to participate in such negotiations and shall not have any voting rights. In this condition, such decisions shall require the affirmative votes of the simple majority of the remaining members of the Board of Directors.

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. If and when the Transferring Shareholder objects to the Actual Value determined by the Company, then and in this case, the Actual Value shall be determined by an independent audit firm having no direct or indirect shareholding or management relations with the Company or the Transferring Shareholder (the "Independent Audit Firm"), or by consultancy firms operating under a license, know-how or similar agreements entered into with the members of such Independent Audit Firms, or by intermediary institutions holding both an authorization certificate for underwriting of public offerings and an authorization certificate for investment counseling or by non-deposit banks.

Following the completion of this above mentioned process, the 5th and 6th subsection of 493rd article of Turkish Commercial Code is reserved.

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

The arrangement related to the limitation of transferring shares stated in this article 8 (I) shall be applied by shareholders also in transferring of pre-emptive rights by comparing.

### (II) 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 OF OR PLEDGE OVER ITS OWN SHARES BY THE COMPANY

In accordance with the regulations of the Capital Market Board and other applicable legislation and by making necessary material event disclosures, the Company may accept as pledge and/or acquire its own shares for a consideration.

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

**10.1.** Save for the non-transferrable exclusive powers of the General Assembly of Shareholders (the "General Assembly") stipulated in Article 408 of the Turkish Commercial Code, all affairs and management of the Company shall be conducted by the Board of Directors (the "BoD") composed of 10 members to be elected by the General Assembly in accordance with the provisions of the Turkish Commercial Code and regulations of the Capital Market Board. The number and qualifications of the independent members of the BoD (the "Independent Members") shall be determined in compliance with the Corporate Governance Principles of the Capital Market Board.

**10.2.** Five members of the BoD shall be elected from among the nominees of the Group "A" shareholders, and five members of the BoD shall be elected from among the nominees of the Group "B" shareholders. One of the nominees to be nominated by each of Group "A" and Group "B" shareholders is required to meet the independence criteria stipulated by the Capital Market Board.

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

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

**10.5.** In the event of a vacancy of a position on the BoD 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 BoD 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 until the next General Assembly on which such election will be ratified.

**10.6.** Save for the mandatory provisions of the Corporate Governance Principles of the Capital Market Board, meeting and decision quorums of the Board of Directors will be 6 (six) out of which at least two members representing the Group "A" shares other than the Independent Members and at least two members representing the Group "B" shares other than the Independent Members shall be present and the decisions of the BoD will be validly taken by the affirmative votes of at least two members of the BoD representing the Group "A" shares excluding the Independent Members and two representing the Group "B" shares excluding the Independent Members.

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**10.7.** Unless a member of the BoD requires a BoD meeting, the BoD may take its decisions, without a meeting, by way of receiving written consent and approval of the other members of the BoD on a motion submitted by a member of the BoD. Such decisions may, however, require the written consent and approval of the number and composition of the members as stipulated in Article 10.6 of this Articles of Association. The BoD can only validly take decisions without a meeting if such motion has been submitted to all of the members of the BoD. Consents/approvals of the members of the BoD 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 BoD, 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 General Assembly or if not elected by the General Assembly, the BoD itself shall elect a Chairman of the BoD and a Vice President of the BoD. The Vice Chairman of the BoD will also be granted the powers allotted to the Chairman of the BoD under the Turkish Commercial Code for convening meetings and request of information.

**11.2.** The following actions shall require the decision of the BoD:

- a. Establishment of the strategic business plans and policies of the company;
- b. Approval of the annual budgets and their quarterly revisions;
- c. Approval of the company's investment strategy and the major investment decisions;
- d. Determination of the company's industrial mission (engineering and development, manufacturing structure, "make or buy" policies);
- e. Approval of export policies;
- f. Approval of pricing policies for products and component sets;
- g. Entering into major agreements e.g.: joint developments of products, industrial cooperation, license and technology, major purchasing, loan and security;
- h. Modification of the accounting and tax practices of the company or making material changes in the accounting principles;
- i. Recommending distribution of dividends, advances or non-cash distribution to shareholders;
- j. Recommending a plan to change the capital structure of the company, merger, liquidation or dissolution of the company;
- k. Appointment of the members of the Executive Committee and delegation of its powers, authorities and responsibilities.

**11.3.** The BoD may start all court, arbitration, administrative and judicial prosecution, may complete the procedures of settlement and discharge, may propose to estop bankruptcy and concordat operations, may make donations according to Capital Markets Board legislations, may make a commitment in exchange, may give a guarantee, and may complete the procedures to establish mortgage and transfer on immovable of the company. As deemed appropriate, the BoD may authorize the third parties concerning these issues.

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**11.4.** Pursuant to article 367 of the Turkish Commercial Code, the BoD is entitled to delegate its powers and duties, including the ones listed in Article 11.2 of this Articles of Association, in full or partially, to one or more persons who need not to be a BoD member, (i.e. executive directors) under an internal directive issued by itself. Under this internal directive, the BoD stipulates the powers and duties of the executive directors, 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 BoD, and if and when deemed necessary, may change, modify or revoke all or some of the powers and duties delegated as stipulated above. The exclusive powers of the BoD as stipulated by the provisions of Articles 371, 374 and 375 of the Turkish Commercial Code are reserved.

**11.5.** Pursuant to article 370 of the Turkish Commercial Code, the BoD may confer its representation rights to one or more persons who need not to be a BoD member or a shareholder. Provided, however, the representation rights of at least one BoD member must be retained. Unless otherwise resolved by the BoD, the BoD, with the joint signatures of two members of the BoD, one of whom elected from among the nominees of Group "A" shareholders and the other elected from among the nominees of Group "B" shareholders and who are not the Independent Members, affixed under the title of the Company may represent the Company in all circumstances. The BoD shall have full authority with respect to the delegation of its management and representation powers as stipulated above.

**11.6.** The BoD may, as deemed appropriate, establish committees or sub-committees for advisory, coordination, audit, risk assessment or similar purposes which comprises BoD members and/or non-BoD members. Organizing the meetings, functioning and reporting principles of the committee chairman and the members shall be determined, regulated and revised by the BoD.

### **Article 12: DAILY MANAGEMENT OF THE COMPANY AND THE EXECUTIVE COMMITTEE**

**12.1.** The current General Manager and Assistant General Manager Accounting and Finance shall continue serve their terms of office until 01.04.2014. Thereafter, for the first four years, the General Manager shall be appointed from among the nominees designated by the Group "A" shareholders and the Assistant General Manager Accounting and Finance shall be appointed from among the nominees designated by the Group "B" shareholders. For the next four year term, the General Manager shall be appointed from among the nominees designated by the Group "B" shareholders and the Assistant General Manager Accounting and Finance shall be appointed from among the nominees designated by the Group "A" shareholders. For the subsequent four year terms, the procedure and order described in this Article 12.1 shall apply to the appointment of the General Manager and the Assistant General Manager Accounting and Finance on a revolving basis. The provisions of Article 12.4 of this Articles of Association are reserved.

**12.2.** The General Manager shall have the authority to conduct the business of the Company in its ordinary course and carry out the actions necessary for implementation of the business plan and the annual budget as approved by the BoD.

**12.3.** In case the General Manager and/or Assistant General Manager Accounting and Finance positions are vacated before the completion of the four year term, such vacancy shall be filled by appointing a General Manager and/or Assistant General Manager Accounting and Finance from among the designees of the members of the BoD representing the same group who has designated the preceding General Manager and/or Assistant General Manager Accounting and Finance to serve the remaining terms of office.

**12.4.** At the end of the four year term, the members of the BoD resolve either to extend the term of office of the existing General Manager or appoint a new General Manager. In this case, the meeting and decision quorum stipulated in Article 10.6 shall apply. If the BoD cannot reach a decision in this respect within three months, then the members of the BoD representing the group who has not designated the existing General Manager shall nominate the following General Manager for a term of four years.

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**12.5.** The same procedure of rotational designation of the General Manager and the Assistant General Manager Accounting and Finance as described above shall apply to all subsequent appointment of the General Manager and Assistant General Manager Accounting and Finance of the Company.

**12.6.** (i) Assistant General Manager Production, (ii) Assistant General Manager Purchasing, and (iii) Assistant General Manager Sales shall be elected from among the designees of the members of the BoD nominated by the Group "A" shareholders and shall not be removed or replaced without the consent and approval of the members of the BoD nominated by the Group "A" shareholders. (i) Assistant General Manager Product and R&D, (ii) Assistant General Manager Quality Assurance, and (iii) Assistant General Manager Marketing shall be elected from among the designees of the members of the BoD nominated by the Group "B" shareholders and shall not be removed or replaced without the consent and approval of the members of the BoD nominated by the Group "B" shareholders.

**12.7.** The terms of office of the General Managers and the Assistant General Managers shall not be limited to the terms of office of the BoD members.

**12.8.** An Executive Committee, on which each of the Group "A" shareholders and Group "B" shareholders shall be represented by one member appointed by the BoD either from among the members of the BoD or from the top management of Koç Holding A.Ş. and CNH **Industrial** Osterreich GmbH, will be established. Any director of the Company cannot be an Executive Committee member.

**12.9.** The Executive Committee shall exercise the co-ordination of the operational activities of the Company. Unless otherwise decided by the BoD, the duties of the Executive Committee shall be as follows:

- Convey guidelines, policies and directions, to the General Manager of the Company and to implement the resolutions of the BoD;
- Control the implementation of the decisions taken by the BoD, in particular as a result of and in the framework of the annual business plans and quarterly budget revisions;
- Perform preparatory work, analyze and assess the budget inputs and the new initiatives before their submission to the BoD.

**12.10.** The decisions of the Executive Committee shall require the agreement of both members.

**12.11.** The Executive Committee shall meet in person at least once each month and at any time as may be requested in writing by either member of the Executive Committee.

**12.12.** The venue of the meeting will also be agreed by the Executive Directors and may differ from time to time, as appropriate, either in Turkey or abroad. In the absence of any contrary decision, the meetings will be held in İstanbul or alternatively at the offices of Koç Holding A.Ş. and CNH **Industrial** Osterreich GmbH respectively.

### **Article 13: REMUNERATIONS OF THE BOD 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 BoD and the committee members referred to in Articles 11 and 12 may be entitled to remunerations, fees, bonuses or premiums in consideration of their services rendered to the Company as Directors and committee members. Amount and terms of payment due and payable to the members of the BoD, 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 BoD in accordance with the

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

applicable legislation. Stock options or performance-based payment schemes of the Company cannot be used in remuneration of the Independent Members.

### Article 14: AUDIT

The related articles of Turkish Commercial Code and Capital Markets Board legislation shall be applied for auditing the company and other issues provided by the regulations. The financial statements and annual report of the Company shall be audited by an independent audit firm in accordance with the Turkish Audit Standards. The General Assembly is obliged to appoint an auditor for each financial year not later than end of March of the relevant year in accordance with the provisions of the Turkish Commercial Code and the regulations of the Capital Market Board.

Pursuant to article 366 of the Turkish Commercial Code, in addition to the independent auditor, the BoD may establish an internal audit system reporting to the BoD for the purpose of internal audit.

### Article 15: GENERAL ASSEMBLY

The following principles will be applicable for the General Assembly meetings.

**a) Convocation:** The General Assembly meeting 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 the stakeholders and media, without, any right to speak at the meeting.

**b) Date and Time:** The ordinary General Assembly meetings shall convene 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 and take resolutions, 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:** The related articles of Turkish Commercial Code and Capital Markets Law and regulation shall be applied in the ordinary and extraordinary meetings of the General Assembly. 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. 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 and provisions of Capital Markets regulations, 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 meetings shall convene at the Company's headquarters or at any other convenient location in Ankara, Istanbul or İzmir.

**f) Participation in Meetings:** The executive directors, at least one member of the BoD, the auditor, at least one of the officers in charge of preparation of financial statements, and at least one officer who is capable of

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

furnishing necessary information about the specific issues included on the agenda thereon, shall attend the General Assembly meeting. If any of the above mentioned 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 and subject to the regulations of the Capital Market Board, in all meetings of the General Assembly, the meeting and decision quorums shall be 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.

**j) 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.

### Article 16: 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 BoD which do not comply with the Mandatory Principles will be invalid and deemed to be in conflict with this Articles of Association.

### Article 17: 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 18: FISCAL YEAR

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

## ARTICLES OF ASSOCIATION OF TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

### Article 19: DISTRIBUTION OF PROFIT

The net profit shown in the annual balance-sheet, calculated by deducting all expenses of the Company which have been paid and accrued, its depreciations, the provisions which must be set aside, and the taxes payable by the Company as a legal entity, from the incomes determined at the end of the accounting year, shall be allocated in the following manner, after deducting previous year's losses, if any.

- a) In accordance with article 519 of the Turkish Commercial Code, 5% statutory reserve fund shall be set aside until the total amount of statutory reserve reaches 20 % of the paid-in capital of the Company,
- b) The first dividend shall, in the amount found by adding the donations amount (if any) to the rest pursuant to the Turkish Commercial Code and the legislation of the Capital Market Board, be set aside.
- c) The remaining portion may be distributed as per the General Assembly resolution or set aside as extraordinary statutory reserve fund and included in the previous year profits.
- d) As per article 519/2(c) of the Turkish Commercial Code, after the payment of the profit share of 5 % to the shareholders, 10 % of the distributable amount shall be added to the statutory reserve fund. In case the profit and/or non-distributed profits shown on the balance sheet are distributed by means of issuance of new gratis shares through capital increase, no statutory reserve fund shall be set aside.

Unless all reserves required by law and the dividend determined for the shareholders as per this Articles of Association are set aside, it cannot be resolved to set aside other reserve funds, to carry forward the profit to the next year or to distribute profit to the holders of usufruct rights, the members of the BoD, and the employees of the Company; and unless the determined profit is distributed, profit cannot be distributed to such persons.

In case the total statutory reserves exceed half of the issued capital, the General Assembly may freely resolve either to utilize or distribute such reserves in excess of half of the issued capital.

The dividend shall be distributed to all existing shares equally without regard to the dates of issuance and acquisition.

The form and time of dividend distribution resolved to distribute are determined by General Assembly after the proposal of Board of Directors.

According to the provisions of this Article of Association, the dividend distribution resolution resolved by the General Assembly cannot be recalled.

### Article 20: ADVANCES ON PROFIT

The General Assembly may resolve to pay to the shareholders advances on profit as per the regulations of the Capital Market Board and the 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 this Articles of Association shall be governed by the relevant provisions of the Turkish Commercial Code, the Capital Market Law and applicable legislation.