

# **VESTEL ELEKTRONİK SANAYİ VE TİCARET ANONİM ŞİRKETİ**

## **ARTICLES OF ASSOCIATION**

### **Article 1**

#### **INCORPORATION**

A joint stock company is incorporated by and between the private individuals whose names, last names and residence addresses are written below, provided that these articles of association in force between private individuals shall be managed and administered in accordance with other relevant legislations in force and in accordance with the provisions pertaining to instantaneous incorporation of the Turkish Commercial Code.

**1- Hatice Nuran Şakir**

Residing at Çankaya Cd. No: 28 Büyükada İstanbul, national of the Republic of Turkey

**2- Mehmet Yener Şakir**

Residing at Çankaya Cd. No: 28 Büyükada İstanbul, national of the Republic of Turkey

**3- Şerafettin Durugönül**

Residing at Bağlayan Sk. 31/2 Küçükesat Ankara, national of the Republic of Turkey

**4- Hüseyin Avni Erten**

Residing at Keşaneler Sk. No:34/B Da: 2 Erenköy İstanbul, national of the Republic of Turkey

**5- Sebahat Erten**

Residing at Keşaneler Sk. No:34/B Da: 2 Erenköy İstanbul, national of the Republic of Turkey

**6- Nayırlı Işıl Kurtoğlu**

Residing at Yankılı Sokak No:21/6 Burç Ap. Levent İstanbul, national of the Republic of Turkey

**7- Samime Sağın**

Residing at Nurettin Ali Berkol Sokak No:16 Erenköy İstanbul, national of the Republic of Turkey

### **Article 2**

#### **COMPANY'S TITLE**

Company's title is Vestel Elektronik Sanayi ve Ticaret Anonim Şirketi.

### **Article 3**

#### **FIELD OF OPERATION**

Company's field of operation involves the manufacturing, import and export of all kinds of electrical, electronic, digital electronic devices, equipment, hardware, spare parts, parts, components, video, televisions and smartphones.

The Company is engaged in the manufacturing, assembly, purchase, sales, import, export, leasing, distribution and technical services of electronic circuit elements, intercommunication and communication products and parts, products and parts that are used in the storage, conveyance transfer, copying, projection of sound, images and information, information technology devices and equipment and electrical, electronic, mechanical and pneumatic systems.

The Company is also engaged in electronic hardware design and development, software design and development and optoelectronics and optomechanical design and development as regards to its fields of operation.

The Company tests the quality level and compliance with the relevant technical regulations, performs quality control and conducts tests to increase the quality of all kinds of electrical, electronic, digital electronic devices, equipment, hardware, spare parts, parts, components, video and televisions and engages in any and all activities related to the same.

The Company may operate without being limited to the matters listed below, in order to accomplish its field of operation.

A) The Company may import, export and manufacture the machinery, parts, accessories, equipment and their spare parts, used in the processing of raw materials, semi-finished and finished products concerning its field of operation,

B) The Company may engage in import, export, manufacturing, contract trade, domestic trade, commissioning, undertaking, domestic and international representation and marketing activities in relation to its field of operation,

C) To realize its field of operation, the Company may obtain long, mid or short term loans from domestic or international markets, tourism loans or alike, corporate and guarantee loans, commodity loans, letters of credit, open credit or obtain advance or other kinds of credit on debt instruments and deeds,

D) The Company may undertake industrial and commercial investments that fall into its field of operation,

E) In order to achieve its field of operation, the Company may engage in any and all kinds of financial, industrial and administrative dispositions and activities,

F) The Company may establish companies with real persons and legal entities which have the same field of operation with the Company, provided that such involvement is not deemed as investment services and activities, establish joint ventures, participate in existing commercial entities, purchase and sell, convert and pledge or give as collateral the shares, bonds and other securities of these entities; In accordance with the Capital Market legislations and provided that they are related to its subject, the Company may in addition establish foundations with social objectives and participate in existing ones, in such a fashion and scale that would not jeopardize the achievement of the main purpose of the Company. By a resolution of the General Assembly, the Company may set aside a portion of its net profit for these foundations, on the condition that it complies with the Capital Market legislations,

G) In order to undertake its field of operation, the Company may acquire, purchase, sell, transfer, lease as a lessee and lease as a lessor the necessary equipment, facilities and real estates, to impose servitude, usufructs, right of habitation, encumbrance, condominium ownership on real estate and to transfer and purchase thereof and construct factories, warehouses, stores and administration buildings,

H) In relation to the Company's field of operation and in order to secure the debts and receivables of the Company and third parties, it may obtain mortgages, pledges, sureties and other collaterals, grant mortgages, pledges, sureties and other collaterals, partially or wholly release mortgages and pledges in its favor and against it, release mortgages, act as a guarantor and set up mortgages for the debts of third parties.

However; principles set out under the Capital Market legislations shall apply to matters such as granting of guarantees, securities or setting up of pledge rights including mortgages in the name of the Company and in favor of the third parties,

I) The Company may acquire, transfer and make real and personal dispositions on the vehicles (including vessels) that are necessary for the Company's affairs,

J) In relation to the Company's field of operation, the Company may acquire, transfer trademarks, patents, know-how and all kinds of other property rights and enter into license agreements thereon,

K) In relation to the Company's field of operation, it may open, operate customs warehouses and carry out customs entries,

L) The Company may make donations provided that donations do not contradict with the regulations of the Capital Market Law regarding the transfer of concealed gain and pertinent legislations, the upper limit of such donations is determined by the General Assembly, donations made do not exceed such limit, donations made are added to the distributable profit base, necessary material event disclosures are made, donations made within a year are announced to the shareholders at the General Assembly, and donations do not disrupt its field of operation.

The Company may also engage in activities other than those listed here that are deemed related to or beneficial for its field of operation provided that they are authorized by the resolutions of the General Assembly, the Company fulfills the requirements stipulated by the legislation, and such activities do not contradict with the legislation.

#### **Article 4**

#### **COMPANY'S HEAD OFFICE AND BRANCHES**

Company's head office is: The city of Istanbul, district of Şişli.

Company's address is: Levent 199 Büyükdere Cad. No: 199 34394 Şişli/Istanbul.

In case of a change of address, the new address shall be registered with the Trade Registry and announced in the Turkish Trade Registry Gazette. Notifications served to the registered and announced address shall be deemed as made to the Company. Failure to register and announce the new address within the required time despite leaving the registered and announced address constitutes a ground for termination for the Company.

The Company may open branches and representative offices within the country and abroad by resolutions of the Board of Directors provided that the Ministry of Customs and Trade and the Capital Markets Board are duly informed.

#### **Article 5**

#### **COMPANY'S DURATION**

Company's legal status is not restricted with a time limitation.

## **Article 6**

### **COMPANY'S SHARE CAPITAL AND KIND OF SHARE CERTIFICATES**

Company adopted the registered capital system as per the Capital Market Law and switched to this system by the written consent dated 22.11.1990 and numbered 877 of the Capital Markets Board.

The Company's registered capital ceiling is TL 2,000,000,000 (two billion) and this is divided into 200,000,000,000 (two hundred billion) bearer shares, each with a nominal value of 1 Kuruş.

The Company's issued capital is TL 335,456,275.00 (three hundred thirty five million and four hundred fifty six thousand and two hundred seventy five), divided into bearer shares, each with a nominal value of 1.00 (One) Kuruş, and has been fully paid free from collusion.

The registered capital ceiling permission given by the Capital Markets Board is valid between 2021 - 2025 (5 years). Even if the permitted registered capital ceiling is not reached by the end of 2025, in order for the Board of Directors to be able to pass a decision on a capital increase after 2025; it must be authorized by the General Assembly for a new period, by obtaining permission from the Capital Markets Board for the previously permitted ceiling or a new ceiling, provided that this new period will not exceed 5 years. In case of failure to get such authorization, an increase of capital cannot be made with a Board of Directors' resolution.

The Board of Directors is authorized for the period between 2021 and 2025, to increase the issued capital, when it deems necessary, by issuing bearer shares up to the registered capital ceiling in accordance with the provisions of the Capital Market Law, to issue shares above the nominal value, to restrict the preemptive rights of the shareholders and to issue shares below the nominal value. The right to acquire new shares cannot be exercised in a manner that causes inequality among the shareholders.

No new shares may be issued unless and until all the issued shares are fully sold and paid or unsold shares are cancelled.

The Company's shares may be transferred without prejudice to the provisions of the Capital Market Law and Turkish Commercial Code as well as the provisions of these Articles of Association.

Shares representing the issued capital shall be monitored in a dematerialized manner, in accordance with the principles of dematerialization.

## **Article 7**

This article is abolished by being merged with Article 6.

## **Article 8**

This article is abolished by being merged with Article 6.

## **Article 9**

This article is abolished by being merged with Article 6.

**Article 10**  
**FORM OF THE SHARE CERTIFICATES**

This article is fully abolished.

**Article 11**  
**ISSUANCE OF DEBT INSTRUMENTS**

In accordance with the provisions of the Turkish Commercial Code, Capital Markets Law and the communiqués of the Capital Markets Board, the Company may issue all kinds of debt instruments with a decision of the board of directors, within the limits to be determined by the Capital Markets Board.

**Article 12**  
**BOARD OF DIRECTORS**

The Company is managed, represented and bound by a Board of Directors composed of a minimum of five and maximum of eleven members to be elected by the General Assembly.

Majority of the members of the Board of Directors consists of non-executive members.

Board Members are elected from amongst individuals, who have knowledge and experience about the field of operation and the sector of the Company, preferably with higher education, with skills to read and analyze financial statements and reports and basic information regarding the legal regulations applicable to the Company's daily and long-term transactions and dispositions, and who have the opportunity and determination to attend all of the anticipated meetings of the Board of Directors for the relevant budget year. Number and qualifications of the independent members who shall serve in the Board of Directors shall be determined in accordance with the Capital Markets Legislations and the regulations concerning corporate governance of the Capital Markets Board.

Chairman or vice-chairman of the Board of Directors shall be elected from amongst the independent members.

**Article 13**  
**TERM OF BOARD OF DIRECTORS**

Board Members are elected for a period of maximum of three years. After the end of this period, members whose term of office expires may be re-elected.

General Assembly may replace Board members at any time.

If a vacancy occurs in a Board membership, a new member shall be appointed to such vacant Board membership in accordance with the relevant provisions of these articles of association and the Turkish Commercial Code. If the membership that has become vacant is an independent membership, the appointment shall be made in accordance with the regulations of the Capital Markets Board. Approval of the shareholders shall be obtained for the newly appointed member at the first General Assembly. The member approved by the General Assembly shall complete the term of office of his/her predecessor.

**Article 14**  
**COVERAGE REQUIREMENTS**

ABOLISHED.

## **Article 15**

### **REPRESENTATION OF THE COMPANY**

Board of Directors shall carry out all transactions on behalf of the Company and has the right to represent the Company. In order for all kinds of instruments and documents to be given and contracts to be made in the name of the Company to be valid and represent the Company, these must bear the signatures of the person or persons affixed under the Company's title, who have been granted signature authority in accordance with Turkish Commercial Code.

Save for the non-transferrable duties defined in article 375 of the Turkish Commercial Code, pursuant to article 367 of the Turkish Commercial Code, the Board of Directors is entitled to partially or totally delegate its management duty to one or more Board members or a third party, in accordance with internal directives to be prepared by it.

Furthermore, in accordance with article 370 of the Turkish Commercial Code, the Board of Directors may delegate its representation duty to one or more managing directors or a third party acting as a manager. At least one Board member must possess the management authority.

## **Article 16**

### **BOARD MEETINGS, DISTRIBUTION OF DUTIES AND QUORUMS**

Regardless of the term of management and representation, following the ordinary General Assembly in the first Board meeting, Board of Directors shall elect a chairman and a vice-chairman, who shall substitute the chairman in his absence, from amongst its members. Chairman and vice-chairman whose term of office expires may be re-elected. Board meetings shall be made at the Company's head office, when deemed necessary and at least once a month. Chairman and in his absence, the vice-chairman, shall invite the Board of Directors to convene a meeting. Apart from this, any member may request the Board Chairman to invite the Board to convene. Shareholders and beneficiaries holding at least 1/20 of the Company's share capital may invite the Board of Directors to a meeting. Requests for invitation shall be made to the Chairman. Should the Chairman come to the conclusion that there is no need to convene a meeting immediately, he may open the topic concerning the invitation to discussion at the following meeting of the Board of Directors.

The Board convenes with the absolute majority of the total number of members and resolves with the majority of those present. Regulations imposed by the Corporate Governance Principles of the Capital Markets Board are preserved.

In case of equality of the votes, article 390 of the Turkish Commercial Code shall apply.

Justifications of the independent members who cast dissenting votes at the Board meetings shall be announced to public.

Board members do not have privileged votes. Each member has one vote.

For the purpose of providing explanations on the matters concerning the agenda and better informing the members on the subject, apart from the members, the senior and mid-level managers may also be invited to attend the Board meetings.

Invitations to the meetings shall be made at least 7 days before the date of the meeting. The agenda and documents and information concerning the agenda shall be submitted to the Board members in writing, together with the invitation.

Board members who do not attend to 3 (three) consecutive meetings for any reason and excuse whatsoever without getting permission from the Board of Directors shall be deemed as having resigned from his/her office.

A Board member cannot attend a Board meeting that concerns the interests of himself/herself, his/her spouse and relatives by blood and marriage up to third degree.

For the purpose of regular keeping of the documents related to the meetings of the Board of Directors, a secretariat shall be established, under the Board Chairman, which shall serve to all Board members. The secretariat shall deliver the documents and information concerning the matters contained in the agenda of the meeting of the Board of Directors, to the Board members at least seven days before the meeting. Board members are entitled to obtain information from the company's management through the secretariat at any time.

#### **Article 17**

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

Board of Directors is authorized on matters that concern all affairs of the Company, except for those that are left to the exclusive authority of the General Assembly under the Turkish Commercial Code, Capital Markets Board and these Articles of Association.

The Company shall comply with the Corporate Governance Principles that are required to be complied with by Capital Markets Board. Transactions performed and resolutions passed by the board of directors without respect to the mandatory principles are deemed invalid and in breach of the articles of association.

Regulations on Corporate Governance Principles of the Capital Markets Board shall be complied with in regards to transactions that are deemed important in terms of the application of Corporate Governance Principles and important related party transactions of the Company as well as transactions concerning the granting of collaterals, pledges and mortgages in favor of third parties.

The Board Chairman's and Board members' right to transact and compete with the Company as set forth in article 395 and 396 of the Turkish Commercial Code is possible with the approval of the shareholders who are present at the Company's general assembly. Regulations concerning Corporate Governance Principles of the Capital Markets Board are preserved.

#### **Article 18**

##### **REMUNERATION OF THE BOARD OF DIRECTORS**

Board members may receive a certain fee on a monthly and yearly basis or for each meeting, to be determined by the General Assembly.

Fees, remunerations, attendance fee and other benefits to be given to the members who bear the independence criteria shall be at such a level that would not affect their independency.

#### **Article 19**

##### **AUDIT AND INDEPENDENT AUDIT FIRM**

In relation to the auditing of the Company and other matters stipulated under the legislations, relevant articles of the Turkish Commercial Code and the Capital Markets Board shall apply.

**Article 20**  
**DUTIES OF AUDITORS**

ABOLISHED.

**Article 21**  
**ORDINARY AND EXTRA ORDINARY GENERAL ASSEMBLY AND QUORUM**

Company's general assembly shall convene ordinarily and extraordinarily.

Ordinary general assembly shall convene within three months as of the end of the Company's fiscal year and at least once a year. Extraordinary general assembly shall convene and pass resolutions at any time as the Company's affairs may require, in accordance with the provision of the laws and these articles of association.

Meetings of the general assembly shall proceed in accordance with the provisions of the Turkish Commercial Code and Capital Markets legislations.

Operation of the meeting of the general assembly shall be governed by internal directive. The meetings of the General Assembly are held in accordance with the Turkish Commercial Code provisions and internal directive.

General Assembly shall convene at the Company's head office. If the Board finds it necessary, General Assembly may convene at another convenient place within the city where the company's head office is located. Such information should be included in the announcements for invitation of the General Assembly meeting.

Announcements regarding the General Assembly meeting shall be made in accordance with the provisions of article 31 of these articles of association.

Declarations and explanations required to be made pursuant to the legislations shall be made on the Company's website together with the announcement regarding the general assembly meeting.

Agenda of the meeting, final version of the Company's articles of association, financial statements and their endnotes, proposal on the distribution of profit, annual activity report and other information on the agenda shall be kept available at the Company's head office and branches together with the announcement of the meeting. Documents related to the meeting shall be published on the Company's website.

The relevant ministry may invite the general assembly to convene a meeting when it deems necessary. Persons who are nominated for the board of directors, board members, auditors and persons who had responsibility in the preparation of the financial statements shall attend the General Assembly meetings. Excuses for absence of those who were not able to attend the meeting shall be announced.

Shareholders who are entitled to attend the general assembly meetings of the company may also attend such meetings through electronic media pursuant to article 1527 of the Turkish Commercial Code. As per the provisions of the "Regulation on General Assemblies to be Held Electronically in Joint Stock Companies", the company may install the electronic general assembly system that will enable the right holders to attend general assembly meetings, express opinions, submit proposals and cast votes therein or may procure services from systems established for such purpose. Pursuant to this provision of the articles of association, in all general assembly meetings to be held, right holders and their representatives shall be

given the opportunity to exercise the rights mentioned in the provisions of the abovementioned regulation through the established system.

#### **Article 22**

#### **PRESENCE OF THE REPRESENTATIVE OF THE MINISTRY OF CUSTOMS AND TRADE AT THE MEETINGS**

Provisions of the relevant legislations concerning the presence of a Representative of the Ministry of Customs and Trade at ordinary and extraordinary meetings of the General Assembly shall apply.

#### **Article 23**

#### **INVITATION TO MEETINGS**

General Assembly shall be invited to convene a meeting in accordance with Turkish Commercial Code, Capital Markets Law and applicable regulations.

Board of Directors is entitled to invite the general assembly to an ordinary or extraordinary meeting.

#### **Article 24**

#### **VOTING RIGHTS**

Shareholders and their representatives who are present at the Ordinary or Extraordinary General Assembly meetings shall exercise their votes pro rata to the total nominal value of their shares. Each share has one vote.

The exercise of a vote can be delegated to a proxy from amongst or outside the shareholders. Regulations of the Capital Markets Board concerning voting by proxy shall apply. Voting rights stemming from the bearer share certificates shall be exercised by the holder of such certificate.

#### **FINANCIAL PROVISIONS**

#### **Article 25**

#### **FISCAL YEAR**

Company's accounting year is one calendar year. However, apart from this general rule, the initial accounting year shall start on the date of final incorporation and end on the last day of December of that year.

#### **Article 26**

#### **FINANCIAL STATEMENTS AND REPORTS, DOCUMENTS TO BE SENT**

Financial statements and reports that are required to be prepared by the Capital Markets Board as well as the independent audit report shall be announced to public in accordance with the procedure and principles determined by the Board.

#### **Article 27**

#### **DETERMINATION OF PROFIT**

Net profit is calculated after the deduction of amounts required to be paid and set aside by the Company such as the Company's overheads and amortizations from the income determined at the end of each period.

In determination of pure (net) profit, the provisions of Turkish Commercial Code, Capital Markets Regulations, Tax Procedural Law and other relevant financial codes shall apply.

## **Article 28**

### **DISTRIBUTION OF PROFIT**

Pure (net) profit remaining after the deduction of amounts required to be paid and set aside by the Company such as the Company's overheads and amortizations and taxes that must be paid by the Company's legal entity from the income determined at the end of each period, and registered under the balance sheet, shall be distributed in the order and quantities written below, after deducting the previous year's loss, if any:

General Legal Reserves:

a) Pursuant to article 519 of the Turkish Commercial Code, 5% is set aside as general legal reserves.

First Dividend:

b) Amount of donations made within the relevant year, if any shall be added to the remaining amount and out of this amount; a dividend is set-aside in the ratio determined by the General Assembly in accordance with the Turkish Commercial Code and the Capital Markets Legislations.

c) After making the aforementioned deductions, the General Assembly is entitled to decide to distribute the dividend to the members of the board of directors as well as officers, personnel and employees, funds established for various purposes and persons and entities of similar nature.

Second Dividend:

d) General Assembly is entitled to distribute the portion remaining after the amounts set out in paragraphs (a), (b) and (c) from the net profit for the period, as second dividend in whole or in part or voluntarily set aside such amount as legal reserves as per article 521 of the Turkish Commercial Code.

General Legal Reserves:

e) Pursuant to subparagraph (c) of paragraph 2 of article 519 of the Turkish Commercial Code, one tenth of the amount remaining after the deduction of 5% of the paid-up capital as dividend and other legal reserves from the portion agreed to be distributed to the shareholders and those participating in the profit, is added to the general legal reserves.

Unless and until the legal reserves that are required to be set aside under statutory provisions are set aside and unless the dividends determined for the shareholders under the articles of association are distributed in cash and/or as share certificates; the company cannot decide to set aside other reserve funds, to transfer profit to the subsequent year and to distribute the dividend to the members of the board of directors as well as officers, personnel and employees, funds established for various purposes and persons and entities of similar nature.

General Assembly shall determine when to give the dividend to the shareholders, upon the proposal of the Board of Directors and in accordance with the communiqués of the Capital Markets Board.

The Company may distribute advance dividends in accordance with the Capital Markets Legislations.

Dividends shall be distributed equally to all existing shares as of the distribution date, regardless of their dates of issue and acquisition.

Dividend given by the general assembly in accordance with these articles of association cannot be taken back.

**Article 29**  
**LEGAL RESERVES**

Provisions of the relevant article of the Turkish Commercial Code and provisions of the Capital Markets Legislations shall apply to reserve funds set aside by the Company.

**Article 30**  
**AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Consummation and implementation of all kinds of amendments to the Articles of Association are subject to the permission of the Capital Markets Board and the Ministry of Trade. Such amendments shall be valid as of the date on which they are announced upon being duly certified and registered with the Trade Registry.

**Article 31**  
**ANNOUNCEMENTS**

Provided that the provisions of the Turkish Commercial Code are preserved, announcements concerning the Company shall be made in a newspaper published at the place where the Company's head office is located. In relation to General Assembly meetings, announcement periods and principles set forth in the pertinent Turkish Commercial Code, Capital Markets Legislations and the Corporate Governance Principles of the Capital Markets Board shall apply. In addition to the procedures stipulated in the legislations, announcements for the meetings of the General Assembly shall be made at least three weeks prior to the date of the General Assembly meeting, in a newspaper published nationwide in Turkey as well as any and all means of communication including electronic communication, that enables access to the highest number of shareholders possible.

For announcements pertaining to the decrease of capital and liquidation, relevant provisions of the Turkish Commercial Code in force, shall apply.

**Article 32**  
**DELIVERY OF THE ARTICLES OF ASSOCIATION**

The Company shall print out these articles of association and deliver to the founders and new shareholders that will be participating in the capital increases and send a copy thereof to the Capital Markets Board and two copies thereof to the Ministry of Trade.

**Article 33**  
**APPLICATION OF THE GENERAL PROVISIONS**

Provisions of Turkish Commercial Code, Capital Markets Law and the provisions of other pertinent legislations shall apply to matters, which are not regulated under these Articles of Association.

**Article 34**  
**EXTERNAL AUDIT**

ABOLISHED.

**Article 35**  
**COMMITTEES**

Provisions of the relevant legislations shall apply to the establishment, duties and rules of procedure of the committees that the Board of Directors is required to establish under the Capital Markets legislation and applicable legislations.

**Article 36**  
**AUDIT COMMITTEE**

ABOLISHED.

**Article 37**  
**CORPORATE GOVERNANCE COMMITTEE**

ABOLISHED.

**Article 38**  
**THE DUTIES OF THE GENERAL ASSEMBLY**

ABOLISHED.

**PROVISIONAL ARTICLE**

This article is fully abolished.