

# YÜNSA YÜNLÜ SANAYİ VE TİCARET ANONİM ŞİRKETİ ARTICLES OF ASSOCIATION

(unofficial translation from the original Turkish document)

## ESTABLISHMENT:

**Article 1** - Among the founders whose names and addresses are written below; A joint stock company has been established in accordance with the establishment provisions of the Turkish Commercial Code.

- 1- Turkish Company Hacı Ömer Sabancı Holding, Karşıyaka – Adana
- 2- Turkish Company Akbank TAŞ. Fındıklı – İstanbul
- 3- Turkish Company Teksa Tekstil Ticaret Sanayi A.Ş. Tarsus Road – Adana
- 4- Turkish Citizen Turan Sümbül Çakmakçılar No: 78 Sultanhamam – İstanbul
- 5- Turkish Company Umit Manifatura, Mehmet Sayiner and Bekir Çubukçu Collective Company, Aşirefendi Cad. Gurun Han. Floor: 1 No: 117 – İstanbul

## TITLE:

**Article 2-** The title of the company is "Yünsa Woolly Industry and Trade Joint Stock Company". The joint stock company bearing this trade-name shall be hereinafter referred to as the "Company" in the following articles.

## PURPOSE AND SCOPE:

**Article 3-** The matters included in the purpose, subject and powers of the company are as follows:

### A - INDUSTRIAL ACTIVITIES:

- a) Establishing the necessary facilities for the production of wool, artificial and synthetic fiber yarn, weaving and all kinds of products, purchasing and operating the established facilities,
- b) Establishing rubber, rubber and plastic industrial facilities, purchasing and operating established facilities,
- c) Establishing an oil and soap industry, purchasing and operating these facilities, and producing liquid and hydrogenated vegetable oils and soap in these facilities,
- d) Establishing cement industry facilities, purchasing and operating the established facilities,
- e) Establishing facilities, purchasing and operating established facilities to manufacture all kinds of transport vehicles and parts,
- f) Establishing agricultural pesticides, fertilizers, feed, seeds and agricultural machinery tools and spare parts industrial facilities, purchasing and operating the established facilities,
- g) Establishing facilities to manufacture flour, semolina and pasta, purchasing established facilities, and to operate,
- h) Establishing facilities related to food and liquid substances, purchasing and operating the established facilities,
- i) Packaging, packing, filling, sorting, storage facilities of agricultural products establish, purchase and operate established facilities,
- j) Establishing all kinds of packaging industry facilities, purchasing and operating the established facilities,
- k) Establishing facilities to produce machinery and machine spare parts, purchasing and operating the established facilities,
- l) Establishing facilities to produce construction materials, purchasing and operating established facilities,

**B - AGRICULTURAL ACTIVITIES:**

- a) On the lands currently included in the company's assets and to be purchased in the future. engage in fruit, vegetable and field agriculture,
- b) Engaging in livestock, poultry and beekeeping activities,

**C - TOURISTIC ACTIVITIES:**

- a) Establishing and operating touristic facilities,
- b) To participate in existing tourism companies and facilities, to carry out tourism-related works,

**D - COMMERCIAL ACTIVITIES:**

- a) Manufacturing of the products within the scope of its activity, internal purchase from the markets, import, external and internal trade,
- b) To purchase and import spare parts, materials, raw and chemical materials of the machines related to its field of activity,
- c) To obtain permits, privileges, licenses, patents and patents related to its purpose and subject, to transfer it partially or completely, to take over those belonging to others, to conclude know-how agreements,
- d) To act as a representative, brokerage, agency and trustee in relation to its purpose and subject,
- e) To conclude long, medium and short-term loans from domestic and foreign markets, to obtain bills of exchange and surety loans, and if necessary, to pledge the company's movables and real estates, to give commercial pledges, to take and remove commercial pledges to be given by others in favor of the company,
- f) Acquiring, operating, leasing, renting, buying and selling all kinds of movable, real estate and intangible rights related to its purpose and subject, establishing and registering mortgages in favor of the company on movable and immovable properties belonging to others and properties and rights in the form of real estate. and, when necessary, to terminate these mortgages or to acquire all kinds of rights over them,
- g) To carry out all kinds of financial, commercial and administrative savings and activities, to establish companies and to participate in established companies for the realization of their purposes,
- h) To act as a representative or agency of insurance companies as an unauthorized agent for policy and premium collection ,
- i) To support, aid and donate to foundations, associations, educational institutions, universities and other individuals, institutions and organizations established for social purposes within the framework of the Capital Market Legislation, to be a member of foundations and associations,
- j) The principles determined within the framework of the Capital Markets Legislation shall be complied with in terms of establishing a guarantee, surety, collateral or lien including mortgages, on behalf of the company and in favor of third parties.

If the company wishes to enter into other businesses than those shown above, the situation will be submitted to the approval of the General Assembly upon the proposal of the Board of Directors, and after a decision is taken in this way, it will be able to carry out any work it wishes. In case of a change in the purpose and subject of the company, necessary permissions must be obtained from the Ministry of Customs and Trade and the Capital Markets Board.

**HEADQUARTERS AND BRANCHES:**

**Article 4-** The headquarters of the company is in Sariyer district of Istanbul province. Its address is Ayazağa Mahallesi, Azerbaijan Cad. 1B Block No: 3B Interior Door No: 52 Sariyer, Istanbul.

In case of a change of address, the new address is registered with the trade registry and announced in the Turkish Trade Registry Gazette and also notified to the Ministry of Trade and the Capital Markets Board. The notification made to the registered and announced address shall be deemed to have been made to the Company. Even though it has left its registered and announced address, this situation is considered as a reason for termination for a company that has not registered its new address in due time.

The company may establish branches, offices, agencies and correspondents in the country and abroad where deemed necessary. Necessary formalities are followed in this regard.

#### **DURATION:**

**Article 5-** The company has been established for an unlimited duration.

#### **CAPITAL:**

**Article 6-** The company has adopted the registered capital system in accordance with the provisions of the Capital Market Law and has adopted this system with the permission of the CMB, dated 3.5.1990 and numbered 289.

The registered capital of the company is 35.000.000.- ( Thirty-five million ) TL, divided into 3.500.000.000 ( Three billion five hundred million ) shares , each of which has a nominal value of 1 Kr ( One Kuruş ), all of which are bearer shares.

The registered capital ceiling permission granted by the Capital Markets Board is valid for the years 2016-2020 (5 years). Even if the authorized registered capital ceiling has not been reached at the end of 2020, in order for the Board of Directors to take a capital increase decision after 2020; It is obligatory to obtain authorization from the General Assembly for a new period by obtaining permission from the Capital Markets Board for the previously authorized ceiling or a new ceiling amount . If the said authorization is not obtained, the Company cannot increase the capital with the decision of the Board of Directors.

The issued capital of the company is 29.160.000.- ( Twenty-nine millionhundred-sixty-thousand ) TL, fully paid-in , divided into 2,916,000,000 ( two billion nine hundred and sixteen million ) shares, each worth 1 Kr (One Kuruş ).

The share amounts corresponding to the cash subscribed capital are paid in full at the time of commitment.

The Board of Directors is authorized to increase the issued capital by issuing bearer shares up to the registered capital ceiling when deemed necessary, in accordance with the provisions of the Capital Markets Law, between 2016 and 2020.

Furthermore, the Board of Directors cannot decide to limit the shareholders' right to purchase new shares.

Shares representing the capital are dematerialized within the framework of dematerialization principles .

#### **INCREASING AND DECREASING CAPITAL:**

**Article 7-** The Company's Board of Directors decides on the capital increase as a requirement of the system, provided that it remains within the registered capital ceiling, and acts in accordance with the regulations set forth by the Turkish Commercial Code and the Capital Markets Board.

Even without using the registered capital ceiling completely, an application can be made to the Capital Markets Board for the re-determination of the ceiling.

In terms of reducing the company's capital, the mandatory provisions of the Turkish Commercial Code and the Capital Markets Law are complied with.

#### **SALES OF SHARE CERTIFICATES WRITTEN TO NAME:**

**Article 8-** This article has been removed.

## **BOARD OF DIRECTORS:**

**Article 9-** The business and administration of the company is carried out by a board of directors consisting of at least 5 members to be elected by the General Assembly within the framework of the provisions of the Turkish Commercial Code.

## **TERM OF THE BOARD OF DIRECTORS:**

**Article 10-** Members of the Board of Directors are elected for a maximum of 3 years. It is permissible for a member whose term has expired to be re-elected. The General Assembly may change the members of the Board of Directors at any time if it deems necessary.

## **BOARD OF DIRECTORS MEETINGS:**

**Article 11-** The Board of Directors convenes whenever the Company's business and transactions necessitate it. However, it is obligatory to convene at least four times a year.

A Member of the Board of Directors who does not attend the meetings held three times in a row is also deemed to have resigned.

Unless one of the members requests a meeting, the decisions of the Board of Directors are made in accordance with Article 390(4) of the Turkish Commercial Code. In accordance with the article, a written proposal made by one of them regarding a certain matter to all members may be given by obtaining the written approval of at least the majority of the total number of members.

## **PROVISIONS ON THE BOARD OF DIRECTORS:**

**Article 12-** Rights, obligations, liabilities and responsibilities of the Board of Directors, meeting form and quorum, withdrawal, death of the member or situations that prevent him from performing his duties, remuneration and other matters pertaining to the Board of Directors take place in accordance with the provisions of the Turkish Commercial Code and Capital Market legislation.

Members of the Board of Directors may take part in the boards of directors of subsidiaries, affiliates and joint ventures in order to protect the interests of the Company and its shareholders, and for the purposes of surveillance, monitoring, guidance and supervision. In addition, members of the Board of Directors may take office in publicly beneficial associations, foundations, institutions and organizations working for the public interest or engaged in scientific research and development, universities, educational institutions and similar institutions. Other duties are possible within the rules to be accepted and approved by the Board of Directors. The provision of paragraph 1 of article 396 of the Turkish Commercial Code is reserved.

The Board of Directors is authorized to take decisions on all matters, including real estate mortgages, except with the authority vested exclusively in the General Assembly in the Law and in this Articles of Association .

## **DUTIES OF THE BOARD OF DIRECTORS:**

**Article 13-** Every year, the Board of Directors elects a Chairman from among its members, and at least one Deputy Chairman and Managing Director to act as his/her in his absence. The remuneration of the Managing Director is determined by the Board of Directors.

Pursuant to Article 367 of the Turkish Commercial Code , all or a part of the management works may be transferred to the Executive Board Members, or “ Management” , with an internal directive . “Management” General Manager, his assistants, excluding the entire Board of Directors; It refers to the team consisting of managers, assistants and people with similar titles. The non-transferable duties and powers in Article 375 of the Turkish Commercial Code and other articles are reserved.

## **BINDING THE COMPANY:**

**Article 14-** The management and representation of the company against the outsiders belongs to the Board of Directors. In order for all the documents to be given by the company and the agreements to be concluded , they must bear the signatures of two persons who are placed under the official title of the company and who have the authority to sign on behalf of the company. Those authorized to sign and their degrees are determined by the decision of the Board of Directors. In accordance with Article 370(2) of the Turkish Commercial Code, the Board of Directors may delegate the power of representation to the assigned members and/or Managing Director and/or managers who are not members of the Board of Directors .

## **AUDITOR:**

**Article 15-** The company is audited by the auditor elected every year by the General Assembly from among the persons who have the qualifications specified in the provisions of the Turkish Commercial Code.

The auditor is announced in the Turkish Trade Registry Gazette and on the website. The auditor is dismissed in accordance with the provisions of the Turkish Commercial Code. Provision 399 (2) of the Turkish Commercial Code is reserved.

The relevant articles of the Turkish Commercial Code and the Capital Markets Legislation shall apply to the audit of the company and other matters stipulated in the legislation.

The remuneration to be paid to the auditors is determined by the contract to be signed with the auditor every year.

## **DUTIES AND RESPONSIBILITIES OF THE AUDITOR:**

**Article 16-** The provisions of the relevant articles of the Turkish Commercial Code and the Capital Markets Law apply to the duties, authorities and responsibilities of the auditors and other related issues.

## **GENERAL ASSEMBLY:**

**Article 17-** The General Assemblies of the Company convene ordinarily and extraordinarily. Ordinary meeting is held within 3 months from the end of the company's activity period and at least once a year. At this meeting, the issues written in Article 409 of the Turkish Commercial Code are examined and necessary decisions are made. Extraordinary General Assemblies convene when and when the company's business necessitates, in accordance with the provisions of the law and this Articles of Association, and take the necessary decisions.

## **MEETING PLACE:**

**Article 18-** General Assemblies may convene at the company's headquarters or, upon the decision of the Board of Directors, at another place within the borders of the province where the headquarters is located, or in places where the company's industrial facility is located.

## **MEETING PRESIDENCY:**

**Article 19-** General Assembly meetings are chaired by a chairman elected by the General Assembly, who is not necessarily a shareholder.

The President appoints the minutes clerk and, if necessary, the vote collector, forming the presidency. If necessary, a vice president may also be elected.

#### **MINISTRY REPRESENTATIVE:**

**Article 20-** In both ordinary and extraordinary General Assembly meetings, the Ministry Representative must be present. General Assembly meetings to be held in the absence of the Ministry representative and the decisions to be taken at these meetings are not valid.

#### **MEETING QUORUM:**

**Article 21-** The quorum for the General Assembly meeting and the decision quorum at these meetings are subject to the provisions of the Turkish Commercial Code and the Capital Markets Law.

#### **NUMBER OF VOTES:**

**Article 22-** Shareholders are entitled to one vote for each share at the General Assembly meetings. Shareholders exercise their voting rights in proportion to the total nominal value of their shares in accordance with Article 434 of the Turkish Commercial Code.

#### **REPRESENTATION BY ATTORNEY:**

**Article 23-** Shareholders who are not present at the General Assembly meetings may have themselves represented in accordance with the Turkish Commercial Code and the Capital Markets Board's regulations regarding voting by proxy.

#### **METHOD OF VOTING:**

**Article 24-** At the General Assembly meetings, the votes are cast openly, by raising hands and/or by participation in the electronic environment.

However, if the shareholders who own one tenth of the issued capital demand, it is obligatory to apply for written or secret ballot.

The beneficiaries who have the right to attend the General Assembly meetings of the company can also attend these meetings electronically in accordance with Article 1527 of the Turkish Commercial Code. In accordance with the provisions of the Regulation on General Assemblies to be Held in Electronic Environment in Joint Stock Companies, the Company may establish an electronic general assembly system that will allow the right holders to participate in the general assembly meetings electronically, express their opinions, make suggestions and vote, or may purchase services from the systems created for this purpose. Pursuant to this provision of the Articles of Association, in all general assembly meetings to be held, right holders and their representatives will be able to exercise their rights specified in the provisions of the aforementioned Regulation through the established system.

#### **MODIFICATION OF ARTICLE AGREEMENT:**

**Article 25-** In order for any amendment to be made in the company's articles of association to be valid and applicable, the amendment must be made, registered and announced in accordance with this articles of association and the provisions of the Turkish Commercial Code and the Capital Markets Law.

#### **ANNOUNCEMENTS:**

**Article 26-** The announcements regarding the Company that are legally required to be made are published in the Turkish Trade Registry Gazette, on the Company's website, on the Public

Disclosure Platform; Only the advertisements that must be made on the Internet site are made on the Company's Internet site.

Announcements regarding the convocation of the General Assembly must be made at least three weeks in advance, excluding the announcement and meeting days.

Article 474 of the Turkish Commercial Code shall apply to the announcements regarding the reduction of the issued capital, and the provisions of the articles 532 and 541 of the Turkish Commercial Code shall apply to the announcements regarding the termination and liquidation.

Regarding the announcements required to be made as per the Capital Market Legislation, the provisions of the related laws shall be complied with.

#### **DELIVERING THE ANNUAL REPORT AND AUDIT REPORT OF THE BOARD OF DIRECTORS AND YEAR-END FINANCIAL STATEMENTS TO THE COMPETENT AUTHORITIES:**

**Article 27-** A sufficient number of copies from the financial statements, reports, independent audit report, general assembly minutes and the list of attendees prepared by the Board of Directors in accordance with the regulations determined by the Capital Markets Board within the framework of Turkish Accounting Standards are sent to the authorities within the periods specified in the relevant legislation and announced to the public.

#### **ISSUES OF BONDS, FINANCIAL BONDS AND OTHER SECURITIES:**

**Article 28-** All kinds of bonds, financial bonds, profit and loss sharing certificates and other documents to be accepted by the Capital Markets Board, in accordance with the provisions of the Turkish Commercial Code, the Capital Markets Law and other applicable legislation, to be sold to real and legal persons in the country and abroad. may issue securities or negotiable instruments. Securities within the scope of this article, which can be issued with the decision of the Board of Directors in accordance with the Capital Markets Board legislation, are issued with the decision of the Board of Directors.

#### **ACTIVITY PERIOD:**

**Article 29-** The activity period of the company is the calendar year.

#### **PROFIT DISTRIBUTION:**

**Article 30-** The net profit, if any, remaining after deducting the general expenses of the company and the amounts that must be paid and set aside by the Company, such as miscellaneous depreciation, and the taxes required to be paid by the Company's legal entity from the revenues determined at the end of the accounting year, and the net profit, if any, of the previous year's losses. are distributed in the order shown below after deduction.

a) 5% is set aside as legal reserves.

b) The first dividend is set aside from the remainder, if any, over the amount to be found by adding the donation amount made during the year, in accordance with the Turkish Commercial Code and the Capital Markets Legislation.

c) After deducting the amounts specified in paragraphs a and b from the net profit, the General Assembly is authorized to distribute the remaining part partially or completely as second dividends or to set aside as reserves.

d) One tenth of the amount found after deducting a dividend at the rate of 5% of the paid-in capital from the portion decided to be distributed to the shareholders and other persons participating in the profit is set aside as the second legal reserve in accordance with the 519 provision of the Turkish Commercial Code.

e) Unless the reserves required to be set aside by law are set aside, unless the first dividend determined for the shareholders in the articles of association is distributed in cash and/or in the form of shares; to allocate other reserves, to transfer profits to the next year and to the privileged shareholders in the distribution of dividends, to the shareholders, founders and common stockholders, to the members of the Board of Directors, civil servants, employees and workers, to foundations established for various purposes and to such persons and / or institutions. distribution cannot be determined.

f) As of the dividend distribution date, it is distributed equally to all existing shares, regardless of their issuance and acquisition dates.

#### **PROFIT DISTRIBUTION DATE:**

**Article 31-** The date and manner of distribution of the annual profit to the shareholders is decided by the General Assembly upon the proposal of the Board of Directors, taking into account the Communiqués of the Capital Markets Board.

#### **RESERVE FUND:**

**Article 32-** This article has been removed.

#### **TERMINATION AND DISCONTINUATION:**

**Article 33-** The company may be dissolved due to the reasons listed in the Turkish Commercial Code, or it may be dissolved by the decision of the General Assembly within the scope of legal provisions. In the event of the dissolution or dissolution of the company, its liquidation is carried out in accordance with the provisions of the Turkish Commercial Code.

#### **AUTHORITY IN DISPUTE**

**Article 34-** In case of possible disputes between the Company and the shareholders both during the operation and liquidation of the Company, the competent authority is the courts and executions of the place where the headquarters of the Company is located.

#### **CONTRACTS TO BE SENT TO THE MINISTRY:**

**Article 35-** This article has been removed.

#### **CORPORATE GOVERNANCE PRINCIPLES:**

**Article 36-** The Corporate Governance Principles, the implementation of which is required by the Capital Market Board, are complied with. Any transactions performed and the board of directors' resolutions taken without compliance with such mandatory principles are null and void and are deemed contrary to the articles of association. The Capital Market Board's regulations governing corporate governance are complied with in any major transactions considered important in respect of implementation of Corporate Governance Principles and in any kind of related party transactions of the Company and in any transactions related with establishment of securities, pledges and mortgages in favour of third parties. The number and qualifications of the independent members that will be assigned to the Board of Directors are determined according to the Capital Market Board's regulations governing corporate governance.



**APPLICABLE PROVISIONS:**

**Article 37-** The provisions of the Turkish Commercial Code and the Capital Markets Law and related legislation shall apply to matters that are not included in this Articles of Association.