

CURRENT VERSION

NEW VERSION

SHARE CAPITAL AND SHARE CERTIFICATES

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ARTICLE 6

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The Incorporation, pursuant to the provisions of Capital Market Law No: 2499 has adopted the registered share capital regime and is applying this regime according to the permission of the Capital Market Board dated 26.10.1990 No: 815.

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a. Registered Share Capital

The registered share capital of the Incorporation is 2.000.000.000.- (two billion) Turkish Lira. This registered capital is divided into 200.000.000.000 (two hundred billion) shares, each with the nominal value of 1 Kuruş (one kuruş).

a. Registered Share Capital

The registered share capital of the Incorporation is 2.000.000.000.- (two billion) Turkish Lira. This registered capital is divided into 200.000.000.000 (two hundred billion) shares, each with the nominal value of 1 Kuruş (one kuruş).

b. Issued Share Capital and Share Certificates

The issued share capital of the Incorporation is 875.000.000.- (eight hundred seventy five million) Turkish Lira divided into 87.500.000.000 (eighty seven billion five hundred million) shares each with the nominal value of 1 Kuruş (one kuruş) and is completely paid.

b. Issued Share Capital and Share Certificates

The issued share capital of the Incorporation is **1.200.000.000.- (one billion two hundred million)** Turkish Lira divided into **120.000.000.000.- (one hundred twenty billion)** shares each with the nominal value of 1 Kuruş (one kuruş) and is completely paid.

The permit provided by the Capital Market Board for the registered capital ceiling is valid for the years 2010-2014 (5 years). In the period ended 2014, even if the registered capital ceiling levels are not attained, in order for the Board of Directors to take capital increase decision for the period after 2014, the Board of Directors must get authorization for a new period at the Shareholders Assembly that will be held after permission of Capital Market Board for a previously approved ceiling level or a new level. In case the company doesn't get such an authorization, the company will be considered as signed out from the registered capital system.

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From 2010 to 2014, The Board of Directors is authorized to increase the issued capital when necessary by issuing registered share certificates up to the registered capital ceiling, in compliance with the provisions of Capital Market Law.

The shares that represent the capital are being tracked within the frame of dematerialization principles.

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

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

GROUP	AMOUNT OF CAPITAL	TYPE	AMOUNT OF SHARES
A	874.999.999,99	Registered	87.499.999.999
C	0,01	Registered	1
TOTAL	875.000.000,00		87.500.000.000

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

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The shares that represent the capital are being tracked within the frame of dematerialization principles.

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GROUP	AMOUNT OF CAPITAL	TYPE	AMOUNT OF SHARES
A	1.199.999.999,99	Registered	119.999.999.999
C	0,01	Registered	1
TOTAL	1.200.000.000,00		120.000.000.000

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

In the event of cancellation of the privilege granted to Group C share in this Articles of Association, then Group C share will convert to a Group A share. Upon such conversion of the Group C share to a Group A share, then the right “to nominate a Board Member” granted in Article 10 of this Articles of Association to Group C, will pass to the shareholders holding Group A shares.

c. Preferential Purchase Option

The Board of Directors is entitled to issue premium shares in compliance with the provisions indicated in Article 8. Unless limited with the authorised board of the Incorporation, the shareholders will participate the capital increase in proportion to the shares held by them and will have the preferential option to purchase the shares issued under their group. Group C will not participate in the capital increase with a preferential purchase option.

d. Shareholders Nature

The shares held by the foreigner shareholders may not exceed 40 % of the issued share capital of the Incorporation. In calculating the rates of the shares held by the foreigner shareholders, the rate of foreign shareholding in the shares held by the shareholder holding Group A shares which are not open for public will be taken into consideration as well.

Foreign shareholder shall mean:

- foreign natural or legal persons;
- Turkish companies, share capital of over 49 % of which are owned by foreigners;
- Turkish companies in which majority members of administrative and representative boards are not Turkish citizens and in which majority votes are not on Turkish partners according to their articles of associations;
- Turkish companies under actual control of the aforementioned.

In the event of cancellation of the privilege granted to Group C share in this Articles of Association, then Group C share will convert to a Group A share. Upon such conversion of the Group C share to a Group A share, then the right “to nominate a Board Member” granted in Article 10 of this Articles of Association to Group C, will pass to the shareholders holding Group A shares.

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- Turkish companies under actual control of the aforementioned.

In order to ensure that the aforementioned share rate limitations on the foreigner partners will be complied with the provisions of the Articles of Association, the Incorporation will use separate parts for foreign shareholders in registering the shareholders and their related share rates in the Share Register.

It is obligatory to promptly notify the Incorporation of any share purchase and sale reaching to 1 % of the issued share capital of the Incorporation. Moreover, the shareholders who have reached or exceeded the maximum foreign shareholding rates as indicated in this Articles of Association, are obliged to promptly notify the Incorporation as they become aware of this. The purpose of such notification is to follow the foreigner element and remarkable share movements and to ensure the Board of Directors to perform its powers based on these, and only notification will not result with the nature of being a shareholder unless registered in the Share Register, and only the records in the Share Register will be relied on in such cases.

In cases where it is understood through the notifications or through other means that the total shares held by the foreigner shareholders have exceed 40 % of the issued share capital of the Incorporation, then the Board of Directors will be under the obligation, to promptly notify the related shareholders lately within 7 (seven) days, starting from the latest share transfer, to dispose of the shares which exceed the foreign shareholding limit, in amounts and rates to be in conformity to the foreign shareholding limit and otherwise the Incorporation will be entitled to apply any of the measures indicated below. The foreign shareholder to whom the notice to dispose of its exceeding shares has been served, will be under the obligation to sell such shares which have caused the foreign shareholding limit to be exceeded, to a person who is not included in the foreign shareholder definition in this Articles of Association, within the period stated in the notice. In case such shares are not disposed despite the notification, then the Board of Directors will be under the obligation to meet in 3 (three) days and to take a resolution to cover the measures indicated below in regard to the shares exceeding the limit.

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(i) To redeem with the nominal value, the shares held by the foreign shareholder which has caused the foreign shareholding limit to be exceed, through decreasing the share capital; with this purpose, the Incorporation will first notify the shareholder who has exceed the foreign shareholding limit that his shares will be redeemed. In case such a notice may not be served then the fact will be announced in two newspapers published at the place where the head office of the Incorporation is located. Expenses related with such redemption, will be collected from the shareholder who has caused the redemption, through deduction from the redemption amount.

(ii) In cases where the total share rate of the foreign shareholder is over the limit indicated in this Articles of Association, then the Board of Directors will be entitled to increase the share capital in order to reduce the rate of the shares exceeding the limit. In this case, new shares may be issued by limiting the preferential purchase options of the existing shareholders according to the rules of the Capital Market Board.

In cases where the foreign shareholding limit as indicated in this Article is exceed, the Board of Directors will be entitled to resolve about the method to apply firstly to reduce the share rates to the limits permitted.

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**BOARD OF DIRECTORS
ARTICLE 10**

The Incorporation will be managed and represented by the Board of Directors. The Board of Directors will be entitled to perform all acts, excluding those the Shareholders Assembly is legally and individually entitled.

The Board of Directors will consist of 7 members appointed by the Shareholders Assembly. It is obligatory to appoint 6 members of the Board of Directors, by electing amongst the candidates nominated by the Group A shareholders having highest votes, and to appoint one member by electing amongst the candidates nominated by the Group C shareholder. Below principles will apply in the nomination of the candidates by the Group A shareholders:

- a) In case the rate of being open to public is 15 % (including), then the shareholders holding the Group A shares open to public will have the right to nominate one of the 6 members granted to Group A shares.
- b) In case the rate of being open to public is 35 % (35 % and more), then the shareholders holding the Group A shares open to public will have the right to nominate two of the 6 members granted to Group A shares.
- c) In order to be able nominate candidates for the Board of Directors by the shareholders holding Group A shares open for public, they are required to be represented at the rate of minimum 2 % of the total issued share capital of the Incorporation during the Shareholders Assembly in which the members of the Board of Directors will be elected. Calculation of the aforementioned rate of 2 % will be based only on the Group A shares open for public. Shareholders holding Group A shares open for public will determine the candidates nominated for the Board of Directors in a special meeting. In this meeting only shareholders holding Group A shares open for public, not held by the public, will be entitled to nominate candidates. In

**BOARD OF DIRECTORS
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The Incorporation will be managed and represented by the Board of Directors. The Board of Directors will be entitled to perform all acts, excluding those the Shareholders Assembly is legally and individually entitled.

The Board of Directors will consist of **9** members appointed by the Shareholders Assembly. It is obligatory to appoint **8** members of the Board of Directors, by electing amongst the candidates nominated by the Group A shareholders having highest votes, and to appoint one member by electing amongst the candidates nominated by the Group C shareholder. Below principles will apply in the nomination of the candidates by the Group A shareholders:

- a) In case the rate of being open to public is 15 % (including), then the shareholders holding the Group A shares open to public will have the right to nominate one of the **8** members granted to Group A shares.
- b) In case the rate of being open to public is 35 % (35 % and more), then the shareholders holding the Group A shares open to public will have the right to nominate two of the **8** members granted to Group A shares.
- c) In order to be able nominate candidates for the Board of Directors by the shareholders holding Group A shares open for public, they are required to be represented at the rate of minimum 2 % of the total issued share capital of the Incorporation during the Shareholders Assembly in which the members of the Board of Directors will be elected. Calculation of the aforementioned rate of 2 % will be based only on the Group A shares open for public. Shareholders holding Group A shares open for public will determine the candidates nominated for the Board of Directors in a special meeting. In this meeting only shareholders holding Group A shares open for public, not held by the public, will be entitled to nominate candidates. In

case shareholders holding Group A shares open for public are not represented in the rate of 2 % at the Shareholders Assembly, then the right of such shareholders to nominate candidates for the Board of Directors, will be used by the other shareholders holding Group A shares not open for public according to the rules of Turkish Commercial Code and Capital Market.

d) In the event of any vacancy in any membership of the Board of Directors due to any reason like death, resignation, dismissal or cease of membership, then such vacant position will be occupied by the election of the Board of Directors made in compliance with Article 315 of Turkish Commercial Code. In the event of any vacancy in the Board of Directors due to any of the aforementioned reason, then the shareholders holding the group shares entitled to nominate the candidate office of which is then vacant, will be entitled to nominate a candidate for the vacant position and the Board of Directors will elect this candidate for this vacant position. In the event that the shareholders holding Group A shares open for public may not nominate any candidate for the vacant position in the Board of Directors then Group C shareholder will be entitled to nominate a candidate for the vacant position or in case Group C share has been converted to Group A share, then the shareholders holding Group A shares not open for public will be entitled to nominate a candidate for the vacant position. In the election for the vacant position of the candidate nominated by the shareholders holding Group A shares open for public, the rates of 15 %, 35 % and 2 % as indicated in paragraphs (a), (b) and (c) above will not be taken into consideration. The appointment of the successor member of the Board will be submitted to the approval of the following Shareholders Assembly. The Board member approved by the Shareholders Assembly will continue the office period of the predecessor member.

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e) In the event information is given that any Board member representing a legal person has no more relation with that legal person or in the event such legal person transfers its shares to a third party, then this member will be deemed to have resigned, and provisions of paragraph (d) hereof will apply in nominating a candidate for the vacant position.

f) In the event of any modification in this Articles of Association and creation of new share groups, the right granted to the shareholders holding Group A shares open for public to nominate 2 Board members as indicated in paragraphs (a) and (b) above may not be cancelled or modified, unless the aforementioned modification is approved by the shareholders representing 65 % of the issued share capital.

QUALIFICATIONS AND CONDITIONS REQUIRED FOR ELECTION OF THE BOARD MEMBERS

ARTICLE 11

In order to be able to get elected as a Board member, these persons are required not be placed under guardianship or curatorship, not to have gone under bankruptcy personally or the company managed by such person, not to have gone under incapability, not to have been convicted for shameful offences or offences indicated in Civil Aviation Law and must be a shareholder of the Incorporation. In the event of election of a person who is not actually a shareholder, such person may start his/her office only after becoming a shareholder.

The Shareholders Assembly may give permissions for cases covered in Articles 334 and 335 of Turkish Commercial Code.

It is a requirement that minimum five members of the Board, including the members representing Group C shares, will be Turkish citizens.

e) In the event information is given that any Board member representing a legal person has no more relation with that legal person or in the event such legal person transfers its shares to a third party, then this member will be deemed to have resigned, and provisions of paragraph (d) hereof will apply in nominating a candidate for the vacant position.

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The Shareholders Assembly may give permissions for cases covered in Articles 334 and 335 of Turkish Commercial Code.

It is a requirement that minimum **six** members of the Board, including the members representing Group C shares, will be Turkish citizens.

**BOARD OF DIRECTORS' MEETINGS
ARTICLE 14**

Board of Directors shall meet as and whenever required by the affairs of the Incorporation, but at least once a month in any case. The venue is the head office of the Incorporation. However the meeting may be held at another place upon decision of the Board.

It is a requirement that the items to be discussed should be listed in an agenda and that such agenda should be served to the members prior to the meeting date. Call for a board meeting should be made minimum three days before the meeting.

The Board of Directors will meet with the attendance of minimum 5 members. Resolutions of the Board of Directors may be taken with the affirmative votes of minimum 4 members. Any member who has not attended four consecutive meetings or any member who has not attended total 6 meetings during one year without having the permission of the Board or without having any plausible excuse will be deemed to have resigned.

Unless any member requests a meeting, the Board of Directors may resolve with the affirmative opinions of all members about any particular subject suggested by any member. The resolutions of the Board of Director will be effective subject to being written and signed. Lack of quorum for resolution will be deemed as rejection of such proposal.

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It is a requirement that the items to be discussed should be listed in an agenda and that such agenda should be served to the members prior to the meeting date. Call for a board meeting should be made minimum three days before the meeting.

The Board of Directors will meet with the attendance of minimum **6** members. Resolutions of the Board of Directors may be taken with the affirmative votes of minimum **5** members. Any member who has not attended four consecutive meetings or any member who has not attended total 6 meetings during one year without having the permission of the Board or without having any plausible excuse will be deemed to have resigned.

The important transactions in terms of Corporate Governance Principles of Capital Markets Board are conducted in accordance with Capital Markets Board's regulations.

All related party transactions and all transactions regarding guarantee, pledge and mortgage in favor of third parties are conducted in accordance with Capital Markets Board's regulations on Corporate Governance Principles.

Unless any member requests a meeting, the Board of Directors may resolve with the affirmative opinions of all members about any particular subject suggested by any member. The resolutions of the Board of Director will be effective subject to being written and signed. Lack of

It is required for the Board member representing Group C share to attend the meeting and his affirmative vote is required for the effectiveness of the resolutions of the Board of Directors regarding the followings issues:

- Resolutions which will clearly adversely affect the mission of the Incorporations as indicated in Article 3.1 of this Articles of Association;
- Any suggestion to be made to the Shareholders Assembly for any modification in the Articles of Association;
- Increase of the share capital;
- Approval of transfer of registered shares and registration of the transfer in the Share Register;
- Any transaction, based on each contract, which exceeds 5 % of the total assets of the Incorporation as indicated in the latest balance sheet submitted to the Capital Market Board and which is directly or indirectly binding for the Incorporation, any resolution which will bring the Incorporation under any commitment, (provided that in case the share of the public in the Incorporation has decreased below 20 % of the Incorporation's share capital, then the provisions of this clause will automatically terminate);
- Merger, termination or liquidation of the Incorporation;
- Any resolution about the cancellation of any flight route or for a remarkable decrease in the number of flights, excluding the routes which do not even have a revenue to meet its own operating costs based on exclusive market conditions or through other sources.

The privileges of Group C share may only be limited by the High Commission of Privatisation or any other public institution which has taken over such duties.

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- Resolutions which will clearly adversely affect the mission of the Incorporations as indicated in Article 3.1 of this Articles of Association;
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- Any transaction, based on each contract, which exceeds 5 % of the total assets of the Incorporation as indicated in the latest balance sheet submitted to the Capital Market Board and which is directly or indirectly binding for the Incorporation, any resolution which will bring the Incorporation under any commitment, (provided that in case the share of the public in the Incorporation has decreased below 20 % of the Incorporation's share capital, then the provisions of this clause will automatically terminate);
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The privileges of Group C share may only be limited by the High Commission of Privatisation or any other public institution which has taken over such duties.

DUTIES AND POWERS OF THE BOARD OF DIRECTORS

ARTICLE 15

Board of Directors is the representative and administrative organ of the Incorporation. The Board of Directors is entrusted with all duties, excluding those entrusted to the Shareholders Assembly by law and Articles of Association, and is entitled with all powers incidental to such duties.

Pursuant the provisions of Article 319 of Turkish Commercial Code, the Board of Directors may delegate, totally or partially, such administration and representation powers to one or more members, to the president, executive vice president, manager(s) who are not Board members and may establish executive committees among members or non-member persons for the execution of such powers. However, powers may not be transferred in matters in which Group C is privileged by the Board of Directors.

All financial and other information required for the Board members to perform their duties and Board of Directors proposals and their enclosures will be submitted in due time.

REMUNERATION OF THE BOARD MEMBERS

ARTICLE 17

Remunerations of the Board members will be determined by the Shareholders Assembly.

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The Board of Directors may establish committees in accordance with the Turkish Commercial Code, Capital Markets legislation and the relevant legislation.

All financial and other information required for the Board members to perform their duties and Board of Directors proposals and their enclosures will be submitted in due time.

REMUNERATION OF THE BOARD MEMBERS

ARTICLE 17

Remunerations of the Board members will be determined by the Shareholders Assembly, **in accordance with the Turkish Commercial Code, Capital Markets legislation and the relevant legislation.**

SUMMON AND QUORUM

ARTICLE 29

Summon announcements regarding the Shareholders Assembly meetings are required to be made at least two weeks before the meeting pursuant to Article 368 of Turkish Commercial Code, provided that the announcement and meeting dates are excluded in this calculation, and it is required to inform the shareholders about the meeting date with registered mail. There is no requirement to inform about the meeting date with registered letter the shareholders who hold the shares of the Incorporation sold in the stocks exchange. It is imperative to include the agenda in the text of the announcement.

Excluding the cases which require a higher quorum pursuant to Turkish Commercial Code and this Articles of Association, Shareholders Assembly meeting will convene with the attendance of the shareholders representing minimum half of the share capital of the Incorporation and resolutions will be adopted by the majority votes of the present shares. However Shareholders Assembly meetings, to be held regarding resolutions about redemption transactions to be performed pursuant to Article 6/d(i) of this Articles of Association and about increasing the upper limit of the registered share capital, may convene with the attend of the shareholders representing minimum one fourth of the share capital of the Incorporation and such resolutions may be adopted by the affirmative votes representing minimum one fourth of the share capital of the Incorporation. Same quorums are applicable for the privileged shareholders meetings of the Incorporation.

Excluding the cases which require a higher quorum according to Turkish Commercial Code, resolutions will be adopted with the majority of the present shares.

In the event that such quorum can not be obtained at the first meeting, Shareholders Assembly will be re-summoned for a second meeting, where

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the rate of the shares represented by the attending shareholders will not be taken into consideration and resolutions will be adopted by the majority of the present shares during such second meeting. In the event that any resolution of the Board of Directors subject to the approval of the Board Member representing Group C, as indicated in Article 14, requires the approval of the Shareholders Assembly, then the aforementioned approval resolution may only be adopted with the affirmative vote of the Group C shareholder.

Whenever required, Shareholders Assembly Meeting may convene without the formal procedures in accordance with the provisions of Article 370 of Turkish Commercial Code.

the rate of the shares represented by the attending shareholders will not be taken into consideration and resolutions will be adopted by the majority of the present shares during such second meeting. In the event that any resolution of the Board of Directors subject to the approval of the Board Member representing Group C, as indicated in Article 14, requires the approval of the Shareholders Assembly, then the aforementioned approval resolution may only be adopted with the affirmative vote of the Group C shareholder.

Whenever required, Shareholders Assembly Meeting may **also** convene without the formal procedures in accordance with the provisions of Turkish Commercial Code.

CAPITAL MARKETS BOARD CORPORATE GOVERNANCE PRINCIPLES

ARTICLE 41

Corporate Governance Rules which are obliged to be applied by the Capital Markets Board shall be applied. The transactions which are not in compliance with the mandatory rules and the Board of Directors resolutions in this regard shall be deemed as invalid and against these Articles of Association.

Capital Markets Board Corporate Governance Rules provisions shall be applied to the transactions which are deemed as significant for the application of Corporate Governance Rules and related party transactions and transactions relating to providing guarantee, pledge and mortgage in favor of third parties.

PROVISIONAL ARTICLE 1

a) The Incorporation will be subject to the provisions of Law No: 4046 until the public share in the Incorporation falls below 50 %.

b) Until the public share in the Incorporation falls below 50 %, personal and other rights of the members of the Board of Directors and the Auditors will be determined by the Supreme Planning Council, and the wages and personal rights of the staff employed under contract will be determined by the Supreme Planning Council or, based on the principles as determined by this Council, the Shareholders Assembly or the Board of Directors.

c) Provided that the provisions of the following paragraph (d) regarding the elections amongst the candidates nominated by the Group A shareholders are reserved, and further provided that these will have the features indicated in the Law, the Chairman of the Board of Directors, Members of the Board of Directors, Auditors and General Manager of the Incorporation will be appointed with the approval of the Prime Minister or the authorised Minister, upon suggestion of the Privatisation Directorate, until the public share in the Incorporation falls below 50 %.

d) In case of any vacancy in the members of the Board of Directors due to death, resignation, dismissal or cease of the membership, then this vacant position of the members representing shares, other than the public shares, will be substituted according to the provisions of Article 315 of Turkish Commercial Code, and according to the provisions of Law No: 4046 of the members representing public shares.

PROVISIONAL ARTICLE 2

Within 120 days following the validity date of this Articles of Association, an announcement will be made in order to convert the bearer shares issued pursuant to the former Articles of Association, to registered shares in compliance with the procedures and principles to be determined by the Board of Directors. The property rights of the shareholders arising from

The qualifications and number of independent board members shall be determined in accordance with the Corporate Governance Rules of Capital Markets Board.

PROVISIONAL ARTICLE 1

In accordance with the new code “The Law on the amendment to the Turkish Commercial Code” numbered 5274, nominal value of a share is changed to 1 New Kurus, previously a nominal value of TL1,000.

Therefore, 10 shares each with a nominal value of TL 1,000 will be replaced by new shares with a nominal value of 1 New Kurus. In relation to the replacement, shareholders’ existing rights due to the ownership continue to exist.

The replacement process will be initiated by the Board of Directors, in line with the regulations that will be put in place with the new registry system of the capital market instrument.

their shares, who have not converted their bearer shares to registered shares in compliance with the procedures and principles indicated in such announcement and who have not procured their shares to be registered in the share register, are reserved until such convention is performed.

PROVISIONAL ARTICLE 3

In accordance with the new code “The Law on the amendmend to the Turkish Commercial Code” numbered 5274, nominal value of a share is changed to 1 New Kuruş, previously a nominal value of TL1,000.

Therefore, 10 shares each with a nominal value of TL 1,000 will be replaced by new shares with a nominal value of 1 New Kuruş. In relation to the replacement, shareholders’ existing rights due to the ownership continue to exist.