

Amendments to the Articles 3, 4, 6, 10, 11, 14, 15, 21, 22, 23, 24, 25, 29, 34, 36, 37 and 40 of Turkish Airlines' Articles of Association

CURRENT VERSION	NEW VERSION
<p>AIM AND OBJECTIVES AND FIELD OF ACTIVITY OF THE INCORPORATION ARTICLE 3</p> <p>3.1 Aim and Objectives of the Incorporation</p> <p>Aim and objectives and mission of the Incorporation is as follows:</p> <p>a) To extend the long range flights network and to improve the global airline identity of the Incorporation;</p> <p>b) To improve the identity/nature of the Incorporation as a technical maintenance service provider, by improving the technical maintenance unit to a level as an important technical maintenance base in the region;</p> <p>c) To improve the identity of the Incorporation as a service provider in all civil aviation activities having strategic importance including ground handling and flight training;</p> <p>d) To preserve the leading position of the Incorporation in domestic air transportation;</p> <p>e) Through co-operation with a global airline alliance to integrate its own flight network, in a manner to improve the abroad image of the Incorporation and to improve the marketing possibilities, to procure the Incorporation to perform uninterrupted and qualified flight services;</p> <p>f) To make Istanbul a flight hub.</p>	<p>AIM AND OBJECTIVES AND FIELD OF ACTIVITY OF THE INCORPORATION ARTICLE 3</p> <p>3.1 Aim and Objectives of the Incorporation</p> <p>Aim and objectives and mission of the Incorporation is as follows:</p> <p>a) To extend the long range flights network and to improve the global airline identity of the Incorporation;</p> <p>b) To improve the identity/nature of the Incorporation as a technical maintenance service provider, by improving the technical maintenance unit to a level as an important technical maintenance base in the region;</p> <p>c) To improve the identity of the Incorporation as a service provider in all civil aviation activities having strategic importance including ground handling and flight training;</p> <p>d) To preserve the leading position of the Incorporation in domestic air transportation;</p> <p>e) Through co-operation with a global airline alliance to integrate its own flight network, in a manner to improve the abroad image of the Incorporation and to improve the marketing possibilities, to procure the Incorporation to perform uninterrupted and qualified flight services;</p> <p>f) To make Istanbul a flight hub.</p>

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3.2 Fields of Activity of the Incorporation

In order to realise its aim and objectives and mission included in Article 3.1, the Incorporation has been established to perform all types of domestic and international air transportation and the fields of activity of the Incorporation are as follows:

- a) To perform all kinds of air transportation for passengers, mail, live stock and cargo to and from any point in and out of Turkey, and all other works and commitments incidental thereto;
- b) To sell tickets and airwaybill for transportation by aircraft or other conveyance of the Incorporation or of other airlines or real persons or legal entities engaged in air transportation business, to establish and operate ticket sale offices and cargo warehouses necessary for air transportation;
- c) To purchase, sell, lease, rent, produce, repair aircraft, aircraft equipment, any and all kinds of equipment and devices related with air transportation and to establish and operate hangars, warehouses, repair and supply facilities in order to provide maintenance and safeguard thereof;
- d) To operate all types of vehicles and means of conveyance for the transportation of the passengers, mail, live stock and cargo, incidental to air transportation;
- e) To perform "ground handling" and "catering" services;
- f) To establish and operate in and abroad organisations (like branches, agencies, offices, etc.) relevant to the subject matter of the Incorporation's activity, to export and import goods and services incidental thereto;
- g) To install and operate telephone, wireless telephone, wireless telegraph facilities, power plants and transmission lines and other facilities incidental

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<p>thereto with the purpose of performing any of the functions related to the fields of activity and in compliance with the Radio Law No: 2813 and provisions of other applicable laws;</p> <p>h) To construct, operate or lease airports;</p> <p>i) To perform land transportation of bonded cargo to domestic points whenever required;</p> <p>i) To establish warehouse and depots in order to operate bonded warehouses under control of the Customs Directorates;</p> <p>j) In order to accomplish the functions related to the fields of activity, to purchase and sell, rent and lease movable and immovable properties, to institute any kind of restraints including mortgage in order to secure its credits and debit, to release those instituted, to institute commercial enterprise pledge, in order to execute the commercial activities of the Incorporation in compliance with the declarations required by Capital Market Board, to institute collateral, pledge and mortgage in favor of third parties and subsidiaries included under full consolidation for the preparation of the financial statements and to lend to its' subsidiaries and to accomplish any and all transactions incidental thereto;</p> <p>k) To the extent permitted by the applicable law, to become members of international institutions in regard to its activities, and to perform all financial and administrative activities in order to conclude agreements with the airline operators of other countries and to perform all kinds of activities regarding production and transportation;</p> <p>l) To act as an insurance agency and to become the shareholders of insurance companies pursuant to the applicable law;</p> <p>m) To perform the functions related to the fields of activity directly or procure the performance of these through companies established or by</p>	<p>thereto with the purpose of performing any of the functions related to the fields of activity and in compliance with the Radio Law No: 2813 and provisions of other applicable laws;</p> <p>h) To construct, operate or lease airports;</p> <p>i) To perform land transportation of bonded cargo to domestic points whenever required;</p> <p>i) To establish warehouse and depots in order to operate bonded warehouses under control of the Customs Directorates;</p> <p>j) In order to accomplish the functions related to the fields of activity, to purchase and sell, rent and lease movable and immovable properties, to institute any kind of restraints including mortgage in order to secure its credits and debit, to release those instituted, to institute commercial enterprise pledge, in order to execute the commercial activities of the Incorporation in compliance with the declarations required by Capital Market Board, to institute collateral, pledge and mortgage in favor of third parties and subsidiaries included under full consolidation for the preparation of the financial statements and to lend to its' subsidiaries and to accomplish any and all transactions incidental thereto;</p> <p>k) To the extent permitted by the applicable law, to become members of international institutions in regard to its activities, and to perform all financial and administrative activities in order to conclude agreements with the airline operators of other countries and to perform all kinds of activities regarding production and transportation;</p> <p>l) To act as an insurance agency and to become the shareholders of insurance companies pursuant to the applicable law;</p> <p>m) To perform the functions related to the fields of activity directly or procure the performance of these through companies established or by</p>
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<p>way of participating those already established, to establish participations in and abroad and to use all property rights on the Incorporation's shares in such participations already established or to be established;</p> <p>n) To purchase and sell petroleum and petroleum products, to act as agency, distributor or in similar works incidental thereto;</p> <p>o) To purchase and sell computer software and hardware, to act as agency, distributor or in similar works incidental thereto;</p> <p>p) To issue, buy, dispose of, give as guarantee and to perform all other legal rights regarding all kinds of securities and commercial bonds, profit partnership certificates, finance bonds and bonds convertible to shares, in compliance with the Board Resolutions, in cases authorised by the applicable laws, provided that the Incorporation will not act as a commissioner or perform portfolio management;</p> <p>r) To obtain, register, lease and conclude contracts for licences, franchises, trade marks, know-how, technical data and support and all other industrial property rights;</p> <p>s) To perform all kinds of training, seminars and courses regarding the fields of activity, to co-operate with the related institutions, to participate in their activities, to establish and operate school and educational institutions;</p> <p>ş) To perform training services regarding the activities of the Incorporation.</p> <p>t) To aid and to make donations in compliance with the provisions of the applicable law.</p> <p>In addition to the aforementioned activities, in case it is intended to perform other activities deemed required in order to realise the aim and objectives and mission of the Incorporation, these will be submitted to the</p>	<p>way of participating those already established, to establish participations in and abroad and to use all property rights on the Incorporation's shares in such participations already established or to be established;</p> <p>n) To purchase and sell petroleum and petroleum products, to act as agency, distributor or in similar works incidental thereto;</p> <p>o) To purchase and sell computer software and hardware, to act as agency, distributor or in similar works incidental thereto;</p> <p>p) To issue, buy, dispose of, give as guarantee and to perform all other legal rights regarding all kinds of securities and commercial bonds, profit partnership certificates, finance bonds and bonds convertible to shares, in compliance with the Board Resolutions, in cases authorised by the applicable laws, provided that the Incorporation will not act as a commissioner or perform portfolio management;</p> <p>r) To obtain, register, lease and conclude contracts for licences, franchises, trade marks, know-how, technical data and support and all other industrial property rights;</p> <p>s) To perform all kinds of training, seminars and courses regarding the fields of activity, to co-operate with the related institutions, to participate in their activities, to establish and operate school and educational institutions;</p> <p>ş) To perform training services regarding the activities of the Incorporation.</p> <p>t) To aid and to make donations in compliance with the provisions of the applicable law.</p> <p>In addition to the aforementioned activities, in case it is intended to perform other activities deemed required in order to realise the aim and objectives and mission of the Incorporation, these will be submitted to the approval of the Shareholders Assembly upon offer of the Board of</p>
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approval of the Shareholders Assembly upon offer of the Board of Directors. For the application of such resolutions which require modification in the Articles of Association, the consents of the and the Capital Market Board will be obtained, the resolution will be registered in the Trade Registry and be announced in the Trade Registry Gazette.

HEAD OFFICE AND BRANCHES ARTICLE 4

The head office of the Incorporation is located at Istanbul, The address of the Incorporation is Atatürk Airport, Yeşilköy, Bakırköy, Istanbul.

In case of any address change, such new address will be registered in the Trade Registry and be announced in the Trade Registry Gazette and moreover Ministry of Industry and Trade and the Capital Market Board will be notified about such change.

Services made to the registered and announced address will be deemed adequately served. If the Incorporation has left the registered and announced address but has not registered the new address in due time then this will be deemed as a reason for the termination of the Incorporation.

With the resolution of the Board of Directors and in compliance with the provisions of the applicable law, the Incorporation may open branches, agencies and representation offices in and abroad as required .by the activities of the Incorporation.

SHARE CAPITAL AND SHARE CERTIFICATES ARTICLE 6

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

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The Incorporation, pursuant to the provisions of Capital Market Law No: 2499 has adopted the authorised capital system and is applying this system according to the permission of the Capital Market Board dated

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<p>26.10.1990 No: 815.</p> <p>a. Registered Share Capital</p> <p>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).</p> <p>b. Issued Share Capital and Share Certificates</p> <p>The issued share capital of the Incorporation is 1.380.000.000- (one billion three hundred eighty million) Turkish Lira divided into 138.000.000.000- (one hundred thirtyeight billion) shares each with the nominal value of 1 Kuruş (one kuruş) and is completely paid.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>26.10.1990 No: 815.</p> <p>a. Authorised Capital</p> <p>The authorised capital of the Incorporation is <u>5.000.000.000.- (five billion)</u> Turkish Lira. This authorised capital is divided into <u>500.000.000.000 (five hundred billion)</u> shares, each with the nominal value of 1 Kuruş (one kuruş).</p> <p>b. Issued Share Capital and Share Certificates</p> <p>The issued share capital of the Incorporation is 1.380.000.000- (one billion three hundred eighty million) Turkish Lira divided into 138.000.000.000- (one hundred thirtyeight billion) shares each with the nominal value of 1 Kuruş (one kuruş) and is completely paid.</p> <p>The permit provided by the Capital Market Board for the authorised capital ceiling is valid for the years <u>2015-2019</u> (5 years). In the period ended <u>2019</u>, even if the authorised capital ceiling levels are not attained, in order for the Board of Directors to take capital increase decision for the period after <u>2019</u>, 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 authorised capital system.</p> <p>From <u>2015 to 2019</u>, The Board of Directors is authorized to increase the issued capital when necessary by issuing registered share certificates up to the authorised capital ceiling, in compliance with the provisions of Capital Market Law.</p> <p>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.</p>
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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	1.379.999.999,99	Registered	137.999.999.999
C	0,01	Registered	1
TOTAL	1.380.000.000,00		138.000.000.000

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.

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.

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<p>c. Preferential Purchase Option</p> <p>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.</p> <p>d. Shareholders Nature</p> <p>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.</p> <p>Foreign shareholder shall mean:</p> <ul style="list-style-type: none">- 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. <p>In order to ensure that the aforementioned share rate limitations on the foreigner partners will be complied with the provisions of the Articles of</p>	<p>c. Preferential Purchase Option</p> <p>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.</p> <p>d. Shareholders Nature</p> <p>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.</p> <p>Foreign shareholder shall mean:</p> <ul style="list-style-type: none">- 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. <p>In order to ensure that the aforementioned share rate limitations on the foreigner partners will be complied with the provisions of the Articles of</p>
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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.

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 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

(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.

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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 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

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<p>electing amongst the candidates nominated by the Group C shareholder.</p> <p>Below principles will apply in the nomination of the candidates by the Group A shareholders:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>	<p>electing amongst the candidates nominated by the Group C shareholder.</p> <p>Below principles will apply in the nomination of the candidates by the Group A shareholders:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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 363 of Turkish Commercial Code. In the event of any vacancy in the Board of Directors</p>
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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.

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.

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.

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.

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**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, must be a shareholder of the Incorporation and must possess qualifications required by the Turkish Commercial Code, Capital Market Law and relevant legislation. 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 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

**QUALIFICATIONS AND CONDITIONS REQUIRED FOR ELECTION OF THE BOARD MEMBERS
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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, must be a shareholder of the Incorporation and must possess qualifications required by the Turkish Commercial Code, Capital Market Law and relevant legislation. 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 [395 and 396](#) 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

Amendments to the Articles 3, 4, 6, 10, 11, 14, 15, 21, 22, 23, 24, 25, 29, 34, 36, 37 and 40 of Turkish Airlines' Articles of Association

<p>days before the meeting.</p> <p>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.</p> <p>The important transactions in terms of Corporate Governance Principles of Capital Markets Board are conducted in accordance with Capital Markets Board's regulations.</p> <p>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.</p> <p>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.</p>	<p>days before the meeting.</p> <p>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.</p> <p>The important transactions in terms of Corporate Governance Principles of Capital Markets Board are conducted in accordance with Capital Markets Board's regulations.</p> <p>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.</p> <p>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.</p> <p><u>The right holders who have the right to attend the general assembly meetings of the Incorporation may also participate in these meetings via electronic media pursuant to Article 1527 of the Turkish Commercial Code. The Incorporation may set up the electronic general assembly system that will enable the right holders to participate and exercise their votes at the general assembly meetings via electronic media pursuant to the Regulation Regarding General Assemblies to be Convened Via Electronic Media in Joint Stock Companies or it may procure services from the systems formed by service providers for this purpose. It is required to</u></p>
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Amendments to the Articles 3, 4, 6, 10, 11, 14, 15, 21, 22, 23, 24, 25, 29, 34, 36, 37 and 40 of Turkish Airlines' Articles of Association

<p>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:</p> <ul style="list-style-type: none">- 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	<p><u>ensure that the right holders exercise their rights specified in the related legislation on the basis set forth in the provisions of the above mentioned Regulation in all general assemblies to be held via the system set up or the system to be procured from support service pursuant to this Article herein.</u></p> <p>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:</p> <ul style="list-style-type: none">- 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
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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.

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.

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.

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.

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 [367](#) and [370](#) 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.

The Board of Directors may establish committees in accordance with the Turkish Commercial Code, Capital Markets Legislation and the relevant legislation [and prepare an internal directive in accordance with Article 367/1 of the Turkish Commercial Code.](#)

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.

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AUDITORS ARTICLE 21

The Incorporation will be under the audit of 3 auditors appointed by the Shareholders Assembly. 2 auditors will be appointed amongst the candidates nominated by Group A shareholders, where 1 auditor will be appointed amongst the candidates nominated by the Group C shareholder. The office term of the auditors will be 1 (one) year. Auditors whose office term have expired may be re-appointed.

Below principles will apply in the nomination of the Auditors by the Group A shareholders:

a) 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 auditors granted to Group A shares.

b) In order to be able nominate Auditor candidates by the shareholders holding Group A shares open for public, they are required to be represented in the rate of minimum 2 % of the total issued share capital during the Shareholders Assembly in which the Auditor 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 auditor candidates nominated in a special meeting. In this meeting shareholders holding Group A shares open for public, which are 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 auditor candidates, 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 regulations.

c) In the event of any vacancy of any auditor due to any reason like death,

AUDIT ARTICLE 21

The auditing process of the Incorporation and other matters foreseen in the legislation shall be carried out within the framework of the related provisions of the Turkish Commercial Code and Capital Markets Law.

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resignation, dismissal or cease of membership, then such vacancy will be occupied by the election of the Auditors made in compliance with Article 351 of Turkish Commercial Code. In the event that the shareholders holding Group A shares open for public may not nominate any candidate for the vacant position then Group C shareholder will be entitled to nominate a candidate for the vacant position, or in the event 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 35 % and 2 % as indicated in paragraphs (a) and (b) above will not be taken into consideration.

d) 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 Auditors as indicated in paragraph (a) above may not be cancelled or modified, unless the aforementioned modification is approved by the shareholders representing 65 % of the issued share capital.

QUALIFICATIONS OF THE AUDITORS ARTICLE 22

In order to be able to get elected as an auditor, these persons are required not be placed under guardianship, 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 Turkish Commercial Code which require ineligibility form membership. It is required that all auditors will be Turkish citizens.

DUTIES, POWERS AND RESPONSIBILITIES OF THE AUDITORS ARTICLE 23

QUALIFICATIONS OF THE AUDITORS ARTICLE 22

The auditor is dismissed in accordance with the provisions of Turkish Commercial Code. Provision of Article 399/2 of the Turkish Commercial Code is reserved.

PROVISIONS TO BE APPLIED TO THE DUTIES AND POWERS OF THE AUDITORS ARTICLE 23

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The auditors are authorized and obliged to examine the general transactions and budget of the Incorporation, to perform the duties as set forth in Turkish Commercial Code, to make proposals to the Board of Directors to provide proper administration and to secure the benefits of the Incorporation, to summon for a Shareholders Assembly in case of necessity and urgency and to determine the agenda of such Shareholders Assembly meeting and to prepare the report stipulated in Article 354 of Turkish Commercial Code. The auditors are obliged to perform the duties entrusted them by law and the Articles of Association properly and with due care.

REMUNERATION OF THE AUDITORS ARTICLE 24

Remuneration of the Auditors will be determined by the Shareholders Assembly.

INDEPENDENT AUDITING ARTICLE 25

The Board of Directors shall appoint for minimum two and maximum four accounting years an independent auditing firm pursuant to the provisions of Capital Market Law and the applicable rules, to audit the accounts within the scope of the aforementioned laws and rules, and determine the fees to be paid to such firm; however such appointment will be subject to the approval of the following Shareholders Assembly. Applicable rules of Capital Market Board related to the approval of the independent Auditor and to the Independent Auditing Principles will be applied. The balance sheet and statement of accounts of the Incorporation, annual reports of the Board of Directors and the Auditors as well as the annual audit reports prepared by the independent auditing firm and summary reports will all be prepared in conformity with the standards set forth by the provisions of Capital Market Law and the Bulletins and Regulations issued by the

The provisions of the Turkish Commercial Code and Capital Markets Law shall be applied for the duties and powers of the auditors and other related matters.

REMUNERATION OF THE AUDITORS ARTICLE 24

Remuneration of the Auditors shall be determined by the annual contract to be made with the Auditor.

INDEPENDENT AUDIT REPORT ARTICLE 25

The Incorporation shall obtain an Independent Audit Report for the financial statements and reports determined by the Capital Markets Board within the scope of the Turkish Accounting Standards, by having them examined by an Independent Audit Firm within the framework of the related legislation, pursuant to Capital Markets Law.

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Capital Market Council.

**SUMMON AND QUORUM
ARTICLE 29**

Summon announcements regarding the Shareholders Assembly meetings are required to be pursuant to the Turkish Commercial Code, Capital Markets Legislation and the relevant legislation.

Attendance to the Shareholders Assembly meetings by electronic means: Shareholders who have the right to attend the Shareholders Assembly meetings can also attend these meetings by electronic means, pursuant to the article 1527 of Turkish Commercial Code. As per the Internal Directive on Working Principles and Procedures of the General Assembly, The Incorporation can either set up a electronic general assembly system that will enable the shareholders to attend the meeting by electronic means, express an opinion, come up with a proposal and vote, or purchase a service from a provider. In all Shareholders Assembly meetings, shareholders and representatives should be enabled to use all the rights set out in the foregoing Internal Directive, as per this article of the Articles of Association.

Excluding the cases which require a higher quorum pursuant to Turkish Commercial Code, Capital Markets Legislation and this Articles of Association, Shareholders Assembly meeting will convene with the attendance of the shareholders representing minimum one fourth of the share capital of the Incorporation. In the event that such quorum cannot be obtained at the first meeting, the quorum will not be taken into consideration for a second meeting. 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.

**SUMMON AND QUORUM
ARTICLE 29**

Summon announcements regarding the Shareholders Assembly meetings are required to be pursuant to the Turkish Commercial Code, Capital Markets Legislation and the relevant legislation.

Attendance to the Shareholders Assembly meetings by electronic means: Shareholders who have the right to attend the Shareholders Assembly meetings can also attend these meetings by electronic means, pursuant to the article 1527 of Turkish Commercial Code. As per the Internal Directive on Working Principles and Procedures of the General Assembly, The Incorporation can either set up a electronic general assembly system that will enable the shareholders to attend the meeting by electronic means, express an opinion, come up with a proposal and vote, or purchase a service from a provider. In all Shareholders Assembly meetings, shareholders and representatives should be enabled to use all the rights set out in the foregoing Internal Directive, as per this article of the Articles of Association.

Excluding the cases which require a higher quorum pursuant to Turkish Commercial Code, Capital Markets Legislation and this Articles of Association, Shareholders Assembly meeting will convene with the attendance of the shareholders representing minimum one fourth of the share capital of the Incorporation. In the event that such quorum cannot be obtained at the first meeting, the quorum will not be taken into consideration for a second meeting. 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.

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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 Article 370 of the Turkish Commercial Code.

DOCUMENTS TO BE SUBMITTED ARTICLE 34

Three copies of the Reports of the Board of Directors and the Auditors, balance sheet, loss and profit statements, minutes of the Shareholders Assembly meeting signed by the government commissary and the attendance list will be submitted to the Ministry of Industry and Trade within one month following the meeting date.

The financial statements and reports required by the Capital Market Board and, if independent auditing is required then the independent audit report, will be submitted to the Capital Market Board and announced to the public in accordance with the procedures and principles determined by the Capital Market Board.

DETERMINATION AND DISTRIBUTION OF PROFIT ARTICLE 36

The net profit, as indicated in the annual balance sheet, found after deducting from the revenue of the Incorporation, the amounts required to be paid or reserved by the Incorporation like general expenses and various depreciations and the taxes required to be paid by the Incorporation, following the deduction of the losses of the past years, will

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 [Article 416](#) of the Turkish Commercial Code.

DOCUMENTS TO BE SUBMITTED ARTICLE 34

Three copies of the Reports of the Board of Directors and the Auditors, balance sheet, loss and profit statements, minutes of the Shareholders Assembly meeting signed by the government commissary and the attendance list will be submitted to the Ministry of [Customs](#) and Trade within one month following the meeting date.

The financial statements and reports required by the Capital Market Board and, if independent auditing is required then the independent audit report, will be submitted to the Capital Market Board and announced to the public in accordance with the procedures and principles determined by the Capital Market Board.

DETERMINATION AND DISTRIBUTION OF PROFIT ARTICLE 36

The net profit, as indicated in the annual balance sheet, found after deducting from the revenue of the Incorporation, the amounts required to be paid or reserved by the Incorporation like general expenses and various depreciations and the taxes required to be paid by the Incorporation, following the deduction of the losses of the past years, will

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be distributed in the following priority, by complying with the Capital Market regulations:

- a) Legal reserve fund in the rate of 5 % will be reserved.
- b) First dividend in the rate and amount as determined by Capital Market Board will be deducted from the balance.
- c) After deducting from the net profit the amounts indicated in clauses (a) and (b) above, the Shareholders Assembly will be entitled to resolve either to distribute as second dividend or to reserve as extraordinary reserve fund, the entire or any portion of the balance.
- d) Second reserve fund will be reserved according to Article 466, paragraph 2, clause 3 of Turkish Commercial Code in the rate of one tenth of the amount found after deducting the profit share in the rate of 5 % of the issued share capital from the amount resolved to be distributed to the shareholders and those entitled to participate the profit.
- e) Unless legal reserves required by law and the first dividend determined in the Articles of Association for the shareholders are reserved, no resolution may be adopted to reserve other reserve funds, to transfer profit to the coming year, and unless first dividend is paid in cash and/or in share certificates, no resolution may be adopted to distribute profit to the privileged shareholders in profit distribution, to the holders of participation, founder and ordinary interest certificates, to the members of the Board and officers, employees and workers, to the trusts established for various purposes and similar persons and/or institutions.

RESERVE FUND ARTICLE 37

The legal reserve fund to be reserved by the Incorporation at the rate of 5 % of the annual net profit will continue to be reserved until it reaches up to

be distributed in the following priority, by complying with the Capital Market regulations:

- a) Legal reserve fund in the rate of 5 % will be reserved.
- b) First dividend in the rate and amount as determined by Capital Market Board will be deducted from the balance.
- c) After deducting from the net profit the amounts indicated in clauses (a) and (b) above, the Shareholders Assembly will be entitled to resolve either to distribute as second dividend or to reserve as extraordinary reserve fund, the entire or any portion of the balance.
- d) Second reserve fund will be reserved according to Article 519, paragraph 2, clause c of Turkish Commercial Code in the rate of one tenth of the amount found after deducting the profit share in the rate of 5 % of the issued share capital from the amount resolved to be distributed to the shareholders and those entitled to participate the profit.
- e) Unless legal reserves required by law and the first dividend determined in the Articles of Association for the shareholders are reserved, no resolution may be adopted to reserve other reserve funds, to transfer profit to the coming year, and unless first dividend is paid in cash and/or in share certificates, no resolution may be adopted to distribute profit to the privileged shareholders in profit distribution, to the holders of participation, founder and ordinary interest certificates, to the members of the Board and officers, employees and workers, to the trusts established for various purposes and similar persons and/or institutions.

RESERVE FUND ARTICLE 37

The legal reserve fund to be reserved by the Incorporation at the rate of 5 % of the annual net profit will continue to be reserved until it reaches up to

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the 20 % of the share capital of the Incorporation. (Provisions of Article 466 of Turkish Commercial Code are reserved.) In the event that for any reason, the legal reserve fund falls below the amount representing 20 % of the share capital of the Incorporation, then legal reserve fund will continue to be reserved until it reaches this amount again.

**ANNOUNCEMENTS
ARTICLE 40**

Announcements regarding the Incorporation will be made in compliance with the provisions of Article 37, paragraph 4 of Turkish Commercial Code. Furthermore the provisions of the Capital Market Law and the related bulletin will be complied with regarding the imperative announcements required pursuant to the provisions of the aforementioned law.

Provisions of Articles 397 and 438 of Turkish Commercial Code will apply regarding the announcements about decreasing share capital and liquidation.

the 20 % of the share capital of the Incorporation. (Provisions of Article 519 of Turkish Commercial Code are reserved.) In the event that for any reason, the legal reserve fund falls below the amount representing 20 % of the share capital of the Incorporation, then legal reserve fund will continue to be reserved until it reaches this amount again.

**ANNOUNCEMENTS
ARTICLE 40**

Announcements regarding the Incorporation will be made in compliance with the provisions of Article 35, paragraph 4 of Turkish Commercial Code. Furthermore the provisions of the Capital Market Law and the related bulletin will be complied with regarding the imperative announcements required pursuant to the provisions of the aforementioned law.

Provisions of Articles 474 and 532 of Turkish Commercial Code will apply regarding the announcements about decreasing share capital and liquidation.