

ZORLU ENERJİ ELEKTRİK ÜRETİM ANONİM ŞİRKETİ

ARTICLES OF ASSOCIATION

Establishment

Article 1

A joint-stock company is established in compliance with the provisions of the instantaneous incorporation of joint-stock companies in the Turkish Commercial Code by the founders whose titles, addresses and nationalities are given below.

1. Korteks Mensucat Sanayi ve Ticaret Anonim Sirketi
Organize Sanayi Bolgesi Sarı Cad. No:29 Bursa (of TR nationality.)
2. Zorlu Brode Sanayi ve Ticaret Anonim Sirketi
Sultanhamam, Vasif Cinar Cad. No: 91 Eminonu -İstanbul (of TR nationality.)
3. Zorluteks Tekstil Ticaret ve Sanayi Anonim Sirketi
Sultanhamam, Vasif Cinar Cad. No: 91 Eminonu -İstanbul (of TR nationality.)
4. Zorlu Boya ve Apre Sanayi Anonim Sirketi
Sultanhamam, Vasif Cinar Cad. No: 91 Eminonu -İstanbul (of TR nationality.)
5. Zorlu Holding Sanayi Anonim Sirketi
Sultanhamam, Vasif Cinar Cad. No: 91 Eminonu -İstanbul (of TR nationality.)

The Title of the Company

Article 2

The title of the company is “Zorlu Enerji Elektrik Üretim Anonim Şirketi”. It shall be referred to as the "Company" hereinafter in this Articles of Association.

The Company Address

Article 3

The Head Office of the Company is in Bursa. Its address is Bursa Organize Sanayi Bolgesi Pembe Cadde No:13 Bursa.

In case of any address change, the new address shall be registered with the trade registry and shall be announced in the Turkish Trade Registry Gazette and the website of the Company; moreover, such change shall be notified to the Ministry of Customs and Trade, Energy Market Regulatory Authority ("EPDK") and Capital Markets Board. Any notice served to the registered and announced address shall be deemed to be served to the Company. In case the Company fails to register its new address in due time after moving from the address that is registered and announced, then this state shall constitute a reason for dissolution. The Company can establish branches and representative offices in the country and abroad with the resolution of the Board of Directors provided that it notifies the Ministry of Customs and Trade, Energy Market Regulatory Authority and Capital Markets Board.

Field of Operation of the Company

Article 4

Under the regulations issued by the Energy Market Regulatory Authority and the Capital Markets Board, and upon obtaining the required permits, licenses and all the necessary documents from the Energy Market Regulatory Authority, the Ministry of Energy and Natural Resources and the other relevant Ministries, boards and units and within the frame of the Electricity Market Law No. 6446, the field of operation of the Company is to develop projects to meet the electricity, steam and heat need of the customers (wholesale companies, retail sale companies, electricity distribution companies holding retail sale licenses and eligible consumers), which shall be acquired in compliance with the Law No. 6446, regulations and resolutions of the Energy Market Regulatory Authority, to prepare the relevant feasibility report to and establish the facilities, and to generate electricity-steam at such facilities and to transmit the generated electricity and steam to the facilities of the customers through the transmission lines installed by the Company or through the transmission lines of TEİAŞ-TEDAŞ or the last resource suppliers within the frame of the applicable regulations.

The Company may operate in the following areas in order to realize its field of operation:

- a) To establish, build, operate and maintain electricity and steam generation plants, to sell the generated electrical and steam energy,
- b) To explore and operate geothermal and natural mineral water resources and geothermal based gases; to participate in the tenders related to the use of such resources,
- c) To use the rights related to the geothermal resources and natural mineral water resources within the frame of the relevant legislation,
- d) To purchase, take over, sell, transfer or otherwise dispose any energy generation plants,
- e) To participate in the official and private domestic and international tenders in energy generation, to call for such tenders,
- f) To raise long, medium and short term loans from domestic or international markets, to obtain investment and similar credits, to obtain assets and guarantee credits, commodities, import credits, open-book credits, single credits on stocks and bonds and similar credits, to conclude loan agreements, to establish pledges and mortgages for loans, to give mortgages for its own and third party real or legal person's debts and/or credits provided that the required public disclosures are made in order to inform the investors, to be a guarantor, to demand the release of these, to take and release mortgages, pledges and sureties in order to secure the Company's receivables, to institute pledge on the operations and/or the equipment/machinery of the Company,
- g) To undertake industrial and commercial investments within the scope of the Company's field of

operations,

h) To carry out all types of financial, commercial, industrial and administrative dispositions and activities,

i) To carry out all types of import and export transactions within the scope of the Company's field of activity,

j) On condition to reserve the provisions of the Capital Market Legislation with respect to the transfer of the concealed gains, to cooperate with the commercial and industrial, domestic and foreign, real or legal persons for a limited or unlimited period of time in the country and abroad under the applicable legislation as required by the Company's financial, technical purpose and subject, to establish any new partnerships, to join or leave the existing partnerships, to make co- investments in the country in order to bring in foreign capital,

k) To acquire, transfer, alienate, lease, lease out the required machinery and facilities as well as real estates for the Company to accomplish its purpose, to create, acquire, transfer, alienate rights of easement, usufructuary, habitation, encumbrances, commonholds and construction servitudes on real estates, to build factories, warehouses, stores and administrative buildings,

l) To acquire, lease, lease out, sell all the movable property and real estates, to establish and register mortgages on any of its movable property and real estates in favor of the Company or to acquire any or all the rights on these, to establish mortgages on the movable property and real estates owned by the Company or the other people and institutions, to collateralize or release these, on condition that the public disclosures required by the Capital Markets Board within the scope of the material events are made in order to inform the investors about the Company's field of activity,

m) To give or take mortgages, pledges, sureties and other guarantees in order to secure the debts and receivables of the third parties on condition that the disclosures required by the Capital Markets Board within the scope of the material events are made in order to inform the Company and the investors about the Company's field of activity,

n) To acquire, lease, transfer, lease out all kinds of marine, air and land transportation vehicles required for the activities of the Company and to make dispositions in kind or in person thereon,

o) To acquire, alienate the trademarks, patent rights, know-how and other industrial property rights related to the Company's field of activity and to make license agreements with respect to these, to carry out Research and Development studies and spending by making researches on technological developments,

p) To provide consultancy services in the country and abroad with respect to its field of activity,

r) To make all the donations and aids in a way not to impede its field of activity, on condition that it is not in conflict with the concealed gains transfer arrangement of the Capital Market Legislation, that the upper limit of the donations is determined by the General Assembly, that donations do not exceed such limit, that required material event disclosures are made and that the donations made within the year are submitted for the information of the shareholders at the General Assembly,

s) To establish associations and/or foundations in relation to the Company's field of activity, to become a member of the existing associations and/or foundations, and to assume any responsibilities at such associations and/or foundations.

The Company shall adhere to the principles of the Capital Market Legislation when giving guarantees, sureties, collaterals or establishing pledges including mortgages in its own name or on behalf of third parties.

Within the scope of this article, the procedures which might influence the investment decisions of the investors with respect to the business, transactions and activities carried out by the Company shall be performed, and the disclosures required to be made in order to inform the investors in compliance with the Capital Market Legislation shall be made. If the Company carries out the works, transactions and activities which are not indicated in this article, then it shall be bound and responsible for such activities and transactions.

In case the Company makes a change in its field of activity, then it is required to obtain the necessary permits from the Ministry of Customs and Trade and the Capital Markets Board.

Duration of the Company

Article 5

The Company is incorporated for an indefinite period of time.

Capital of the Company

Article 6

The Company has adopted the registered capital system in accordance with the provisions of the Capital Markets Law and has launched this system with the permit dated 2nd of May 2002 with number 21/579 of the Capital Markets Board.

The upper limit for the registered capital of the company is TL 6,000,000,000 TL (six billion Turkish Liras), which has been divided into 600,000,000,000 (six hundred billion) shares with a nominal value of 1 (one) piaster each.

The permit granted by the Capital Markets Board for the upper limit of the registered capital is valid for the years between 2021 and 2025 (5 years). Even if the permitted upper limit of the registered capital is not reached by the end of 2025, the Board of Directors will be required to obtain a new permit from the Capital Markets Board for the previously permitted upper limit or for a new upper limit and to take the authorization of the General Assembly for the new period up to 5 years for being able to make a resolution on capital increase after 2025. No capital increase may be made with a Board Resolution, unless the said authorization is granted by the General Assembly.

The company's issued capital amount is TL 5,000,000,000 (five billion), which has been fully paid free of collusion. The said capital amount is divided into 500,000,000,000 (five hundred billion) shares with a nominal value of 1 (one) piaster, 50,000,000,000 (fifty billion) of which are Group (A) registered shares and 450,000,000,000 (four hundred and fifty billion) of which are Group (B) registered shares. All company shares are registered shares and the Company may not issue any bearer shares.

The Board of Directors is authorized to increase the amount of the issued capital by issuing new registered shares up to the upper limit of the registered capital when it deems as necessary, in accordance with the provisions of the Capital Markets Law, and to take resolutions for restricting the rights held by the holders of the privileged shares, imposing restrictions on buying new shares by the shareholders, and issuing premium shares or shares with value under the nominal value. The authority to restrict the right to buy new shares may not be exercised in such a manner resulting in inequality among the shareholders.

The shares representing the company's capital are monitored on record, based on the principles of dematerialisation.

No new shares may be issued unless all issued shares issued are sold and paid, or shares that could not be sold are cancelled.

Within the scope of project financing provided irrevocably, in the event that banks and/or financial institutions become entitled to control the Company and/or an affiliate relationship arises pursuant to the provisions of the loan contracts as a result of the company's default under such contracts or due to other reasons and if the market share limits prescribed under the applicable legislation are exceeded, such breaches shall be remedied within the time period granted to such banks and/or financial institutions by the EMRA (Energy Market Regulatory Authority).

The Company may not directly or indirectly change its shareholding structure, transfer its shares or share certificates, or enter into transactions that would result in the transfer of shares or share certificates during the preliminary license period and until the acquisition of the production license, except for the exemptions under inheritance or bankruptcy as specified in article 57 of the Electric Market Licensing Regulations. However this provision shall not apply to share transfer transactions performed in the stock exchange.

After the production license is obtained, the company will be required to obtain the approval of the EMRA (Energy Market Regulatory Authority) before each transaction involving direct or indirect acquisition of the

shares representing five percent or more of the company's capital by the real persons and legal entities and transfer of shares or share certificates resulting in the change of control on the shareholding structure of the company, independent from the shareholding changes mentioned above. However this provision shall not apply to share transfer transactions performed in the stock exchange.

Even if there is no share transfer, establishment or cancellation of privileges on the existing shares are subject to approval by the EMRA, regardless of the percentage limits applicable to share transfers. Provisions of capital markets legislation are reserved.

Merger and division transactions are performed pursuant to the Turkish Commercial Code, capital markets legislation and other applicable legislation.

After the production license is obtained, if the Company wishes to

- a) Merge with another license holder, or
- b) Merge with a legal entity that does not have a license, within its own organization or within the organization of another legal entity that has a license together with all of its assets and liabilities, or
- c) Demerge in part or in whole, the approval by the EMRA shall be required to be obtained before such merger or demerger.

If the merger or demerger cannot be finalized in six months after such approval is granted, the approval shall become invalid. In such a case, the merger or demerger cannot be continued unless a new approval is granted by the EMRA. The provisions of the capital markets legislation are reserved for mergers and demergers.

The capital amount of the Company may be increased or decreased pursuant to the provisions of the Turkish Commercial Code and the applicable Capital Markets Legislation.

In the capital increases, Group (A) shares are issued for Group (A) shares and Group (B) shares are issued for Group (B) shares. However, if the Group (A) shareholders do not utilize their rights to purchase new shares, the newly issued shares shall be Group (B) shares only.

Transfer of the shares of the Company is not restricted, provided that the provisions of the Turkish Commercial Code, Capital markets legislation, energy market legislations and these Articles of Association are reserved.

The Structure of the Board of Directors

Article 7

The works and administration of the Company shall be carried out by a Board of Directors consisting of at least five (5) and at most eleven (11) members who shall be elected by the General Assembly from among those shareholders holding Group A shares or those nominated by such shareholders within the framework of the arrangements of the Turkish Commercial Code and the Capital Market Board.

The number and qualification of the independent members who shall be appointed in the Board of Directors shall be determined as based on the Capital Markets Board's regulations on corporate governance.

The members of the Board of Directors are elected for a maximum period of three years. At its first meeting, the Board of Directors elects the chairman or the vice-chairman from among the independent members. The positions of the Chairman of the Board of Directors, CEO and General Manager are carried out by different people.

Re-election of the members of the Board of Directors, whose term of office had expired, is allowed. The members of the Board of Directors can be dismissed at any time by a resolution of the General Assembly in case there is a relevant article on the agenda or in the presence of a valid reason in case there is no relevant article on the agenda.

The Board of Directors shall meet as based on the provisions of Turkish Commercial Code and as required by the Company's business. However, the Board is required to meet at least once a month.

The meetings of the Board of Directors shall be held at the Company's headquarters or any other location to be decided. The Board of Directors convenes with absolute majority and takes the decisions with the majority of the members present at the meeting. In case of a tie in the votes, the provision of the 390th article of the Turkish Commercial Code shall be applied.

The issues such as the form of the Board meetings, vote casting, duties and authorities and election of new members for the vacancies shall be carried out in compliance with the provisions of the Turkish Commercial Code and the Capital Market Legislation.

Provisions of applicable regulations shall be applied for the establishment, duties and working principles of the Committees including the Early Detection of Risk Committee that the Board of Directors is obliged to form in accordance with Capital Market Legislation and Article 378 of the Turkish Commercial Code, and the relationship of these Committees with the Board of Directors.

Salaries and/or attendance fees can be paid to the members of the Board of Directors, which shall be decided by the General Assembly within the framework of this Articles of Association.

Representation and Management of the Company

Article 8

Management and representation of the Company are vested in the Board of Directors. The Board of Directors shall be authorized to deal with all the affairs of the Company and the management of its assets and shall be authorized in all issues concerning the business of the Company, save for those which are related to the Company's field of activity and are left at the discretion of the General Assembly.

Except for those non-transferrable duties and authorities identified in the 375th article of the Turkish Commercial Code, the Board of Directors is authorized to partly or completely transfer the management to one or more members of the Board of Directors or to a 3rd party by an internal directive to be prepared by the management in compliance with the 367th article of the Turkish Commercial Code.

In order for any documents, bills, powers of attorney, letters of undertaking, agreements and other documents, offers, demands, acceptances and declarations related to the Company to be valid and to bind the Company, such are required to bear the signatures to be affixed under the Company seal, by the person(s), who are given signature authority, and for whom the form of signing is registered and announced by the Board of Directors. At its first meeting, the Board of Directors appoints the authorized signatories and duly registers and announces this situation. The transfer of the representation authority shall not be valid unless the mentioned registration and announcement is carried out. The limitation of the representation authority shall not apply for the third parties with good will; however, the limitations registered and announced for the allotment of the representation authority only to the business of the central office or a branch or their joint use are valid.

The Board of Directors may transfer the representative power to executive director(s) or a 3rd party serving as the manager. At least one of the members of the Board shall be vested with the authority to represent.

Audit

Article 9

Applicable articles of the Turkish Commercial Code and Capital Market Legislation shall be complied with in auditing the Company and other matters stipulated in the legislation.

General Assembly Meetings

Article 10

General Assembly shall convene in ordinary or extraordinary sessions. An Ordinary General Assembly must be held at least annually and within three months of the end of the Company's fiscal year.

Extraordinary General Assembly shall convene and take the required decisions whenever deemed necessary by the Company's business.

Form of invitation: the form of invitation and announcement periods stipulated in the provisions of the Capital Market Law, Capital Markets Board regulations and Turkish Commercial Code shall be complied with for the General Assembly meetings.

Announcement for the General Assembly meetings shall be made at least three weeks prior to the date of the General Assembly meeting, excluding the announcement and the meeting dates, through any means of communication including electronic communication, in addition to the means stipulated in the legislation. The mentioned announcement shall be published on the Company's website, Electronic General Assembly System, Public Disclosure Platform and Turkish Trade Registry Gazette. The information and documents stipulated in the Capital Market Legislation shall be announced at least three weeks before the General Assembly meeting based on the provision of the 437th article of the Turkish Commercial Code and are made available for the review of the shareholders.

The method of operation for the General Assembly meeting is determined with an internal directive. The General Assembly meeting is carried out according to the provisions of Turkish Commercial Code and the internal regulation within the framework of the Capital Market Legislation.

Participating, suggesting proposals and voting in the General Assembly meeting via electronic means bears all the legal consequences of participating, suggesting proposals and voting in the General Assembly physically in person.

Participation in the General Assembly meeting via electronic media: The right holders who hold the right to participate in the General Assembly meetings of the Company, may participate in these meetings via electronic media according to the Article 1527 of Turkish Commercial Code. The Company may install such systems that enable the right holders to participate, express opinion, suggest proposals and vote in the General Assembly meetings via electronic means or buy this service from outside suppliers as per the provisions of the Legislation on General Assemblies of Joint Stock Companies to be held via Electronic Means. As per this article of the Articles of Association, the right holders and their representatives shall be enabled to exercise such rights over the installed system that are specified in the aforementioned Legislation in all the General Assembly meetings to be held.

Meeting Venue: General Assembly meetings shall be held at the Company's head office or branches or in some other suitable venue in Istanbul.

Attendance of a representative in the meetings: The attendance of a representative of the Ministry of Customs and Trade in ordinary and extraordinary General Assembly meetings is obligatory. The decisions to be taken in the General Assembly meetings in the absence of the representative of the Ministry and the minutes of the meeting which does not bear the signature of the representative shall not be valid.

Meeting Quorum: The provisions of the Capital Market Law, the regulations of the Capital Markets Board and Turkish Commercial Code shall apply respectively with regard to the General Assembly meeting and decision quorums.

Voting Rights: Shareholders or their proxies present at the ordinary and extraordinary General Assembly meetings shall be entitled to cast their votes being proportional to the total nominal value of their shares. Each share has one voting right. The provisions in the Corporate Governance Principles of the Capital Markets Board shall be complied with in exercising the voting right.

Appointment of a Proxy: In General Assembly meetings, shareholders may be represented by proxy through another shareholder or another person who is not a shareholder. Proxies who are shareholders of the Company shall be entitled to cast the votes of the shareholders represented by them apart from their own votes. Representation by proxy shall be subject to the arrangements of the Capital Markets Board.

One share may have more than one owner. In this case, the owners can exercise their rights against the Company only through a joint representative. If a joint representative is not appointed, then any notice to be served to any of these owners shall be valid for all of them. The provisions of the Capital Market Legislation are reserved.

Accounting Period

Article 11

The Company's accounting period commences on the first day of January and ends on the last day of December.

Financial Statements and Reports, Documents to be Submitted

Article 12

Annual and interim period financial statements and reports which show the financial results of the Company and annual and interim period activity reports shall be prepared in compliance with the provisions of the Capital Market Legislation and Turkish Commercial Code.

Financial statements and reports required by the Capital Markets Board and the independent audit report shall be announced to the public according to the rules and principles determined by the Capital Markets Board.

A copy of the annual report of the Board of Directors and the independent audit report as well as the annual financial statements, and minutes and list of attendees of the General Assembly meeting shall be submitted to the Ministry of Customs and Trade no later than one month after the date of the General Assembly meeting.

Determination and Distribution of Profit

Article 13

Net profit calculated and shown in the annual balance sheet after deducting all general expenses, any depreciation amounts, the amounts that the Company is obliged to pay or set aside, and taxes to be paid by the Company as a legal entity, from the revenues determined at the end of the fiscal period, shall be distributed after deducting the previous year's losses, if any, as follows:

General Legal Reserve:

a) 5% shall be set aside as legal reserve.

First Dividend:

b) From the remainder, after adding the total amount of donations made during the year if any, a first dividend shall be set aside in line with the profit distribution policy of the Company and in compliance with the Turkish Commercial Code and Capital Market Legislation.

c) After deducting the amounts mentioned above, the General Assembly has the right to distribute the remaining amount as dividends to the members of the board of directors, employees of the Company, and to persons other than shareholders.

Second Dividend :

d) After deducting the amounts indicated in the clauses (a), (b) and (c) from the net profit, the General Assembly is authorized to distribute the remainder either partially or wholly as a second dividend or reserve as voluntary reserve according to the article 521 of Turkish Commercial Code.

Statutory Legal Reserve:

e) After deducting an amount equal to 5% of the paid-in capital from the amount to be distributed to shareholders and persons participating in profit, 10% of the remaining amount shall be added to the statutory legal reserves in compliance with the paragraph 2 of the Article 519 of the Turkish Commercial Code.

No decision may be taken to set aside other reserves or to transfer the profit to a subsequent year or to distribute dividends to board members, employees and persons other than shareholders, until and unless the legal reserves required by the Turkish Commercial Code and the dividends for shareholders stipulated in this Articles of Association or in the profit distribution policy of the Company have been set aside; and no dividend can be distributed to such people, until and unless the dividend determined for the shareholders has been paid in cash.

Dividends are distributed equally to all of the available shares as of the date of distribution regardless of their issuance and acquisition dates.

The date and form of distribution of dividends to shareholders shall be determined by the General Assembly upon the Board of Directors' proposal.

The dividend distribution decision taken by the General Assembly in accordance with the provisions set forth in these Articles of Association shall not be reclaimed.

The Company may decide to distribute interim dividends in accordance with the Capital Market Legislation and other relevant legislation.

Issuance of Capital Market Instruments

Article 14

Within the framework of the provisions set forth in the Turkish Commercial Code and Capital Market Law and other applicable legislation, the Company may issue all types of capital market instruments.

The Company's Board of Directors is authorized to issue capital market instruments in the nature of debt instruments and other capital market instruments which are determined by the Capital Markets Board to be within the scope of the debt instruments, pursuant to the applicable article of the Capital market Law and other capital market legislations.

Amendment of the Articles of Association

Article 15

Any amendments to the Articles of Association shall require the approval of the Capital Markets Board and prior consent of the Ministry of Customs and Trade.

Following the obtaining of the mentioned approvals and permits with respect to the amendment of the Articles of Association, the decision is taken in the General Assembly, which is to be invited in compliance with the Capital Market Law and the provisions of the Articles of Association, within the framework of the Capital Market Legislation and the provisions of the Articles of Association.

The amendments to the Articles of Association shall become effective after being duly certified and registered with the trade register. The amendment decision shall not be valid against the third parties prior to the registration.

In case the amendment of the Articles of Association violate the rights of the privileged shareholders, then the decision of the General Assembly is required to be approved by the privileged shareholders' Assembly.

Registration of the amendments in this Articles of Association with the trade registry and announcement of these amendments in the Trade Registry Gazette and to the public in compliance with the public disclosure requirements of the Capital Market Legislation are obligatory.

During the preliminary license period and until the generation license is secured, it is necessary to obtain the approval of the Energy Market Regulatory Authority for amending the provision that the type of the share certificates of the Company and ownership structure cannot be amended and for the amending the provision of the Articles of Association related with the reduction of the Company's share capital.

After obtaining the generation license, it is necessary to obtain the approval of the Energy Market Regulatory Authority for amending the provisions of the Articles of Association related with the type of the Company's share certificates and share transfers, merger and spin-offs and reduction of the Company's capital share.

Beside the approval of the Energy Market Regulatory Authority mentioned above, the provisions of the Capital Market Legislation related to the amendment of the Articles of Association are reserved.

Announcements of the Company

Article 16

Notices of the Company shall be made in due time in line with the Turkish Commercial Code, the regulations of the Capital Markets Board and the provisions of the relevant legislations.

Issues not covered by the Articles of Association

Article 17

The provisions of the Capital Markets Law and the Turkish Commercial Code shall apply to the issues which are not covered by the Articles of Association.

Compliance with the Corporate Governance Principles

Article 18

The Corporate Governance Principles which are deemed obligatory by the Capital Markets Board shall be complied with. Any acts done and resolutions of the Board of Directors taken without complying with the obligatory principles shall be deemed invalid and contrary to the Articles of Association.

The regulations of the Capital Markets Board on corporate governance shall be complied with in transactions deemed significant under the Corporate Governance Principles, in any related party transactions of the Company as set forth in the Capital Market legislation and in any transactions related with giving guarantees, pledges and mortgages in favor of third parties.

