

**MİLLÎ REASÜRANS
TÜRK ANONİM ŞİRKETİ**

Articles of Association

**Articles of Association of
MİLLÎ REASÜRANS TÜRK ANONİM ŞİRKETİ**

PART ONE – INCORPORATION AND GENERAL PROVISIONS

Incorporation

Article 1 – A joint stock company has been established by the shareholders mentioned herein below, in accordance with the provisions of the relevant legislation.

- 1) Türkiye İş Bankası A.Ş.
- 2) Erzurumlu Nafiz Bey, Trader.
- 3) Şevket Mehmet Ali Bey.
- 4) Ekrem Bey.
- 5) Esbak Konya Valisi Hüsnü Bey.

Commercial Title

Article 2 – The commercial title of the Company is "Millî Reasürans Türk Anonim Şirketi".

Purposes and Principal Activities

Article 3 – The main purposes and principle activities of the Company are as follows.

- a) Carry out proportional, non-proportional, financial and all other kinds of reinsurance activities in all branches under life and non life insurance groups both in Turkey and abroad.
- b) To manage pooling in all insurance branches and to participate in the reinsurance.
- c) To purchase, sell, construct and lease immovable property.
- d) To purchase debt instruments issued by commercial, industrial and financial institutions, government agencies or corporations and state economic enterprises, to participate in their capital or to initiate the establishment of such corporations for the purpose of providing continuous, secure and satisfactory investment income for its funds.
- e) In addition to the transactions listed in the present article, to carry out all kinds of activities deemed useful and necessary, upon the proposal of the Board of Directors and by the relevant resolution of the General Assembly, provided that such activities are not prohibited by law.

Head Office and Branch Offices

Article 4 – (*) The head office of the Company is in Istanbul, at the address of “Levent Mahallesi Meltem Sokak İş Bankası Kuleleri No:14 İç Kapı No:21 Beşiktaş/İstanbul”. In case of any change of the address, the new address shall be registered with the Trade Registration Office and announced in the Trade Registration Gazette of Turkey. The registered and announced address shall also be put in the Internet site of the Company. Any notification to the duly registered and announced address shall be considered as submitted to the Company. The Articles of Association of the Company may not be amended in case of address changes only, provided that it remains within the boundaries of the same registration area.

The company shall be entitled to open branch offices in Turkey or abroad through a resolution of the Board of Directors in accordance with the provisions of relevant legislation.

Duration

Article 5 – The Company is incorporated for an unlimited period.

PART TWO COMPANY’S CAPITAL AND SHARES

Capital

Article 6 - ()** The capital of the Company is 660.000.000 (Six hundred sixty million) Turkish Liras.

The integral capital consists of registered shares and is divided into 66.000.000.000 (Sixty six billion) shares each with a nominal value of one (1) piaster each.

- a) 615.000.000 (Six hundred fifteen million) Turkish Liras of this capital is fully paid-up.
- b) The current increase of 45.000.000 (forty five million) Turkish Liras has been fully subscribed and

of this increase the amount of 39.500.000 (thirty nine million five hundred thousand) Turkish Liras is covered from statutory reserves, and 5.500.000 TL (five million five hundred thousand) of the same amount is covered from extraordinary reserves.

The registered shares to be issued for this part shall be freely distributed to the shareholders as capital bonus and in pro rata to their participation in the existing capital.

The Board of Directors shall be entitled to imprint the share certificates in bills of one (1) piaster and in its multiples.

(*) This text has been adopted at the Share Holders Ordinary General Assembly Meeting held on the 27th March 2024. The text before the amendment is submitted as an appendix.

() This text has been adopted at the Share Holders Ordinary General Assembly Meeting held on the 26th March 2014. The text before the amendment is submitted as an appendix.**

Founders' shares

Article 7- (*) Repealed

Transfer of shares

Article 8 – (*) The transfer of the shares and the certificates representing the shares that are not entirely paid-in or not yet converted into shares is subject to the provisions of the Turkish Code of Commerce. The Company shall be entitled to purchase its own shares in accordance with the provisions of the Turkish Code of Commerce.

Registered shares may not be transferred and the shares and the rights related thereto shall not be handed over if the Board of Directors does not approve such a transfer.

The Board of Directors shall be entitled to refuse the transfer of registered shares not entirely paid-in unless such a transfer is a result of an inheritance, the partition of an estate, the provisions of the marital property between spouses or an enforcement. However, in such an event the Company shall be entitled to offer to the transferee to pay the real value and refuse the transfer. In accordance with the provisions of the Turkish Code of Commerce in such an event, the shares may be purchased by the Company or the shareholder thereof or a third party indicated by the Company.

The Company shall be entitled to refuse to register the transfer in the book of shares if the transferee does not clearly declare that such shares are acquired in his/her/its own name and account.

In the event whereby the Company considers that the solvency of the transferee is doubtful, the Board of Directors may subordinate the approval of the transfer of the shareholder to the payment of a warranty that it will require. The Board of Directors shall be entitled to require a warranty even for registered shares for which the price is entirely paid-in if the Company considers that the solvency of the transferee is doubtful.

The Board of Directors shall be entitled to refuse the approval of a transfer of shares if important reasons thereto exist. The following shall be considered as important reasons justifying a refusal.

(a) Transfers to persons in competition with the Company and Türkiye İş Bankası A.Ş. or likely to harm its interests in terms of conducting business shall be considered as important reasons justifying a refusal.

(b) Transfers that are likely to harm the economic sovereignty of the Company's management or to complicate the Company's opening to the public shall be considered as important reasons justifying a refusal in terms of the preservation of the composition of the community of shareholders.

Aforementioned restrictions shall also be applicable when a usufruct is established.

(*) These texts have been adopted at the Share Holders Ordinary General Assembly Meeting held on the 30th November 2016. The text before the amendment is submitted as an appendix.

Increase or Decrease of the Capital

Article 9 - The capital may be increased or decreased in accordance with the provisions of the Turkish Code of Commerce and other relevant legislation. However, capital may not be increased as long as the entire capital is paid-in for reasons other than the increases exercised from internal resources. The failure to pay-in the amounts considered as not important in proportion of the capital shall not impede the increase of the capital.

In the event whereby the balance sheets include funds that the legislation authorizes the addition in the capital, the capital may not be increased by way of capital subscriptions as long as such funds are not converted into capital.

Issuance of Bonds and Other Indebting Instruments

Article 10 – The Company shall be entitled to issue all kinds of bonds and other indebteding instruments in accordance with the provisions of the relevant legislation, by the resolution of the General Assembly upon the proposal of the Board of Directors.

PART THREE

The Board of Directors, the General Manager, the Managers

The Board of Directors

Article 11 – The Company shall be represented and managed by a Board of Directors consisting of minimum five members elected by the General Assembly in accordance with the provisions of the Turkish Code of Commerce and the legislation on insurance business.

Legal entities may be elected as members of the Board of Directors. In such an event, together with the legal entity member of the board of directors, the real person appointed by such a legal entity and through whom the legal entity is embodied shall also be registered and announced. The proposals made and votes cast by such a real person at the Board of Directors shall be deemed as made and cast by the legal entity. Responsibility related thereto shall be solely borne by the legal entity member of the Board of Directors. The said real persons may be replaced by a unilateral decision of the legal entity at any time as the said legal entity so wishes. In such an event no revocation formality is required. The representative of the legal entity may not be elected as a member of the Board of Directors in lieu of the legal entity.

Term of Office of the Board of Directors

Article 12 – The Board of Directors may be elected for a maximum of three years

A member whose term of office has expired may be reelected.

The General Assembly shall always be entitled to change the members of the Board of Directors if the agenda includes the revocation thereof or in the event whereby there are serious grounds to do so, even if the agenda does not provide any such revocation.

In case of a vacancy in the Board of Directors for any reason whatsoever, the Board shall elect temporary member for the vacant position and submit it to the approval of the General Assembly at its first meeting. A member of the Board of Directors elected in this manner shall remain in office until the first General Assembly Meeting. In the event that his/her/its appointment is approved by the General Assembly, he/she/it shall complete the remaining term of the office he/she is elected to replace. Provisions of the Turkish Code of Commerce are reserved.

Salaries to be paid to the Chairman and the Members of the Board of Directors shall be determined annually by the General Assembly.

TASK DISTRIBUTION

Article 13 – At its first meeting following the annual Ordinary General Assembly Meeting or an Extraordinary General Assembly Meeting with elections, the Board of Directors shall elect from among its members a Chairman and a Vice Chairman. The rapporteur may be one of the members or someone from outside. The Board of Directors shall be entitled to establish committees and commissions from its members as needed. It may also appoint managing directors provided that it determines the limits of his/her authorities.

Meetings of the Board of Directors

Article 14 - The Board of Directors shall meet whenever necessitated by the affairs of the Company and upon the invitation of the Chairman or Vice Chairman, at the head office of the Company as a rule and exceptionally, in any suitable place upon request of more than the half of its members.

Any member of the Board of Directors may ask the Chairman of the Board of Directors or, in his/her absence the Vice Chairman of the Board of Directors in writing to call the Board of Directors to a meeting. The Chairman of the Board of Directors or the Vice Chairman of the Board of Directors shall try to meet the request of such a member of the Board of Directors to have a meeting of the Board of Directors to be held in accordance with the needs and the possibilities.

In accordance with the provisions of article 1527 of the Turkish Code of Commerce, those entitled to participate in the meetings of the Board of Directors may participate in such meetings in an electronic medium. In accordance with the provisions of the “Communiqué on the Board Meetings of Commercial Companies Held in Electronic Mediums, except the General Assembly Meetings of the joint stock companies”, the Company shall be entitled to establish the Electronic Meeting System enabling those entitled to participate and vote in such meetings or purchase services from systems established to this end. In such meetings, those entitled shall be enabled to exercise their rights mentioned in the relevant legislation within the framework of the provisions of the said communiqué either through the system established in accordance with the present provisions of the Articles of Association or the system from which support services are purchased.

The dates and agendas of the meetings of the Board of Directors shall be determined by the Chairman. In the absence of the Chairman, these tasks shall be undertaken by the Vice Chairman of the Board of Directors. However, the dates of the meetings may also be determined by the resolution of the Board of Directors.

Meetings of the Board of Directors shall be held with the presence of the majority of its members. Resolutions are adopted by the majority of those present. In case of the equality of votes, the matter shall be left for the next meeting. In case of equality at that meeting too, the proposal shall be deemed as rejected.

In accordance with the provisions of the Turkish Code of Commerce, resolutions may also be adopted through the written approval of a proposal made to all members of the Board of Directors by the majority of the total number of members. Resolutions may be adopted in an electronic medium or safekept with secured electronic signatures. The safekeeping of such a resolution in an electronic medium shall then be mentioned in the book of resolutions. The validity of the resolutions is subject to their being written and signed.

DUTIES AND AUTHORITIES OF THE BOARD OF DIRECTORS

Article 15 – The Board of Directors shall be entitled to adopt resolutions on all kinds of acts and actions necessary to realize the subject matter of the Company, except those left to the exclusive authority of the General Assembly either by law and the Articles of Association.

The Board of Directors shall be entitled to hand over its representation authorities and managerial tasks or any part(s) thereof to one or more executive director(s) or managing director(s), non assignable tasks and authorities sought in the Turkish Code of Commerce being reserved

In accordance with the provisions of article 367 of the Turkish Code of Commerce, the Board of Directors shall be entitled to assign the management of the Company or any part thereof through an internal directive, duties and authorities classified as non assignable by article 375 of the Turkish Code of Commerce as well as duties and authorities classified as non assignable by other articles being reserved.

The General Manager, Manager, Signing Authorities

Article 16 – The General Manager and other staff expected to join the management must bear the qualifications required in the relevant legislation.

Resolutions of the Board of Directors shall be executed by the General Manager.

The appointment of the General Manager, the conditions of his/her duties and the termination of his/her appointment shall be decided by the Board of Directors.

The appointment, promotion and transfer of the signing authorities other than the General Manager shall be negotiated and resolved by the Board of Directors upon a proposal of the General Manager.

The terms of office and signing authorities of the General Manager, managers, authorized signatories are not limited with the terms of office of the members of the Board of Directors. The signing authorities of such officers shall remain valid until revoked by the Board of Directors.

Those authorized to sign on behalf of the Company with regard to the representation of the Company as well as the conditions of the validity of the documents and contracts issued on behalf of the Company and their being binding for it shall be determined by the management. The resolution of the Board of Directors shall be registered and announced.

Those entitled to represent may not carry out any transaction against the law and the purposes and subject matters mentioned in article 3. To the contrary, the Company shall recourse to such individuals if they are deemed responsible. In the event whereby the third party knows or is supposed to know that the transaction is out of the scope of the Company's purposes and subject matters, the Company will not be bound by such a transaction. Third parties carrying out regular transactions with the Company, receiving the explanatory notes, warnings and similar notes from the Company may not pretend being in good faith.

PART FOUR AUDITORS

The Auditor

Article 17 – The auditing of the Company shall be undertaken in accordance with the provisions of the Turkish Code of Commerce and other relevant legislation applicable to the Company.

PART FIVE THE GENERAL ASSEMBLY

The General Assembly

Article 18 – The Company's General Assembly Meetings shall convene and work in Ordinary or Extraordinary meetings.

The Ordinary General Assembly Meeting must be held within three months from the end of the fiscal year of the Company.

Extraordinary General Assembly Meetings shall convene whenever necessitated by the affairs of the Company or when the causes mentioned in the Turkish Code of Commerce arise, in accordance with the provisions of the relevant legislation and the Articles of Association and adopts necessary resolutions.

Invitations to the General Assembly Meetings shall be made as specified in the Turkish Code of Commerce. However, the General Assembly may be called for a meeting by the Board of Directors even if its term of office has reached its end.

Invitations and Agenda

Article 19 – The General Assembly shall be invited to hold a meeting through the Internet site of the Company and through an announcement in the Trade Registration Gazette of Turkey by including the date, the place, the time and the agenda of the meeting. Invitations must be announced at least two weeks before the General Assembly Meeting, the day of the publication of the announcement and the day of the meeting being excepted. The date of the General Assembly Meeting, the agenda thereof and the newspapers in which the announcements are published shall be notified by registered mail with acknowledgment of receipt to shareholders whose names are written in the book of shares as well as to shareholders who have notified their addresses to the Company by depositing share certificates or by any other document proving their shareholding.

General Assembly Meetings shall be held at the head office of the Company or in any other suitable place of the city where the headquarters is located.

In Ordinary General Assembly Meetings matters included in the agenda issued as specified in the Turkish Code of Commerce shall be discussed and necessary resolutions will be adopted. Revocation of the members of the Board of Directors, the election of new ones are deemed being related to the article of the agenda on discussions on the financial statements as of the end of the year. Matters not included in the agenda shall not be taken into consideration, relevant provisions of the Turkish Code of Commerce being reserved.

Presence of a Representative of the Ministry

Article 20 - A representative of the Ministry of Customs and Trade must be present at the General Assembly Meetings. Resolutions adopted in a General Assembly Meeting held in the absence of such a representative shall not be valid.

Presence of Managing Directors, a Member of the Board of Directors and the Auditor at the Meetings

Article 21 – In General Assembly Meetings the managing director(s) (if any), at least one member of the Board of Directors and the auditor must be present.

Quorum of the Meetings and Quorum of the Resolutions

Article 22 – Unless otherwise provided for by the Turkish Code of Commerce, the General Assembly Meetings shall be held by the shareholders representing at least the quarter of the Company's capital or their representatives. These quorums must be kept all the way through the meetings. The quorums of the meetings and quorums of resolutions are subject to the provisions of the Turkish Code of Commerce.

Resolutions shall be adopted by the majority votes of those present at the meeting.

Participation and voting rights

Article 23 – In Ordinary and Extraordinary General Assembly Meetings each shareholder or his/her/its proxy attending the meeting shall have the right to one vote for each share he/she/it owns.

In General Assembly Meetings, shareholders may have themselves represented by proxies who may be a fellow shareholder or from outside. Shareholder proxies shall be entitled to vote for themselves in addition to the shareholders they represent. The form of the proxies shall be determined and announced by the Board of Directors.

Modalities of the voting at the General Assembly shall be subject to the Turkish Code of Commerce.

Amendments of the Articles of Association

Article 24 – The Articles of Association may be amended within the framework of the modalities and principles sought in the Articles of Association and other relevant legislation.

Proceedings and Discussions at the General Assembly Meeting

Article 25 – The General Assembly Meetings shall be chaired by the Chairman of the Board of Directors, in his/her absence by the Vice Chairman of the Board of Directors, in the event whereby he/she is also absent, by the member of the Board of Directors with the highest seniority and in case of the equality of seniorities, by the eldest member.

In General Assembly Meetings two members holding the highest number of shares shall be elected as scrutinizers and one shareholder or someone from outside shall be elected as scribe to write the minutes.

Discussions and resolutions in General Assembly Meetings shall be recorded in minutes drawn in accordance with the provisions of the Turkish Code of Commerce. Minutes shall be signed by the chairman of the meeting and by the representative of the Ministry. Proceedings at the General Assembly Meetings shall comply with the “Internal Directive on Working Modalities and Principles of General Assembly Meetings”.

Resolutions shall be valid for those absent and those having voted against.

PART SIX ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS

Accounts of the Company

Article 26 – The fiscal year of the Company shall commence on the 1st of January of every year and end on the 31st of December of the same year. The Board of Directors shall issue the financial statements, their enclosures and the Board of Directors’ annual activity report related to the previous fiscal year, within the first three months of the accounting period following the date of the balance sheets and submit them to the General Assembly.

Financial statements, the Board of Directors’ annual activity report, auditing reports and the Board of Directors’ proposal on the distribution of the profit shall be made available for the examination of the shareholders at the head office and branch offices of the Company at least 15 days before the date of the General Assembly Meeting. Financial statements and consolidated charts shall remain available at the head office and branch offices for one year for the information of shareholders.

Every shareholder shall be entitled to request a copy of the income statement and the balance sheets, relevant expenses being payable by the company.

PART SEVEN DISTRIBUTION OF THE PROFIT AND RESERVES

Distribution of the Profit

Article 27 – (*) The distribution of the Company's profit shall be decided by the General Assembly upon the proposal of the Board of Directors which shall consider the provisions of the Turkish Code of Commerce and other legislation applicable to the Company.

At the end of a fiscal year, the amount remaining after the deduction of overall expenses, depreciation, necessary provisions, taxes and similar legal and financial liabilities as well as the losses of the previous year, if any, from the income obtained in the relevant fiscal year shall constitute the net profit of the Company.

The net profit calculated in such a way shall be distributed as follows in the following order:

- a) Five percent of the annual net profit shall be set aside every year as legal reserves until they reach 20 % of the paid-in capital.
- b) Amounts sought in subparagraph a and b of paragraph 2 of article 519 of the Turkish Code of Commerce shall be added to legal reserves even after the reaching of the legal limit.
- c) 10 % of the sum remaining from the net profit shall be distributed to shareholders as a first dividend.
- d) In accordance with the provisions of article 520 of the Turkish Code of Commerce, in the event whereby the Company has acquired its own shares, reserves in an amount sufficient to cover the prices of the acquisitions shall be set aside.
- e) If so deemed necessary, amounts to be determined by a resolution of the General Assembly upon a proposal of the Board of Directors may be set aside from the balance remaining as catastrophe fund.
- f) Out of the sum remaining after the deduction of the legal reserves, first dividend, other reserves and funds from the net profit, up to 3 percent shall be paid to employees provided that this amount does not exceed the equivalent of total of three months salary.
- g) After the completion of the settings aside and distributions mentioned herein above, a second dividend shall be paid from the amount remaining to shareholders by a resolution of the General Assembly upon a proposal of the Board of Directors, provisions of relevant legislation being reserved.
- h) In accordance with the provisions of article 519/2(c), 10 percent of the total amount to be distributed to individuals entitled to participate in the profit shall be added to legal reserves.
- i) The balance shall be used as determined by the General Assembly.

Provisions of paragraph 3 of article 519 of the Turkish Code of Commerce are reserved.

As long as the reserves to be set aside as per legal provisions and the first dividend sought for shareholders in the Articles of Association are not allocated, other reserves may not be allocated, profit may not be deferred on following years and any distribution may not be made out of profit for the employees.

(*) This text has been adopted at the Share Holders Ordinary General Assembly Meeting held on the 30th November 2016. The text before the amendment is submitted as an appendix.

Date of Distribution of the Profit

Article 28 - The date and the modalities of the distribution of annual profit shall be determined by the General Assembly upon the proposal of the Board of Directors. Profits distributed in accordance with the provisions of the Articles of Association may not be retrieved. Provision of article 512 of the Turkish Code of Commerce are reserved.

**PART EIGHT
FINAL PROVISIONS****Place of Jurisdiction**

Article 29 –The place of jurisdiction for any disputes in connection with the operation and liquidation of the Company and likely to affect the rights thereof shall be the courts and execution offices of the locality where the head office of the Company is established.

Announcements

Article 30 – Announcements related to matters registered in the name of the Company shall be announced through the Trade Registration Gazette of Turkey and those to be announced in accordance with the provisions of the Turkish Code of Commerce shall be announced through the Company's internet Site.

Announcements related to the decrease of the capital and liquidation are subject to the provisions of the Turkish Code of Commerce.

Provisions of the Turkish Code of Commerce and other relevant legislation are reserved.

Legal Provisions

Article 31 – For Matters not provided for in the present Articles of Association shall be subject to the provisions of the Turkish Code of Commerce and other relevant legislation.

**VERSIONS BEFORE AMENDMENT OF
AMENDED ARTICLES**

Head Office and Branch Offices

Article 4 – The head office of the Company is in Istanbul, at the address of “Harbiye Mahallesi, Maçka Caddesi No. 35, 34367 Şişli”. In case of any change of the address, the new address shall be registered with the Trade Registration Office and announced in the Trade Registration Gazette of Turkey. The registered and announced address shall also be put in the Internet site of the Company. Any notification to the duly registered and announced address shall be considered as submitted to the Company. The Articles of Association of the Company may not be amended in case of address changes only, provided that it remains within the boundaries of the same registration area.

The company shall be entitled to open branch offices in Turkey or abroad through a resolution of the Board of Directors in accordance with the provisions of relevant legislation.

Article 6 - The capital of the Company is 615.000.000 (Six hundred fifteen million) Turkish Liras.

The integral capital consists of registered shares and is divided into 61.500.000.000 (Sixty one billion five hundred million) shares each with a nominal value of one (1) piaster each.

a) 525.000.000 (Five hundred twenty five million) Turkish Liras of this capital is fully paid-up.

b) The current increase of 90.000.000 (ninety million) Turkish Liras has been fully subscribed and covered from the statutory reserves.

The registered shares to be issued for this part shall be freely distributed to the shareholders as capital bonus in pro rata to their participation in the existing capital.

The Board of Directors shall be entitled to imprint the share certificates in bills of one (1) piaster and in its multiples.

Founders' shares

Article 7- In accordance with the provisions of the article related to the distribution of profit, one thousand (1000) free and registered founders' shares have been issued which have access to share of profit only.

Holders of the founders' shares do not have the access to intervene in the operations and the accounts of the Company.

The number of the founders' shares shall not increase following an increase in capital.

Founders' shares may be purchased by the Company after five years following the establishment of the company in accordance with a resolution by the General Assembly.

Transfer of shares

Article 8 – The transfer of the shares and the certificates representing the shares that are not entirely paid-in or not yet converted into shares is subject to the provisions of the Turkish Code of Commerce. The Company shall be entitled to purchase its own shares in accordance with the provisions of the Turkish Code of Commerce.

Registered shares may not be transferred and the shares and the rights related thereto shall not be handed over if the Board of Directors does not approve such a transfer.

The Board of Directors shall be entitled to refuse the transfer of registered shares not entirely paid-in unless such a transfer is a result of an inheritance, the partition of an estate, the provisions of the marital property between spouses or an enforcement. However, in such an event the Company shall be entitled to offer to the transferee to pay the real value and refuse the transfer. In accordance with the provisions of the Turkish Code of Commerce in such an event, the shares may be purchased by the Company or the shareholder thereof or a third party indicated by the Company.

The Company shall be entitled to refuse to register the transfer in the book of shares if the transferee does not clearly declare that such shares are acquired in his/her/its own name and account.

In the event whereby the Company considers that the solvency of the transferee is doubtful, the Board of Directors may subordinate the approval of the transfer of the shareholder to the payment of a warranty that it will require. The Board of Directors shall be entitled to require a warranty even for registered shares for which the price is entirely paid-in if the Company considers that the solvency of the transferee is doubtful.

The Board of Directors shall be entitled to refuse the approval of a transfer of shares if important reasons thereto exist. The following shall be considered as important reasons justifying a refusal.

(a) Transfers to persons in competition with the Company, Türkiye İş Bankası A.Ş. and/or with the holders of the founders' shares thereof or likely to harm its interests in terms of the realization of the purposes and subject matters shall be considered as important reasons justifying a refusal.

(b) Transfers that are likely to harm the economic sovereignty of the Company's management or to complicate the Company's opening to the public shall be considered as important reasons justifying a refusal in terms of the preservation of the composition of the community of shareholders.

Aforementioned restrictions shall also be applicable when a usufruct is established.

Distribution of the Profit

Article 27 – The distribution of the Company’s profit shall be decided by the General Assembly upon the proposal of the Board of Directors which shall consider the provisions of the Turkish Code of Commerce and other legislation applicable to the Company.

At the end of a fiscal year, the amount remaining after the deduction of overall expenses, depreciation, necessary provisions, taxes and similar legal and financial liabilities as well as the losses of the previous year, if any, from the income obtained in the relevant fiscal year shall constitute the net profit of the Company.

The net profit calculated in such a way shall be distributed as follows in the following order:

- a) Five percent of the annual net profit shall be set aside every year as legal reserves until they reach 20 % of the paid-in capital.
- b) Amounts sought in subparagraph a and b of paragraph 2 of article 519 of the Turkish Code of Commerce shall be added to legal reserves even after the reaching of the legal limit.
- c) 10 % of the sum remaining from the net profit shall be distributed to shareholders as a first dividend.
- d) In accordance with the provisions of article 520 of the Turkish Code of Commerce, in the event whereby the Company has acquired its own shares, reserves in an amount sufficient to cover the prices of the acquisitions shall be set aside.
- e) If so deemed necessary, amounts to be determined by a resolution of the General Assembly upon a proposal of the Board of Directors may be set aside from the balance remaining as catastrophe fund.
- f) Out of the sum remaining after the deduction of the legal reserves, first dividend and funds from the net profit,
 - 3,5 percent shall be allocated to founders’ shares,
 - up to three percent shall be paid to employees provided that it may not exceed the equivalent of three months of salary.
- g) After the completion of the settings aside and distributions mentioned herein above, a second dividend shall be paid from the amount remaining to shareholders by a resolution of the General Assembly upon a proposal of the Board of Directors, provisions of relevant legislation being reserved.
- h) In accordance with the provisions of article 519/2(c), 10 percent of the total amount to be distributed to individuals entitled to participate in the profit shall be added to legal reserves.
- i) The balance shall be used as determined by the General Assembly.

Provisions of paragraph 3 of article 519 of the Turkish Code of Commerce are reserved.

As long as the reserves to be set aside as per legal provisions and the first dividend sought for shareholders in the Articles of Association are not allocated, other reserves may not be allocated, profit may not be deferred on following years and any distribution may not be made out of profit for the members of the Board of Directors, the founders and the employees.