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## COMMUNIQUE ON SHARES (VII-128.1)

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**FIRST PART****Purpose, Scope, Grounds, Definitions and Abbreviations****Purpose:**

**ARTICLE 1 – (1)** The purpose of this Communiqué is to set down the procedures and principles pertaining to issue of shares (stocks) and share-like securities within the frame of provisions of the Capital Markets Law no. 6362 dated 6/12/2012.

**Scope:**

**ARTICLE 2 – (1)** Corporations, also including those in the scope of privatization, and/or public offerers are under obligation to apply to the Board for the following transactions:

- a) Public offering of existing shares of shareholders of non-public corporations or of shares to be issued by such corporations through capital increase;
- b) Public offering of existing shares of shareholders of public corporations or of shares to be issued by such corporations through capital increase;
- c) Sales without public offering of shares to be issued by public corporations through capital increase;
- ç) Conditional capital increases of public corporations;
- d) Capital decrease of public corporations;
- e) Approval by the Board that corporations the shares of which are deemed to have been offered to public due to and upon excess of five hundred threshold by the total number of shareholders thereof have thus become a public corporation;

SOURCE: Capital Markets Board ([www.cmb.gov.tr](http://www.cmb.gov.tr))UPDATES: Eryürekli Law Office ([www.eryurekli.com](http://www.eryurekli.com))

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- f) Admitting to trading in the exchange of shares of public corporations that are not listed and traded in the exchange;
- g) Public offering of shares to be issued through capital increase by corporations to be listed and traded in ECM (Emerging Companies Market);
- ğ) Capital increase of public corporations to be financed from profit shares and equity capital sources; and
- h) Issue of share-like securities.

(2) This Communiqué shall not apply to sales without public offering of existing shares of shareholders of non-public corporations or of shares to be issued by such corporations through capital increase.

(3) In the case of public offering of shares of a corporation, a prospectus is required to be prepared pursuant to the relevant regulations of the Board and this prospectus is required to be approved by the Board. Except for sales without public offering of shares to be issued by public corporations through capital increase, and issues of shares about which an announcement text is prepared pursuant to the regulations of the Board pertaining to preparation of prospectuses, in all kinds of issue of shares without a prospectus, an issue document is required to be prepared pursuant to the relevant regulations of the Board and this issue document is required to be approved by the Board.

(4) The issues of capital market instruments representing shareholding rights and issued by foreign corporations in accordance with laws of their home country, and of depositary receipts issued for this type of foreign capital market instruments are subject to and governed by not only the provisions of this Communiqué, but also the regulations of the Board pertaining to foreign capital market instruments.

#### **Grounds:**

**ARTICLE 3 – (1)** This Communiqué is prepared and issued in reliance upon articles 12, 16, 18, 33 and 128, and third paragraph of article 130 of the Capital Markets Law no. 6362.

#### **Definitions and Abbreviations:**

**ARTICLE 4 – (1)** For the purposes and in the context of this Communiqué:

- a) **“Exchange”** refers to an exchange as defined in sub-paragraph (d) of first paragraph of article 3 of the Law; and
- b) **“Green shoe option”** refers to addition of shares, the maximum nominal value of which is predetermined and disclosed to public, to total nominal value of shares to be distributed, in order to

meet the surplus demand, if and to the extent final amount of demand collected in book-building process is in excess of the number of shares offered for sale; and

- c) **“Emerging Companies Market” (ECM)** refers to such market as defined in the Exchange regulations; and
- ç) **“ECM List”** refers to the list showing the securities tradable in ECM; and
- d) **“ECM Regulation”** refers to the Emerging Companies Market Regulation published in the Official Gazette edition 27323 on 18/8/2009; and
- e) **“Public corporation”** refers to a corporation the shares of which are offered to public or are deemed to have been offered to public; and
- f) **“Going public”** refers to a non-public corporation’s becoming a public corporation; and
- g) **“Public offering”** refers to a general call made by any means for purchase of capital market instruments, and subsequent sales made upon such call; and
- ğ) **“Public offerer”** refers to natural persons or legal entities which apply to the Board in order to offer their capital market instruments to public; and
- h) **“Issue”** refers to the issue of capital market instruments by issuers, and sales thereof through or without public offering; and
- ı) **“Issuer”** refers to legal entities which issue capital market instruments, or apply to the Board for issue, or capital market instruments of which are offered to public; and
- ı) **“Public Disclosure Platform” (PDP)** refers to an electronic system through which the information required to be made public pursuant to the applicable laws are transmitted and disclosed to public with electronic signature; and
- j) **“Law”** refers to the Capital Markets Law no. 6362 dated 6/12/2012; and
- k) **“Beneficial Interest Certificate” (BIC)** refers to a share-like security which is issued by corporations for sales in cash, or which grants the rights to take a share from net profit, or to participate in the balance of liquidation proceeds, or to buy the shares to be newly issued by the non-public corporation; and
- l) **“Authorised capital”** refers to capital of a joint-stock company duly registered in and announced through the trade registry, showing the maximum number of shares that can be issued by the company by a resolution of its board of directors, without being subject to provisions of TCC (Turkish

- Commercial Code) pertaining to increase of share capital, providing that it is so provided in its articles of association; and
- m) **“Board”** refers to and stands for the Capital Markets Board; and
  - n) **“CRA”** refers to Central Registry Agency Co., Inc.; and
  - o) **“Corporation”** refers to a joint-stock company; and
  - ö) **“Sales of additional borrowed shares”** refers to additional sales of shares borrowed; and
  - p) **“Share”** refers to a type of securities representing the capital of corporation and granting shareholding rights; and
  - r) **“Share-like securities”** refers to securities which are not required to be represented in capital, and do not give a fixed yield commitment, and grant one or some of the shareholding rights, and are classified and categorized by the Board as such; and
  - s) **“Market consultant”** refers to a market consultant as defined in the Exchange regulations; and
  - ş) **“TCC”** refers to the Turkish Commercial Code no. 6102 dated 13/01/2011; and
  - t) **“TTRG”** refers to and stands for the Turkish Trade Registry Gazette; and
  - u) **“Authorized institution”** refers to intermediary institutions and investment and development banks authorized by the Board to serve as an underwriter in sales through public offering of capital market instruments.

## SECOND PART

### Initial Public Offering of Shares of Non-public Corporations

#### Conditions Precedent to Be Applied Before Initial Public Offering of Shares of Non-public Corporations:

**ARTICLE 5 – (1)** The existing paid or issued capital of corporations the shares of which will be offered to public initially must have been fully paid. The paid or issued capital of these corporations cannot contain revaluation surplus funds or similar other funds arising out of carriage of assets to fair value, except for the funds permitted by the applicable laws and regulations, within two years prior to the date of application.

**(2)** Corporations the shares of which will be offered to public initially or will be traded in exchange, except for investment trusts, shall not meet the conditions concerning the exclusion from the scope of the Law listed

in subparagraphs (a) and (b) of the first paragraph of article 8 of the Communiqué on the Principles of Exclusion of the Corporations from the Scope of the Law and Incumbency of Trade of the Shares in Exchange (II-16.1) published in the Official Gazette dated 30/12/2013 and numbered 28867. However, subparagraph (b) of the aforementioned paragraph is taken into account only for net sale revenues. The aforementioned conditions are not applied for public administrations subject to government budget, administrations with special budget, corporations within the scope of privatization and corporations that public is a partner of.

**(3) (REPEALED)**

**(4)** If a corporation the shares of which will be offered to public initially has been transformed into a joint-stock company within two years prior to the date of application, the shareholders' equity items included in the pre-transformation balance sheet are required to be shown as separate items in the balance sheet as a continuity of pre-transformation company, without making a consolidation under the capital account in the opening balance sheet of the post-transformation company, and this should be determined in a certified public accountant's report to be issued therefor. After the transformation, the existing pre-transformation equity capital sources may be capitalized only if and to the extent it is permitted in the applicable laws and regulations, and a capital increase realized as above does not conflict with the provisions of this paragraph. The provisions of second paragraph of article 16 of this Communiqué are applicable by analogy in assessment of capital increases covered by this paragraph.

**(5)** In the case of breach of provisions of fourth paragraph of this article, the provisions of fourth paragraph of this article will be complied with through deletion from registry of the capital consolidated and registered, or through simultaneous capital decrease and increase. In reducing the capital by the consolidated amount through simultaneous capital decrease and increase, capital increase is funded out of capitalizable equity capital sources included in financial statements of the last annual accounting period prior to transformation, as approved by the authorized organ, and/or funded in cash.

**(6)** According to the recently dated financial statements to be included in prospectus of corporations the shares of which will be offered to public initially, the ratio of non-trade receivables from the related parties, as defined in the relevant regulations of the Board, to total sum of all receivables may not exceed twenty percent, or the ratio of them to total assets may not exceed ten percent. For the sake of compliance with these ratios, it should be committed by the corporation and the public offerers that the fund to be obtained from proceeds of sales of existing shares of shareholders will be used for collection of receivables from related parties, and that the corporation will not be repositioned as a creditor in such manner to bypass this provision. If such commitment is found acceptable by the Board, the provisions of this paragraph are not applicable. If the related party is a public entity, the receivables from the public entity are not taken into consideration in calculation of receivables from related parties.

**(7)** If the market value of, the shares of which will be offered to public initially, as will be calculated over the public offering price of shares to be offered to public, except for green shoe option, is:

**a)** below four hundred million TL\*, for all of the unsold shares; or

- b) between four hundred million TL and eight hundred million TL\*, for all of the unsold shares up to twenty million TL and for half of the portion thereof in excess of twenty million TL,

the authorized institutions underwriting the sales in public offering are required to underwrite towards the corporation that they will purchase such shares over the public offering price, and the underwriting agreement is required to be sent to the Board before approval of prospectus by the Board. If the market value of shares to be offered to public is above eight hundred million TL\*, no underwriting is required to be given. In corporations the shares of which will be listed and traded in ECM, this obligation may also be performed by the market consultant. Amounts referred to in this paragraph are, in the case of book-building within a price range, calculated on the basis of the floor price.

- (8) The authorized institutions underwriting the sales in public offering or the market consultant can, for a period of six months following the starting date of trading in exchange of the shares offered to public, not sell in the exchange the shares included in their portfolios in accordance with the provisions of seventh paragraph of this article, at a price below their public offering price, nor can they take any action on these shares resulting in their sales at a price below their public offering price in the exchange. In the event that said shares are fully or partially sold or transferred in accordance with this paragraph within the period of time specified in this paragraph, it is required to publish a public disclosure of material information within the frame of regulations of the Board pertaining to disclosure of material events. The purchasers of the shares sold by the aforementioned institutions outside of exchange, are also subject to this restriction.

### **Public Offering of Existing Shares of Shareholders of Non-public Corporations:**

**ARTICLE 6 – (1)** The public offerers may offer their shares in the corporation to public only if and to the extent the shares to be offered to public are not pledged or given as a security or otherwise encumbered by restrictions on transfer or circulation thereof or on use of rights thereon by shareholders.

- (2) The corporation's board of directors must decide and accept the draft amendments in articles prepared in such manner to include the amendments required in the articles of association for the sake of compliance with the Board regulations and with the objectives and principles of the Law, and the corporation must apply to the Board with the documents and submittals listed in Annex 1 of this Communiqué. Amendments to articles of association are decided in the general assembly meeting to be held within maximum six months after receipt of consent of the Board with regard thereto. Draft amendments not approved by the general assembly of shareholders within six months become null and void ab initio.

- (3) Following completion of the transactions listed in second paragraph of this article, the authorized institution applies to the Board for approval of prospectus by submitting a prospectus prepared in accordance with the relevant regulations of the Board, and a petition accompanied by the documents and submittals listed in Annex 2 of this Communiqué.

- (4) The corporation is under obligation to provide the public offerer and the authorized institution with the information and documents required for amendments to articles of association and for preparation of

prospectus, and to take actions for facilitating the preparation of said information and documents, and to perform all of its obligations arising out of the applicable laws at the time of sales.

(5) In public offering under this article of the shares of corporations in the scope of privatization, application to the Board may directly be made by the Presidency of Privatization Administration.

### **Public Offering Through Capital Increase of Shares of Non-public Corporations:**

**ARTICLE 7 – (1)** Non-public corporations may, in their capital increases, offer their shares to public by fully or partially restricting the preemptive rights of shareholders on newly issued shares.

(2) The following transactions are performed before application to the Board for approval of prospectus:

a) The corporation's board of directors must decide and accept the draft amendments in articles prepared in such manner to include both the amendments in "capital" article and the amendments required in the articles of association for the sake of compliance with the Board regulations and with the objectives and principles of the Law, and the corporation must apply to the Board with the documents and submittals listed in Annex 1 of this Communiqué. Amendments to articles of association are decided in the general assembly meeting to be held within maximum six months after receipt of consent of the Board with regard thereto. Draft amendments not approved by the general assembly of shareholders within six months become null and void ab initio.

b) Unless the corporation is covered by the authorised capital system, the general assembly of shareholders takes decisions on increase of capital and on full or partial restriction of the preemptive rights within the frame of pertinent provisions of TCC. If the corporation is covered by the authorised capital system, the said transactions are performed by the board of directors if authorized so by the articles of association. In full or partial restriction of the preemptive rights, the provisions of second paragraph of article 461 of TCC are applicable. In the case of partial use of the preemptive rights, the provisions of third paragraph of article 461 of TCC are applicable.

(3) Following completion of the transactions listed in this article, the corporation or the authorized institution applies to the Board for approval of prospectus by submitting a prospectus prepared in accordance with the relevant regulations of the Board, and a petition accompanied by the documents and submittals listed in Annex 3 of this Communiqué, or as for corporations the shares of which will be listed and traded in ECM, accompanied by the documents and submittals listed in Annex 4 of this Communiqué.

(4) It is required to give a purchase commitment for the unsold portion of the shares representing the to-be-increased capital in the share capital system.



### THIRD PART

#### Principles Applicable After Public Offering

##### Restriction on Shareholders:

**ARTICLE 8 – (1)** The shareholders holding ten percent or more of the existing capital or holding the management under their control, irrespective of the shareholding percentages, as of the date of approval of prospectus relating to public offering of shares of corporations the shares of which will be offered to public initially can, for a period of one year following the starting date of trading in exchange of the shares of the corporation, not sell in the exchange the shares held by them at a price below their public offering price, nor can they take any action on these shares resulting in their sales at a price below their public offering price in the exchange. In the event that said shares are fully or partially sold or transferred in accordance with this paragraph within the period of time specified in this paragraph, it is required to publish a public disclosure of material information within the frame of regulations of the Board pertaining to disclosure of material events. Buyers of shares sold by the said persons in the over-the-counter market are also subject to this restriction. The shares of corporation acquired by these persons from the exchange after the starting date of trading in exchange of the shares of the corporation are not considered as a part of the ban on sales.

**(2)** For the venture capital investment trusts, the shares of which will be offered to public initially, at any time prior to the date of approval of prospectus, the period of one year starts as of the last date they have acquired these shares. However, the principles set forth in first paragraph of this article are valid and applicable for corporations which have become a venture capital investment trust through transformation thereinto within the period of one year prior to the initial public offering of shares of corporation.

**(3)** Persons covered by the first paragraph of this article will, at the time of application for going public, submit to the Board a written commitment in connection therewith. This commitment and its contents will be dealt with in the prospectus.

**(4)** If, at any time during the period of one year, the market price of shares of corporation is corrected due to capital increase, dividend payments or similar other reasons, the criteria applicable on the correction will be applied also on the public offering price.

**(5)** The management control will be determined in accordance with provisions of second paragraph of article 26 of the Law.

**(6)** If and when the persons covered by the first paragraph of this article optionally agree and undertake at the stage of going public that they will by no means and in no case sell their shares in the exchange within one year following the starting date of trading of the shares of corporation in the exchange, regardless of the market price of shares, and that the shares to be offered for sale in over-the-counter market will also be subject to this restriction, as will be separately stated to the buyers, then and in this case, the provisions of third paragraph of this article are not separately applicable. If the said commitment is given for a period



shorter than one year, the commitment required to be given within the frame of third paragraph of this article is given for the remaining time.

(7) The principles set forth in articles 9 and 10 of this Communiqué are, however, reserved.

### **Shares Kept Ready for Sales Through Capital Increase in Going Public:**

**ARTICLE 9 – (1)** If and to the extent the market value of shares to be offered to public, except for green shoe option, of corporations the shares of which will be offered to public initially, over the public offering price thereof, is below five hundred million TL\*, then and in this case, before approval of prospectus of public offering, the additional shares corresponding to twenty-five percent of nominal value of shares to be offered to public will also be kept ready for sales by fully restricting the preemptive rights of the shareholders. In this case, the corporation must be in the authorised capital system, and the prospectus submitted to the Board's approval must have been issued in the form of more than one documents, and the prospectus must contain the required information in connection therewith. In the case of book-building within a price range, the threshold of five hundred million TL\* is calculated over the lower limit of price range.

(2) If the public offering price is not finalized yet at the time of approval of prospectus, the amount referred to in first paragraph of this article will be calculated after finalization of the public offering price, and within two business days following finalization of sales results for public offering, an application is filed to the Board for approval of securities note and the summary prepared about the shares corresponding to twenty-five percent of nominal value of the shares offered to public and kept ready for sales hereunder.

(3) As long as the shares kept ready for sales are not fully sold, the shareholders holding ten percent or more of the existing capital or holding the management under their control, irrespective of the shareholding percentages, as of the date of approval of prospectus can, for a period of one year following the date the prospectus is published in PDP, not sell the shares held by them in the exchange, nor can they take any action on these shares resulting in their sales in the exchange. Said persons will, at the time of application for going public, submit their written commitment to the Board in connection therewith. This commitment and its contents will be dealt with in the prospectus. Buyers of shares sold by the said persons in the over-the-counter market are also subject to this restriction. The shares of corporation acquired by these persons from the exchange after the starting date of trading in exchange of the shares of the corporation are not considered as a part of the ban on sales.

(4) The management control will be determined in accordance with provisions of second paragraph of article 26 of the Law.

(5) The public offering period referred to in the relevant regulations of the Board will not be applicable for the shares kept ready for sales.

(6) Fees payable to the Board with respect to the shares kept ready for sales will be calculated as the public offering price plus twenty-five percent thereof, and will be collected within the frame of principles set

forth in article 26 of this Communiqué. The fees collected by the Board with respect to sales which could not be sold during the sales period will be refunded upon demand of the corporation.

### **Sales of Shares Kept Ready for Sales, and Application to Board:**

**ARTICLE 10 – (1)** Shares kept ready for sales are sold by the intermediary institution. Sales may be performed at once or more than once within a period of one year after the prospectus is published in PDP. The intermediary institution assigned for sales is not required to be the authorized institution which has underwritten the initial public offering of shares.

**(2)** Shares kept ready for sales cannot be started to be sold, if and to the extent the market price of shares does not increase by more than the public offering price plus twenty-five percent thereof during a period of one year following the date of publishing of prospectus in PDP. Shares kept ready for sales may be sold as long as the market price of shares remains at a level more than the public offering price plus twenty-five percent thereof. In this case, sales of shares kept ready for sales are not obligatory, and these shares may be sold in the exchange without any actions or proceedings in the Board. In the starting day of sales of shares kept ready for sales, the intermediary institution publishes a public disclosure of material information in PDP, within the frame of regulations of the Board pertaining to disclosure of material events. If, at any time during the period of one year, the market price of shares of corporation is corrected due to dividend payments or similar other reasons, the criteria applicable on the correction will be applied also on the public offering price.

**(3)** The corporation must have authorized the intermediary institution on sales of shares, kept by the corporation ready for sales and traced in the corporation's account in CRA, in line with the principles set forth in the prospectus, and on performance of clearing obligations in relation therewith. The principles of use of this power are dealt with in the underwriting agreement for sales through public offering or in a separate agreement to be entered into by and between the parties.

**(4)** It is the responsibility of the intermediary institution to sell the shares kept ready for sales in accordance with the principles set forth in the prospectus. The shares will be sold by the intermediary institution within the frame of secondary market transactions in the market where shares of the corporation are listed and traded in the exchange. However, after-sales clearing obligation is met from these shares. Prices of the shares the clearing obligation of which is performed will be transferred by the intermediary institution to the corporation's account no later than the first business day thereafter.

**(5)** In the case of sales of shares kept ready for sales, information about the sales results are disclosed by the intermediary institution to public in PDP through a public disclosure of material information within three business days following the end of every month. Furthermore, within three business days following the end of the period of one year relating to sales of shares kept ready for sales, all results of sales realized during the sales period will be disclosed by the intermediary institution to public in PDP through a public disclosure of material information.

(6) The right of sales with respect to shares kept ready for sales for a period of one year following the date of publishing of prospectus in PDP terminates upon completion of the period of one year. Shares kept ready for sales through capital increase will, if and to the extent unsold within one year, be cancelled. Within ten business days following the end of the sales period of one year, an application is filed to the Board for its consent on the draft amendments prepared about the “capital” article of the articles of association indicating the issued capital by taking into consideration the number of shares sold. The draft amendments of that article will be registered and announced within fifteen business days following receipt of consent of the Board.

(7) Investors purchasing the shares kept ready for sales through capital increase will have equal rights with other shareholders of the corporation in terms of shareholding rights.

(8) As long as the market price of shares, formed within the frame of article 9 of this communiqué, remains at a level more than the public offering price plus twenty-five percent thereof, and all of the shares kept ready for sales are not sold, the corporation cannot make a capital increase through rights issue.

(9) Without prejudice to provisions of eighth paragraph of this article, in order for the corporation to make a capital increase through rights issue within the period of one year, either all of the shares kept ready for sales must have been fully sold or the shares kept ready for sales, but unsold by the date of decision of capital increase must be cancelled. In the case of cancellation, the ban on sales as specified in third paragraph of article 9 of this Communiqué will remain in force. For capital increase, first of all, after the date of cancellation of shares of the corporation kept ready for sales through capital increase, an application is filed to the Board for its consent on the draft amendments prepared about the “capital” article of the articles of association indicating the issued capital by taking into consideration the number of shares sold. The draft amendments of that article will be registered and announced within fifteen business days following receipt of consent of the Board.

### **Price Stabilization Actions:**

**ARTICLE 11 – (1)** In the transactions mentioned in articles 6, 7 and 14 of this Communiqué, after the shares are started to be traded in the exchange, providing that the required explanations are given in the prospectus of public offering, the intermediary institution underwriting the sales in public offering, or if the public offering is conducted through a consortium, the consortium leader or if any, co-leader intermediary institution may purchase shares for price stabilization purposes. The intermediary institution may engage in price stabilization transactions in its own account or in the account of corporation. In this case, title on the shares belongs to the person in whose account the transactions are made.

(2) Providing that the required explanations are given in the prospectus, the funds to be used for price stabilization transactions in the account of corporation may be financed out of the gross public offering income of the corporation. In this case, the funds to be used for price stabilization transactions cannot be higher than twenty percent of the gross public offering income of the corporation, and nominal value of shares to be purchased cannot exceed twenty percent of total nominal value of shares offered to public, also including

green shoe option. This transaction is not subject to the procedures described in the regulations of the Board pertaining to repurchase by corporations of their own shares.

**(3)** If and to the extent the funds to be used for price stabilization transactions are provided by persons other than the corporation, no limitation is applicable on the amount of funds to be used in such transactions.

**(4)** In public offerings with price stabilization transactions, the fact that these transactions aim to support the market price of the shares, and that no guarantee is given as to performance of price stabilization transactions, and that transactions may be stopped earlier than the end of the specified period of time, as well as the name/title of the intermediary institution assigned for price stabilization transactions, and the duration of price stabilization transactions are required to be specified in the prospectus. Who may suspend or stop the price stabilization transactions earlier than the end of the specified period of time will be determined by the agreement signed between the parties. If no such provision is inserted in the agreement, the intermediary institution is authorized to suspend or stop the transactions.

**(5)** If and when the transactions mentioned in article 6 of this Communiqué are carried out alone or together with the transactions mentioned in article 7 of this Communiqué, or in the transactions mentioned in article 14 of this Communiqué, the funds to be used for price stabilization transactions will, first of all, be financed by the proceeds of sales of existing shares of shareholders. Twenty percent of gross public offering income to be obtained by the corporation cannot be used for price stabilization transactions unless the proceeds of sale of existing shares of shareholders are consumed out.

**(6)** After public offering, the price stabilization transactions may be conducted for maximum thirty days following the starting date of trading of the relevant shares in the exchange.

**(7)** In price stabilization transactions, a buy order above the public offering price cannot be given. During the specified transaction period, if and when the market price falls below the public offering price, the intermediary institution assigned for sales in public offering may buy the shares. The ordering and pricing rules to be applied in these transactions will be determined by the exchange regulations.

**(8)** In the case of sales of additional borrowed shares within the frame of article 24 of this Communiqué, the price stabilization transactions and the sales of additional borrowed shares must be performed by the same intermediary institution.

**(9)** Upon expiration of the period for price stabilization transactions, or if and when it is decided to terminate the price stabilization transactions before the end of the transaction period specified in the prospectus, in the first business day immediately thereafter, the information referred to in Annex 5 of this Communiqué will be disclosed by the transacting intermediary institution to public in PDP through a public disclosure of material information.

**(10)** The intermediary institution will show maximum care and attention so as to avoid probable effects on ordinary operations of market in sales of shares purchased within the frame of price stabilization transactions and cannot sell the shares purchased within the frame of price stabilization transactions at a

price below the public offering price thereof throughout the period of price stabilization transactions declared and announced in the prospectus.

(11) All of the records of price stabilization transactions following completion of public offering are kept by the transacting intermediary institution and are kept ready for review by the corporation or the public offerers for a period of five years following the completion of transactions.

(12) It is the responsibility of the transacting intermediary institution to conduct the price stabilization transactions following completion of public offering within the frame of principles set forth in this Communiqué.

(13) Conditions relating to intermediary institutions which may perform the price stabilization transactions will be separately determined by the Board.

(14) The provisions of other regulations pertaining to market making are, however, reserved.

#### **FOURTH PART**

#### **Capital Increases Through Rights Issues of Public Corporations, and Sales of Existing Shares of Shareholders**

#### **Public Offering of Shares of Public Corporations to Be Issued Via Capital Increase Through Rights Issue:**

**ARTICLE 12 – (1)** In capital increases through rights issues of public corporations, the following transactions will be performed before application to the Board:

- a) In the case of authorised capital system, the board of directors takes a resolution outlining the amount of capital to be increased and the principles of sales.
- b) In the case of share capital system, the board of directors prepares draft amendments for “capital” article of the articles of association. Draft amendments of article, together with the relevant resolution of the board of directors, and a certified public accountant report certifying that the existing capital of the corporation is paid, will be submitted to the Board for its consent. In its meeting to be held within maximum six months following receipt of consent of the Board with respect to amendments in the article, the general assembly of shareholders decides to increase the capital. Draft amendments which are not approved by the general assembly of shareholders within six months will become null and void.
- c) If it is wished to fully or partially restrict the preemptive rights, this should be stated clearly in the capital increase resolution of the board of directors authorized by the articles of association in the authorised capital system, or in the capital increase decision of the general assembly of shareholders in the share capital system. In that general assembly meeting, the proposed full or partial restriction

of preemptive rights must have been included in the agenda of general assembly meeting, and the board of directors must inform the shareholders about the reasons of restriction of the preemptive rights. In the authorised capital system, the resolution of the board of directors to restrict the preemptive rights will be published and announced within the frame of regulations of the Board pertaining to authorised capital system.

**(2)** Following completion of the transactions mentioned in first paragraph of this article, an application is filed by the corporation or the authorized body to the Board for approval of prospectus within thirty days following the date of resolution of the authorized organ relating to capital increase, together with a petition accompanied by the documents and submittals listed in Annex 3 of this Communiqué, and as for the corporations whose shares are listed and traded in ECM, accompanied by the documents and submittals listed in Annex 3 of this Communiqué.

**(3)** In case of capital increase, it is obligatory to give commitment to purchase the unsold shares in share capital system.

**(4)** In case of capital increase in public corporations, the commitment for capital injection is required to be executed by payment in cash. However, only the debts arising out of the funds which are injected in cash and determined to be injected in cash by a certified public accountant's report, may be set off against the capital injection obligations, providing that such debts have become due and payable. Cash capital injection obligations arising out of capital increases of public corporations are required shall not be performed through offset of debts arising out of transfer of non-cash assets to the corporation.

**(5) (REPEALED)**

**(6)** In capital increases through rights issues by public corporations, if the funds of proceeds of capital increase are in excess of existing capital of the corporation, and if the funds will be used for full or partial repayment of debts which arise out of transfer of non-cash assets to the corporation and are owed to related parties as defined in the relevant regulations of the Board, the resulting capital increase will be considered as one of the material transactions within the frame of article 23 of the Law. In this case, before delivery to the issuer of the prospectus relating to that capital increase, as approved by the Board, pursuant to article 24 of the Law, the shareholders should be granted the sell-out right, and the transactions relating thereto should be completed.

**(7) (REPEALED)**

**(8)** If and when it is determined that capital increases through rights issues by public corporations are realized through bypass of principles set forth in this article, the actions to be taken by the Board against the relevant persons in accordance with the capital markets laws and regulations are, however, reserved.

**(9)** The provisions of fourth, sixth, seventh and eighth paragraphs of this article are applicable by analogy also on the transactions covered by article 13 of this Communiqué.



(10) The provisions of article 28 of this Communiqué are, however, reserved.

### **Sale of Shares of Public Corporations to Be Issued Through Capital Increase Without Public Offering Through Rights Issues:**

**ARTICLE 13 – (1)** Sales of shares without public offering through capital increases of public corporations may be executed by two methods, namely private placement and sale to qualified investors. Sale of existing shares of shareholders of the corporation without public offering is not covered by this article. In sale of shares without public offering through capital increases, the application filed for approval of issue document by the Board is made within thirty days following the date of resolution of the authorized organ, with a petition accompanied by the documents and submittals listed in Annex 6 of this Communiqué.

(2) Sale of shares through conditional capital increase is considered as private placement. In these sales, no restriction is applied on the number of investors.

(3) In order for the shares to be sold without public offering through capital increase, complete or partial restriction of preemptive rights must have been decided by the general assembly of shareholders in share capital system, and by the board of directors fully authorized by the articles of association in authorised capital system.

(4) Sale of shares without public offering through capital increase by corporations the shares of which are traded on the exchange are required to be executed in the relevant market of the exchange. Shares to be sold therein may, in the option of the corporation, be issued as shares not listed and traded in the exchange, or as shares listed and traded in the exchange, without being subject to article 15 of this Communiqué.

(5) In sale of shares without public offering through capital increase in the relevant market of the exchange, sales price is determined according to the exchange regulations. However, with prior consent of the Board, sale may be executed at a different price according to the exchange regulations.

(6) In sale of shares without public offering through capital increase by public corporations the shares of which are not traded on the exchange, the authorized institution is required to prepare a valuation report as a base for determination of sales price.

### **Secondary Public Offering of Public Corporations:**

**ARTICLE 14 – (1)** Without prejudice to the provisions pertaining to official auctions, if and when the existing shares, not traded on the exchange, of shareholders of public corporations, and the shares representing the increased capital and issued through complete restriction of preemptive rights are intended to be offered to public, an application is required to be filed to the Board within thirty days following the date of resolution



relating to secondary public offering, together with documents and submittals listed respectively in Annexes 2 and 3 of this Communiqué.

### **Transformation of Shares to Trading Shares on the Exchange:**

**ARTICLE 15 – (1)** Shares, not traded on the exchange, of corporations, the shares of which are traded on the exchange, are transformed into shares traded on the exchange, and may be sold in the exchange, after depositing the Board fees in an account to be designated by the Board, upon a demand to be filed by the shareholder to CRA through CRA-member authorized institution, within the frame of principles determined by CRA.

**(2)** The Board fees are calculated over the rates specified in this Communiqué over the difference between the nominal value of shares and second session closing price of the exchange immediately before the date of submission of transmission demand by the authorized institution, or in case of absence of a second session closing price, the closing price of the last session the shares are traded.

**(3)** CRA collectively discloses to public via PDP on daily basis the name or title of applicants and the nominal value of shares intended to be transformed into shares that can be traded in the exchange. Furthermore, CRA informs the Board in writing within five business days following the end of each month.

**(4)** Unless notified otherwise by the Board, shares may be sold after two business days following the date of disclosure by CRA. This period of time is not applicable for sales of shares carried out by the Presidency of Privatization Administration.

**(5)** Shares, not included in ECM list, of corporations the shares of which are traded in ECM cannot be transformed into shares traded in the exchange.

**(6)** The provisions of this article are not applicable in wholesales realized in the relevant market of the exchange. However, if the existing shares of shareholders, not traded on the exchange, being the subject of wholesales are at the same time intended to be transformed into shares traded in the exchange, only the provisions of fourth paragraph of this article are not applicable. In this case, at the date of wholesale, the shares are transformed into shares traded in the exchange.

**(7)** Investors who buy the shares, not traded on the exchange, issued through capital increase without public offering, or the shares, not traded on the exchange, in the sale of existing shares of shareholders in the relevant market of the exchange, may sell these shares after transforming them into shares traded in the exchange, in compliance with the principles set forth in this article.

**(8)** The provisions of articles 8 and 27 of this Communiqué are, however, reserved.

**FIFTH PART**  
**Capital Increases with Specific Qualifications and Capital Decreases**

**Capital Increases by Bonus Issues of Public Corporations Funded by Equity Capital Sources and Dividends:**

**ARTICLE 16 – (1)** In order for equity capital sources exist in financial statements of public corporations prepared in accordance with the capital markets laws and regulations to be subject to capital increase, this capital increase must not be objectionable in the light of the relevant laws and regulations, and the relevant equity capital sources must exist and have a corresponding account also in the legal books and records of the public corporation. Whether the relevant equity capital sources exist and have a corresponding account in the legal books and records of the public corporation or not will be checked by considering total equity capital sources exist in financial statements and legal books and records kept in accordance with the capital markets laws and regulations. If total equity capital source amounts exist in financial statements prepared in accordance with the capital markets laws and regulations and legal books and records are different from each other, the lower one of them will be relied upon in capital increase.

**(2)** The following items cannot be subject to capital increase:

- a)** Revaluation surplus funds and similar other funds reported under shareholders' equity as a result of revaluation of assets to fair value;
- b)** Profits occurred in the interim period; and
- c)** Funds and reserve funds that cannot be subject to capital increase pursuant to the applicable laws and regulations.

**(3)** Without prejudice to the legal obligations pertaining to capital increases, a capital increase cannot be funded out of equity capital sources, until the lower of the previous year losses exist in legal books and records of public corporations, and previous year losses exist in the last financial statements prepared and disclosed to public pursuant to the Board regulations, is off set with equity capital sources, or until a resolution of the board of directors verifying that such losses will be off settled in the general assembly meeting is submitted to the Board. In this case, the portion of equity capital sources in excess of the previous year losses may be subject to capital increase. However, this provision is not applicable for the proceeds from sale of real-estate properties and the proceeds from sale of subsidiaries, which are reported under shareholders' equity for capitalization purposes, and for the funds which are not allowed by the applicable laws to be used in offsetting of the previous year losses.

**(4)** In capital increases of public corporations belong to share capital system, which will entirely be funded from equity capital sources and/or dividends:

- a) In order to receive the consent of the Board for the new version of article related with “capital” of their articles of association, these corporations are required to apply to the Board within thirty days following the date of resolution of the authorized organ, together with the documents and submittals listed in Annex 7 of this Communiqué; and
  - b) Following receipt of the consent of the Board, and after the new version of article related with “capital” of the articles of association, and the distribution of dividends, if any, in the form of shares are accepted by the general assembly of shareholders, these corporations are required to apply to the Board for approval of issue document, together with the minutes of the general assembly meeting, and a letter of consent to be received from the Ministry of Customs and Trade with respect to amendments to the articles of association; and
  - c) Following approval of issue document by the Board, these corporations are required to transfer equity capital sources and/or dividends to the capital account, and to have the new version of article related with “capital” of the articles of association duly registered and announced.
- (5) In capital increases of public corporations belong to authorised capital system, which will entirely be funded from equity sources and/or dividends:
- a) After these items are transferred to the capital account, in order to have the issue document approved by the Board and to receive the consent of the Board for the new version of article related with “capital” of the articles of association showing the issued capital, these corporations are required to apply to the Board within thirty days following the date of resolution of the authorized organ, together with the documents and submittals listed in Annex 7 of this Communiqué; and
  - b) Following approval of issue document by the Board, the new version of article related with “capital” of the articles of association showing the issued capital is required to be registered and announced by the board of directors within ten days, without any relevant decision of the general assembly of shareholders.
- (6) In order for the dividends to be distributed in the form of shares, as for the public corporations belong to authorised capital system, an application is required to be filed to the Board with a decision of the general assembly of shareholders, relating to distribution of dividends in the form of shares, duly taken by the last business day of the fifth month following the end of the accounting period. As for the public corporations belong to share capital system, an application is required to be filed to the Board by the last business day of the fourth month following the end of the accounting period, for a consent of the Board on the new version of article related with “capital” of the articles of association, and a meeting of the general assembly of shareholders must be held within one month following the date of receipt of consent, for approval of the new version of article related with “capital” of the articles of association, and the distribution of dividends, if any, in the form of shares, by the general assembly of shareholders.
- (7) The provisions of third paragraph of article 462 of TCC are not applicable for corporations which are public or which have applied to the Board for going public.

(8) Without prejudice to the legal obligations relating to capital increase, out of the applications to be filed to the Board by corporations, the shares of which are traded on the exchange, for capitalization of their equity capital sources, except for the profit of current period, the applications as a result of which the corrected market price of shares falls below two TL according to a calculation to be made by considering the average of weighted average prices occurring in the exchange within thirty days prior to the disclosure of the capital increase resolution to public will not be processed by the Board.

(9) Should the sources to be used for capital increases covered by this article also contain the profit of current period together with equity capital sources, the effect of the profit of the current period will not be taken into consideration in the calculation to be made within the frame of eighth paragraph of this article.

### **Conditional Capital Increase:**

**ARTICLE 17 – (1)** Public corporations belong to authorised capital system may decide to realize a conditional capital increase through use of transformation, exercise or purchasing rights with respect to creditors of the corporation for the debts arising out of issue of debt instruments, which, according to the Board regulations, may be subject of conditional capital increase, or to equity warrant holders, or to their employees who have the right to acquire shares within the frame of personnel stock option programs. For a conditional capital increase, preemptive rights must have been completely restricted. The provisions of TCC pertaining to conditional capital increase are not applicable in conditional capital increases of public corporations.

(2) The resolution of the board of directors relating to conditional capital increase contains the amount of capital to be increased, the group and type of shares to be issued, the groups which are eligible for use of transformation, exercise or purchasing rights, the number of shares to be allocated per employee within the frame of personnel stock option programs, the period of exercise of stock buying rights, and the method of calculation of the number of shares.

(3) Following the resolution of the board of directors relating to conditional capital increase, it is required to file an application to the Board for approval of issue document pertaining to the shares to be issued, by no later than forty-five days prior to the use of the transformation, exercise or purchasing rights, with a petition accompanied by the documents and submittals listed in Annex 6 of this Communiqué.

(4) The period of use of transformation, exercise or purchasing rights on the shares to be issued under conditional capital increase cannot exceed ten business days following the date of approval of issue document by the Board. In delivery of the said shares to those who are entitled thereto, the provisions of article 31 of this Communiqué are applicable. The transformation, exercise or purchasing price of the shares to be issued as a result of the conditional capital increase is required not to be lower than nominal value of the shares as a fundamental principle. However, if and when the transformation, exercise or purchasing price of the shares is nevertheless lower than nominal value of the shares, the provisions of article 18 of this Communiqué are applied.

(5) Within six business days following the end of the period of use of the transformation, exercise or purchasing rights on the shares, the corporation cancels the remaining shares, and applies to the Board for the consent of the Board for the new version of the article related with “capital” of the articles of association showing the issued capital to be registered and announced in TTRG. Furthermore, a statement verifying that the shares subject to conditional capital increase are issued in reliance upon the information and documents previously submitted to the Board is also presented to the Board.

(6) For the conditional capital increases to be realized by public corporations in relation with the issue of equity warrants and debt instruments, which, according to the Board regulations, may be the subject of conditional capital increase, all and any matters on which this Communiqué remains silent shall be governed by and subject to provisions of the regulations of the Board pertaining to the issue of debt instruments and equity warrants.

(7) In the event that non-public corporations issue debt instruments, which, according to the Board regulations, may be the subject of conditional capital increase, and this issue will result in a conditional capital increase, it is required to issue these debt instruments on private placement basis. The provisions of TCC will be applicable on conditional capital increases to be realized by these corporations in relation with the issue of debt instruments, which, according to the Board regulations, may be the subject of conditional capital increase. However, if, as a result of the conditional capital increase, the number of shareholders exceeds five hundred, the provisions of article 34 of this Communiqué are applied.

(8) For conditional capital increases to be realized by non-public corporations within the frame of personnel stock option programs, it is not required to file an application to the Board. However, if, as a result of the conditional capital increase, the number of shareholders exceeds five hundred, the provisions of article 34 of this Communiqué are applied.

(9) The authorised capital ceiling may not be exceeded by a conditional capital increase.

### **Capital Increase Through Issue of Shares at a Price Below Nominal Value:**

**ARTICLE 18 – (1)** If and when the average of weighted average price of their shares in the exchange during thirty days prior to the date of disclosure of the capital increase resolution to public is below the nominal value thereof, the public corporations, the shares of which are traded on the exchange, may issue their shares covered by the capital increase at a price below their nominal value. In this case, the registered capital of the corporation is determined over nominal value.

(2) Public corporations, the shares of which are not traded on the exchange, may not issue shares below nominal value thereof.

(3) The issue of shares below nominal value may be executed by sales of shares through or without public offering. The price of shares to be issued may not be below the average of weighted average prices in the exchange during thirty days prior to the date of disclosure of the capital increase resolution to public.

(4) If and to the extent privileges are granted to particular share groups or to holders of shares of a particular group in the corporation, the privileges must be terminated by making the required amendments in the articles of association before delivery of the prospectus or issue document with respect to capital increase, as approved by the Board to the issuer. If it is intended not to terminate the privileges, and to increase capital by issuing shares below nominal value, then, the persons holding control of management of the corporation and/or the shareholders holding privileged shares in capital are, prior to the date of issue of shares below nominal value thereof, required to make a takeover bid to other shareholders within the frame of article 25 of the Law.

(5) If the shares to be issued are intended to be sold through public offering, the shareholders holding control of management of the corporation are under obligation to use all of their preemptive rights, and these shareholders are not allowed to sell such shares in the exchange for a period of one year after the starting date of trading of these shares in the exchange. Said persons present their relevant commitment to the Board at the time of application relating to approval of the prospectus. The commitments of these persons covered by this paragraph, and the contents thereof, are mentioned in the prospectus. The control of management is determined according to the provisions of second paragraph of article 26 of the Law. In the event that these shares are completely or partially sold or transferred in the over-the-counter market within the period of time specified in this paragraph, it is required to publish a public disclosure of material information, within the frame of the regulations of the Board pertaining to disclosure of material events. Buyers of shares, issued below nominal value thereof, to be sold in the over-the-counter market by the shareholders holding control of management of the corporation are also subject to this restriction.

(6) In the issues of shares without public offering, for the sake of a capital increase through issue of shares below nominal value thereof, the preemptive rights must be completely restricted by a resolution of authorized organ. If and when the issue of shares below nominal value thereof is executed without public offering, the corporation is required to prepare a report covering the investments to be realized by the corporation during at least one year after the date of capital increase, and the purpose of use of funds obtained from capital increase, and whether the debts of the corporation will be repaid or not, and if any, other important transactions scheduled to be realized in the corporation, and this report is required to be presented to the Board and disclosed to public in PDP at the application stage. The ban on sales, as stipulated in fifth paragraph of this article, is applicable also for all persons and entities who purchase a share from the issue of shares without public offering.

(7) Shares to be issued in a capital increase to be realized through issue of shares below nominal value thereof will be processed just like other shares in the exchange.

(8) The difference between the nominal value and the price of issued shares is followed as an item of deduction in shareholders' equity. This amount may, by a decision of the general assembly of shareholders, be offset from the shareholders' equity items that may be subject to capital increase in the following periods. Dividend distribution cannot be done before completion of this offsetting transaction.

(9) An application is filed to the Board with the documents and submittals listed in Annex 3 of this Communiqué for issue of shares below nominal value thereof in the issue of shares through public offering,



or with the documents and submittals listed in Annex 4 of this Communiqué for issue of shares by corporations the shares of which are included in ECM list, or with the documents and submittals listed in Annex 6 of this Communiqué for issue of shares below nominal value thereof in the issue of shares without public offering.

(10) Before collection of demands of investors willing to purchase the shares representing the increased capital, a risk statement form which describes the general situation of the corporation and the contents of which are determined by the Capital Markets Association of Turkey is required to be used, and this form is required to be signed by investors participating in the capital increase. In the case of sales executed by using other means of communication, including electronic channels, this obligation may also be fulfilled by a statement given by the investor in electronic medium certifying and approving that the said form has been read by the investor before execution of the transaction.

### **Capital Decrease Not Requiring Fund Outflow:**

**ARTICLE 19 – (1)** Corporations, the shares of which are traded at a price below nominal value thereof in the exchange, may reduce their capital for the purpose of closing the balance sheet deficit. Solely the balance sheet deficit is closed by capital decrease. The amount of capital decrease should be determined so as to ensure that the corrected market price of shares to be calculated after the capital decrease does not exceed twenty percent of nominal value of the shares. Applications in breach of this provision will not be processed by the Board.

(2) Balance sheet deficit refers to the total sum of previous year losses and current period losses as shown in the corporation's last annual financial statements prepared in accordance with the regulations of the Board, audited by independent auditors and approved by the general assembly of shareholders.

(3) If and to the extent the corporation intends to reduce its capital within the frame of the principles set forth in this article, and privileges are granted to particular share groups or to holders of shares of a particular group in the corporation, the privileges must be terminated by making the required amendments in the articles of association, before delivery to the issuer of the draft amendments, approved by the Board, with respect to the article related with "capital" of the articles of association required to be amended due to the capital decrease. If it is intended not to terminate the privileges, and to reduce capital, then, the persons holding control of management of the corporation and/or the shareholders holding privileged shares in capital are, prior to the date of capital decrease, required to make a takeover bid to other shareholders within the frame of article 25 of the Law.

(4) If and to the extent the corporation does not have a balance sheet deficit, or the amount of capital decrease is in excess of the existing balance sheet deficit, the corporation must simultaneously decide both capital decrease and capital increase for the resulting surplus. In this case, the capital increase should at least be equal to the said difference. Application for approval by the Board of the prospectus relating to capital increase is filed together with application to be filed to the Board with respect to capital decrease.



- (5) After a simultaneous resolution of both capital decrease and capital increase, even if there is no difference between the previous and subsequent capital amounts, the article related with “capital” of the articles of association must be amended, and a clause describing the said transaction must be added to that article.
- (6) Capital decreases not requiring a fund outflow may be executed only through decrease of the number of shares.
- (7) Financial statements on which the independent auditor expresses a negative opinion or refrains from expressing an opinion cannot be taken as a base for capital decrease.
- (8) It is essential to determine and apply a method which does not create any inequality in treatment among shareholders in the capital decrease. If, nevertheless, it is planned to apply a method which creates inequality in treatment among shareholders in the capital decrease, it is required to receive approval of all of the shareholders in disfavor of whom inequality in treatment is created.
- (9) It is the responsibility of the board of directors of the corporation to duly complete the capital decrease processes.
- (10) The provisions of second paragraph of article 473 and articles 474 and 475 of TCC are not applicable in capital decreases not requiring a fund outflow.
- (11) Without prejudice to the principles set forth in third paragraph of this article, whether the corporation belongs to authorised capital system or not, the following actions are required to be taken in capital decreases:
- a) An application is filed to the Board with the documents and submittals listed in Annex 8 of this Communiqué for receipt of its consent on the new version of the article related with “capital” of the articles of association, or with the documents and submittals listed in Annex 3 of this Communiqué in the case of a capital increase executed simultaneously with capital decrease, or with the documents and submittals listed in Annex 4 of this Communiqué for corporations the shares of which are traded in ECM.
  - b) If the consent or approval of another authority is also required for draft amendments in article pursuant to the special laws and regulations applicable on the corporation, such consent or approval is received, and other procedures required in connection therewith are completed.
  - c) A report to be prepared by the board of directors with respect to the causes of decrease of capital, and the principles applicable in capital decrease, and the benefits of capital decrease to the corporation, also stating that the capital decrease will not lead to any decrease in properties of the corporation, is required to be announced to shareholders together with the agenda of meeting of the general assembly of shareholders, where capital decrease will be discussed, at the latest, and to be

made ready for inspection by shareholders in the headquarters of the corporation, and to be approved by the general assembly of shareholders.

- ç) The amendments made to the articles of association with respect to capital decrease, and the relevant report of the board of directors will be discussed and decided in the meeting of the general assembly of shareholders to be held in maximum six months following receipt of consent of the Board with regard to the amendments proposed in the articles of association. Draft amendments which are not approved by the general assembly of shareholders within six months become invalid and null. In said decision of the general assembly of shareholders, the voting privileges, if any, cannot be used. If and to the extent the capital decrease breaches also the rights of privileged shareholders, the general assembly of privileged shareholders must also approve the amendments made to the articles of association and the relevant report of the board of directors. The provisions of article 454 of TCC are applicable on the general assembly of privileged shareholders. Meeting and decision quorums relating to the meeting of the general assembly of shareholders where capital decrease decisions will be taken are determined pursuant to the provisions of sixth paragraph of article 29 of the Law.
- d) The capital decrease decision taken by the general assembly of shareholders and the relevant approved report of the board of directors will, within fifteen days following the date of meeting of the general assembly of shareholders, be registered in the trade registry and announced in TTRG.

(12) In capital increases to be held simultaneously with capital decrease or within two years following the date of completion of capital decrease, the shareholders holding the control of management are under obligation to use all of their preemptive rights, and these shareholders are not allowed to sell such shares in the exchange for a period of one year after the starting date of trading of these shares in the exchange. Said persons present their relevant commitment to the Board at the time of application relating to approval of the prospectus. The commitments of these persons covered by this paragraph, and the contents thereof, are mentioned in the prospectus. The control of management is determined according to the provisions of second paragraph of article 26 of the Law. In the event that these shares are completely or partially sold or transferred in the over-the-counter market within the period of time specified in this paragraph, it is required to publish a public disclosure of material information, within the frame of the regulations of the Board pertaining to disclosure of material events. Buyers of shares, issued as per this paragraph, to be sold in the over-the-counter market by the shareholders holding control of management of the corporation are also subject to this restriction.

(13) In capital increases to be held simultaneously with capital decrease or within two years following the date of completion of capital decrease, before collection of demands of investors willing to purchase the shares representing the increased capital, a risk statement form which describes the general situation of the corporation and the contents of which are determined by the Capital Markets Association of Turkey is required to be used, and this form is required to be signed by investors participating in the capital increase. In the case of sales executed by using other means of communication, including electronic channels, this obligation may also be fulfilled by a statement given by the investor in electronic medium certifying and approving that the said form has been read by the investor before execution of the transaction.

## **SIXTH PART**

### **Preliminary Demand Discovery, Use of Preemptive Rights, and Sale**

#### **Preliminary Demand Discovery:**

**ARTICLE 20 – (1)** In initial public offering of shares or in transactions covered by article 14 of this Communiqué, before the prospectus is approved by the Board, probable demands of investors may be collected by authorized institutions within a particular price range, without any obligation or binding effect on demanders. For preliminary demand discovery, an application for approval of prospectus must have been made. In this case, the period for the approval of prospectus by the Board starts upon reporting of preliminary demand discovery results to the Board.

**(2)** Preliminary demand discovery is started upon receipt of a preliminary demand discovery permission from the Board.

**(3)** In the places preliminary demand discovery takes place, the articles of association of the corporation, the financial statements required to be attached to the prospectus, and the independent audit reports associated thereto, and the annual reports of the same periods are required to be delivered to demanders free of charge.

**(4)** The preliminary demand discovery period cannot be more than ten business days.

**(5)** At least one business day prior to the starting date of preliminary demand discovery, the preliminary demand discovery starting and ending dates are communicated by the authorized institution to the Board.

**(6)** The preliminary demand discovery results sent by the authorized institution to the Board, with the form given in annex 9 of this Communiqué, within two business days following the end of the preliminary demand discovery period.

**(7)** The preliminary demand discovery results may in no case be disclosed to public or used for advertisement purposes.

**(8)** The provisions of the relevant regulations of the Board pertaining to announcement of the prospectus submitted to the Board for approval purposes are, however, reserved.

#### **Preliminary Demand Discovery Notice and Announcement:**

**ARTICLE 21 – (1)** Preliminary demand discovery may be organized with or without a notice and announcement. Content of the preliminary demand discovery notice is freely determined by the issuer in such manner not to mislead the issuer or the investors with regard to existing conditions of the shares to be issued.

(2) If the preliminary demand discovery with a notice and announcement method is preferred, the preliminary demand discovery notice is required to be approved by the Board before announcement, and the following paragraph is required to be printed in capital letters and conspicuously at the beginning of the preliminary demand discovery notice to be announced by the issuer or public offerers at the same places with the prospectus:

“The prospectus related with shares that will be issued has not been approved by the Capital Markets Board, and the shares cannot be sold before approval. Accordingly, the shares will be sold after approval of the prospectus, and the investment decision is required to be taken only after review of the prospectus. Preliminary demand discovery is only a type of public survey aiming at determination of nominal value and price of the shares planned to be offered, and does not mean that the final demand and sales will also be realized at the same price level. Furthermore, price and nominal value may change during final sale. Demands collected via preliminary demand discovery do not create any obligation or binding effect on the demanders.”

(3) If the preliminary demand discovery with a notice and announcement method is preferred, priority and/or incentives may be granted to demanders in the sale. The principles relating thereto are given in the preliminary demand discovery notice. If priority and/or incentives in sale are granted to demanders, the prospectus separately gives information thereabout after the end of preliminary demand discovery process.

(4) If the corporation renounces from public offering of shares after announcement of the preliminary demand discovery notice, this is also separately announced in the same way as preliminary demand discovery notice.

#### **Use of Preemptive Rights in Public Corporations:**

**ARTICLE 22 – (1)** Use of the preemptive rights should be started within ten days following the date of publishing of the prospectus.

(2) In the public corporations the shares of which are dematerialized, the preemptive rights are used within the frame of the principles of dematerialization system.

(3) The place of use of the preemptive rights, the shares of which are not traded in the exchange, is determined so as to enable majority of the shareholders to use these rights, but in any case, should at least be one place. The Board may request that the preemptive rights be used through an authorized institution, and the places of use be changed, or the number thereof be increased.

(4) The preemptive rights are used within the periods and within the frame of principles specified in the prospectus, against new stock option coupons and within a period not being less than fifteen days and not being more than one hundred and twenty days for the public corporations the shares of which are not traded in the exchange, and within a period not being less than fifteen days and not being more than sixty days for the public corporations the shares of which are traded in the exchange. Within this period of time, the

shareholders may participate in the capital increase by depositing the full amount of price of shares in a special account opened in a bank and specified in the prospectus, or in the relevant account within the frame of principles determined by CRA, or may transfer their preemptive rights freely or against payment. The period of use of preemptive rights may be extended with a prior permission of the Board.

(5) The shares remaining after use of the preemptive rights may be sold without public offering, providing that it is so specified in the prospectus.

#### **Notice of Sale:**

**ARTICLE 23 – (1)** In capital increases of corporations, a notice of sale is required to be announced prior to public offering of shares remaining after use of the preemptive rights, or of shares representing the increased capital if the preemptive rights are not allowed to be used, or of existing shares of shareholders.

(2) Notice of sale, as approved by the Board, is announced in accordance with the regulations of the Board pertaining to preparation of prospectus.

(3) The period of public offering of the shares, being the subject of notice of sale, is determined within the frame of the relevant regulations of the Board.

(4) If a notice of sale is not published within the frame of the regulations of the Board pertaining to preparation of prospectus, the corporations, the shares of which are traded in the exchange, are under obligation to offer the remaining shares for sale in the exchange, and to make a public disclosure of material information about the results of sales. Other corporations may complete the sale according to a method to be determined by a resolution of the board of directors.

#### **Green Shoe Option:**

**ARTICLE 24 – (1)** In the transactions mentioned in articles 6 and 7 of this Communiqué, and in the sales of existing shares of shareholders to be realized within the frame of article 14 hereof, if the total amount of final demands collated is in excess of nominal value of the shares offered for sale, additional shares may be sold in order to meet this demand, providing that the required explanations are given in the prospectus. Green shoe option may not be affected through sales of shares acquired by the corporation pursuant to article 379 of TCC. Green shoe option cannot be executed in corporations the shares of which will be offered to public for trading in ECM.

(2) Shares, being the subject matter of green shoe option, can be sold by the shareholders, or can be sold through sales of additional borrowed shares by being borrowed from shareholders by one of the intermediary institutions which intermediate the sales in public offering.

- (3) Shares, being the subject matter of green shoe option, are required to bear the same rights with the shares to be offered to public.
- (4) Total amount of shares, being the subject matter of green shoe options, cannot exceed twenty percent of nominal value of the shares offered to public prior to the green shoe option.
- (5) Whether green shoe option is executed or not, and if used, the results thereof will be disclosed by the relevant intermediary institution to public in PDP via a public disclosure of material information.
- (6) If the shares, being the subject matter of green shoe option, will be sold through sales of additional borrowed shares by one of the intermediary institutions which intermediate the sales in public offering, within the frame of the borrowing contract to be signed by and between the intermediary institution and the shareholders, the shares are borrowed by the selling intermediary institution from the existing shareholders and are delivered to investors. The intermediary institution, in the sales of additional borrowed shares, is required to fulfill and perform its obligations, arising out of the borrowing transaction, within thirty days following the starting date of trading of the shares in the exchange, within the frame of principles set forth in the borrowing contract.
- (7) The borrowing contract must contain a right of purchase covering the purchase of the borrowed shares by the intermediary institution from the lending partners at the public offering price. In that contract, the period of use of the right of purchase is determined as maximum thirty days. This period starts as of the starting date of trading of shares in the exchange. The intermediary institution, having signed the contract, may purchase the borrowed shares from the exchange and deliver them to partners within the period of use of the right of purchase after the relevant shares are started to be traded in the exchange, or may settle and close its obligation by using its right of purchase and paying the price of relevant shares to the shareholders within the same period of time and within the frame of the said contract.
- (8) In purchases to be executed in the exchange in order to settle and close its obligation arising out of the borrowing contract, the intermediary institution is under obligation to comply with the ordering and pricing rules applied in price stabilization transactions as stipulated in article 11 of this Communiqué.
- (9) In the day of settlement and closing of the obligation arising out of the borrowing contract, the information listed in Annex10 of this Communiqué, and all kinds of changes, if any, in the conditions or implementation of the borrowing contract will be disclosed by the transacting intermediary institution to public in PDP via a public disclosure of material event.
- (10) In the sales of additional borrowed shares to be realized under this article, the regulations of the Board pertaining to margin trading, short selling, lending and borrowing of capital market instruments are not applicable.
- (11) The terms and conditions relating to intermediary institutions which may realize the sales of additional borrowed shares will be determined by the Board.

(12) Records relating to the sales of additional borrowed shares under this article are kept by the transacting intermediary institution, and are kept ready for inspection by the issuer or the public offerer for a period of five years following the completion of transactions.

(13) The transacting intermediary institution is responsible for the conduct of the sales of additional borrowed shares covered by this article within the frame of the principles set forth in this Communiqué.

#### **After-sales Transactions in Capital Increases:**

**ARTICLE 25 – (1)** The corporations covered by the authorised capital system,

- a) in the absence of a purchasing commitment, are required to have the unsold shares cancelled within six business days following the end of the sales period; and
- b) in the presence of a purchasing commitment, are required to apply to those who commit and complete the sales of unsold shares within three business days following the end of the sales period; and
- c) after completion of capital increase in accordance with the applicable laws and regulations, are required to apply to the Board for its consent about the new version of the article “capital” of the articles of association, together with the resolution of the board of directors relating to completion of capital increase, and the documents proving the completed sales; and
- ç) within ten days following receipt of the consent of the Board, are required to have the new version of the article “capital” of the articles of association showing the issued capital duly registered in trade registry and announced in TTRG; and
- d) are required to make a public disclosure of material event stating that the capital increase is completed, and showing the total proceed provided by the corporation and/or the public offerer.

(2) The corporations covered by the share capital system are required to apply to those who commit and complete the sales of unsold shares within three business days following the end of the sales period, and thereafter, to have the amendments of the articles of association pertaining to capital increase be duly registered in trade registry and announced in TTRG within the frame of the pertinent provisions of TCC, and to make a public disclosure of material event stating that the capital increase is completed, and showing the total proceed provided by the corporation and/or the public offerer.

(3) If a purchasing commitment exist in case of capital increase, it must be committed to the corporation that these shares will, within three business days following the end of the sales period, be purchased against payment in full and in cash of their price, not being less than the average of public offering prices. If the commitment is given by a legal entity, the relevant authorized organ of the legal entity must have taken a decision relating to the commitment.



## **SEVENTH PART**

### **Joint Provisions on Shares**

#### **Board Fees for Shares:**

**ARTICLE 26 – (1)** Corporations or public offerers are under obligation to deposit in an account opened in the name of the Board a fee equal to zero point two percent of the issue price of the to-be-sold shares, not being less than nominal value thereof, before approval by the Board and delivery to the corporation or the public offerer of the issue document or securities note and the summary or if consisting of one single document, the prospectus. However, in the initial public offering of shares, the Board fee calculated for the difference between public offering price and nominal value of shares will be charged as zero point one percent.

**(2)** In the initial public offering of shares, in addition, a Board fee equal to zero point two percent of nominal value of the shares of the corporation not to be sold will also be charged.

**(3)** In the case of capitalization of internal sources, including dividends and emission premiums, of the public corporations, the provisions of first paragraph of this article are applicable also in calculation of the Board fees to be charged over the increased capital.

**(4)** The rate in calculation of the Board fees for the transactions mentioned in first, second and third paragraphs of this article will be applied as one per ten thousand for the shares traded or to be traded in ECM.

**(5)** Corporations the shares of which are deemed to have been offered to public pursuant to article 16 of the Law and are not traded in the exchange are under obligation to pay a Board fee equal to zero point zero percent over the difference between the nominal value of their shares and the exchange reference price thereof as of the starting date of trading of these shares in the exchange.

**(6)** The Board fee pertaining to the shares to be issued as a result of a conditional capital increase will be calculated over the issue price used as a base for use of the transformation, use or purchasing rights.

**(7)** Board's Decision Making Organ may determine rates different than the rates in this article, within the scope of article 130 of the Law.

#### **Obligation of Corporations, Shares of Which Are Traded in the Exchange, to Prepare and Issue a Memorandum of Information for Shareholders:**

**ARTICLE 27 – (1)** Prior to the sale of shares of a corporation, that shares of which are traded in the exchange, exceeding ten percent of its share capital in a twelve months' period, in the exchange by the shareholders;

**a)** Who directly own more than twenty percent of the related corporations' share capital individually or with the persons acting together, or

**b)** Who own privileged shares providing the right to appoint at least one member of the board of directors or to present as a nominee in the general assembly,

a memorandum of information regarding the sale of shares, that the principles of which are determined by the Board, shall be prepared and such memorandum shall be submitted to the Board's approval before the sales. The issuer shall adopt the necessary facilitating measures for preparation of the memorandum of information regarding the sale of shares. Before the application by the relevant shareholders to MKK as per the first paragraph of article 15 regarding the conversion for being traded in the exchange of shares which are not traded in the exchange and which exceed ten percent of the share capital in a twelve months' period, the memorandum of information approved by the Board shall be published in PDP.

**(2)** For the calculation of the ratio in the first paragraph, the shares to be sold of the shareholders who directly own more than twenty percent of the related corporations' share capital individually or with the persons acting together or who own privileged shares providing the right to appoint at least one member of the board of directors or to present as a nominee in the general assembly, are considered separately and the memorandum of information shall be prepared for each shareholder.

**(3)** For determining whether the sale of shares by the relevant shareholders exceeds ten percent of the corporation's share capital in a twelve months' period, the share capital on the date of the sale of shares is taken into consideration.

**(4)** For the application of this article, the persons mentioned below are considered to be acting together with the real persons and/or legal entities mentioned in the first paragraph:

**a)** Corporations under the management control of real person and/or legal entity shareholders.

**b)** Real persons and/or legal entities who has the management control of legal entity shareholders and the corporations under the management control of such persons.

**(5)** A material events disclosure shall be made by the relevant shareholder regarding the filing made to the Board for the approval of memorandum of information regarding the sale of shares, before the opening of the session on the business day following the application at the latest. In case the shares subject to the memorandum of information regarding the sale of shares are made subject to sale on the Exchange, the initial sale transaction can be started on the third business day following the publication of the memorandum in the Public Disclosure Platform at the earliest.

**(6)** Total nominal value of the daily sales of the shares subject to the memorandum of information regarding the sale of shares, cannot exceed ten percent of the total nominal value of the shares subject to the memorandum of information regarding the sale of shares. A daily material events disclosure regarding the relevant shares shall be made by the relevant shareholder after the sale transactions conducted within the framework of the memorandum of information regarding the sale of shares.

(7) For determining the sale ratios exceeding ten percent of the share capital, only the amount of conducted sales is taken into consideration and the amount of conducted purchases is not taken into consideration.

(8) Wholesales, sales through special orders or sales made under the liquidity provider/market maker practices and secondary public offering of the shares of public companies, made in the relevant market or submarket of the Exchange, are not considered within the scope of the obligation in this article.

(9) The provisions of this article are not applicable to the shares owned by public agencies and institutions, Türkiye Varlık Fonu Yönetimi A.Ş., the sub-funds of Türkiye Varlık Fonu Yönetimi A.Ş. and other companies founded by Türkiye Varlık Fonu Yönetimi A.Ş., Directorate of Privatization Administration, the shares kept ready for sale under Article 9 and the shares re-purchased by the corporation itself or its subsidiaries.

(10) For the shares purchased through the practices providing price stability by the intermediary institution to its own account as per Article 11, the provisions of this Article are applied after the end of the term envisaged for the practices providing price stability. For the shares purchased to the account of the corporation, provisions of the Communiqué on Repurchased Shares (II-22.1) published in the Official Gazette dated 3/1/2014 and numbered 28871 are applied after the end of the term envisaged for the practices providing price stability. The shares purchased to the account of the corporation, are not considered within the scope of the shares purchased in breach of the provisions of the same Communiqué.

(11) In case it is detected that a sale transaction is conducted in the exchange by means of evasion of the principles in this Article through pledge, transfer and similar methods in order to make such principles invalid or ineffective, the procedures regarding the relevant parties to be conducted by the Board within the framework of capital markets legislation are reserved.

(12) Principles different than the matters in this Article can be determined by the Board by taking the certain matters such as nominal value of the shares to be sold, ratio of the corporation's share in active circulation, utilization areas of the sale revenues, into account.

(13) Provisions of the second paragraph of Article 26 of the Law is taken into consideration for determining the management control.

#### **Public Offerings to Be Executed During Validity Time of Prospectus:**

**ARTICLE 28 – (1)** In public offering of shares to be realized during the validity time of the prospectus approved by the Board, before each sale, an application is filed to the Board with a petition accompanied by the documents and submittals listed in Annex11 of this Communiqué.

**Valuation Report and Analyst and Appraisal Reports:**

**ARTICLE 29 – (1)** If the sales price of the shares to be offered to public is different from exchange price or is higher than nominal value, a valuation report prepared by the authorized institution, covering the said sales price and the methods used in calculation of this price, will, no later than three days prior to the starting date of public offering, be published in PDP within the frame of the relevant regulations of the Board. If and when the shares are offered to public through a consortium, the valuation report is prepared by the consortium leader or co-leader. In the absence of an authorized institution, the shares of which are traded or will be traded in ECM, the valuation report is prepared by the market consultant. In the event that the authorized institution is the related party of the corporation going public, as defined in the relevant regulations of the Board, the valuation report is prepared by another authorized institution.

**(2)** The valuation report prepared by the authorized institution may be analyzed by another authorized institution. The authorized institution which will prepare the said analyst report is required not to be involved in the relevant public offering as consortium leader or co-leader. If an analyst report is prepared, an opinion should be expressed on the public offering price, and the report should be published in the section relating to the corporation in PDP, and in the internet website of the authorized institution preparing such report, by no later than the relevant starting date of public offering.

**(3)** The authorized institution in the initial public offering of shares, or in the case of a consortium, the consortium leader may prepare a valuation report only if and to the extent it has prepared and issued analyst reports evaluating the valuation reports of minimum three public offerings which it is not involved in as consortium leader or co-leader during the recent twelve months, and these reports have been published in accordance with the provisions of second paragraph of this article. Whether said obligation is performed or not will be evaluated and considered by the Board in the application to be made to the Board for approval of prospectus. If and when the authorized institution, being the subject matter of analyst reports, or in the case of a consortium, the consortium leader or co-leader is a related party as further defined in the relevant regulations of the Board, the analyst report will not be taken into consideration in determination of whether the obligation mentioned in this paragraph is performed or not.

**(4)** The institution which prepares the valuation report in the initial public offering of shares and intermediates in sales in public offering should prepare at least two appraisal reports within one year following the starting date of trading of shares in the exchange. If two appraisal reports are prepared, the first report should be prepared six months after the starting date of trading of shares in the exchange, and the minimum period between the first report and the second report should be four months, and these reports should contain evaluations and assessments about the cause of differences between public offering price and exchange price. If more than two, but less than five appraisal reports are issued, the minimum period between these reports should be three months. The reports prepared within the frame of this paragraph are required to be published in the section relating to the corporation in PDP, and in the internet site of the authorized institution. In the absence of an authorized institution involved in public offering of shares of the corporation, the shares of which are traded or will be traded in ECM, the valuation report is prepared by the market consultant.

(5) The corporation, the shares of which are offered to public initially, is required to prepare a report stating whether the assumptions used in determination of public offering price have been realized or not, and if not, the causes thereof, within ten business days following the date of offering of its financial statements to public throughout two years following the starting date of trading of its shares in the exchange. This report is required to be published in the corporation's internet site and in PDP. This obligation is performed by the audit committee of the corporation. As for the corporations who are not liable to appoint an audit committee, this obligation is performed by the board of directors.

(6) The provisions of this article are not applicable in capital increases of corporations, the shares of which are not traded in the exchange.

### **Intermediation in Sales in Public Offering Agreement and Obligations of Authorized Institutions:**

**ARTICLE 30 – (1)** In the transactions mentioned in articles 6, 7 and 14 of this Communiqué, an intermediation in sales in public offering agreement is signed by and between the issuers or public offerers on one side and the authorized institution on the other side, in accordance with the regulations of the Board pertaining to intermediation activities. This agreement, inter alia, refers to the selected method of intermediation in sales in public offering.

(2) In the applications filed to the Board for trading of shares of the corporation in ECM, an intermediation in sales in public offering agreement is not sought for.

(3) An intermediation in sales in public offering agreement is required to be entered into for sales in the exchange of the shares remaining after the use of preemptive rights, by the corporations, the shares of which are traded in the exchange, except for those traded in ECM and in designated platform. Said agreement is required to be issued in accordance with the regulations of the Board pertaining to intermediation activities, and this agreement, inter alia, should refer to the selected method of intermediation in sales in public offering.

(4) Authorized institutions may not engage in intermediation activities in public offering of their own shares or of the shares included in their portfolio by the holders thereof. However, if a consortium is formed for public offering of these shares, they can participate in the consortium according to the best efforts underwriting principle. The authorized institutions may engage in intermediation activities in public offering of their own shares. However, in this case, the valuation report is prepared by another authorized institution.

### **Delivery Time of Share:**

**ARTICLE 31 – (1)** Without prejudice to the dematerialized system principles, shares are delivered at the time of sales, in the case of public offering of existing shares of the shareholders and in the case of capital increase through rights issue by corporations covered by the authorised capital system , and within fifteen days following the date of delivery to the corporation of an issue document approved by the Board, in the case of capital increases funded from dividends and capital equity sources. In the corporations covered by the share

capital system, the shares written to bearer will be delivered within thirty days, and the share certificates written to name will be delivered within ninety days, following the date of registration of capital increase in the trade registry.

#### **Distribution of Public Offering Costs:**

**ARTICLE 32 – (1)** Information on final or estimated costs relating to such expense items as consulting, intermediation, independent audit, advertisement, and legal fees required to be paid, with respect to public offering of shares, will be sent by the corporation to the Board separately for each cost item prior to the public offering.

**(2)** In the initial public offering of shares, if the public offering is realized through capital increase, the costs listed in first paragraph of this article will be borne by the corporation.

**(3)** In the initial public offering of shares, if the public offering is realized through sales of existing shares of shareholders of the corporation, the intermediation and consulting costs, the first quotation fees charged by the exchange, and the Board fee to be charged over the difference between nominal value and issue price of the shares to be offered to public will be borne by the public offerers. In this case, the Board fee to be charged over nominal value of full amount of capital of the corporation, and other expenses, will be borne by the corporation.

**(4)** In the initial public offering of shares, if the public offering is realized both through capital increase and through sales of existing shares of shareholders of the corporation, the intermediation and consulting costs, the first quotation fees charged by the exchange, and the Board fee to be charged over the difference between nominal value and issue price of the shares to be offered to public will be borne by the corporation and public offerers according to the proportion of shares to be offered to public. In this case, the Board fee to be charged over nominal value of full amount of capital of the corporation, and other expenses, will be borne by the corporation.

**(5)** In the initial public offering of shares, the public offering costs may be distributed differently from the principles set forth in second, third and fourth paragraphs of this article, providing that it leads to a reduction in the public offering costs required to be borne by the corporation. If deemed necessary, the Board may hold the relevant persons obliged to distribute the public offering costs differently from the principles set forth in second, third and fourth paragraphs of this article.

#### **Explanations on Use of Proceeds Obtained from Capital Increases:**

**ARTICLE 33 – (1)** In public offering of shares of non-public corporations through capital increase, and in capital increases of public corporations, the shares of which are traded in the exchange, a report explaining for which purposes the proceeds obtained from capital increases will be used is required to be issued, and this report is required to be decided by the board of directors, and to be sent to the Board and disclosed to

public at the time of application to be filed to the Board for approval of prospectus or issue document. A report verifying whether the proceeds obtained from capital increase are used as specified and stipulated or not is required to be prepared and issued by public corporations within ten business days following the date of publishing of their initial two financial statements containing the results of capital increases and disclosed to public as from the starting date of trading of their shares in the exchange, or by public corporations, the shares of which are traded in the exchange, within ten business days following the date of publishing of their initial two financial statements containing the results of capital increases and disclosed to public as from the date of completion of capital increase, and said report is required to be published in the corporation's internet site and in PDP. This obligation is performed by the audit committee of the corporation. As for the corporations who are not liable to appoint an audit committee, this obligation is performed by the board of directors.

(2) If and when the proceeds obtained from capital increase are fully used as of a date subsequent to the dates of explanations to be made within the frame of first paragraph of this article, it is required to publish a public disclosure of material event within ten business days following the date of full use of the funds.

## **EIGHTH PART**

### **Corporations Which Are Deemed to Have Been Gone to Public Due to Number of Shareholders**

#### **Corporations Which Are Deemed to Have Been Gone to Public Due to Number of Partners:**

**ARTICLE 34 – (1)** corporations which have more than five hundred shareholders are deemed to have been offered to public, and such corporations are governed by and subject to the provisions of the Law.

(2) A corporation may determine that the number of its shareholders is more than five hundred by its corporation share book, list of attendants of general assembly meeting, accounting records and documents relating to distribution of dividends, and records and documents relating to shareholders applying at foundation or capital increase, or otherwise during other transactions pertaining to relations of the corporation with its shareholders.

(3) A corporation which is deemed to have been offered to public is required to submit to the Board a statement containing the information listed in Annex12 of this Communiqué within thirty days after the date of learning of acquisition of the public corporation status for the purpose of approval by the Board of the acquisition of the public corporation status, and to apply to the Board by preparing draft amendments of articles with a view to adapting its articles of association to the provisions of the Law, and to decide on the required amendments after receipt of the consent of the Board pertaining to amendments to the articles of association in a general assembly meeting to be held within maximum six months following the date of consent.



**Admitting to Trading of Corporations Which Are Deemed to Have Been Gone to Public Due to Number of Shareholders:**

**ARTICLE 35 – (1)** Public corporations, the shares of which are not traded in the exchange, are required to apply to the exchange for trading of their shares within no later than two years after the date of acquisition of the public corporation status, or otherwise, the Board takes the required decisions for trading of these shares in the exchange or for removal of corporation from public corporation status, irrespective of the demand of the corporation.

**(2)** If and to the extent amendments to the articles of association are required for trading in exchange of the public corporations, the shares of which are not traded in the exchange, then and in this case, before application to the exchange, the corporation's board of directors takes the consent of the Board for amendments to the articles of association as required for trading of shares of the corporation in the exchange. Following receipt of consent of the Board, the amendments to the articles of association are decided in the general assembly meeting to be held before the starting date of trading of shares in the exchange and in any case, within maximum six months following the date of consent.

**(3)** Shares of public corporations, the shares of which are not traded in the exchange, are traded in the exchange only after a prospectus is issued, and the prospectus is submitted to the Board for approval simultaneously with the application to the exchange. The relevant regulations of the exchange are applicable in determination of reference price relating to starting of trading of shares of these corporations in the exchange.

**(4)** The relevant regulations of the Board pertaining to exclusion from the scope of the Law are applicable for the corporations, covered by first paragraph of this articles, which do not wish trading of their shares in the exchange.

**NINTH PART****Principles on Beneficial Interest Certificates****General Principles and Issue Limit:**

**ARTICLE 36 – (1)** Corporations may issue beneficial interest certificates (BICs) only if and when their articles of association contain a clause permitting the issue of BICs, and a decision is taken by the corporation's general assembly of shareholders for issue of BICs. The general assembly decision to be taken must at least contain the nominal value of BICs to be issued, and state that BICs will be issued through or without public offering, and describe the rights to be granted to BICs. BICs may be issued so as to cover one or more of the rights to take a share from net profit, and to participate in the balance of liquidation proceeds, or to have preemptive rights for the non-public corporation.

- (2) BICs may be issued with an indefinite term or above nominal value thereof, providing that it is so stipulated in the articles of association. The period between the date of the general assembly decision pertaining to the issue of BICs and the date of application to the Board cannot exceed six months.
- (3) Total issue amount of BICs that may be issued by corporations cannot exceed fifty percent of the paid or issued capital. In determination of the issue limit, the issue amount of BICs issued previously is taken into consideration as a deduction item. The funds provided to the corporation upon issue of BICs are shown in a separate account under shareholders' equity.
- (4) The rights to be granted to BICs, and relations between shares and BICs will be dealt with in the articles of association and the prospectus, or in the case of sales without public offering, in the issue document. The prospectus issued about the issue of BICs turns out to be an agreement entered into between the corporation on one side and the holders of BICs on the other side, if and when the sales are realized.
- (5) BICs are required to be offered to public, and all of the payments to investors are required to be made through authorized institutions.
- (6) An application is filed to the Board with a petition accompanied by the documents and submittals listed in Annex3 of this Communiqué in the case of public offering of BICs, and by the documents and submittals listed in Annex 4 of this Communiqué in the case of public offering of BICs through corporations, the shares of which are traded in ECM, and by the documents and submittals listed in Annex6 of this Communiqué in the case of sales without public offering. Documents and submittals listed in Annex3, 4 and 6 of this Communiqué, prepared solely and exclusively relating to the issue of shares, are not required to be sent to the Board.
- (7) It is obligatory to give a purchasing commitment for the BICs which cannot be sold within the sales period, and the corporation is required to apply to those who commit and complete the sales of unsold shares within three business days following the end of the sales period.

#### **Rights to Be Granted to Holders of BICs in Dividend Paid Outs and in Balance of Liquidation:**

**ARTICLE 37 – (1)** Rights may be granted to holders of BICs in dividend paid outs or in balance of liquidation only if and when the articles of association contain a relevant clause showing the ratio of rights relating to dividend paid outs and balance of liquidation.

- (2) Dividend paid outs are allocated and distributed to holders of BICs in cash. Unless and until the dividend paid outs allocated to holders of BICs are distributed, it may not be decided to allot other reserve funds, and to transfer profits to next year, and to distribute dividend paid outs in the form of shares to BICs holders, directors and employees of the corporation, except for the first paragraph of article 519 of TCC.
- (3) The dividend paid outs are required to be paid to holders of BICs by the end of fifth month following the end of the accounting period at the latest.

(4) Should the articles of association grant rights in the balance of liquidation to holders of BICs, the balance of liquidation remaining after settlement of debts of the corporation will, without prejudice to provisions of article 478 of TCC, be allocated first to holders of BICs holding rights in the balance of liquidation, for repayment of the fund paid by them to the corporation for the issue of BICs.

#### **Grant of Preemptive Rights to Holders of BICs:**

**ARTICLE 38 – (1)** Public corporations shall not issue BICs which give preemptive rights in case of capital increase.

(2) In non-public corporations, the investors holding the BICs issued through public offering may be granted preemptive rights in case of capital increase, only if and when the articles of association contain a clause pertaining thereto. The provisions of TCC are applicable in capital increases to be executed by these corporations for the sake of requirements of this right granted to BICs. However, if as a result of capital increase, total number of shareholders exceeds five hundred, the provisions of article 34 of this Communiqué are applied.

#### **Information and Inspection Rights of Holders of BICs, and General Assembly of Holders of BICs:**

**ARTICLE 39 – (1)** Just like other shareholders having the voting rights in the corporation, the holders of BICs have the information and inspection rights within the provisions of article 437 of TCC.

(2) Providing that it is so specified in the articles of association of the corporation, the holders of BICs constitute a special general assembly therein. The decisions of the general assembly of shareholders taken as per article 454 of TCC with respect to rights of the holders of BICs do not become effective and applicable unless approved by this special general assembly within maximum one month following the date of meeting. The provisions of article 454 of TCC are applicable about meeting and decision quorums of this assembly.

(3) The holders of BICs may take a liability action against the directors of the corporation within the frame of provisions of TCC.

#### **Ban on Acquisition and Repurchase of BICs:**

**ARTICLE 40 – (1)** Related parties, as defined in the relevant regulations of the Board, of the corporation issuing BICs cannot acquire these BICs.

(2) BICs cannot be repurchased and resold by the issuer. The purchase amount of BICs repurchased by the corporation is deducted and set off from the account under shareholders' equity, where the fund provided by the corporation upon issue of BICs is posted and traced.

**After-sales Transactions of BICs:****ARTICLE 41 – (1) Corporations:**

- a) are required to apply to the underwriters and complete the sales within three business days following the end of sales period for BICs unsold by the end of the sales period; and
  - b) in the case of a public corporation or if BICs are offered to public, are required to disclose the material event also containing the total amount of funds provided by the corporation upon completion of the issue.
- (2) New BICs cannot be issued unless and until the issued BICs are fully sold or those unsold are cancelled.

**Board Fee Relating to BICs:**

**ARTICLE 42 – (1)** Corporations are under obligation to deposit a fee equal to zero point two percent of the issue value, not being less than nominal value of BICs to be sold, in an account to be opened in the name of the Board prior to approval by the Board and delivery to the corporation of the securities note and summary, or if it consists of one single document, the prospectus or the issue document.

**Applicable Provisions:**

**ARTICLE 43 – (1)** On all and any matters which are not dealt with in this section relating to the issue of BICs, the provisions of this Communiqué pertaining to shares are applicable by analogy to the extent it is acceptable.

**TENTH PART**  
**Final and Temporary Provisions**

**Submittals in Applications to the Board for Approval of Prospectus Consisting of More Than One Document:**

**ARTICLE 44 – (1)** In the event that the prospectus to be prepared in accordance with the regulations of the Board pertaining to preparation of prospectuses and to be submitted to the Board for approval for the purpose of public offering of shares under this Communiqué consists of more than one document, and if the registration document is first sent to the Board, all information and documents required to be submitted to the Board pursuant to this Communiqué are prepared by considering that the prospectus will be issued as more than one document.

**Specificities of Public Offerings:**

**ARTICLE 45 – (1)** If deemed fit and convenient by the Board, in sales of shares through public offering, also including the public offerings under privatization, principles different from those specified in this Communiqué may be applied on sales periods, methods of payment, advertisement, announcement and other matters relating to public offering, by taking into consideration the characteristics and amount of public offering.

**(2)** Articles 5, 8, 9 and 10 of this Communiqué are not applicable in sales of shares by the Presidency of the Privatization Administration.

**Transformation of Public Corporations into Investment Trust, or Expulsion from Investment Trust Status:**

**ARTICLE 46 – (1)** In the case of transformation of public corporations into investment trustor expulsion from investment trust status, if the relevant corporations file an application for a capital increase simultaneously with transformation, their ratio of non-trade receivables from related parties, as defined in the relevant regulations of the Board, to total sum of receivables cannot exceed twenty percent, or their ratio of non-trade receivables from related parties to total assets cannot exceed ten percent, according to their recent financial statements disclosed to public. If the related party is a public entity, the receivables from the public entity are not taken into consideration in calculation of receivables from related parties.

**Finalization by Board of Applications for Approval of Share-Like Securities:**

**ARTICLE 47 – (1)** Applications for approval of prospectus or issue document relating to the securities which are not mentioned in this Communiqué, and are not covered by other regulations of the Board either, and are by nature accepted by the Board to be share-like, will be finalized and responded by application of the provisions of this Communiqué by analogy.

**Dematerialization Principles:**

**ARTICLE 48 – (1)** The shares to be issued by listed corporations and the share-like securities to be issued by corporations, are required to be issued on dematerialized basis in electronic media in CRA, and the rights associated thereto are required to be traced separately for holder basis. The regulations to be issued by the Board are, however, reserved about the procedures and principles of keeping of records relating to capital market instruments dematerialized pursuant to article 13 of the Law.

**Revaluation:**

**ARTICLE 49 – (1)** The amounts given in this Communiqué are required to be re-determined by the Board by considering the revaluation coefficient published by the Ministry of Finance every year. Thereupon, the revised amounts are published in the Board Bulletin. However, the Board may also decide not to revalue the amounts given in this Communiqué.

**Reserved Provisions:**

**ARTICLE 50 – (1)** The relevant regulations of the Board are reserved for application of this Communiqué on investment trusts.

**Repealed Legislation:**

**ARTICLE 51 – (1)** The Board's

- a) Communiqué on Principles of Registration and Sales of Shares (Serial I, No. 40), published in the Official Gazette edition 27541 on 3/4/2010; and
- b) Communiqué on Non-voting Shares (Serial I, No. 36), published in the Official Gazette edition 27117 on 21/1/2009; and
- c) Communiqué on Principles of Issue of Beneficial Interest Certificates (Serial III, No. 10), published in the Official Gazette edition 21284 on 14/7/1992

are hereby repealed.

**(2)** All and any references made to the Communiqué on Principles of Registration and Sales of Shares (Serial I, No. 40), and the Communiqué on Non-voting Shares (Serial I, No. 36), and the Communiqué on Principles of Issue of Beneficial Interest Certificates (Serial III, No. 10) in other regulations of the Board will be deemed to have been made to this communiqué.

**Finalization of Current Applications:**

**TEMPORARY ARTICLE 1 – (1)** Applications, with respect to approval of prospectus or issue document by the Board, not decided yet by the Board's Decision Making Organ as of the effective date of this Communiqué will be finalized and responded according to the provisions of this Communiqué.

**Transitory Provisions:**

**TEMPORARY ARTICLE 2 – (1)** The period mentioned in first paragraph of article 35 of this Communiqué starts as of 30/12/2012 for the corporations which have become public corporations as of the date of publishing of the Law.

**Finalization of the Current Applications:**

**TEMPORARY ARTICLE 3 – (1)** Applications relating to the approval of prospectus or issue document by the Board, which has not been resolved by the Board's Decision Making Organ on the date of enforcement of this article, are finalized according to the provisions of this Communiqué.

**Effective Date:**

**ARTICLE 52 – (1)** Third paragraph of article 29 of this Communiqué will become effective as of 1/1/2014, while other provisions will become effective one month after the date of publishing.

**Enforcement:**

**ARTICLE 53 – (1)** The provisions of this Communiqué will be enforced by the Capital Markets Board.



**ANNEX-1****DOCUMENTS REQUESTED TO AMEND THE ARTICLES OF ASSOCIATION FOR INITIAL PUBLIC OFFERING**

- (1) The corporation's articles of association duly signed by authorized signatories of the corporation, as a single text containing all current and applicable amendments; and
- (2) Information on groups of shares included in the articles of association, and privileges and restrictions granted to these groups; and
- (3) List containing information on the TTRG records relating to registration and announcement of amendments made to the articles of association since foundation, and a table indicating the capital increases effected since foundation, and the funding sources thereof; and
- (4) A notary-certified resolution of the board of directors taken for amendment of related articles of the articles of association in order to comply with the provisions of the Law and other applicable laws due to going public, and draft amendments for the articles planned to be revised; and
- (5) If and when capital increase is planned as bonus issues, a certified public accountant report verifying the existence of equity capital sources, and that these sources have been created in accordance with the laws, and may be capitalized, and a statement given within the frame of provisions of article 457 of TCC; and
- (6) Certified public accountant's report verifying that the existing capital of the corporation is paid in; and
- (7) Introductory information about the corporation; and
- (8) Information about recent shareholding structure indicating shareholders who own equal to or more than five percent of paid-in-capital of the corporation, and about the directors of the corporation; and
- (9) TTRG where registration of last capital increase of the corporation is announced; and
- (10) A notary-certified authorized signatories list of the corporation; and
- (11) Information on which exchange market the shares of the corporation are planned and scheduled to be traded; and
- (12) List of public authorities, other than the Ministry of Customs and Trade, from which a permission or consent is required to be taken for amendments to articles of association; and
- (13) If required, certified public accountant's report to be issued pursuant to second paragraph of article 5 of this Communiqué; and
- (14) Other information and documents that may be requested by the Board.

**ANNEX-2****DOCUMENTS REQUESTED FOR APPROVAL OF PROSPECTUS IN PUBLIC OFFERING OF EXISTING SHARES OF CORPORATION'S SHAREHOLDERS (\*)**

- (1) The corporation's articles of association duly signed by authorized signatories of the corporation, as a single text containing all current and applicable amendments; and
- (2) Information on groups of shares included in the articles of association, and privileges and restrictions granted to these groups; and
- (3) If the public offerer is a legal entity, a notary-certified copy of resolution of its authorized organs; and
- (4) Information on nominal value of shares to be offered to public, and on their ratio to the capital of the corporation; and
- (5) Prospectus and notice of sale; and
- (6) Financial intermediation contract for public offering; and
- (7) Financial statements required to be included in the prospectus, and relevant independent audit and/or limited review reports associated thereto, and annual reports of years of the annual financial statements required to be included in the prospectus; and
- (8) Profit distribution statements of years of the annual financial statements required to be included in the prospectus; and
- (9) A statement of the issuer and written statements of public offerers verifying that the shares to be offered to public are not encumbered by restrictions restricting their transfer and circulation, or precluding the shareholder to use its rights and, information on usufructuary rights associated to shares; and
- (10) Written statements of public offerers verifying that the possession on the shares to be offered to public is not relied upon any pledge or collateralization; and
- (11) If the sales price of shares is different from their market price or is above their nominal value, a valuation report;
- (12) If and when it is intended to use the right of green shoe option:
  - a) Statements mentioned in articles 9 and 10 for the shares being the subject to use of green shoe option; and

**b)** A copy of the contract signed between partners and authorized institution pertaining to use of the right of green shoe option; and

**(13)** Recently issued statements received from directors and senior management staff of the corporation, stating whether the relevant persons have been sentenced to imprisonment for five years or more due to a crime committed maliciously, and have been prosecuted for or convicted of crimes of embezzlement, extortion, bribery, theft, swindling, fraud, abuse of trust, fraudulent bankruptcy, bid rigging, destruction or alteration of data, abuse of debit or credit cards, smuggling, tax evasion or unjust acquisition of properties, or have been a party to legal disputes and conflicts relating to partnership works, and/or have been subject to a finalized court judgment or verdict, even if the periods referred to in the applicable capital markets laws, and the Banking Law no. 5411 dated 19/10/2005, and/or article 53 of the Turkish Criminal Code no. 5237 dated 26/09/2004 have elapsed; and

**(14)** A printed copy of share to be offered to public of the public corporations, the shares of which are not traded in the exchange; and

**(15)** Address of internet site used/to be used by the corporation for public disclosure and investor relations purposes; and

**(16)** A bank letter addressed to the Board indicating the account number and stating that a bank account is designated for deposit of the amount of purchased shares; and

**(17)** A notary-certified authorized signatories list of the corporation; and

**(18)** Certified public accountant's report verifying that the existing capital of the corporation is paid in, and copy of TTRG where the registration of final capital increase of the corporation is announced; and

**(19)** Other information and documents that may be requested by the Board.

(\*) If the requested information and documents have already been published in PDP, and it is stated by the corporation that such information and documents are current, they will not be needed to be sent separately to the Board.

**ANNEX-3****DOCUMENTS REQUESTED FOR APPROVAL OF PROSPECTUS IN PUBLIC OFFERING THROUGH CAPITAL INCREASE (\*)**

- (1) The corporation's articles of association duly signed by authorized signatories of the corporation, as a single text containing all current and applicable amendments; and
- (2) Information on groups of shares included in the articles of association, and privileges and restrictions granted to these groups; and
- (3) A resolution of authorized organ of the corporation relating to capital increase; and
- (4) Information on the arguments for capital increase, and on the intended places of use of the proceeds; and
- (5) If and when capital increase is planned as bonus issues, a certified public accountant's report verifying the existence of equity capital sources, and that these sources have been created in accordance with the laws, and may be capitalized, and a statement given within the frame of provisions of article 457 of TCC; and
- (6) Prospectus and notice of sale; and
- (7) If the Board holds the corporation obliged to carry out public offer through an authorized institution, a financial intermediation contract; and
- (8) Financial statements required to be included in the prospectus, and relevant independent audit and/or limited review reports associated thereto, and annual reports of years of the annual financial statements required to be included in the prospectus; and
- (9) Profit distribution statements of years of the annual financial statements required to be included in the prospectus; and
- (10) If the sales price of shares is different from their market price or is above their nominal value, a valuation report;
- (11) A bank letter addressed to the Board indicating the account number and stating that a bank account is designated for deposit of the amount of purchased shares; and
- (12) If there is a disclosure requirement pursuant to the relevant regulations of the Board, copy of TTRG where the relevant decisions of the board of directors are disclosed and published; and
- (13) Except for the corporations in the authorized capital system, a written permission received from the Ministry of Customs and Trade with respect to the amendments in articles of association effected due to

capital increase, and relevant minutes of meeting of the general assembly of shareholders, and list of attendants for that meeting; and

**(14)** Except for the corporations in the authorized capital system, a copy of the share purchasing commitment given to the corporation by the relevant persons who commit and undertake to purchase the unsold shares, representing the to-be-increased capital, by full payment in cash of the total price thereof, not being less than the average of public offering prices, within three business days following the end of the sales period, and if the commitment is given by a legal entity, a resolution of the authorized organ of the legal entity pertaining to the commitment; and

**(15)** If and when it is intended to use the right of green shoe option:

**a)** A statement of the relevant corporation and written statements of public offerers verifying that the shares to be offered to public are not encumbered by restrictions restricting their transfer and circulation, or precluding the shareholder to use its rights, and if there are any the usufructuary rights attached to the shares; and

**b)** Written statements of public offerers verifying that the possession on the shares to be offered to public is not relied upon any pledge or collateralization; and

**c)** A copy of the contract signed between partners and authorized institutions pertaining to use of the green shoe option; and

**(16)** In the case of public offering through capital increase of the non-public corporations, recently issued statements received from directors and senior management staff of the corporation, stating whether the relevant persons have been sentenced to imprisonment for five years or more due to a crime committed maliciously, and have been prosecuted for or convicted of crimes of embezzlement, extortion, bribery, theft, swindling, fraud, abuse of trust, fraudulent bankruptcy, bid rigging, destruction or alteration of data, abuse of debit or credit cards, smuggling, tax evasion or unjust acquisition of properties, or have been a party to legal disputes and conflicts relating to partnership works, and/or have been subject to a finalized court judgment or verdict, even if the periods referred to in the applicable capital markets laws, and the Banking Law no. 5411 dated 19/10/2005, and/or article 53 of the Turkish Criminal Code no. 5237 dated 26/09/2004 have elapsed; and

**(17)** A printed copy of share to be offered to public of the public corporations, the shares of which are not traded in the exchange; and

**(18)** Address of internet site used/to be used by the corporation for public disclosure and investor relations purposes; and

**(19)** A notary-certified authorized signatories list of the corporation; and

**(20)** Certified public accountant's report verifying that the existing capital of the corporation is paid in, and copy of TTRG where the registration of final capital increase of the corporation is announced; and

**(21)** Other information and documents that may be requested by the Board.

(\* ) If the requested information and documents have already been published in PDP, and it is stated by the corporation that such information and documents are current, they will not be needed to be sent separately to the Board.

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**ANNEX 4****DOCUMENTS REQUESTED FOR APPROVAL OF PROSPECTUS IN PUBLIC OFFERING THROUGH CAPITAL INCREASE FOR TRADING IN ECM (\*)**

- (1) The corporation's articles of association duly signed by authorized signatories of the corporation, as a single text containing all current and applicable amendments; and
- (2) Information on groups of shares included in the articles of association, and privileges and restrictions granted to these groups; and
- (3) A resolution of authorized organ of the corporation relating to capital increase; and
- (4) Information on the arguments for capital increase, and on the intended places of use of the proceeds; and
- (5) If and when capital increase is planned to be funded from internal sources, a certified public accountant's report verifying the existence of internal sources, and that these sources have been created in accordance with the laws, and may be capitalized, and a statement given within the frame of provisions of article 457 of TCC; and
- (6) Prospectus and notice of sales; and
- (7) A market consultancy agreement entered into by and between the corporation and its market consultant, and signed by the authorized signatories of the parties (not requested in corporations the shares of which are currently traded in ECM); and
- (8) Report of the market consultant issued about the corporation within the frame of ECM regulations (not requested in corporations the shares of which are currently traded in ECM); and
- (9) Copies of agreements, if any, signed with authorized institutions; and
- (10) Financial statements required to be included in the prospectus, and relevant independent audit and/or limited review reports associated thereto, and annual reports of years of the annual financial statements required to be included in the prospectus; and
- (11) Profit distribution statements of years of the annual financial statements required to be included in the prospectus; and
- (12) If the sales price of shares is different from their market price or is above their nominal value, a valuation report;
- (13) A bank letter addressed to the Board indicating the account number and stating that a bank account is designated for deposit of the number of purchased shares; and



**(14)** Except for the corporations in authorized capital system, a written permission received from the Ministry of Customs and Trade with respect to the amendments in articles of association effected due to capital increase, and relevant minutes of meeting of the general assembly of shareholders, and list of attendants for that meeting; and

**(15)** Except for the corporations in authorized capital system, a copy of the share purchasing commitment given to the corporation by the relevant persons who commit and undertake to purchase the unsold shares, representing the to-be-increased capital, by full payment in cash of the total price thereof, not being less than the average of public offering prices, within three business days following the end of the sales period, and if the commitment is given by a legal entity, a resolution of the authorized organ of the legal entity pertaining to the commitment; and

**(16)** Except for the corporations the shares of which are currently traded in ECM, recently issued statements received from directors and senior management staff of the corporation, stating whether the relevant persons have been sentenced to imprisonment for five years or more due to a crime committed maliciously, and have been prosecuted for or convicted of crimes of embezzlement, extortion, bribery, theft, swindling, fraud, abuse of trust, fraudulent bankruptcy, bid rigging, destruction or alteration of data, abuse of debit or credit cards, smuggling, tax evasion or unjust acquisition of properties, or have been a party to legal disputes and conflicts relating to partnership works, and/or have been subject to a finalized court judgment or verdict, even if the periods referred to in the applicable capital markets laws, and the Banking Law no. 5411 dated 19/10/2005, and/or article 53 of the Turkish Criminal Code no. 5237 dated 26/09/2004 have elapsed; and

**(17)** A notary-certified authorized signatories list of the corporation and the market consultant; and

**(18)** Address of internet site used/to be used by the corporation for public disclosure and investor relations purposes; and

**(19)** Certified public accountant's report verifying that the existing capital of the corporation is paid in, and copy of TTRG where the registration of final capital increase of the corporation is announced; and

**(20)** If there is a disclosure requirement pursuant to the relevant regulations of the Board, copy of TTRG where the relevant decisions of the board of directors are disclosed and published; and

**(21)** Other information and documents that may be requested by the Board.

(\* ) If the requested information and documents have already been published in PDP, and it is stated by the corporation that such information and documents are current, they will not be needed to be sent separately to the Board.

**ANNEX-5****INFORMATION TO BE SUBMITTED BY INTERMEDIARY INSTITUTION TO THE EXCHANGE AFTER COMPLETION OF PRICE STABILIZATION TRANSACTIONS**

1. Intermediary Institution's Name:			
2. Statement as to Whether Price Stabilization Transactions are Executed or Not:			
3. Date of First Transaction for Price Stabilization:			
4. Expiry Date or Final Date of Period for Price Stabilization Transactions			
5. Date of Last Transaction for Price Stabilization:			
6. Information on Shares Purchased Through Price Stabilization Transactions:			
<b>Date</b>	<b>Average Price (TL)</b>	<b>Quantity (No.)</b>	<b>Amount (TL)</b>
<b>TOTAL</b>			
7. If the price stabilization transactions are actually terminated before completion of the transaction period specified in the prospectus in spite of absence of a previous statement as to termination of transactions, or if these transactions are not executed at all, the reasons and causes thereof:			

**ANNEX-6****DOCUMENTS REQUESTED FOR APPROVAL OF ISSUE DOCUMENT IN SALES WITHOUT PUBLIC OFFERING (\*)**

- (1) The corporation's articles of association duly signed by authorized signatories of the corporation, as a single text containing all current and applicable amendments; and
  - (2) Information on groups of shares included in the articles of association, and privileges and restrictions granted to these groups; and
  - (3) A resolution of authorized organ of the corporation relating to capital increase; and
  - (4) If there is a disclosure requirement pursuant to the relevant regulations of the Board, copy of TTRG where the relevant decisions of the board of directors are disclosed and published; and
  - (5) If the prospective buyers of shares are pre-determined, information about these persons and nominal value and sales price of the shares; and
  - (6) Information on sales price of shares and on method of calculation of sales price; and
  - (7) Information about recent shareholding structure indicating shareholders who own equal to or more than five percent of paid-in-capital of the corporation, and about the existing directors of the corporation; and
  - (8) A notary-certified authorized signatories list of the corporation; and
  - (9) Certified public accountant's report verifying that the existing capital of the corporation is paid in, and copy of TTRG where the registration of final capital increase of the corporation is announced; and
  - (10) Other information and documents that may be requested by the Board.
- (\*) If the requested information and documents have already been published in PDP, and it is stated by the corporation that such information and documents are current, they will not be needed to be sent separately to the Board.

**ANNEX-7****DOCUMENTS REQUESTED FOR APPROVAL OF ISSUE DOCUMENT IN CAPITAL INCREASES TO BE FUNDED OUT OF EQUITY CAPITAL SOURCES AND DIVIDENDS (\*)**

- (1) The corporation's articles of association duly signed by authorized signatories of the corporation, as a single text containing all current and applicable amendments; and
- (2) Information on groups of shares included in the articles of association, and privileges and restrictions granted to these groups; and
- (3) In corporations covered by the authorised capital system, a board of directors resolution on capital increase specifying the upper limit of the authorised capital, the amounts of equity capital sources to be used in capital increases one by one, the group and type of shares to be issued, and in case of corporations of which shares are not traded in the stock exchange the voucher number to be used alongside the existing shares in order to receive the unpaid share entitlements and the rank of shares to be represented the increased capital; and
- (4) In corporations covered by the share capital system, a resolution of the board of directors relating to amendments in the relevant articles of the articles of association due to capital increase, and draft amendments in the relevant article; and
- (5) A certified public accountant's report verifying the existence of equity capital sources, other than dividends, and that these sources have been created in accordance with the laws, and may be capitalized, and a statement given within the frame of provisions of article 457 of TCC; and
- (6) In case of capital increases from dividends, dividend payment statements regarding the last years; and
- (7) Certified public accountant's report verifying that the existing capital of the corporation is paid, and copy of TTRG where the registration of last capital increase of the corporation is announced; and
- (8) In corporations covered by the share capital system, a certificate of permission received from the Ministry of Customs and Trade with respect to the amendments in articles of association effected due to capital increase, and relevant minutes of meeting of the general assembly of shareholders, and list of attendants for that meeting; and
- (9) In corporations covered by the authorised capital system, relevant minutes of meeting of the general assembly of shareholders, and list of attendants for that meeting, pertaining to capital increase to be funded by dividends; and
- (10) A copy of share certificate for public corporations, the shares of which are not traded in the exchange; and

- (11)** Information about recent shareholding structure showing holders of shares equal to or more than five percent of capital of the corporation, and about the existing directors of the corporation; and
- (12)** Solely for corporations covered by the authorised capital system, a certified public accountant's report verifying that dividends and equity capital sources are transferred to the capital account; and
- (13)** In corporations covered by the authorised capital system, a resolution of the board of directors verifying that the capital increase procedures are completed, and new version of the article "capital" of the articles of association showing the issued capital to be registered and announced pursuant to seventh paragraph of article 18 of the Law; and
- (14)** A notary-certified authorized signatories list of the corporation; and
- (15)** Financial statements of last year and last interim period, if any, of the corporation; and
- (16)** Other information and documents that may be requested by the Board.

(\* ) If the requested information and documents have already been published in PDP, and it is stated by the corporation that such information and documents are current, they will not be needed to be sent separately to the Board.

**ANNEX-8****DOCUMENTS REQUESTED FOR CAPITAL DECREASE TRANSACTIONS (\*)**

- (1) The corporation's articles of association duly signed by authorized signatories of the corporation, as a single text containing all current and applicable amendments; and
- (2) Information on groups of shares included in the articles of association, and privileges and restrictions granted to these groups; and
- (3) Draft amendments in relevant articles of the articles of association relating to capital decrease; and
- (4) A resolution of the authorized organ relating to capital decrease; and
- (5) A report to be prepared by the board of directors specifying the causes of capital decrease, the principles to be applied in capital decrease, and benefits to be provided to the corporation by capital decrease; and
- (6) A certified public accountant's report verifying that the existing capital of the corporation is paid; and
- (7) Information about recent shareholding structure showing holders of shares equal to or more than five percent of capital of the corporation, and about the existing directors of the corporation; and
- (8) Depending on the sector of the corporation, if approval of other entities is required to be obtained for capital decrease, the approvals to be obtained from such entities; and
- (9) A notary-certified authorized signatories list of the corporation.

(\*) If the requested information and documents have already been published in PDP, and it is stated by the corporation that such information and documents are current, they will not be needed to be sent separately to the Board.

## ANNEX-9

## PRELIMINARY DEMAND DISCOVERY RESULTS NOTIFICATION FORM

<b>Title/Name of Authorized Institution Involved in Preliminary Demand Discovery</b>	
<b>Starting and Ending Dates of Preliminary Demand Discovery</b>	
<b>Nominal Value of Shares Planned to be Offered to Public Prior to Preliminary Demand Discovery</b>	
<b>Price Range Specified in Preliminary Demand Discovery</b>	
<b>Demand Amounts Received on Price Basis</b>	
<b>Distribution of Demand by Investor Groups:</b> (Name or title of demanding investors will not be given.) <b>a) Domestic Corporate</b> <b>b) Domestic Individual</b> <b>c) Foreign Corporate</b> <b>d) Foreign Individual</b> <b>e) Others</b> (Other investor groups, if any, should be stated separately.)	
<b>AUTHORIZED INSTITUTION</b> <b>Authorized Signatures</b>	



## ANNEX-10

**INFORMATION TO BE SUBMITTED BY INTERMEDIARY INSTITUTION TO THE EXCHANGE AFTER SETTLEMENT OF OBLIGATIONS RELATING TO GREEN SHOE OPTION**

<b>1. Title/Name of Intermediary Institution:</b>			
<b>2. Distribution of Method of Settlement of Obligations Arising Out of Borrowing Contract:</b>			
Method of Settlement of Obligations		Quantity	Ratio to Total Borrowed Shares (%)
Use of the Right of Purchase			
Purchase from Exchange			
TOTAL			
<b>3. Distribution of Purchases from Exchange for Return to the Holder of Shares Sold Upon Borrowing, if any:</b>			
Purchasing Date	Price (TL)	Quantity (No.)	Amount (TL)
	TOTAL		
<b>4. Information on Use of Purchasing Rights, if any:</b>			
Date of Use of Rights		Purchased Quantity (No.)	
TOTAL			
Total Purchasing Rights (No.)			
Unused Purchasing Rights (No.)			

**ANNEX-11****INFORMATION AND DOCUMENTS TO BE SUBMITTED TO THE BOARD BEFORE EACH ISSUE DURING THE VALIDITY TIME OF PROSPECTUS (\*)**

- (1) Information and documents listed in articles 3, 4, 9, 10, 11, 12, 14, 16, 17 and 18 of Annex 2 of this Communiqué in public offering of existing shares of the shareholders; and information and documents listed in articles 3, 4, 5, 10, 11, 12, 13, 14, 15, 16, 17, 19 and 20 of Annex 3 of this Communiqué in public offering through capital increase; and information and documents listed in articles 3, 4, 5, 7, 8, 12, 13, 14, 15, 16, 17 and 19 of Annex 4 of this Communiqué in public offering through capital increase for trading in ECM; and
- (2) Securities note and summary and notice of sale prepared within the frame of the Board regulations; and
- (3) If any amendments are needed in the explanations given in the registration document, the texts of amendments, and if no amendment is needed, a statement to be given by the corporation in connection therewith; and
- (4) Financial intermediation contract regarding sale in public offerings; and
- (5) Other information and documents that may be requested by the Board.

(\*) If the requested information and documents have already been published in PDP, and it is stated by the corporation that such information and documents are current, they will not be needed to be sent separately to the Board.

**ANNEX-12****MINIMUM INFORMATION REQUIRED TO BE GIVEN IN THE STATEMENT TO BE SUBMITTED TO THE BOARD BY CORPORATIONS THE SHARES OF WHICH ARE DEEMED TO HAVE BEEN OFFERED TO PUBLIC DUE TO NUMBER OF SHAREHOLDERS**

(1) Corporation's:

a) Title/Name;

b) Date of foundation;

c) Fields of activity, and actual activities and operations;

d) Whether subject to authorised capital system or not, and paid/issued capital;

e) Number of known shareholders;

f) Name & surname or title of shareholders known to hold shares equal to or more than five percent of capital of the corporation, and rates and amounts of shares, and if any, privileges granted to share groups; and

g) Information about directors.

(2) Title, registered office address, fields of business, paid/issued capital of affiliates and subsidiaries of the corporation, and shares of the corporation in such affiliates and subsidiaries, and information about business and commercial relations of the corporation with them; and

(3) The corporation's articles of association duly signed by authorized signatories of the corporation, as a single text containing all current and applicable amendments; and

(4) Information about contents of business and commercial relations of the corporation with its known natural person or legal entity partners; and

(5) Names and addresses of manufacturing plants, factories, administration, branches and stores of the corporation, and information about its ongoing investments, if any;

(6) Minutes and lists of attendants of meetings of the general assembly of shareholders for the last three years; and

(7) Financial statements of the last three years; and

(8) Information about rates and amounts of dividends distributed during the last three years.

**LIST REGARDING THE AMENDMENTS TO THE COMMUNIQUE**

- 1) Communiqué (VII-128.1.a) Amending Communiqué on Shares (VII-128.1) was published in the Official Gazette dated 27/2/2015 and numbered 29280.
- 2) Correction on the Communiqué (VII-128.1.a) Amending Communiqué on Shares (VII-128.1) which was published in accordance with its original text, was published in the Official Gazette dated 6/3/2015 and numbered 29287.
- 3) Communiqué (VII-128.1.b) Amending Communiqué on Shares (VII-128.1) was published in the Official Gazette dated 30/6/2016 and numbered 29758.
- 4) Communiqué (VII-128.1.c) Amending Communiqué on Shares (VII-128.1) was published in the Official Gazette dated 26/1/2018 and numbered 30313.
- 5) Communiqué (VII-128.1.ç) Amending Communiqué on Shares (VII-128.1) was published in the Official Gazette dated 13/2/2018 and numbered 30331
- 6) Communiqué (VII-128.1.d) Amending Communiqué on Shares (VII-128.1) was published in the Official Gazette dated 24/7/2020 and numbered 31195
- 7) Communiqué (VII-128.1.e) Amending Communiqué on Shares (VII-128.1) was published in the Official Gazette dated 18/5/2023 and numbered 32194

\* : Revalued Amount/Value for the period 1/1/2024-31/12/2024 with the Announcement Made Pursuant to the Decision of the Capital Markets Board Decision Body dated 28/12/2023 and numbered 81/1811