

Revision Date: 18.11.2020



PETKİM PETROKİMYA HOLDİNG ANONİM ŞİRKETİ  
ARTICLES OF ASSOCIATION  
INDEX

ARTICLE 1-	FOUNDATION
ARTICLE 2-	TITLE OF THE COMPANY
ARTICLE 3-	PURPOSE AND FIELDS OF ACTIVITY OF THE COMPANY
ARTICLE 4-	HEADQUARTER AND BRANCH OFFICES OF THE COMPANY
ARTICLE 5-	DURATION OF THE COMPANY
ARTICLE 6-	CAPITAL
ARTICLE 7-	INCREASE OR DECREASE OF THE CAPITAL
ARTICLE 8-	SHARE CERTIFICATES
ARTICLE 9-	TYOE OF SHARES AND ASSIGNMENT OF SHARES
ARTICLE 10-	ISSUANCE OF SECURITIES
ARTICLE 11-	BOARD OF DIRECTORS
ARTICLE 12-	QUALIFICATIONS OF AND ELECTION CONDITIONS FOR THE BOARD MEMBERS
ARTICLE 13-	BOARD MEMBERS' TERM OF OFFICE
ARTICLE 14-	WORKING ORDER OF THE BOARD OF DIRECTORS
ARTICLE 15-	MEETINGS OF THE BOARD OF DIRECTORS
ARTICLE 16-	DUTIES AND AUTHORITIES OF THE MEMBERS OF THE BOARD OF DIRECTORS
ARTICLE 17-	REPRESENTATION AND BINDING OF THE COMPANY
ARTICLE 18-	REMUNERATION OF TO THE MEMBERS OF THE BOARD OF DIRECTORS
ARTICLE 19-	GENERAL MANAGER
ARTICLE 20-	DUTIES AND AUTHORITIES OF THE GENERAL MANAGER
ARTICLE 21-	ORGANIZATIONAL STRUCTURE
ARTICLE 22-	AUDITOR
ARTICLE 23-	PRINCIPLES REGARDING AUDITING OF THE COMPANY:
ARTICLE 24-	Cancelled
ARTICLE 25-	Cancelled
ARTICLE 26-	Cancelled
ARTICLE 27-	GENERAL ASSEMBLY OF SHAREHOLDERS
ARTICLE 28-	AUTHORITIES OF THE GENERAL ASSEMBLY
ARTICLE 29-	PLACE OF THE MEETINGS
ARTICLE 29/A-	PARTICIPATION TO THE GENERAL ASSEMBLY MEETING IN ELECTRONIC PLATFORM
ARTICLE 30-	INVITATIONS TO THE MEETINGS AND QUORUM
ARTICLE 31-	APPOINTMENT OF PROXY
ARTICLE 32-	VOTING RIGHT
ARTICLE 33-	VOTING METHOD
ARTICLE 34-	DISCUSSIONS IN THE GENERAL MEETING AND CHAIRMAN
ARTICLE 35-	Cancelled
ARTICLE 36-	FISCAL YEAR
ARTICLE 37-	DETERMINATION OF THE PROFIT
ARTICLE 38-	RESERVE FUNDS
ARTICLE 39-	TIME AND MANNER OF THE PAYMENT OF THE PROFIT
ARTICLE 40-	EXCLUSIVE JURISDICTION
ARTICLE 41-	ANNOUNCEMENTS
ARTICLE 42-	CORPORATE GOVERNANCE PRINCIPLES
ARTICLE 43-	MERGER AND SPIN OFF
ARTICLE 44-	AMENDMENT OF THE ARTICLES OF ASSOCIATION
PROVISIONAL ARTICLE 1-	Cancelled



**PETKIM PETROKIMYA HOLDING A.S.  
ARTICLES OF ASSOCIATION**

**FOUNDATION:**

**Article 1-** Upon the 87/12184 numbered privatization decision of Board of Ministers regarding Petkim Petrokimya Anonim Sirketi, which is published on 30.10.1987 dated and 19619 numbered Official Gazette, based on 13/1 article of 3291 numbered Law, a joint stock company has been founded by the founders whose names, nationalities and domiciles are given below:

- 1- Republic of Turkey Prime Ministry Privatization Board Directorate (Republic of Turkey) – ANKARA
- 2- Military Personnel Assistance and Pension Fund (Republic of Turkey) – ANKARA

**TITLE OF THE COMPANY:**

**Article 2-** Title of the company is PETKIM PETROKIMYA HOLDING ANONIM SIRKETI.

**PURPOSE AND FIELDS OF ACTIVITY OF THE COMPANY:**

**Article 3-** The principal purpose and the fields of activity of the Company are as follows;

- a) To establish and to operate factories, plants either at home or abroad in relation to the petrochemistry, chemistry and such other industrial sectors,
- b) To process and to treat the raw materials and supplementary/auxiliary substances, materials and chemicals necessary for the production of petrochemicals, chemicals and such other materials/substances by procuring such materials/substances either from home or abroad, to produce such materials/substances, and to carry out and to perform the domestic and international trading thereof,
- c) To pack any products, which may be obtained and derived at any stage of the production activities, and to establish packing and packaging industrial plants for such purpose, to recycle and/or to sell any wastes, byproducts and the materials of various qualities, and to establish and to operate plants and facilities for the disposal of the waste materials and hazardous wastes which cannot be recycled, and to offer disposal services to any third persons, and to sell any and all kinds of scraps,
- ç) To establish and to operate new enterprises, which provide the manufacturing and the production of all of the materials and substances listed above, and to establish and to operate the marine and road organizations in relation thereto, to expand the already established enterprises, and to purchase and to operate the already established enterprises in part or in whole,
- d) To commit undertakings for the establishment and operation of the plants and facilities at home and abroad in relation to its scope of activity, and to enter into and to execute cooperation and partnership agreements with domestic and international legal and real persons in relation its own scope of activity, to participate in the already established companies, or to incorporate new companies,
- e) To establish warehouses and sales points and regional organizations either at home or abroad, and to open up branches and liaison offices, and to be engaged in procuring activities, and to participate in the companies which will be engaged in such activities, and to carry out and to perform the wholesale or retail sales and the exportation of its own finished products and products as well as the finished products and products which it imports or purchases,
- f) To be engaged with the activities which are fundamental to the manufacturing and production of the equipment to be used for the maintenance and repair, and the investments for sustainment, perfection, refurbishment of the enterprises, and for new business investments, and to establish any necessary enterprises for such purposes, and to increase the capacity of the machinery, and to

recover any surplus capacity thereof, and to generate the energy needed by the enterprises, when required,

g) To enter into and to execute any agreements for patents, brands, licenses, know-how, procurement and supply, engineering, building & construction and assembly, and such other similar agreements with the domestic and the international firms,

ğ) To carry out and to perform training, research and development activities and operations within the fields falling into its scope of activity, and to have such activities and operations be carried out and performed, and to offer laboratory analysis services for any third persons and organizations,

h) To have shipping and transportation services be carried out and performed, and to carry and to perform shipping and transportation services at particular cases and when required,

ı) In order to meet its need in relation to its scope of activity, to acquire movable and immovable properties, to establish and to revoke real rights on its own or on the immovable properties of others, when required, to dispose, to lease, to lease out any movable properties or real estate, and to establish any usufruct rights and servitudes, encumbrances on real estate, and such other rights either for its favor or against its own, and to sell any immovable and movable properties when required,

ı) Provided that the requisite explanations and statements to be sought by the Capital Markets Board within the scope of any extraordinary circumstances are submitted, to give bails, to warrant guarantees, mortgages and pledge for the favor of the liabilities/debts of its own or of the companies to which it subscribes, and to receive any bails, guarantees, mortgages and pledges, and to release and to amend the same in order to obtain its receivables,

The principles set forth within the frame of the Capital Markets regulation shall be adhered to, when the Company grants guarantees, sureties, warrants or establishes right of mortgage including encumbrance on its behalf and in favor of 3rd parties.

j) In relation to the trading, which is carried out and performed by way of import and export, at the relevant branch of industry, to maintain and handle relations with any and all sectors concerning such industry, to participate in the branches of industry, engineering and consultancy, and to participate in the bids and tenders, and to commit any undertaking thereto,

k) To carry out and to offer engineering services either at home or abroad in relation to the businesses which are within its scope of activity,

l) In order to accomplish its purpose, to borrow from any resources either domestic or international,

m) Establishing partnerships on its subject and acquiring and/or merging with those established, participating in those which shall be established, reserving Capital Market Legislation and provided that these are not in the nature of an investment service or activity (provision 21/1 of the Capital Market Law is reserved),

n) In accordance with the Law 6446 on the Electricity Market, and the related legislation thereto, to establish, operate, acquire and lease power plants to generate electricity and heat/thermal energy, to sell the generated electricity and heat/thermal energy and/or the capacity to other legal persons holding the requisite licenses or to the eligible consumers as per the mentioned and to carry out and to perform the activities in relation to the obtainment of any and all kinds of equipment and fuel in relation to the electricity power/generating plant,

o) To carry out and to perform the activities in relation to the importation or purchase from domestic resources, of natural gas on wholesale and retail basis, utilization, storage of natural gas imported and purchased, in accordance with the legislation thereto,

ö) To carry out and to perform pilotage, trailer and mooring activities, to operate ports, cruise ports, passenger terminals, seaports, docks, harbors, berths, liquid fuel/liquefied petroleum pipeline and buoy systems, and such other similar onshore facilities/plants, and to be involved in port management activities, to offer port, agency, provision, bunkering services, and to provide that such services are offered by 3rd parties either by way of leasing or such other methods when required, and to purchase, to have built and to lease, to sell the necessary vessels/naval platforms, and to



establish either domestic or international partnerships in relation thereto, to operate warehouses, and to offer warehousing services,

p) To support and to donate to the foundations, associations, educational institutions, which have been established for social purposes, and to such other persons, institutions and organizations in accordance with the principles prescribed by the Capital Markets Board. The upper limit for the donations shall be determined by the General Assembly and any donation exceeding this limit may not be made.

The grant, by the Company, of any aid or donation mentioned within the paragraph (p) of the Article 3 of the Articles of Association of the Company, requires prior approval of the Board of Directors of the Company. The donations are made upon making the related special case explanations. Donations made within the year are submitted for the information of the partners in the general assembly and added to the distributable profit base.

#### **HEADQUARTERS AND BRANCH OFFICES OF THE COMPANY:**

**Article 4-** The headquarters of the company is located in the province of IZMIR, district of Aliğa. The address is P.K.12 Aliğa-İZMİR. In the event that the Company undergoes a change of address, the new address shall be registered to the Trade Registry, and published in the Turkish Trade Registry Gazette and this issue shall be notified to the Ministry of Customs and Trade and the Capital Markets Board. The company may open branches, agencies, offices and representative bureaus both inland or at abroad in cases where the company activities require so and with the decision of Board of Directors in accordance with relevant law.

Notification made to the registered and announced address is deemed to be made to the Company. For a Company which moved from its registered and announced address but has not registered its new address within due time, this situation constitute a reason for termination.

#### **DURATION OF THE COMPANY:**

**Article 5-** The Company has been founded for an indefinite time.

#### **CAPITAL:**

**Article 6-** The Company has adopted the registered capital system in conformity with the provisions of the Capital Market Law with number 2499 and has passed to this system as per the permission of the Capital Markets Board dated 07.12.1998 and with number 11838.

The upper limit permit issued by the Capital Markets Board for registered capital is valid for the years between 2018-2022 (5 years). Even if the upper limit permit given is not reached by the end of year 2022, in order for the Board of Directors to be able to adopt a resolution for capital increase after 2022, it is mandatory that an authorization is given in the General Meeting for the upper limit permitted before or a new upper limit by means of getting a permit from the Capital Market Board. If the aforementioned authorization is not taken, capital increase cannot be made with the decision of the Board of Directors.

#### **a) Registered Capital:**

The Registered capital of the company is 4.000.000.000.- ( four billion) Turkish Liras. This capital has been divided into 400.000.000.000 (four hundred billion) shares each having a nominal value of 1.- (One) Kurush.

b) Issued Capital:

The issued capital of the company is 2.534.400.000.- (two billion five hundred thirty four million four hundred) Turkish Liras, divided into 253.440.000.000 (two hundred fifty three billion four hundred forty million) shares, each having a nominal value of 1.- (One) Kurush. All the capital has been paid in.

c) The Board of Directors shall be authorized to increase the issued capital for years 2018 – 2022 when it deems appropriate, on condition that the provisions of the Capital Market Law are adhered to and that such increase is within the upper limit for registered capital.

The shares constituting the capital will be followed up within the framework of the shares representing capital.

**INCREASE OR DECREASE OF THE CAPITAL:**

**Article 7-** When deemed necessary, the capital of the Company can be increased or decreased within the framework of Turkish Commercial Code and the Capital Markets Law. The shareholders shall have legal preemption rights on the capital to be increased by means of issuance of new shares. The principles and procedures for use of preemption rights and the value of issuance of the shares to be given to shareholders will be determined by the Board of Directors and announced in the manner written in the articles of association .

However, the C group share will not participate in these increases and continue its existence as 1 (one) share.

**SHARE CERTIFICATES:**

**Article 8-** The shares of the company have been divided into two groups as A and C Groups and they have been distributed to the shareholders pro rata to their shareholdings as shown herein below:

Share Group	Name Of Shareholder	Share Type	Amount of Shares	Value of the Shares (TL)
A	Socar Turkey Petrokimya A.Ş.	Registered	129.254.400.000,43	1,292,544,000,00
A	Other	Registered	124.185.599.998,57	1.241.855.999,99
C	Privatization Administration	Registered	1	0,01
<b>Total</b>			<b>253.440.000.000,00</b>	<b>2.534.400.000,00</b>

C group share belongs to Privatization Administration. The privileges granted to C group share by the Articles of Association shall continue to be valid as long as Privatization Administration owns the C group share. With the conversion of the C group share into A group, the “right to nominate member for the Board of Directors” granted to C group as per Article 11 of the Articles of Association shall cease to exist.



In case it is decided to abolish the rights granted to C group share as per the last paragraph of Article 15, such share shall transform into A group share. In this case, C group's right to nominate a candidate for Board of Directors shall cease to exist.

#### **TYPE OF SHARES AND ASSIGNMENT OF SHARES:**

**Article 9-** Company's shares are registered. The Company cannot issue bearer shares other than publicly traded shares.

Except publicly traded shares, validity of assignment of registered shares shall be subject to the approval of the Board of Directors. In order for the Board of Directors to approve the assignment of shares, it is mandatory that the member of the Board of Directors appointed in representing the C group share casts a positive vote.

The C group share can be assigned to another Turkish Public Institution as per the authorities granted to the Directorate of the Privatization Institution by the Law with number 4046. In that case, assignment will be registered to the company share book at once without need for any resolution of the Board of Directors.

Until the Company obtains production license from Energy Market Regulatory Authority, the Company cannot make transactions leading to direct/indirect change of shareholding structure of the Company or transfer shares other than inheritance and bankruptcy and the exceptions stated in Article 57 of the License Regulation. These provisions do not apply to the publicly traded shares.

Following the obtainment of production license, it is mandatory to obtain prior approval of the Energy Market Regulatory Authority for direct/indirect share transfers that represent 5% or more of the share capital of the company or the transactions that lead to change in the shareholding structure of the Company. These provisions do not apply to the publicly traded shares.

Provisions of Capital Markets legislation are reserved.

#### **ISSUANCE OF SECURITIES:**

**Article 10-** The Company may issue bonds, commercial papers, participation dividend certificates, debenture bonds, certificates of profit and loss partnership and all securities to be accepted by the Board of Capital Market to be sold to real and legal persons both inland and at abroad in accordance with the provisions of the Turkish Commercial Law, the Capital Market Law and other current laws and legislation in force.

Securities within the scope of this Article may be issued by the resolution of the Board of Directors pursuant to the current legislation pertaining to the Decision of Board of Directors.

#### **BOARD OF DIRECTORS:**

**Article 11-** The management and representation of the Company will be under responsibility of the Board of Directors. The Board of Directors will be authorized to carry out all duties except for the duties assigned specifically for the General Meeting. The Board of Directors shall comprise of 9 (nine) members to be appointed in the General Meeting. When appointing the members of the Board of Directors during the General Meeting, it is mandatory that 1 (one) candidate to be nominated by the C group shareholder are appointed.

The numbers and characteristics of the independent members of the Board of Directors that will be appointed to the Board of Directors shall be determined according to the regulations of the Capital Markets Board about corporate governance. Independent members of the board of directors will be appointed in accordance with the procedures and principles set forth in these articles of association and the regulations of the Capital Market Board about corporate management.

In the event that a vacancy occurs in membership to the Board of Directors as a consequence of a death, resignation or cancellation of membership, the position will be filled in as per the election to be made by the Board of Directors as per article 363 of Turkish Commercial Code. The member of the Board of Directors to be appointed shall be submitted for approval in the first General Meeting. In the event that membership of the person is approved in the General Meeting, such person shall complete the duty term of the member that he is replacing. In the event of a vacancy in membership of a member of the Board of Directors appointed by the C group shareholder, appointment shall be made from among candidates to be nominated by C group shareholder.

In the event that a vacancy occurs in the independent membership to the Board of Directors, the regulations of the Capital Markets Board about corporate governance shall apply.

Positions and working principles of the committees to be formed under the Board of Directors shall be determined by the corporate governance regulations of the Turkish Commercial Code, Capital Market Law and Capital Market Board and the related legislation provisions.

#### **QUALIFICATIONS OF AND ELECTION CONDITIONS FOR THE BOARD MEMBERS:**

**Article 12-** Members of the Board of Directors shall be elected from among real persons, who are fully competent , preferably university graduate, who have technical knowledge and/or general financial and legal knowledge and managerial experience in the fields of activity in which the Company is engaged, who have not been placed under interdiction and have not been sentenced to disgraceful offenses and who have the opportunity and determination to participate in all meetings of the board of directors. Independent Board Members shall be elected from among the persons bearing the qualifications required as per the regulations of the Capital Markets Board in relation to corporate governance. The persons, who do not bear some of those qualifications, may be elected as independent board members in accordance with the principles and the procedures prescribed by the Capital Markets Legislation in the event that the referred legislation allows such election.

If a legal entity is appointed as a member of the Board of Directors, only one real person determined by the legal entity and acting on behalf of the legal entity will be registered and announced; furthermore, registry and announcement will also be announced on the Website of the Company. Only this registered person can participate in meetings and cast votes on behalf of the legal entity. It is mandatory that the person to be registered on behalf of the legal entity is fully competent

The members of the board of directors, the shareholders holding the managerial control of the Company, senior executives and the spouses and the kinsmen and the relatives by marriage up to second degree of such persons shall be subject to Turkish Commercial Code and the regulations of the Capital Markets Board in relation to corporate governance, for entering into any business with or entering into competition with the Company or the affiliates thereof.

Members of the Board of Directors may not be present in the discussions about matters for which there is a conflict of interest between themselves or their spouses or blood relatives or relatives by marriage and the Company. In the event that such matters are to be discussed, they will be obliged to inform the Board of Directors about the matters and have the matter recorded in the minutes of the meeting.

#### **BOARD MEMBERS' TERM OF OFFICE:**

**Article 13-** The members of the Board of Directors shall be elected for a maximum term of office of 3 (three) years. The General Assembly may dismiss Board members before the expiry of the term. Board members whose term of office has expired may be re-elected.

#### **WORKING ORDER OF THE BOARD OF DIRECTORS:**

**Article 14-** The Board of Directors will appoint a Chairman and at least one Deputy Chairman each year in its first meeting. The authority to invite the Board of Directors to meeting is vested to the Chairman and to the deputy Chairmen in his absence. The Chairman or the Deputy Chairman in his absence has to invite the Board of Directors for a meeting upon request of 2 members.

#### **MEETINGS OF THE BOARD OF DIRECTORS:**

**Article 15-** Meetings of the Board of Directors can be held in electronic platform or they can also be held in a manner in which some members are physically present and some members participate electronically. Meetings of the board of directors in which there is physical participation will be held at the company headquarters or a suitable location. Meetings of the Board of Directors shall be held when the business of the company deems it necessary and with the participation of minimum 5 (five) members. Resolutions of the board of directors will be adopted by affirmative opinions of five members. Unless neither member requests that a meeting is held, resolutions of the board of directors can be adopted with the affirmative votes of minimum 5 (five) members to a proposal submitted by any member in the form of a resolution. Every year the Board of Directors shall make decisions regarding the establishment of the committees following the General Assembly meeting.

The validity of the decisions of Board of Directors depends on the fact that they are in writing and signed. In case a decision quorum on a certain subject matter cannot be constituted, then the referred subject matter is deemed as rejected.

The validity of the decisions that are to be taken by the Board of Directors on the following matters is subject to the affirmative vote of the member of Board of Directors elected from C group;

- a) Submission of the amendments to the Articles of Association that will affect the privileges assigned to C Group share to the General Assembly's approval,
- b) Registration of the transfer of registered shares on the share ledger;
- c) Determination of the form of Power of Attorney indicated in the Article 31 of the present Articles of Association ;
- ç) Decisions envisaging a 10% decrease in the capacity of any plant owned by the company;
- d) Establishment of a new company or partnership, acquisition of a company, participating to and/or merging with existing companies, demerger of the Company, changing the type of the Company, termination and liquidation of the Company.

For the transactions, which are deemed to be Significant Transactions, and any and all kinds of related party transactions of the company, and the transactions in relation to granting any guarantees, pledges and mortgages for the favor of any third persons, the mandatory regulations in relation to Corporate Governance Principles of the Capital Markets Board shall be adhered.

Invitations to the Board of Directors meetings and the agenda of the meetings will be notified to the members of the Board of Directors minimum three days in advance.

Those entitled to participate in the board of directors meeting of the company can also participate these meetings electronically as per article 1527 of Turkish Commercial Code. The



Company can set up an Electronic Meeting System that will provide the opportunity for beneficiaries to participate these meetings electronically in conformity with the provisions of the Notice about "Meetings other than General Assembly Meetings of Incorporations to be held electronically". During the meetings to be held, the system set up as per this provision or the system that will provide support services will be used in order for beneficiaries to exercise their rights written in the relevant regulations within the framework stated in the Notice .

The privileges of the C group may only be limited or abolished with an amendment to be duly made in the articles of association upon the decision of Higher Commission of Privatization or the competent authority at that date.

#### **DUTIES AND AUTHORITIES OF THE MEMBERS OF THE BOARD OF DIRECTORS:**

**Article 16-** The Board of Directors of the Company is its body for representation and management. The Board of Directors shall carry out all duties for management and representation of the Company except for the authorities granted specifically for the General Meeting in its articles of Association and is vested with all the authority required for carrying out the duties.

The Board of Directors may, by issuing an internal directive, delegate all or part of its management and representation authorities to one or more of its members, a General Manager that is not a Board Member, one or more managers and it can also establish executive committees from among its members or externally in order to perform these duties and exercise the authorities. However, the Board of Directors may not delegate authority about matters referred to in article 375 of Turkish Commercial Code and for which there are C group concessions.

All information and document that the members of the Board of Directors will need when performing their duties will be submitted to them upon request for review.

#### **REPRESENTATION AND BINDING OF THE COMPANY:**

**Article 17-** The authority of representation against third parties of the Company belongs to the Board of Directors. The Board of Directors may appoint all or part of these authorities to others. It is mandatory that at least one member of the Board of Directors is vested with the authority of representation. Any document to be issued by the company or a deed to be executed must be signed jointly with two signatory authorities of the company and their signature should be accompanied by the trade name of the company.

The transfer of the representational authority may not be valid unless a notarized copy of the decree defining the persons authorized **to represent and their representations is registered to the trade registry and announced. Limitation of the authority to represent does not bind third parties with good faith** but registered and announced limitations shall be valid when the representational authority is specified for only the work of a center or a branch or for using it together.

#### **REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS:**

**Article 18-** Members of the Board of Directors will receive a monthly or annual remuneration or a certain remuneration for each meeting, to be determined in the General Assembly Meeting. In addition to this remuneration and allowances, premiums and bonuses can also be paid to the Members of the Board of Directors upon a resolution to be adopted in the General Assembly Meeting in that respect.

#### **GENERAL MANAGER:**



**Article 19-** General Manager shall be appointed by the Board of Directors who will be authorized to determine the salary and other working conditions of the General Manager.

**DUTIES AND AUTHORITIES OF THE GENERAL MANAGER:**

**Article 20-** Duties and authorities of the General Manager are determined by the Board of Directors. General Manager is liable to show due diligence in performance of his/her duties, and shall be responsible from acts in contradiction therein with.

**ORGANIZATIONAL STRUCTURE:**

**Article 21-** The organizational structure of the Company, employment conditions of the personnel, principles and procedures related to the remuneration shall be determined by the Board of Directors.

**AUDITORS:**

**Article 22-** The Auditor will be elected by the General Assembly of the Company for each operating year. Following the election, the Board of Directors will immediately register the auditor to the Trade Registry and announce the matter in the Turkish Trade Registry Gazette and on the website of the Company.

**PRINCIPLES REGARDING AUDITING OF THE COMPANY:**

**Article 23-** The provisions of articles between 397 and 406 of Turkish Commercial Code, the Capital Markets legislation and other relevant legislation will apply for auditing of the Company.

**DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE AUDITORS:**

**Article 24-** This article is removed from the articles of association.

**REMUNERATION OF THE AUDITORS:**

**Article 25-** This article is removed from the articles of association.

**EXTERNAL AUDITING:**

**Article 26-** This article is removed from the articles of association.

**GENERAL ASSEMBLY OF SHAREHOLDERS:**

**Article 27-** The meetings of the General Assembly of Shareholders are held as ordinary or extraordinary meetings. The ordinary meetings of the General Assembly are held at least once a year and within 3 (three) months after the end of the accounting period. The subjects of the agenda are discussed and decisions are taken regarding them during these meetings. Extraordinary General Assembly may be held at any time deemed necessary.

**AUTHORITIES OF THE GENERAL ASSEMBLY:**

**Article 28-** The General Assembly is the decision making organ having the authorities stipulated in the Turkish Commercial Code and other laws pertaining thereto.

**PLACE OF THE MEETINGS:**



**Article 29-** The General Assembly convenes at administrative headquarter of the Company; in an appropriate place in the city where administrative headquarter is located; or in another place in the country provided that announcements shall be done in accordance with the legal procedures.

**PARTICIPATION TO THE GENERAL ASSEMBLY MEETING IN ELECTRONIC PLATFORM:**

**Article 29/A-** Right owners granted with the right to participate in General Assembly Meetings can participate in these Meetings by electronic platform as well as per the provisions of article 1527 of Turkish Commercial Code. As per the provisions of the Regulation about "General Meetings To Be Held By Incorporations In Electronic Platform", the company can set up the electronic general assembly meeting system or purchase services from the systems established for this purpose, in order to be able to hold a general assembly meeting in electronic platform in which members can attend express their opinions, make proposals and cast votes. In all General Assembly Meetings to be held, as per the provisions of this article about articles of association, the right owners and their representatives will be entitled to exercise their rights referred to in the provisions of the regulation through the system to be installed.

**INVITATION TO THE MEETINGS AND QUORUM:**

**Article 30-** Announcements for General Assembly meetings shall be made at least 3 (three) weeks before, except the announcement and meeting days, pursuant to Article 414 of the Turkish Commercial Code and the regulations of the Capital Markets Board in relation to corporate governance, in the Turkish Trade Registry gazette and on the web site of the Company by specifying the date, hour and place of the meeting. The Company does not have an obligation to send registered mails for the notification of the date of the meeting to the shareholders possessing company shares traded on the stock exchange. The agenda of the assembly should be attached to the Announcement. All issues required to be announced and all other notifications and explanations required to be made to the shareholders together with the general assembly meeting announcement as per the provisions of Capital Markets Law and relevant legislation shall be posted on the website of the Company. These points are announced in the Public Disclosure Platform and the related special case explanations are made.

The General Assembly gathers with the participation of the shareholders possessing at least one fourth of the company capital, except the circumstances requiring a higher quorum in accordance with the Turkish Commercial Code and these Articles of Association, the decisions are taken with the majority of the present votes.

In the event that the above mentioned quorum is not established in the first meeting, invitation will be made once again for General Assembly Meeting and the amount of capital represented in the second meeting will not be taken into consideration and the resolutions will be adopted by majority votes of the shares represented. The provisions of Turkish Commercial Code about meetings and quorum for meetings to be held for amendment of the articles of association shall be reserved. In the event that resolutions subject to approval of the member of the Board of Directors representing the C group require a resolution of the General Meeting, adoption of such resolutions shall be subject to the affirmative vote of the C group shareholder.

Provisions about special meeting of owners of concessionary shares and the quorum for those meetings shall be subject to the regulations of Turkish Commercial Code.

In the event that the transactions which are deemed to be Significant Transactions, and any and all kinds of related party transactions of the company, and the transactions in relation to granting any guarantees, pledges and mortgages for the favor of any third persons are submitted to the approval of the general assembly as per the mandatory regulations in relation to Corporate



Governance Principles of the Capital Markets Board, general assembly meeting and decision quorums shall be determined in accordance with the regulations of the Capital Markets Board.

Shareholders representing minimum one twentieth of the capital of the company may request from the board of directors, by indicating the reasons and agenda, that an invitation is made for a general assembly meeting or if a general assembly meeting is already to be held, then the agenda items they wish to be discussed are included in the agenda of the meeting. In the event that the request of the shareholders for holding a general assembly meeting or adding new items to the agenda are refused by the Board of Directors or that the request is not responded in affirmative manner within 7 (seven) working days, the commercial court of first instance located in the place where the headquarters of the company is located can, upon request of the same shareholders rule that an invitation has been made for general assembly meeting.

It is mandatory that the managing directors and at least one member of the board of directors, the auditor and those that should furnish explanations about the agenda items are present in the general assembly meetings.

Unless otherwise is decided by the General Assembly, the meetings are held in a manner open to the relevant persons and press, however the participants of the meeting without obtaining an entry card with the capacity of shareholder or proxy do not have the right to talk and vote.

#### **APPOINTMENT OF PROXY:**

**Article 31-** Shareholders can have themselves represented in the General Assembly Meetings by a proxy by means of issuance of a power of attorney. The proxy, in order to be able to participate in the General Meeting, should have submitted the power of attorney to the Company during the general meeting and before establishment of the presiding board. The Board of Directors will determine and announce the form of the power of attorneys within the framework of the regulations of the Capital Market Board. Provisions about appointment of the proxy electronically during general assembly meetings to be held in electronic platform are reserved.

The regulations in the Turkish Commercial Code and the Capital Markets regulation will apply for representation of shareholders.

#### **VOTING RIGHT:**

**Article 32-** The voting rights of each shareholders in the General Assembly Meetings will be calculated by means of comparison of the total of the nominal value owned by the shareholder with the nominal value of the capital of the company.

Turkish Commercial Code, Capital Market Law and the related legislation provisions are complied with.

#### **VOTING METHOD:**

**Article 33-** Shareholders physically present in the General Meetings will cast votes by means of raising hands. However, upon request of shareholders representing one tenth of the capital owned by the shareholders present and by approval of the General Meeting, secret voting can be adopted. Regulations of the Capital Market Board about the matter are reserved.

#### **DISCUSSIONS IN THE GENERAL MEETING AND CHAIRMAN:**

**Article 34-** Chairman, either one of the Deputy Chairmen or one of the Members of the Board of Directors will chair the general meetings in his/her absence of the Board of Directors.

The chairman of the General Meeting will constitute the presiding board by appointing the secretary of the meeting and the recorder of votes if finds necessary. The chairman will be responsible to provide that the meeting is held in conformity with the laws. Minutes of the general meeting will be signed by the presiding board and the Representative of the Ministry of Customs and Trade.

#### **DOCUMENTS TO BE SENT:**

**Article 35-** This article is removed from the articles of association.

#### **FISCAL YEAR:**

**Article 36-** The fiscal year of the Company starts on the first day of January and ends on the last day of December.

#### **DETERMINATION OF THE PROFIT:**

**Article 37-** - The amount remaining after deducting all kinds of expenses acceptable within the framework of the regulations in effect will constitute the net profit of the company.

Legal reserves and taxes will be set aside from this net profit as per the provisions of article 38. An amount and rate to be determined by the Capital Market Board from the amount remaining will be divided to the shareholders as first dividend in the ratio of their shares. From the amount remaining, an amount not exceeding 0.1% of the total profit will be distributed to the members of the Board of Directors as profit share.

Unless a different resolution is adopted in the general meeting, the remaining profit will be distributed as second dividend in the ratio of their paid in capital shares.

Unless the legal reserves that need to be set aside as per the provisions of the laws in effect are set aside and unless first dividends are set aside for the shareholders as per the articles of association, no resolutions will be adopted for setting aside other legal reserves, to transfer profit to the following year, to distribute profit shares to the Members of the Board of Directors and officers, employees and workers.

The Board of Director can distribute dividend advance on condition that it has been authorized in that respect in the General Meeting, and that provisions of article 15 of the Capital Markets Law and the regulations of the Capital Market Board about the matter are reserved. The authority granted to the Board of Directors in the General Meeting to distribute dividend advance is limited with the year for which authority is given. No resolution can be adopted to grant additional advance dividend and/or distribute dividend unless the dividend advances of the previous year are offset fully.

Donations made within the year are taken into consideration when the first dividend base is determined.

Dividends are distributed in the distribution date, to all of the current shares in equal regardless of their issue and acquisition dates.

The distribution type and time of the profit to be distributed shall be decided by the General Assembly upon such offer by the Board of Directors.

The decision of dividend distribution taken according to the provisions of this articles of association by the General Assembly may not be revoked.

#### **LEGAL RESERVES:**

**Article 38-** The Company shall continue to set aside legal reserves in the ratio of 5% from its net profit until it reaches 20% of its issued capital. (The provisions of article 519 of Turkish Trade Code are reserved). In the event that legal serves fall below the level of 20% of the issued capital for any reason whatsoever, the company will continue to set aside legal reserves until it reaches that same amount.

#### **TIME AND MANNER OF THE PAYMENT OF THE PROFIT:**

**Article 39-** The General Assembly determines the time and type of payments of profit by taking the communiqués of the Board of Capital Market.

#### **EXCLUSIVE JURISDICTION:**

**Article 40-** The competent courts for the conflicts between the Company and the shareholders are the courts and execution offices of the city in which the company headquarter is located.

#### **ANNOUNCEMENTS:**

**Article 41-** Announcements about the Company will be made on the Company website and in the Turkish Trade Registry Gazette under the conditions specified in the Turkish Commercial Code. The provisions of the laws and bulletins will apply for announcements that need to be made as per the provisions of the Capital Markets Law.

Financial statements and reports that the Capital Market Board stipulates to be drawn up and independent audit reports are publicly disclosed within the frame of the regulations by the Capital Market Board.

#### **COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES**

**Article 42 –** Corporate Governance Principles, implementation of which is prescribed to be mandatory by the Capital Markets Board, shall be adhered. Transactions, which are performed by not complying with the mandatory principles, and the board resolutions so adopted, shall be ineffective, and shall be deemed to be contrary to the Articles of Association.

The Company and the organs thereof, shall endeavor to act meticulously for complying with the Corporate Governance Principles, implementation of which are not prescribed as mandatory by the Capital Markets Board. However, if the mentioned principles are not practiced in full, then the grounds for such situation shall be stated within the annual report, and a disclosure in relation thereto shall be made.

#### **MERGER AND SPIN OFF**

**Article 43-** The Company has to obtain the prior approval of the Energy Market Regulatory Authority if the Company;

- a) wishes to merge with a license holder company;
- b) wishes to merge with a non-license holder company within the Company's structure or a license holder company's structure or
- c) wishes to spin off.



If the merger or spin off transaction is not realized within six months following the approval, the approval becomes void. In such a case a new approval is required for spin off or merger.

Provisions of Capital Markets legislation in relation to merger and spin off are reserved.

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

**Article 44-** The approvals of the Capital Markets Board of Turkey and Customs and Trade Ministry are required for the amendment of the articles of association. Further, until the Company obtains production license from Energy Market Regulatory Authority, it is mandatory to obtain the approval of Energy Market Regulatory Authority for articles of association amendments with respect to type of shares; change in shareholding structure and decrease in share capital.

Following the obtainment of production license, it is mandatory to obtain approval of the Energy Market Regulatory Authority for articles of association amendments with respect to type and transfer of shares; merger and spin off clauses and decrease in share capital.

#### **PROVISIONAL ARTICLE-1:**

This article is removed from the articles of association.