

**VESTEL ELEKTRONIK  
SANAYI VE TICARET  
ANONIM SİRKETİ  
ARTICLES OF ASSOCIATION**

**Article 1**

**Incorporation :**

Pursuant to the provisions relating to immediate formation of joint stock companies, a Joint Stock Company has been incorporated by the real persons whose names and surnames, addresses written below to be administered and managed according to the provisions of this Articles of Association, Turkish Commercial Code and other legislation.

- 1- Hatice Nuran Şakir  
T.R. national, with residence at Çankaya Cd.No:28 Büyükkada İstanbul
- 2- Mehmet Yener Şakir  
T.R. national, with residence at Çankaya Cd.No:28 Büyükkada, İstanbul
- 3- Şerafettin Durugönül  
T.R. National with residence at Bağlayan Sk.31/2 Küçükesat, Ankara
- 4- Hüseyin Avni Erten  
T.R. national with residence at Keşaneler Sk.No:34/B Da:2 Erenköy, İstanbul
- 5- Sebahat Erten  
T.R. national with residence at Keşaneler Sk.No:34/B Da: 2 Erenköy, İstanbul
- 6- Nayırlı Isıl Kurtoglu  
T.R. national with residence at Nurettin Ali Berkol Sokak No:16 Erenköy, İstanbul

**Article 2**

**Commercial Title:**

The Company's Commercial Title is:

**Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi**

**Article 3**

**Subject and Object:**

**Company's Object:**

The Company's object is manufacturing of electronic equipment, tools, devices, spare parts, accessories components, video and television. The Company may also engage in the following activities in order to achieve its objective.

- A. Within the scope of Company's subject, import, export, production of machinery , components, accessories and systems to be used in processing of raw material, semi-finished and finished products;
- B. Within the scope of Company's object, import, export, production, brokerage, contracting domestic national and international representation, marketing activities;
- C. In order to provide sustainability of operations, the Company may obtain long, mid and short term loans from the local and foreign markets, tourism and similar finance facilities, guarantee and merchandise credits, imports credits, bank credits, advance and similar credits against stocks and bonds;

- D. Within the scope of Company's object, the Company may involve in industrial and commercial investments;
- E. In order to achieve the targeted object, the Company may carry out all kinds of financial, industrial, administrative activities and administrative transactions;
- F. The Company may enter into partnerships with real/ legal entities, form joint ventures, involve in current commercial transactions within the scope of its subject, excluding brokerage and portfolio management; within this scope , it may acquire, sell, exchange, pledge shares, bonds and other movable properties and offer the same as guarantee. Also, pursuant to article 468 of TCC, the Company may establish foundations, or participate in the existing foundations in conformity with the Capital Market legislation, provided that the activities are maintained within its subject and may not create hindrance to operations. In accordance with the Capital Market legislation by resolution in the general meeting, share from the net profit can be allocated to these foundations.
- G. The Company may acquire, transfer and waive, lease, rent machinery and plants, immovable properties and may establish liens, usufruct, servitude, and liabilities, flat ownership and usufruct on the immovable, including acquisition, transfer, waiver of factories, outlet stores and administrative buildings;
- H. Within the scope of Company's object, it may receive and extend mortgage, pledge, security and other guarantees, and lift mortgages and pledges, in part or as a whole (release of mortgage) to cover the Company's debts and receivable.
- I. In order to provide sustainability of operations, the Company may further acquire, transfer necessary vehicles (including ship) and may constitute jus in personam and jus in rem on these properties;
- J. In connection with the Company's object, it may acquire, transfer/waive trademarks, patents, know-how and other industrial properties and may enter into license agreements relating to these properties;

Whenever required to engage in activities other than the activities and transactions listed above, the Board Directors shall submit its proposal to the General Assembly for approval and the Company will be entitled to undertake such activities based on the relevant decision.

In this context, prior approval and consent of the Capital Market Board and Ministry of Industry shall be referred to for amendment of the Company's Articles of Association.

**Article 4-  
Company's Headquarters and Branches:**

Company's Headquarters is registered at Istanbul Province, Avcılar District.  
Company's Address: Zorlu Plaza 34310 Avcılar-Istanbul.

The address changes are entered into Commercial Registry records and announced in the Turkish Commercial Registration Gazette and simultaneously notified to the Ministry of Industry and Commerce and Capital Market Board. The notices served to the registered and announced address are considered to have been delivered to the Company. Failure to register and notify the new address within the prescribed period upon departure from the former address constitutes the ground of termination with respect to the Company.

The Company may open branches, offices, representations and liaison bureaus in and outside the country by notifying the Ministry of Industry and Commerce and Capital Market Board.

#### **Article 5**

##### **Company's duration:**

The legal validity of the Company is not limited to a period.

#### **Article 6**

##### **Company's Capital:**

The Company adopted the registered capital system in accordance with the provisions of Capital Market Law no 2499 amended by the Law No 3794 and the operations are conducted according to this system based ON THE CONSETN OF THE Capital market Board dated 22/11/1990 and No 877.

The registered capital of the Company is TL 440,000,000(Four Hundred Forty Million Turkish Lira), divided into 44,000,000,000(Forty Four Billion) share, each with a nominal value of 1 Kuruş. The registered capital ceiling granted by the Capital Market Board is valid between the years 2008-2012 (for 5 years). If the Company does not reach the granted registered capital ceiling at the end of 2010, the Board of Directors has to obtain a authorization from the General Assembly for entitlement to a new period for the previous ceiling or the new ceiling to be granted under the consent of the Capital Market Board in order to take capital increase decision. In case of non-awarding of authorization, the Company is considered to have withdrawn from the registered capital system.

The increased capital of the Company is TL 335.456.275,00 (Three Hundred Thirty Five Million Four Hundred Fifty Six Thousand Two Hundred Seventy Five), which is fully paid up.

The shares representing the capital are distributed as follows:

Kind	: Bearer
Quantity	: 33,545,627,500
Share Amount (TL)	: 335,456,275.00

Whenever deemed necessary, the Board of Directors is authorized to raise the increased capital by issuing bearer shares according to the provisions of Capital Market Law up to the registered capital ceiling. The Board of Directors is also empowered to issue shares above the nominal value and to bring limitation to new share acquisition rights of the shareholders. The items within the content of this article are announced according to the Company's Articles of Association, Turkish Commercial Code, Capital Market Board Law and relevant legislation. No bearer share can be issued unless the share amounts are fully paid.

Without prejudice to the provisions of Turkish Commercial Code, Capital Market Law and this Articles of Association, the Company's shares can be freely transferred.

While the nominal value of the shares was 1.000.-TL, later on, pursuant to the Law amending Turkish Commercial Code No 5274, it was converted into 1 New Kuruş and with a subsequent adaptation in the Ministers Council Decision dated 4 April 2007 and No 2007/11963, the expression "New" used in New Turkish Lira and New Kuruş is repealed as of 1 January 2009 and accordingly, the nominal value is revised as 1 Kuruş. Based on this amendment, there has been decrease in total number of shares, and 1 share with a nominal value 1 Kuruş is granted against 10 shares with nominal value TL 1000. The rights vested in the shareholders by virtue of shares hold as a result of the above mentioned amendment are reserved. The use of expression "Turkish Lira" in this Articles of Association is due to enforcement of a/m Ministers' Council Decision.

The quoted shares are pursued in accordance with the quotation principles.

#### **Article 7**

This article is repealed as it is covered under Article 6.

#### **Article 8**

This article is repealed as it is covered under Article 6.

#### **Article 9**

This article is repealed as it is covered under Article 6.

#### **Article 10**

##### **Form of Share Certificates**

This article is fully repealed.

#### **Article 11**

##### **Issuance of Debentures, Profit and Loss Partnership Certificate**

The Company may issue all kinds of debentures in accordance with the Turkish Commercial Code, Capital Market Law and relevant legislation.

The Company is also entitled to issue profit and loss partnership certificates within the frame of the procedure and principles set forth in the Communiqué Serial No 3 No:2 of Capital Market Board related to issuance of profit and loss partnership certificates stipulated in the Decision No 30 On Protection of Value of Turkish Currency. Additionally, the Company may circulate bonds and other valuable instruments subject to the consent of the relevant authorities. The General Assembly is responsible for determination of the issuance conditions, including quantity and time in the resolution to be passed related to issuance of debentures, profit and loss partnership certificates, commercial papers and other valuable instruments within the frame of Capital Market Law.

#### **Company's Accounts**

##### **Article 12**

##### **Board of Directors**

The Company is administered, represented and bound by the Board of Directors comprising at least three, at most eleven members to be selected by the General Assembly among the shareholders. The Board of Directors is the authority to administer, represent and bind the legal entity/ corporation. The membership of the real persons elected to the Board of Directors in representation of partner legal entities automatically terminates as soon as representation relation with the partner legal entity is abandoned.

The majority of the members in the Board of Directors comprise individuals who have no function in other executive committees.

The members of the Board of Directors are nominated among the eligible persons, preferably with high education and fully equipped with knowledge on the activities and management of the Company and relevant sector, at the same time, who has the capacity to read and understand the financial tables and reports, and to participate in the meetings organized by the Board of Directors to discuss the annual budget , and to provide support by sharing knowledge on legal adaptations observed by the Company during daily and long-term transactions and dispositions.

The age limit for the members of the Board of Directors is 75. The members over the age of 75 are imposed to resign.

Pursuant to Article 319 of the Turkish Commercial Code, the Board of Directors may delegate part of its authority and duties to a managing directors or any other manager(s).The managing director can be any one among the members of the Board of Directors

It is a must to admit at least two independent members (1/3) to the Board of Directors. The Chairman or Vice Chairman of the Board of Directors is selected among the independent members.

The independent members must possess the credentials announced in the Corporate Governance principles published by the Capital Market Board (CMB) (or Vestel A.Ş. Sovereignty Criteria).

### **Article 13**

#### **Term of Membership and Vacancies**

The Board of Directors serves for a period of at most three balance sheet years. The members can be re-elected at the end of the third year.

The General Assembly may any time change the members of Board of Directors. In case of vacancy in any one of memberships due to dismissal, resignation and death and other reasons listed in subsection 3, article 316 of the Turkish Commercial Code, the appointment of a new member is undertaken by the remaining members. The new member(s) appointed in this manner serves until the next ordinary or extraordinary General Assembly and official appointment of the member is subject to the approval of the General Assembly.

### **Article 14**

#### **Guarantee Condition**

Before taking office, each of the members appointed to the Board of Directors is liable to pledge one share certificate with a nominal value 1 New Kuruş until the next meeting of the Board of Directors. This guarantee can be extended by another shareholder on behalf of the Board member. Such security bonds are kept by the Board of Directors in the Company's cashier's office. These security bonds, which are in the form of a pawn against the liabilities arising out of membership status, may not be transferred to any other party. The dividend corresponding to the share certificates extended as security are paid to the stakeholders without seeking their presentation. In the event of termination of Board membership for any reason whatsoever, the bonds delivered as security are returned to the owners at the end of the third year following the discharge decision of the general Assembly.

### **Article 15**

#### **Representation of the Company:**

It is the Board of Director's responsibility to execute transactions on behalf of the Company, to represent and bind the Company before the third parties. In order to consider the documents and certificates issued and written on behalf of the Company, including contracts and other engagements, these documents should contained the signature(s) of the person(s) authorized to represent and to affix his/her signature on the official seal of the Company as specified in the registered and announced signature circulars.

### **Article 16**

#### **Organization of Board of Directors**

#### **Meeting Form and Quorum**

Irrespective of service period, a chairman and a vice chairman to act in the absence of chairman is selected among the members in the first meeting of the Board of Directors following the annual

ordinary General Assembly meeting. The chairman and vice chairman whose office period is terminated can be re-elected. The meeting of the Board of Directors is held whenever deemed necessary and in any case, at least once a month at the Company's Headquarters. The Board of Directors is called for meeting by the Chairman and in his/her absence by the Vice-Chairman. The shareholders holding shares with a value at least 1/20 of the Company's capital and stakeholders may call the Board of Directors to convene a meeting. The request for call is made to the Chairman of the Board of Directors. In case the Chairman sees no reason for convening immediate meeting, he/she can bring the proposed subject to argument in the next Board meeting. (The Board of Directors meets with the attendance of half plus one of the total number of members and the resolutions are passed with the unanimous approval of the attendees. In case of parity of votes, the subject is re-discussed in the next meeting. If no change occurs in parity in this meeting, then the proposal is assumed to have been rejected.

It is necessary to publicize the grounds of negative vote casted by the independent members in the Board of Directors' meeting.

The members of the Board of Directors are not entitled to privileged vote. Each member possesses one voting right.

In addition to the members, the top or mid level executives can be invited to the Board meetings to furnish clarification and to further enlighten the members on the agenda items.

Call for the meeting is made at least 7 days before the meeting date and the Board members are supplied the necessary documents and information related to the agenda and agenda items.

The members failing to attend three (3) consecutive Board meetings for any reason and without excuse are regarded as resigned from their office.

The Board members may not attend the Board meetings which involve his own interests and interest of his/her spouse, relatives up to third degree and those with whom the member has affinity relation.

A secretariat is formed to assist to the Board members and to report to the Board Chairman for properly keeping of documents and books relating to the meetings of the Board of Directors. The documents and information on the agenda items are delivered to the Board members at least seven days before the meeting. The Board members are entitled to request information from the Company management through the secretariat at any time.

## **Article 17**

### **Main Duties and Functions of the Board of Directors:**

The Board of Directors performs and executes the functions delegated to it under the resolutions of Company's General Assembly by considering the requirements of the Capital Market Law, Turkish Commercial Code and this Articles of Association.

The powers and responsibilities of the Board of Directors are listed below:

- To sign, prepare the Company's contracts and to execute transactions relating to purchases,
- To determine the Company's profit, amount of ordinary and extraordinary reserves, appropriations and redemption costs to be allocated from this profit,
- To call the General Assembly for ordinary and extraordinary meetings, to undertake preparation and announcement of the agenda,
- To represent the Company before the shareholders and third parties,
- To designate, approve and implement Company's strategies,
- To launch and publicly promote Company's mission, vision and values,
- To approve the Company's annual budget and work program,

- To prepare Company's annual reports and to present them to the General Assembly,
- To designate the Company's policies in respect of shareholders and stakeholders,
- To develop and implement corporate ethics,
- To form committees reporting to the Board of Directors, to select members and to designate working principles of these committees,
- To ensure preparation of Company's annual balance sheet and profit/loss accounts, to submit the annual report to the General Assembly,
- To pass resolution on the subject of appointment, promotion and dismissal of the Company's signatories, consultants, supervisors and controllers,
- To determine and to approve the wages, positions and annual expenses of the Company's signatories, consultants, supervisors and controllers,
- To decide on new activities and investments, to determine the limits of authority, and if necessary, capital fund to be reserved,
- To determine Company's risk management principles and to establish necessary units in order to develop an effective risk management.

These powers are not subject to any limitation. The Board of Directors is authorized to undertake all responsibilities that are not restricted by the law.

In principles, the Board of Directors may neither engage in a transaction nor enter into competition with the Company pursuant to articles 334 and 335 of the Turkish Commercial Code. Such tendency can be adopted only with the approval of  $\frac{3}{4}$  of the shareholders present in the General Assembly.

**Article 18**  
**Fee Payable to the Members of the Board of Directors**

The members of the Board of Directors are granted a monthly or annual fee at an amount to be designated by the General Assembly.

**Article 19**  
**Auditors**

The operations and commercial books of the Company is audited by the General Assembly. The General Assembly selects two auditors. The auditors can be re-elected at the end of service period. The fees of the auditors are decided by the General Assembly.

**Article 20**  
**Duties and Functions of the Auditors**

The auditors are liable to fulfill the duties conferred upon them by the Turkish Commercial Code and to carry out audit services in due diligence for survival of Company and protection of its interests. Additionally, they are assigned to designate the form of balance sheet in cooperation with the Board of Directors and to check whether the shareholders act or not in conformity with the conditions stipulated for attendance in the General Assembly meetings. This essential duty includes auditing of the budget and balance sheet, call for General Assembly meeting in case of negligence of the Board of Directors, participation in General Assembly meetings, supervision of compliance with the procedures and principles set forth in this Articles of Association. The provisions of articles 353, 354 and 357 are reserved.

**Article 21-**  
**Ordinary and Extraordinary General Assembly and Quorum for Decision:**

The Company's General Assembly convenes in the form of ordinary and extraordinary meeting.

The ordinary General Assembly meeting is held at least once a year, within three months as of the end-of-Company's fiscal year. The extraordinary General Assembly meets whenever required for conduct of Company's business, in accordance with the principles stipulated in the law and this Articles of Association.

The General Assembly meeting and meeting quorum is subject to the provisions of Turkish Commercial Code. In the General Assembly meetings to be hold for the subjects written in subsections 2 and 3, article 388 of the Turkish Commercial Code, the meeting quorum designated in article 372 of TCC is applied. The meeting place of General Assembly is Headquarters.

Upon request of the Board of Directors, another suitable place in the city where the administrative building is located can be designated for the meeting. This change is notified in the call letters and announcements.

The announcement for the General Assembly meeting is made at least three weeks before the meeting date. The call announcement can also be made through Company's web site.

The announcement calling General Assembly meeting must contain meeting agenda and proxy form for those who will cast vote by proxy.

In addition to the announcement, it is statutory to exhibit in the Company's Headquarters and the branches, the meeting agenda, the current version of the Articles of Association, financial tables and footnotes, profit distribution proposal, annual report and other information relating to the agenda.

The documents related to the meeting are displayed also in the web-site.

The Ministry of Commerce may invite the General Assembly for meeting whenever deemed necessary.

Attendance of the individuals nominated as candidate for the Board of Directors, Board members, auditors, and the persons responsible for preparation of financial tables in the General Assembly meetings are admitted. Those not attending must disclose his/her excuse.

The shareholders are furnished detailed information about the candidates nominated for membership in the Board of Directors and the Auditors' Board. (This information on the candidates and auditors must contain profile, education level, present occupation, other duties undertaken in addition to the Board membership (if any), the positions hold during the last five years, nature of his/her relation with the company and the governing shareholders, experience, independency/financial status, and other points which may effect service as member of the Board of Directors).

## **Article 22**

### **Presence of the State Commissary in the Meeting**

Presence of Commissary assigned by the Ministry of Commerce in both ordinary and extraordinary General Assembly meetings is a statutory requirement.

The resolutions passed in the General Assembly meetings in the absence of the Commissary are considered void.

## **Article 23**

### **Call for Meeting**

The Board of Directors is empowered to call for ordinary General Assembly meeting. The call for the extraordinary General Assembly meeting can be made both by the Board of Directors and the Auditors. The shareholders possessing at least 5% of the Company's capital may also invite the Board of Directors and the General Assembly to convene a meeting provided that the request is made in writing and furnishes justification. The right of 5% minority extending invitation to the General Assembly to apply court for authorization is reserved.

The agenda proposals submitted by the shareholders holding shares corresponding at least 1/20 of the Company's capital, before the preparation of the agenda are taken into consideration by the Board of Directors.

According to Article 11 of the Capital Market Law amended by the Law No 4487, the minority rights are exercised by the shareholders representing at least 1/20 of the increased capital.

#### **Article 24 Voting Right**

The shareholders and proxies attending the Ordinary and Extraordinary General Assembly meetings will have only one voting right for each share. The exercise of voting right can be delegated to a proxy whether or not he is a shareholder. The adaptations of Capital Market Board relating to form of proxy and voting by proxy are observed in this context. The voting right arising from bearer share certificate is exercised by the possessor of the certificate.

The holders of bearer share certificates are obliged to apply to the Company's Headquarters at least seven days before the meeting date to present the share certificates, or the letter verifying that they are the possessors of these share certificates. Upon this delivery, the Company extends an entry card indicating quantity of votes and the holder of bearer share certificates thereafter can attend the General Assembly meeting.

In case of adjournment of the meeting, unless otherwise is stated, these cards can be used for the next meeting. Casting of vote in the General Assembly is exercised by braising hands; however, secret ballot procedure can also be adopted upon request of the attendees holding 1/10 of the capital represented by the present shareholders.

#### **Financial Provisions**

##### **Article 25 Fiscal Period:**

The fiscal period of the Company is one calendar year. However, this differs in the first year and the fiscal period starts as of the final incorporate date and ends at the end of December in the same year.

##### **Article 26**

##### **Balance Sheet, Profit and Loss Accounts, Board of Directors' and Auditors' Reports**

The financial tables and reports stipulated in the regulations of the Capital Market Board and the independent audit report if independent auditing is required, are submitted to the Capital Market Board and disclosed to public in accordance with the procedure and principles set forth by the Capital Market Board.

The reports annually issued by the Board of Directors and Auditors' Board , as well as the balance sheet, profit/loss accounts, financial tables and reports reflecting the financial status of the Company in accordance with the Capital Market Law and relevant communiqués, and the attendance list containing the names and number of shares owned by the shareholders present in the General Assembly meeting are either sent in three copies to the Capital Market Board and the Ministry of Commerce within 30 days as of the General Assembly meeting, or delivered to the State Commissary during the meeting.

##### **Article 27**

##### **Determination of Net Profit**

The amount remaining after deduction of statutory expenses such as overheads and miscellaneous depreciation costs payable by the Company and allocation of reserves from the income determined at the end of the fiscal period constitutes the net profit. The provisions of Turkish Commercial Code, Tax Procedural Law and relevant financial acts are applied in determination of net profit.

## **Article 28**

### **Distribution of Net Profit**

The net profit indicated in the balance sheet and remaining after deduction of overheads and miscellaneous depreciation costs, statutory taxes payable by the legal entity Company and legal reserves from the income calculated at the end of the fiscal period is distributed after deduction of previous year losses(if any),as follows:

#### **First Statutory Reserve:**

5% is allocated as statutory reserve,

First Dividend:

First dividend is reserved from the balance at the rate and amount specified by the Capital Market Board,

Second Dividend:

The General Assembly is authorized to distribute part or whole of second dividend, or to set aside an extraordinary reserve from the net income remaining after deduction of the amounts in paragraphs a and b.

Second Statutory Reserve:

1/10 of the amount calculated by deducting profit share at the rate of 5% of the paid-up capital from the portion agreed to be distributed to the shareholders and others entitled to have share in the profit is allocated as second statutory reserve pursuant to paragraphs 2 and 3, Article 2 of Turkish Commercial Code.

It is not allowed to set aside additional reserve, to transfer profit to the next year and to distribute share from the profit to the members of the Board of Directors, employees, servants and workers, holders of promoter's (redeemed) shares, privileged shareholders, foundations established to serve various purposes and similar real/legal entities unless the statutory reserves and first dividend required to be distributed to the shareholders as per this Articles of Association is allocated.

The General Assembly is entitled to determine the distribution date of profit upon proposal of the Board of Directors in accordance with the CMB regulations in force on the distribution date of profit.

## **Article 29**

### **Statutory Reserves**

The first statutory reserve is set aside until it reaches to 20% of the paid-up capital; however, if the statutory reserve falls below 20% of the paid-up capital for any reasons whatsoever, then allocation of fund as statutory reserve is continued in the following years.

## **Article 30**

### **Amendment of Previous Articles of Association**

Progress and implementation of the amendments to be made in the Articles of Association is subject to the consent of the Capital Market Board and Ministry of Commerce. The relevant amendments enter into force upon official certification and announcement following the registration in the Commercial Register.

## **Miscellaneous Provisions**

### **Article 31**

Notwithstanding the provisions of subsection 4, Article 37 of Turkish Commercial Code, the announcement related to General Assembly meetings, decrease of capital and liquidation, and the announcements involving Company are made in any one of National newspapers at least 15 days before.

The mandatory provisions of Turkish Commercial Code, Capital Market Law relating to form and period of announcement are reserved. The provisions of Articles 397 and 438 are applicable to the announcements relating to decrease of capital And liquidation.

### **Article 32**

#### **Delivery of Articles of Association**

Upon publication of this Articles of Association by the Company, it will be delivered to the new promoters and new shareholders participating in the capital increase and necessary arrangement will be made to send one copy to the Capital Market Board and two copies to the Ministry of Commerce.

### **Article 33**

#### **Legal Provisions**

The provisions of the Turkish Commercial Code, Capital Market Law and relevant legislation are applicable to the issues not covered by this Articles of Association.

### **Article 34**

#### **External Audit**

The annual financial tables of the Company and the interim financial tables subject to independent auditing pursuant to the Capital Market Law are audited within the frame of relevant legislation by an internationally recognized independent audit firm approved by the General Assembly.

The Company may assign the same independent auditing firm at most 5 consecutive fiscal periods to conduct regular or special audits.

The pre-approval of the independent external audit company from the aspect of auditor independence is provided by the Auditors Committee reporting to the Board of Directors. The independent audit firm may not render consultancy service to the Company at the same time.

### **Article 35**

#### **Committees**

The Board of Directors forms as Corporate Executive Committee and Supervision Committee reporting directly to the Board of Directors in the direction of the Capital Market Corporate Governance Rules. The members of the Committees are nominated and appointed by the Board of Directors.

The working principles of the Committee are specified in writing and submitted for the information of the shareholders, investors and public opinion. The working principles of the Committee are also published on the Company's web site. The Board of Directors is the approval authority with respect of changes in working principles of the committees.

The committees comprise at least 2 members. The chairmen of the committees are selected among the independent members of the Board of Directors. The majority of the Committee members are nominated among the members who do not have executive duty. The committee members may not take office in more than one Committee.

Where deemed necessary, the Board of Directors may select committee members among the experts who are specialized on the subject involved. The Committees meet upon call of the Chairman. The Secretariat reporting to the Board of Directors is authorized to issue and to keep the minutes of meeting in the archives. The information related to Committees is exhibited in writing and stored in the archives upon registration.

### **Article 36 Supervision Committee**

In order to ensure properly conduct of financial and operational activities, a committee is formed to undertake supervision duty. This Committee meets at least 4 times in a year on quarterly basis. The individuals from outside can be invited to the committee meetings to furnish information on the agenda items.

### **Article 37 Corporate Executive Committee**

This Committee is formed to pursue compliance of the Company with Corporate Governance Rules and to submit proposals to the Board of Directors in connection with the appointments. The Committee convenes at least 3 times in a year.

The Chief Executive Officer of the Company may not become a member of the Committee. The individuals from outside can be invited to the committee meetings to furnish information on the agenda items.

An Investor Relations Unit is established within the body of the Company to report to the Corporate Executive Committee in order to conduct a sound tracking of investors and to encourage relations between the investors and to improve consistency of public disclosures.

### **Article 38 Powers of General Assembly**

General Assembly is a decision-making organ which is delegated full power with respect to Companies activities.

### **TRANSITORY ARTICLE**

While the nominal value of the share certificates was 1.000.- TL, later on, it is converted to 1 New Kuruş (YKr) within the scope of the law amending the Turkish Commercial Code No 5274. Based on this amendment, there has been decrease in total number of shares, and accordingly, one share with a nominal value 1 YKr will be granted against 10 shares corresponding to 1.000 TL.

The share certificates lots 1,2,3,4,5,6 and 7 representing Company's current capital YTL 159,099,886.96 are combined as Lot 8.

The rights of the shareholders arising from the shares acquired as a result of this revision and combination of lots are reserved.

Exchange transactions of the share certificates will be initiated by the Board of Directors with the frame of relevant regulations following the quotation of capital market instruments.