

**VESTEL BEYAZ EŐYA SANAYİ VE TİCARET ANONİM ŐİRKETİ**  
**ARTICLES OF ASSOCIATION**

**Incorporation**

**Article 1**

A joint stock company is incorporated by and between the founders whose names and residence addresses are written below, in accordance with the provisions pertaining to instantaneous incorporation of the Turkish Commercial Code.

1. **VESTEL ELEKTRONİK SANAYİ VE TİCARET A.Ő.**, a national of the Republic of Turkey  
(residing at Organize Sanayi Bölgesi, 45030 Manisa)
2. **ZORLU HOLDİNG A.Ő.**, a national of the Republic of Turkey  
(residing at Sultanhamam Vasıfçınar cad. No:91 Eminönü/Istanbul)
3. **Ahmet Nazif ZORLU**, a national of the Republic of Turkey  
(residing at Istanbul cad. Toprak Sitesi D Blok daire 3 Yeşilköy/Istanbul)
4. **Zeki ZORLU**, a national of the Republic of Turkey  
(residing at Muradiye Mah. Beşikçiler cad. No:73/5 Bursa)
5. **Olgun ZORLU**, a national of the Republic of Turkey  
(residing at Muradiye Mah. Beşikçiler cad. No:73/5 Bursa)
6. **Zülal ZORLU**, a national of the Republic of Turkey  
(residing at Istanbul cad. Toprak Sitesi D Blok daire 3 Yeşilköy/Istanbul)

**Company's Title**

**Article 2**

Company's title is **VESTEL BEYAZ EŐYA SANAYİ VE TİCARET ANONİM ŐİRKETİ**. It shall be referred to as the "Company" in the following articles.

**Head Office and Branches**

**Article 3**

Company's head office is in the city of Istanbul, district of Avcılar. Its address is: Zorlu Plaza 34310 Avcılar/Istanbul. In case of a change of address, the new address shall be registered with the Trade Registry and announced in the Turkish Trade Registry Gazette and further notified to the Ministry of Customs and Trade and the Capital Markets Board. Notifications served to the registered and announced address shall be deemed as made to the Company. Failure to register the new address despite leaving the registered and announced address constitutes a ground for termination for the Company. The Company may open branches within the country and abroad. If the Company opens branches, such branches shall be registered with the Trade Registry and announced in the Turkish Trade Registry Gazette.

**Duration**

**Article 4**

Company's duration is indefinite starting from its final incorporation.

## **Purpose And Subject**

### **Article 5**

Company's purpose and subject is the production of electronic tools, devices, hardware, spare parts, parts, components and various white goods. The Company tests the quality and compliance with the relevant technical level, checks the quality, conducts tests to increase the quality of all kinds of electronic tools, devices, hardware, spare parts, parts, components and various white goods, and engages in any and all activities related to the same.

Without being limited to the matters listed below, in order to accomplish this purpose and objective, the Company may open, operate, lease, rent, take over and transfer offices, warehouses.

In relation to the Company's purpose, it may:

Perform any and all commercial, financial and all kinds of other relevant and necessary proceedings and businesses;

Take over, obtain, acquire trademarks, patent rights, mastership, license, patent and all kinds of other property rights, transfer, grant, lease its own rights and enter into license and know-how agreements thereon;

Purchase, sell, transfer and assign, lease, rent out, operate any and all real estates, transportation vehicles, facilities and machinery and real rights arising therefrom that are related to, relevant and necessary for the Company's purpose, buy all kinds of mortgaged or free movable and immovable properties and commodities; lease the same through financial leasing;

For and in order to engage in businesses that fall into the Company's subject, it may incorporate companies or participate as a partner or a shareholder in companies already established or to be established, purchase, sell, exchange, set pledges over the shares, bonds and other securities of these companies, provided that it does not constitute investment services or activities, enter into partnerships and engage in joint ventures with other private and legal entities related to the business of the Company, in accordance with tax laws and other legislations;

Execute all kinds of contracts concerning its subject, join in bids, put out tenders; engage in undertaking works, carry out such works in person or bid them out to any third party; purchase, sell, export and import any and all kinds of goods and services concerning its subject;

The Company may import, export and manufacture the machinery, parts, accessories and facilities and their spare parts, used in the processes of the raw materials, semi-finished and finished materials concerning its subject;

In line with its scope of business, the Company may engage in import, export, manufacture, contract trade, domestic trade, commissioning, undertaking, internal and external international representation, marketing works.

In accordance with the provisions of the legislations concerning domestic and foreign companies and/or legal entities, it may establish short or long term consortiums, engage in works based on financial liability contracts, obtain all kinds of short, mid and long-term loans

from all kinds of banks and all kinds of other credit institutions. It may acquire, register in its name, sell, lease, use, rent patent rights and certificates, licenses and concessions, patents, copyrights, trademarks, technical assistance and permits, know-hows, trade names, brands, operation rights, operation concessions and various similar intellectual and intangible rights that are related to and beneficial for the activities of the Company and obtain exporter and importer licenses.

In relation to the Company's purpose, it may open, operate customs warehouses and carry out customs entries.

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

However; principles set out under the capital markets legislations shall apply to matters such as granting of guarantees, securities or setting up of pledge rights including mortgages in the name of the Company and in favor of 3rd parties.

The Company may make donations to Associations, Foundations and other Corporations and Institutions in cash or in kind provided that the upper limit of such donations is determined by the general assembly, donations made do not exceed such limit, donations made are added to the distributable profit base and donations do not contradict with the Capital Markets Law and the pertinent legislations, necessary special event disclosures are made and the donations made within that year are announced to the shareholders at the general assembly.

Under this article, necessary disclosures that fall into the scope of special circumstances and required by the Capital Markets Board shall be made in order to enlighten the investors regarding the above-listed matters.

## **Share Capital**

### **Article 6**

Company's share capital is TL 190,000,000.00. This share capital is divided into 190,000,000 bearer shares, each with a nominal value of TL 1,00.

TL 190,000,000.00 representing the capital has been fully paid.

The Company may issue shares with a value above the nominal value by a resolution of the general assembly.

Share capital may be increased or decreased by a resolution of the General Assembly, upon the proposal of the Board of Directors and in accordance with the Capital Markets Law and Turkish Commercial Code as well as the provisions of these Articles of Association.

In the event of capital increase by way of issuing shares with cash consideration, unless there is a General Assembly resolution to the contrary, shareholders shall have a pre-emptive right, in accordance with the provisions of article 461 of the Turkish Commercial Code. The time period designated for the exercise of the pre-emptive right cannot be less than 15 calendar days. If

the shares remaining after the exercise of the pre-emptive rights are offered to public, relevant transactions shall be performed in accordance with the Capital Markets Legislations.

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

## **Share Certificates**

### **Article 7**

This article is abolished by being merged with article 6.

## **Board of Directors**

### **Article 8**

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

Number and qualifications of the independent members who shall serve in the Board of Directors shall be determined in accordance with the Capital Markets Legislations and the regulations concerning corporate governance of the Capital Markets Board.

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

Board Members are elected from amongst individuals, who have knowledge and experience about the field of operation and the sector of the Company, preferably with higher education, with skills to read and analyze financial statements and reports and basic information regarding the legal regulations applicable to the Company's daily and long-term transactions and dispositions, and who have the opportunity and determination to attend all of the anticipated meetings of the Board of Directors for the relevant budget year.

## **Term of Board of Directors**

### **Article 9**

Board Members are elected for a period of minimum of one and maximum of three years. If deems necessary, the General Assembly may replace the Board members at any time; members whose term of office expires may be re-elected.

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

## **Board Meetings and Distribution of Duties**

### **Article 10**

Board of Directors shall elect a chairman and a vice-chairman, who shall substitute the chairman in his absence, from amongst its members. Chairman and vice-chairman whose term

of office expires may be re-elected. Board meetings shall be made at the Company's head office, when deemed necessary and at least once a month.

Chairman and in his absence, the vice-chairman, shall invite the Board of Directors to convene a meeting. Apart from this, any member may request the Board Chairman to invite the Board to convene.

Quorum for the Board meetings and the meeting and decision quorums applicable at such meetings is the absolute majority of the whole number of members. Regulations imposed by the Corporate Governance Principles of the Capital Markets Board are preserved.

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

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

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

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

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

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

## **Duties and Authorities of the Board of Directors**

### **Article 11**

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

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

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

Regulations on Corporate Governance Principles of the Capital Markets Board shall be complied with in regards to transactions that are deemed important in terms of the application of

Corporate Governance Principles and important related party transactions of the Company as well as transactions concerning the granting of collaterals, pledges and mortgages in favor of third parties.

## **Representation and Binding of the Company**

### **Article 12**

Board of Directors shall carry out the management and representation of the Company before third parties. In order for all kinds of instruments and documents to be given and contracts to be made in the name of the Company to be valid and binding on the Company and represent the Company, these must bear the signatures of the person or persons, who have been granted signature authority by the Board of Directors, upon designating the degrees and forms of such signature authority and duly registering and announcing the signing procedure, affixed under the Company's title.

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

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

## **Audit and Independent Audit Firm**

### **Article 13**

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

## **Duties of Auditors**

### **Article 14**

ABOLISHED.

## **Remuneration of the Board of Directors and Auditors**

### **Article 15**

General Assembly of Shareholders shall determine the remunerations and fees payable to the Board members. Board members may receive a certain fee on a monthly and yearly basis or for each meeting, to be determined by the General Assembly. Fees, remunerations and other benefits to be given to the members who bear the independence criteria shall be at such a level that would not affect their independency.

## **General Assembly**

### **Article 16**

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

Operation of the meeting of the general assembly shall be governed by internal directives. Meetings of the general assembly shall proceed in accordance with the provisions of the Turkish Commercial Code, Capital Markets legislations and internal directives.

Announcements regarding the General Assembly meetings shall be made in accordance with the provisions of article 20 of these articles of association.

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

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

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

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

## **Place of Meetings**

### **Article 17**

General Assembly shall convene at the Company's head office or at another convenient place within the city where the company's head office is located.

## **Presence of the Representative of the Ministry of Customs and Trade at the Meetings**

### **Article 18**

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

## **Meeting Quorum**

### **Article 19**

Turkish Commercial Code, Capital Markets Law and capital markets legislations shall apply to ordinary and extraordinary meetings of the General Assembly as well as the quorums at such meetings.

## **Announcement**

### **Article 20**

Provided that the provisions of the Turkish Commercial Code are preserved, announcements concerning the Company shall be made in a newspaper published at the place where the Company's head office is located.

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

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

Texts of the proxy documents to be used by the shareholders as well as the amendment texts in case of amendment of the Articles of Association shall also be announced. Regulations of the Capital Markets Board concerning announcements are preserved.

## **Voting Right and Its Exercise**

### **Article 21**

Shareholders shall exercise their votes at the general assembly pro rata to the total nominal value of their shares. Each share has one vote.

Voting right belongs to the owner. At its discretion, the owner may delegate the exercise of its vote to a proxy from amongst or outside the shareholders. Regulations of the Capital Markets Board concerning voting by proxy shall apply. Shareholders may have themselves represented at the meetings by a proxy to be appointed from amongst other shareholders or third parties. Proxies who are also shareholders of the company are entitled to exercise votes on behalf of the shareholders that they represent in addition to their own votes. Forms of proxy documents to be used at the general assembly shall be prepared by the company and announced together with the announcement pertaining to the general assembly.

Legal entity shareholders are represented by the persons they authorize; whereas, minors and restricted individuals shall be represented by their guardians or custodians. These representatives are not required to be shareholders. In order to exercise their representation rights it is enough and sufficient that they present the document certifying their title. For shares with a usufruct right attached, the voting right belongs to the holder of such usufruct right. For pledged shares, the voting right belongs to the owner.



## **Documents to be Submitted to the Representative of the Ministry**

### **Article 22**

A copy Board of Directors' and Auditors' reports, financial statements, meeting minutes and the attendance list showing the names and shares of the shareholders that were present at the General Assembly shall be delivered to the Representative of the Ministry present at the meeting.

## **Determination and Distribution of Profit**

### **Article 23**

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

General Legal Reserves:

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

First Dividend:

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

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

Second Dividend:

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

General Legal Reserves:

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

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

**g)** Dividends shall be distributed equally to all existing shares as of the distribution date, regardless of their dates of issue and acquisition. General Assembly shall determine when and how to give the dividend to the shareholders, upon the proposal of the Board of Directors and in accordance with the communiqués of the Capital Markets Board. Dividend given by the general assembly in accordance with these articles of association cannot be taken back.

#### **B. Advance Dividends**

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

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

### **Termination and Liquidation**

#### **Article 24**

The Company shall terminate in case of occurrence of one of the reasons set forth in Turkish Commercial Code. Liquidation transactions of the Company, which terminates for a reason other than bankruptcy shall proceed in accordance with the provisions of the effective laws.

### **Application of the General Provisions**

#### **Article 25**

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

### **Issuance of Debt Instruments**

#### **Article 26**

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

### **Invitation to the Meetings of the General Assembly**

#### **Article 27**

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

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

### **Invitation to the Meetings of the Board of Directors**

#### **Article 28**

Board of Directors is invited to a meeting by the Chairman, or in his absence, the Vice-chairman of the Board of Directors.

Apart from this, any member may request from the Board Chairman to invite the Board of Directors to a meeting.

Shareholders and beneficiaries holding at least 1/20 of the Company's share capital may invite the Board of Directors to a meeting. Requests for invitation shall be made to the Board

Chairman. Should the Board Chairman come to the conclusion that there is no need to convene a meeting immediately, he may open the topic concerning the invitation to discussion at the following meeting of the Board of Directors.

### **Financial Statements and Reports, Documents to be Sent**

#### **Article 29**

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

### **Delegation of the Authorities of the Board of Directors**

#### **Article 30**

ABOLISHED.

### **Independence of the Board of Directors**

#### **Article 31**

ABOLISHED.

### **Secretariat**

#### **Article 32**

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

### **External Audit**

#### **Article 33**

ABOLISHED.

### **Committees**

#### **Article 34**

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

### **Audit Committee**

#### **Article 35**

ABOLISHED.

### **Corporate Governance Committee**

#### **Article 36**

ABOLISHED.