

**ÇİMSA  
ÇİMENTO SANAYİ VE  
TİCARET A.Ş.  
ARTICLES OF ASSOCIATION  
(Convenience translation of Articles of  
Association originally issued in Turkish)**

28.03.2016

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş.**  
**ARTICLES OF ASSOCIATION**  
**FORMATION:**

**Article 1** - A joint stock company was formed by the founders whose names and residence addresses are given herein below as per the provisions of Turkish Commercial Code related with the formation of Joint Stock Companies.

- 1- Akbank Türk Anonim Şirketi  
Fındıklı İstanbul, of Turkish nationality
- 2- Akçimento Ticaret Anonim Şirketi  
Karaköy, Komerçiyale Han kat 4 İst., of Turkish nationality
- 3- Hacı Ömer Sabancı Holding Anonim Şirketi  
Residing at Adana, of Turkish nationality
- 4- Bülent Yazıcı  
K.Köy Caferağa mah.Devriye Sok.Yalı Apt.36/5  
Citizen of Turkish Republic.
- 5- Sakıp Sabancı  
Emirgan İstinye Cad.18, Republic of Turkey citizen.
- 6- Cavit Borçbakan  
Taksim Gümüşsuyu Cad. Işık Apt. D.5, Republic of Turkey citizen.

**TITLE OF THE COMPANY:**

**Article-2** - Title of the company is "**ÇİMSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ**".

The joint stock company with this title shall hereinafter be referred as "Company".

**PURPOSE AND SUBJECT:**

**Article 3** – Company's purpose and subject are as follows:

- a) Manufacturing any kind of cement, clinker, concrete and binding materials, establishing industrial facilities required for manufacturing and sale of the cement, lime, plaster and similar binding materials and products and mortars made of them, purchasing them partially or completely, opening agencies and offices for sale,  
Conducting any kind of marine and land transportation, purchasing, selling fuel oil and fuel, purchasing, selling, operating, renting and renting out marine and land transportation vehicles,
- b) Establishing required facilities and businesses required for the raw materials, fuel, energy, operation and repair materials, packaging materials to be used to manufacture the products stated in paragraph 3/a, exploring and operating any kind of mines and taking over the licenses thereof, and participating in or providing assistance to the establishments carrying out activities in the above stated subjects,
- c) Importing and exporting required facilities, supplementary materials, products, raw materials etc. falling in scope of its activities, finalizing required commercial procedures,
- d) Providing any kind of port services to real or legal entities, public or state legal entities, in the ports, pier-connected facilities and any kind of appurtenances thereof it owns, took over and rented, making required facilities and investments in this issue, procuring from abroad and the domestic country, purchasing, renting and renting out, selling and transferring any kind of tools, machines and spare parts related to the port services, making required applications and obtaining permissions and licenses in this regard,

- e) Acquiring useful patent rights, letters patents, licenses and franchises, brands, models, pictures and commercial titles, know-how and special manufacturing and production procedures, consultancy and engineering services and other similar immaterial rights, and making any kind of dispositions thereon,
- f) Acquiring and building the real estates related to the company's purpose and operation subject or supporting or facilitating these, and making any kind of legal dispositions thereon; provided that it is not contrary to the relevant laws and legislation on cash lending transactions and terms stated in the Capital market legislation are met, borrowing against lien or with another guarantee or without any guarantee for realization of Company purpose and subject,
- g) Participating in the real and legal entities with relation to, supporting and facilitating the Company purpose and operation subject, building partnerships and selling or purchasing these shares,
- h) Provided that it is not of intermediary activity and security portfolio operation quality, acquiring and making any kind of dispositions on the stock shares and securities such as bonds and dividend shares issued by private legal or public law legal entities, supplementing or facilitating Company subject,
- i) Carrying out in the fields of marketing, economic organization, consultancy, engineering, technical services, feasibility studies at home and abroad concerning the above stated works, j) Taking, giving, transferring, taking over and reestablishing agencies, commissioners, trusteeship, factorship, distributorship, dealership with relation to the operation subject,
- k) Making use of any kind of technology and rationalization measures, keeping accounting records, providing data storage service to attain the subject, and cooperating in this issue,
- l) Providing assistance, support and donations to the foundations, associations for social purposes, as well as training and education institutions, universities and other persons, institutions and organizations, being the member of foundations and associations,
- m) In accordance with the relevant legislation on the power market, establishing generation facility within the framework of the autoproducer license to cover its own power and heat energy, generating power and heat energy, in case of any surplus, within the framework of the aforementioned legislation, selling the power and heat energy generated and/or capacity to other license holding legal entities and free consumers and provided not commercial, carrying out activities concerning procurement of all instruments and fuel with relation to the power generation facility.
- n) In the issues of the company's establishing right of mortgage including guarantee, bail, warrant or lien in its own name and in favor of 3<sup>rd</sup> persons, terms determined within the framework of the Capital Market Board Legislation are obeyed.

#### **HEADQUARTER AND BRANCHES OF THE COMPANY:**

**Article 4** – Headquarter of the company is located in the province of İstanbul and county of Üsküdar. Its address is Kısıklı Caddesi No: 4 Sarkuysan-Ak İş Merkezi S Blok Altunizade, 34662 Üsküdar, İSTANBUL. In case of address change, new address is registered in Trade Registry and announced on Turkish Trade Registry Gazette and notified to Ministry of Customs and Commerce and Capital Market Board. Notification made to the address that was registered and announced is considered as had been made to the Company. This condition shall be considered as a termination reason for the company which does not have its new address registered within the specified term although it leaves its registered and announced address.

The Company may open branches at home and abroad, and establish agencies and offices, provided that it notifies Capital Market Board and Ministry of Customs and Commerce.

## **TERM:**

**Article 5** – Term of the company is indefinite from the date of registration and announcement of this articles of association.

## **CAPITAL :**

**Article 6** – Company has accepted the registered capital system as per the provisions of the Capital Market Law, and shifted to this system to be referred as “Registered Capital” with the permission of Capital Market Board dated 30.03.1989 and numbered 17/155.

The Company’s Registered Capital is divided into 20,000,000,000. - (twenty billion) shares with each valuing 1 Kr (One Piaster), and is 200,000,000.- (two hundred million) Turkish Liras.

Registered capital ceiling permission granted by Capital Market Board is valid for 2016-2020 (5 years). Even though the registered capital ceiling permitted at the end of 2020 is not reached, for the Board of Directors to increase capital resolution after 2020, for the previously permitted ceiling or a new ceiling, it is compulsory to obtain authority from the general assembly for a certain period of time that will not exceed 5 years, by obtaining permission from the Capital Market Board. In case of failure to obtain the concerned authority, Company cannot increase capital by the decision of the Board of Directors.

Company’s issued and completely paid-in capital is 135,084,442.- (One hundred thirty five million eighty four thousand four hundred forty two) TL. This capital is divided into 13,508,444,200 (Thirteen billion five hundred eight million four hundred forty four thousand two hundred) shares, each with nominal value 1 Kr (One Piaster) payable to the holder.

Board of Directors is authorized to issue the shares registered and/or payable to the holder, and increase the Issued Capital between the years of 2016-2020, provided that it remains within the Registered Capital ceiling.

Board of Directors may resolve that the values of the newly issued shares are more than the nominal values thereof. Share amounts corresponding to the capital committed in cash are paid in cash and completely on the time of the commitment.

In increasing the issued capital, shareholders shall use their stock rights at the rate of increase in the Company’s issued capital. However, Board of Directors may limit the use of stock rights.

Shares representing the capital are followed in registry, within the framework of the terms of dematerialization.

## **BOARD OF DIRECTORS:**

**Article 7** - The Company is managed and represented by a Board of Directors that consists in six members, whom would be elected in conformity with the provisions of Turkish Commercial Code and Capital Market Law.

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

**Article 8** - Members of Board of Directors are elected for three years at most. Member, whose term of office expired, may be reelected.

In case of vacancy of the Board of Directors membership for whatsoever reason, Board of Directors elects the new member for the vacant membership, and submits it to approval. This member completes the remaining term of the member, instead of whom he/she was elected.

In cases, where there is no provision in this articles of association, rights, debts and liabilities of the Board of Directors members, as well as the member’s resignation, death or cases to prevent him/her from carrying out his/her duties, and the other issues with regard to the Board of Directors Chairman and members, provisions of Turkish Commercial Code and Capital Market Law are applicable.

## **BOARD OF DIRECTORS MEETINGS:**

**Article 9** - Board of Directors gathers whenever company affairs and transactions require. However, it has to gather at least quarterly. Meeting venue and date are determined by the Chairman's attorney or Board of Directors, in cases, where the Chairman is absent. Summon for the meeting is not subject to any special form. For the Board of Directors meetings and the quorum in these meetings are subjected to the provisions of Turkish Commercial Code.

Unless one of the members requests to summon, Board of Directors resolutions may be made by obtaining written votes of at least the majority of the full members for the written suggestion made to all members on a certain issue by one of the members as per article 390(4) of the Turkish Commercial Code.

## **MANAGEMENT OF THE COMPANY AND REPRESENTATION AUTHORITY:**

**Article 10 – a)** Board of Directors manages and represents the Company before the shareholders and third parties and courts. For all documents to be issues and agreements to be acted by the Company to be valid, these have to be affixed under the Company title with the signatures of at least two persons with signatory and representation authority granted by the Board of Directors resolution or two of the Board of Directors members.

Board of Directors may make all resolutions in the name of the Company concerning the real estate disposition and perform all operations. In real estate acquisition, putting lien on and hypothecating the Company's real estates or transfer and assignment thereof to any third party, Board of Directors holds the absolute authority to make resolution.

**b)** Board of Directors may assign a Manager to perform all administrative and executive works of the Company. Term of office of this Manager may not be limited to the term of office of the Manager.

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

**Article 11 –** Board of Directors may assign its representation authority to the deputy Board of Directors members and/or members in charge and/or managers, who are not board of directors' members, as per article 370(2) of Turkish Commercial Code. Wages to be paid to these are determined by the Board of Directors.

As per the article 367 of Turkish Commercial Code, all or some of the management works may completely or partially be assigned to the "Deputy" board of directors members, "Members in Charge" or "Management". "Management" refers to the team consisting of the general manager, his/her assistants, managers, assistant managers and other persons like with different titles, who are not board of directors members.

Untransferable duties and authorities stated in article 375 and the other articles of Turkish Commercial Code are reserved.

Board of Directors members elect a Chairman and a Deputy Chairman to act on behalf of the Chairman, in his/her absence, every year after the General Assembly.

## **WAGE OF THE BOARD OF DIRECTORS:**

**Article 12 –** Board of Directors members is granted the wage or daily allowance to be determined by the General Assembly in the framework of the provisions of this articles of association.

## **AUDITOR:**

**Article 13 –** Company is audited by the auditor elected for each year by the General Assembly, from the persons with the qualities stated in the provisions of Capital Market Legislation and Turkish Commercial Code.

The auditor is announced in Turkish Trade Registry Gazette and website.

The auditor is discharged as per the provisions of Capital Market Legislation and Turkish Commercial Code. Provision of article 399(2) of Turkish Commercial Code is reserved. Wage to be paid to the auditors is determined with the agreement to be acted with the auditor every year.

#### **DUTIES OF THE AUDITORS:**

**Article 14** – For the duties, authorities and responsibilities of the auditors and other relevant issues, provision of the relevant articles of Turkish Commercial Code and Capital Market Legislation are applicable.

#### **GENERAL ASSEMBLY:**

**Article 15** - General Assemblies gather in ordinary and extraordinary manner. Ordinary General Assembly summons within three months following the end of the Company's accounting period and at least once a year. During this meeting, issues stated in the agenda are analyzed and required resolutions are made.

Extraordinary General Assemblies summon in cases and at times required by the Company affairs, as per the provisions of the law and this articles of association and required resolutions are made.

Board of directors Chairman moderates the meetings or Deputy Chairman does so in his/her absence. In case of deputy chairman's absence, Chairman is elected by the General Assembly with majority of votes.

Chairman determines the vote collector and minutes clerk, and forms the meeting board.

#### **MEETING VENUE:**

**Article 16** – General Assemblies summon at the Company headquarter or another venue in Istanbul deemed suitable by the Board of Directors.

#### **NOTIFYING THE MEETINGS TO THE RELEVANT AUTHORITIES AND KEEPING MINISTRY REPRESENTATIVE PRESENT:**

**Article 17** – Both ordinary and extraordinary General Assembly meetings are notified to the relevant authorities. The agenda and a copy of the relevant information have to be sent to the relevant authorities.

In all meetings, representative of the Ministry of Customs and Commerce has to be present. Resolutions to be made at the meetings in the absence of the Ministry representative are not valid.

#### **MEETING QUORUM:**

**Article 18** - General Assembly meetings and the quorum in these meetings are subjected to the provisions of Turkish Commercial Code.

#### **VOTING RIGHT:**

**Article 19** – Shareholders use their voting right as per the article 434 of Turkish Commercial Code, in proportion to the total nominal value of their shares.

#### **ATTORNEY ASSIGNMENT:**

**Article 20** - Shareholders may make themselves represented personally or by the other shareholders or the attorneys to be assigned externally.

The attorneys that are the shareholders of the company are authorized to vote for the shareholders that they represent, in addition to their own voting right. Regulations on the voting by proxy of Capital Market Board are obeyed.

#### **ANNOUNCEMENTS:**

**Article 21** – Legally required announcements of the company are made in Turkish Trade Registry Gazette and Company's website, Public Enlightenment Platform, and those required to be made in the website are made in the Company's website.

Announcements to call the General Assembly to the meeting have to be made at least three weeks before excluding the date of announcement and meeting.

Provisions of article 474 of Turkish Commercial Code are applicable on the announcements concerning reduction of the issued capital, and of the articles 532 and 541 of Turkish Commercial Code are applicable on the announcements concerning termination and liquidation.

In the announcements to be made as per the Capital Market Legislation, provisions of the relevant legislation are respected.

#### **WAY OF VOTING:**

**Article 22** – At the general assembly votes are given clearly and by raising hands and/or in electronic environment. However, if the partners holding one tenth of the issued capital request, written or secret voting must be used.

Those shareholders, who are entitled to attend to the Company's general assembly meetings, may attend in the electronic environment as per article 1527. The Company may not only establish the Electronic Meeting System to allow the right holders attend to the general assembly meetings, present their opinions, make suggestions or vote in the electronic environment as per the provisions of Communication on the Other Assemblies to be Held in the Electronic Environment than Incorporated Company General Assemblies in Commercial Companies, but also purchase service from the systems created for this purpose. In all general assembly meetings to be held, right holders and representatives thereof are enabled to use their rights stated in the provisions of the aforementioned Regulation through the system established as per this provision of the articles of association.

#### **AMENDMENT IN THE ARTICLES OF ASSOCIATION:**

**Article 23** – For any kind of amendment in the company's articles of association to be valid and applicable, this amendment has to be made in accordance with the provisions of this articles of association, Turkish Commercial Code and Capital Market Law, and registered and announced.

#### **ANNUAL REPORTS:**

**Article 24** – Required number of copies of the financial statements, reports, independent audit report, general assembly minutes, and list of attendees prepared by the Board of Directors in accordance with the regulations determined by Capital Market Board within the framework of the Turkish Accounting Principles are sent to the authorities or announced to the public in the periods determined in the relevant legislation.

#### **ACTIVITY PERIOD:**

**Article 25** – Activity period of the company commences on the first day of January, and ends on the last day of December.

## **DISTRIBUTION OF PROFIT:**

**Article 26** – After amounts such as the general expenses of the company and miscellaneous depreciation costs, which must be paid and allocated by the company and compulsory levies to be paid by the legal entity of the company are deducted from the income determined at the end of the period, net income on the annual balance sheet is distributed as follows after losses from the previous year - if any - are deducted.

a) 5% of the net profit is allocated as capital reserve.

b) The remaining amount is allocated as the first dividend in accordance with the Capital Market's legislation.

c) Notwithstanding with the first dividend to be determined by Capital Market Board, from the net profit stated in this article, general legal reserve fund at the rate of 5% and an amount at the rate of 5% of the paid-in capital are deducted, and an amount up to 2.5% of the remaining are distributed equally to the Board of Directors members, upon General Assembly resolution.

d) After amounts mentioned in a and b clauses are deducted from the net profit, General Assembly is authorized to distribute the remaining amount fully or partially as the second dividend share, or allocate it as capital reserve.

e) After 5% dividend, which is determined to be distributed to shareholders or persons participating in the profit, is deducted, one-tenth of the remaining amount is allocated as capital reserve as per the 2nd paragraph, c bend of 519th article of Turkish Commercial Code.

f) As long as the capital reserves, which must be allocated in accordance with Turkish Commercial Code, are not allocated, or the first dividend determined for the shareholders in the Articles of Association are not distributed as cash and/or share, it is not allowed to allocate any other reserves or transfer any profit to the next year.

g) The dividend is distributed to all the relevant shareholders and profit participants equally without taking issuance and acquisition dates into account.

## **DATE OF PROFIT DISTRIBUTION:**

**Article 27** – The date and manner of distribution of the annual profit to the shareholders within the framework of the Capital Market Board regulation are resolved by the General Assembly upon the suggestion of the Board of Directors. Profit distributes in accordance with the provisions of the Articles of Association may not be retrieved.

## **RETAINED EARNINGS:**

**Article 28** – This article has been removed.

## **ISSUING VARIOUS SECURITIES:**

**Article 29** – The company may issue any kind of bonds, financing bonds, profit and loss partnership certificate and the other securities or valuable papers to be determined by Capital Market Board, to be sold to the real and legal entities at home and abroad.

Capital market instruments that may be issued with Board of Directors Resolution as per Capital Market legislation and are of debt instrument quality in scope of this article may be issued with Board of Directors resolution.

## **CONFORMITY WITH THE PRINCIPLES OF CORPORATE MANAGEMENT:**

**Article 30** - Principles of Corporate Management, which are deemed to be obeyed compulsorily by Capital Market Board, are conformed to. Transactions carried out and board of directors' resolutions made by not conforming to the compulsory principles are invalid, and deemed as in violation of the articles of association.

In the transactions deemed important in terms of application of Principles of Corporate Management and company's transactions with the related parties and transactions concerning giving guarantee, pledge and lien in favor of third persons, arrangements of Capital Market Board concerning corporate management are obeyed.

Number and qualities of the independent members to work for Board of Directors are determined according to Capital Market Board's regulations concerning Corporate Management.

## **LEGAL PROVISIONS:**

**Article 31** – For the issues not stipulated in this articles of association, provisions of the Capital Market Law and relevant legislation are applicable.