

BİZİM TOPTAN SATIŞ MAĞAZALARI ANONİM ŞİRKETİ
ARTICLES OF ASSOCIATION

INCORPORATION:

ARTICLE 1

A joint-stock company is established by the founders of whom the names, nationalities and residential addresses are provided below, pursuant to the provisions of the Turkish Commercial Code regarding immediate incorporation of joint-stock companies,

No.	Name and Surname	Residential Address
1	Ali Doğan Turkish Citizen	Ataköy 11. Kısım Menekşe Apt. D.8 Bakırköy İSTANBUL
2	Emine Meral Doğan Turkish Citizen	Ataköy 11. Kısım Menekşe Apt. D.8 Bakırköy İSTANBUL
3	Ahmet Timur Doğan Turkish Citizen	Ataköy 11. Kısım Menekşe Apt. D.8 Bakırköy İSTANBUL
4	Ergün Bodur Turkish Citizen	Derya Sk. Nurol Apt. D.8 Acıbadem İSTANBUL
5	Feride Esin Bodur Turkish Citizen	Derya Sk. Nurol Apt. D.8 Acıbadem İSTANBUL

TRADE NAME

ARTICLE 2

The trade name of the Company is Bizim Toptan Satış Mağazaları Anonim Şirketi. Hereinafter referred to as "the Company."

PURPOSE AND SCOPE

ARTICLE 3

The Company is established with the purpose of engaging in the following activities to realize purposes of the Company, provided that it is not contrary to Regulations on the Capital Markets other related legislation and it makes the disclosures required by the Capital Markets Board with a view to provide information to investors.

A) The main areas of activity of the Company are as follows:

1. The Company may purchase, produce, package, warehouse and/or engage in wholesale or retail sale of all types of food products, all types of beverages and drinks, all types of consumer durables, all types of textile and garment products, clothing, carpets and fur, leather and leather products, shoes, slippers and bags, office and home supplies, all types of consumer goods; all types of electric, electronic, and electromechanical technology products; all types of solid fuel, home and office equipment, health, cleaning and sports supplies and materials, knick-knacks, adornments and jewellery, optical devices and instruments, hardware supplies, toys, products, commodities and spare parts; it may sell all types of food and non-food products; it may perform wholesale or retail trade of granulated and liquid sugar and tea; it may trade cleaning products containing solvents; it may engage in wholesale or retail trading, export, import, produce or have produced, or open trading businesses to carry out these activities at vegetable and fruit markets in

BİZİM TOPTAN
SATIŞ MAĞAZALARI A.Ş.

various cities or counties; and it may perform Marketing and Distribution of Tobacco and Tobacco Products.

2. The Company shall not engage in wholesale or retail purchase, sale or distribution; or active or by-contract production, warehousing, or importing and exporting of alcoholic beverages or goods containing pork or pork products. The provisions included in this article may be amended or cancelled only by unanimous accord of all of the shareholders.

3. It may issue credit cards to its customers and establish chain stores to carry out the aforementioned activities;

4. It may provide all kinds of technical assistance to all those involved in every stage, from production to final delivery to the end user, of all types of food and commodities;

5. It may acquire or grant franchises on condition that it obtains the necessary permit from the related authorities and organizations;

6. It may offer healthy, clean and hygienic products to consumers by standardizing all food and commodities by type, quality and style; if deemed suitable, perform engage in transportation and warehousing, or import and export businesses and

7. It may collaborate with domestic and foreign companies that produce or sell all types of foods and provisions.

B) In order to carry out the aforementioned purpose and scope the Company may;

1. purchase, sell, build or have built, sell or rent properties and facilities; establish a lien, hold in pledge, or establish or release all types of rights in kind on properties.

2. open branches to carry out activities. grant agency or dealership rights domestically or abroad regarding its areas of activity; identify brokers and establish partnerships or collaborations with domestic and foreign companies, individuals or organizations to carry out its businesses, or become their representative.

3. carry out imports and exports; domestic trade; and domestic or international brokerage, representation, dealership, undertaking, distribution or agency businesses. perform all types of domestic trade, engineering, manufacturing, undertaking and analysis; open and operate branches; carry out marketing activities.

4. import, export, transport, produce, domestically trade or rent products, semi-finished products, raw materials, equipment, machinery, facility, moulds, devices, tools and paraphernalia related to its areas of activity.

5. contract, obtain long, medium or short-term cash or non-cash loans from domestic or foreign markets, national or international banks, finance institutions, financial markets, commodity exchange or other similar organizations, and the stock exchange or markets; acquire endorsement or guarantee loans, letters of credit, and investment or blank credits; obtain the loans stated in this article and other similar loans from national or international finance institutions and domestic and foreign organizations and businesses; give promissory notes for these loans; put its properties as mortgage or pledge as guarantee; transfer or cede movables and receivables; establish mortgages and pledges to guarantee the collection of its rights and receivables; when necessary, release, amend, transfer or assign these mortgages and pledges.

6. obtain, create, transfer or take over brands, franchises, patents, trademarks, licenses, technical assistance or non-material intellectual property rights with regards to its areas of activity; and carry out operations in free trade zones.

7. participate in public or private tenders regarding its areas of activity; give or obtain mortgages, bonds or


BİZİM TOPTAN
SATIŞ MAĞAZALARI A.Ş.

bank guarantee letters in this regard; take part in open tenders individually or together with 3rd parties; withdraw from tenders, or transfer the tenders it has been awarded to 3rd parties or take over tenders from 3rd parties.

8. provided that it does not act as an agent or a broker and that it complies with the related legislation, purchase securities, government bills and bonds, government debt securities, revenue sharing certificates and similar marketable securities as well as other capital market instruments such as shares or bonds and/or founder or dividend shares that have been issued by private or public law legal persons pursuant to current legislation; provided that it does not act as an agent or a broker, transfer or sell and show the above as guarantee, use or have others use usufruct rights; provided that it complies with the related legislation, perform repo, reverse repo or hedging transactions at banks.

9. purchase, build or have built, lease, or when necessary, sell or rent to others, and acquire or use the rights regarding the properties related to the aforementioned activities; on condition of complying with the Capital Markets Law and without being limited to these, establish lien, usufruct or mortgage and all types of rights; show as guarantee or release them on behalf of the Company or other persons and in favour of third parties that are identified by the buyer or seller; receive in cash or in kind all types of guarantees to create a mortgage for properties that belong to others, and to collect claims arising from cancellations; give all types of guarantees in cash or in kind for the purpose of performing its purpose and scope; carry out all types of analyses, projects and consultancy services within the scope of the guarantee, provided that it complies with the Capital Market Law; give mortgages, pledges or guarantees as security for debts of the Company or other individuals and/or companies; and become a joint debtor and/or a joint or sole guarantor.

10. Take actions in regards to properties it owns to unite, subdivide, abdicate and correct classification or establish easement; put the properties up for sale or accept the rights to sell; create property ownership, provided that it complies with the provisions of the Capital Markets Law regarding making disclosures to investors and third parties; establish all types of personal and other rights, especially mortgages, on properties that belong to the Company or to third parties as a guarantee for the debts of the Company or other individuals and/or companies, or lift these guarantees; perform all other similar transactions; and establish rights in kind in favour of or against the Company.

11. with regards to the Company's activities and for all purposes, perform all types of actions relating to technical assistance from domestic and/or foreign sources, information, patents, trademarks, licenses, brands, certifications, know-how, concessions and all non-material rights; rent, rent out, purchase or sell these rights; and create or acquire new rights.

12. obtain all types of guarantees in cash or in kind to collect or procure its rights and receivables, and give all types of guarantees in cash or in kind to perform its purpose and scope; carry out all types of analyses, projects and consultancy services required to realize the purpose and scope of the Company.

13. purchase, sell, acquire, rent or transfer all types of vehicles and machinery; and perform all types of actions on them.

14. purchase, sell, acquire, rent or transfer all types of vehicles and machinery with regards to the aforementioned activities in the previous section, and perform all types of actions on them; carry out or have carried out all necessary actions to transport within or outside the city, load, unload or distribute dry and/or fresh fruits and vegetables, meat and meat products, milk and milk products, and including but not limited to


BİZİM TÖRTAN
SATIŞ MAĞAZALARI A.Ş.

all types of food products and perishable and non-perishable commercial commodities between the sales outlets or warehouses that have been acquired to conduct the Company's businesses; warehouses owned by public or private, or natural persons or legal entities, institutions and organizations and their warehouses, and/or distribution centres by using all types of specially equipped and/or unequipped land, air and sea transportation vehicles which it owns and/or rents and/or possesses through leasing. transport all Company goods and goods owned by others, and perform domestic and international transportation activities in general. purchase, use, sell, rent, rent out, lease or import motorized or non-motorized, refrigerated, specially-equipped or non-equipped land, sea and/or air transportation vehicles, and all types of equipment and parts for these vehicles for this and other purposes.

15. collaborate with all types of natural and legal persons as well as government institutions and all levels of municipality establishments, entrepreneurs, associations, councils and/or committees.

16. Entrust company documents and funds to public or private organizations for safe keeping as well as asking for their return.

17. initiate all types of lawsuits or enforcement proceedings; take part in all types of lawsuits as plaintiff or defendant; give up a claim; withdraw or accept a lawsuit; settle; appeal or implement court rulings and exercise all of its related rights; refer to arbitration; appoint or refuse arbitrators; and take all types of legal action, possibility, or method it deems necessary to resolve all sorts of cases.

18. recruit foreign personnel if needed; train personnel domestically or abroad and take all sorts of related actions; go into service agreements with local or foreign technicians, experts or groups that are required to set up facilities and obtain work permits or transfer salary abroad.

19. make donations and give aid to foundations with social purposes, associations, universities and other similar organizations as well as to public entities as per the Capital Markets Law, provided that it complies with the provision of Article 21/1 of the Capital Markets Board (CMB) and that it makes the necessary material disclosures on the stock market bulletin, and that it provides information to the shareholders during the General Assembly regarding donations made throughout the year.

20. carry out all sorts of activities in current or future free trade zones, as well as high technology zones and other areas in Turkey, provided that it obtains permission from the relevant authorities.

21. participate in or organize local or overseas trade shows, exhibitions and/or conventions related to its areas of activity.

22. build and operate all types of storage facilities, including cold storage facilities, locally or abroad as necessary for the purpose of the warehousing and storage of all sorts of raw materials, goods and articles related to its areas of activity.

23. manufacture products related to its areas of activity under its own brand or other brands it leases through a license or make these produced by other contract manufacturers.

24. without prejudice to the provisions of Article 21/1 of the Law Number 6362 on Capital Markets, establish partnerships with local and/or foreign natural and legal entities with the purpose of performing Company activities or for any other reason; join partnerships; merge with current or future companies or their management; acquire shares of current or future companies; when necessary, part with all acquired assets duly; purchase or acquire shares of the Company and the stakeholders, or acquire non-ownership rights on these shares such as lien and usufruct, provided that it complies with the regulations of the Law on Capital


BİZİM TOPTAN
SATIŞ MAĞAZALARI A.Ş.

Markets and the Capital Markets Board, that it does not act as a broker, securities portfolio manager or an investment consultant, which are activities regulated by the Capital Markets Law; that it fulfils the obligations stipulated by the current legislation, and that it obtains all the required legal authorizations, especially those from the Capital Markets Board;

25. issue all kinds of bonds, participation bonds, bonds convertible with shares, convertible bonds, warrants, non-voting shares, redeemed shares, profit-loss sharing certificate and all other capital market instruments in accordance with the provisions of the Turkish Commercial Law, Capital Markets Law and other legislation, to be sold to natural and legal persons at home or abroad. The Board of Directors of the Company is authorized to issue bonds and other debt instruments under Article 31 of the Law on Capital Markets.

26. Provided that it complies with the regulations on the Capital Markets, the Company may carry out any and all commercial and industrial businesses and transactions with the stakeholders or Board Members.

27. It may enter into agreements with domestic and/or foreign companies in relation to areas of activities and participate in tenders at home and abroad and contract engagement.

28. Perform all sorts of administrative, financial and commercial activities to improve the purpose and scope of the aforementioned activities. Regulations on Capital Market shall apply with regards to the Company giving guarantees, pledges and indemnities, or establishing liens, including mortgage on its behalf or in favour of third parties.

The approval and resolution of the Board of Directors shall be required in cases when the Company wishes to enter into ventures other than the aforementioned ones as it deems useful and necessary.

HEADQUARTERS AND BRANCHES OF THE COMPANY

ARTICLE 4

Seat of the Company is Üsküdar district in Istanbul province. Its address is Altunizade Mah. Kuşbakışı Cad. No:19 Üsküdar İSTANBUL.

In case of a change in address, the new address will be registered in the trade registry and announced in the Turkish Trade Registry Gazette and communicated separately to the Ministry of Industry and Commerce and the Capital Markets Board. Notifications made to the registered and published address shall be considered to have been made to the Company itself. Failure of the Company to have its new address registered in a timely manner after leaving its registered and announced address will be treated and considered as a cause of dissolution.

Provided that it notifies the CMB and the Ministry of Industry and Commerce, the Company may open domestic and foreign branches, liaison offices, sales outlets, factories, warehouses, corresponding offices and agencies.

DURATION OF THE COMPANY

ARTICLE 5

The Company is incorporated for an unlimited duration and shall be dissolved as a result of the occurrence of one of the conditions stipulated by the Law or by a resolution for dissolution by the Board of Directors.


ERZİM TOPTAN
SATIŞ MAĞAZALARI A.Ş.

CAPITAL OF THE COMPANY:

ARTICLE 6

The Company has approved and adopted the registered capital system according to the provisions of the Law No.2499 on Capital Markets and the authorization No. 38/1152 of the Capital Markets Board dated December 29, 2010.

The registered capital ceiling of the Company is TL 200,000,000 (two hundred million Turkish Lira) and divided into 200,000,000 (two hundred million) shares worth nominal value of TL1 (one) each.

The registered capital ceiling authorized by the Capital Markets Board shall be valid between the years 2017 and 2021 (five years.) Even if the authorized registered capital ceiling has not been reached by the end of 2021, the Board of Directors must obtain authorization from the General Assembly and the CMB for a period not more than 5 years for either the previously-authorized ceiling or for a new one in order to pass a resolution to increase the capital after 2021. In the event of failure to obtain such an authorization, capital may not be increased by resolution of the Board of Directors.

The issued capital of the Company is 40,000,000 Turkish lira, which is fully paid in cash, free from collision.

Shares representing the capital shall be monitored within the framework of the principles of dematerialization.

The capital of the Company may be increased or decreased, when necessary, in accordance with the provisions of the Turkish Commercial Code and the Regulations on Capital Market.

The Board of Directors shall be authorized to pass resolutions to increase the issued capital by issuing new shares up to the ceiling of the registered capital, to restrict the rights of the shareholders to acquire new shares and to issue premium shares or shares under nominal value in accordance with the provisions of the Capital Market Law. The authorization to apply restrictions on acquiring new shares may not be used in a way that may cause inequality between the shareholders.

Unless there is a resolution of the General Assembly or the Board of Directors, with regards to capital increases, the shareholders shall have preemptive rights in the amount of the shares they hold. After using the preemptive rights, the remainder of the shares may be sold to other shareholders, or to natural and legal persons who will be acquiring new shares. Transactions shall be completed pursuant to the Capital Markets Law in the case of offering the remainder shares to the public after using preemptive rights.

TYPE OF SHARES

ARTICLE 7

The shares of the Company shall be payable to the holder. With regards to the type of Company shares, provisions of the Capital Markets Law and the principles of dematerialization of shares shall apply.

ISSUANCE OF CAPITAL MARKETS INSTRUMENTS

ARTICLE 8

The Board of Directors shall have the indefinite authority to issue all types of capital market instruments that are of the characteristics of debt instruments pursuant to Article 31 of the Law on Capital Markets.

In this case, Article 504 of the Turkish Commercial Code shall not apply.

BOARD OF DIRECTORS AND TERM OF OFFICE

ARTICLE 9

The Board of Directors shall consist of executive and non-executive members. Corporate Governance Principles of the Capital Markets Board shall apply with regards to the number and qualifications of


BİZİM TOPTAN
SATIS MAĞAZALARI A.Ş.

independent members in the Board of Directors, as well as the structure and formation of the Board of Directors.

Without prejudice to the aforementioned first paragraph of the Article:

- a) The Company shall be managed by a Board of Directors composed of at least five members elected by the shareholders, pursuant to the provisions of the Turkish Commercial Code and this Articles of Association.
- b) The Board of Directors shall appoint a temporary member with the necessary qualifications required by the Law to a vacated membership. The individual who has been elected in this manner shall temporarily serve until the next General Assembly and shall complete the term of office of his/her predecessor if approved by the General Assembly.
- c) With regards to the membership of the Board of Directors, a member who is representing a legal person shall be deemed to have resigned from the office in the event that the legal person he/she is representing notifies that he/she no longer has any ties with the shareholders and the Board of Directors shall appoint a temporary member nominated by the shareholders, to be submitted for approval of the next General Assembly.

MEETINGS OF THE BOARD OF DIRECTORS

ARTICLE 10

- a) The Board of Directors shall meet as required by the operations of the Company. It is required to send written notices, along with the meeting Agenda, to all members at least three calendar days prior to the meeting. Any Board Member may ask the Chairman or Vice Chairman of the Board of Directors to call for a meeting. In this case, the Chairman of the Board of Directors shall be obligated to the Board of Directors for a meeting.
- b) Pursuant to Article 390/4 of the Turkish Commercial Code, Board of Directors resolutions may be passed by one vote over half the total number of members without having to hold a meeting, provided that a written proposal made by one of the members has been presented to all of the Board Members and none of the members has requested a meeting be held to discuss the proposal.
- c) The Board of Directors shall convene with one more than half the total number of members and shall pass resolutions by the majority vote of participating members.

COMMITTEES CREATED WITHIN THE STRUCTURE OF THE BOARD OF DIRECTORS

ARTICLE 11

The Board of Directors shall create committees with a view to effectively carry out the duties and responsibilities stipulated by the Corporate Governance Principles of the CMB and the related legislation. Accordingly, it shall establish the Audit Committee, Corporate Governance Committee, Nomination Committee, Committee for Early Detection of Risks and Remuneration Committee. However, in the event of failure to create separate committees of Nomination, Early Detection of Risks and Remuneration, due to the structuring of the Board of Directors, then the Corporate Governance Committee shall perform their duties. The Board of Directors shall determine the committees' areas of responsibility and working principles as well as the members who will be serving in these committees. All Audit Committee members and the chairmen of


BİZİM TOPTAN
SATIŞ MAĞAZALARI A.Ş.

other committees shall be elected among independent board members. The Chief Executive Officer/General Manager shall not serve in any of the committees. The establishment of the committees, their areas of responsibility and working principles as well as who will be serving in them shall be determined disclosed to the public by the Board of Directors pursuant to the Corporate Governance Principles of the CMB and provisions of the related legislation.

REPRESENTING AND BINDING OF THE COMPANY

DUTIES OF THE BOARD MEMBERS

ARTICLE 12

Without prejudice to the provisions of Article 29, titled Compliance with the Corporate Governance Principles of this Articles of Association, the duties and powers of the Board of Directors are as follows:

The Board of Directors shall be responsible for the management of the Company and its representation before third parties. The Board of Directors shall determine the method and principles of dividing management responsibilities among members.

Pursuant to Article 367 of the Turkish Commercial Code, the Board of Directors may distribute all or part of its representation powers and management duties among the members, or transfer them to one or more executive members, or leave them to one or more managers whether they are shareholders or not.

Nevertheless, even under these circumstances, at least one Board Member shall be authorized regarding the representation and binding of the Company. Managers may be appointed for periods exceeding the Board Members' terms of office. The Board of Directors may establish committees and councils to run the Company.

Unless otherwise resolved by the Board of Directors, all documents or commercial papers the Company will give or the agreements it will enter into have to be signed under the Company title by the Chairman or Vice Chairman of the Board of Directors and any one of the Board Members.

AUDITORS AND THEIR DUTIES

ARTICLE 13

The Company shall be audited by Auditors who will be elected by the General Assembly according to the Turkish Commercial Code and the Capital Markets Law and communiques thereof. The provisions of the Turkish Commercial Code shall apply with regards to the election, dismissal, of the Auditor, termination of his/her contract and the procedures and principles pertaining to the audit of the company.

GENERAL ASSEMBLY MEETINGS

ARTICLE 14

The General Assembly shall convene for ordinary or extraordinary meetings. Relevant provisions of the Turkish Commercial Code shall apply with regards to invitations to these meetings.


BİZİM TOPTAN
SATIŞ MAĞAZALARI A.Ş.
250

MEETING TIMES

ARTICLE 15

Ordinary General Assembly shall convene within three months after the end of the accounting period of the Company and at least once a year and Extraordinary General Assemblies shall be held in cases and at times when the company affairs require.

MEETING VENUE:

ARTICLE 16

General Assembly Meetings shall be held at company headquarters or at a convenient location in the province of Istanbul, as approved by the Board. The Board of Directors shall determine the venue of the General Assembly by taking into consideration the Corporate Governance Principles stipulated by the Capital Markets Law.

ANNOUNCEMENTS

ARTICLE 17

Without prejudice to the provisions of Article 35 paragraph 4 of the Turkish Commercial Code, announcements for the Company shall be made in a newspaper published in the location of Company headquarters and by complying with time limitations stipulated by the Turkish Commercial Code and the Capital Markets Law. All announcements, including the call for General Assembly Meetings, shall be made according to the provisions of the Turkish Commercial Code and the Capital Markets Law.

The announcement for the General Assembly shall be made at least three weeks prior to the date of assembly, using all channels of communication, including electronic communication, in addition to the methods outlined by the law, in order to reach the maximum number of shareholders possible. General Assembly Meeting meetings as well as the notifications and disclosures required by the legislation, and other matters stipulated by the Corporate Governance Principles of the CMB shall be announced on the corporate website in a conspicuous manner.

Pursuant to Article 416 of the Turkish Commercial Code and without prejudice to the other provisions regarding invitation to the General Assembly, when all of the shareholders or their representatives are present and if there is no objection, the General Assembly may convene without having to comply with the rules regarding invitation to the General Assembly.

APPOINTING REPRESENTATIVES AND VOTING

ARTICLE 18

Shareholders or their proxies present at the ordinary and extraordinary general assembly meetings shall have a single vote for each share. Shareholders may be represented at the meetings of the General Assembly by other shareholders or proxy they appoint from outside. Proxies, who are also shareholders of the Company are authorized to cast their own vote and the votes of the shareholder they represent.


RIZİM TOPTAN
SATIŞ MAĞAZALARI A.Ş.

The provisions of the Turkish Commercial Code and the Capital Markets Board shall be applicable regarding proxy voting. The representative is required to cast the vote as per the wishes of the person who is transferring the authority, provided that the authorization certificate from the transferring shareholder states this fact. Without prejudice to the appointment of representatives through the Electronic General Assembly System, proxy statements regarding this matter have to be made in writing.

Electronic participation in the meetings of the General Assembly:

The rights holders entitled to attend the general assembly meetings of the company may participate in these meetings in the electronic media pursuant to Article 1527 of the Turkish Commercial Code.

The Company may set up an electronic general assembly system pertinent to the provisions of the Regulation Pertaining to the General Assembly of Joint Stock Companies to be Held Via Electronic Means that will allow rights holders to participate in general meetings, to deliver opinions, to make proposals and to vote in the general assembly or may procure service from systems installed for this purpose. Rights holders and their representatives shall be ensured to be able to exercise the rights mentioned in the said Regulation through the system established, at all meetings of the General Assembly, in accordance with this provision of the Articles of Association.

DISCUSSION AND QUORUM

ARTICLE 19

a) Unless otherwise provided in this Articles of Association, Ordinary and Extraordinary General Assemblies and meeting quorums shall be subject to the provisions of the Turkish Commercial Code and the Capital Markets Law.

b) However, the matters stated in Article 3 Paragraph A)2 of this Articles of Association may be amended or cancelled only when shareholders representing 100 % of the Company shares are present at the General Assembly in person or by proxy and votes corresponding to 100 % of the Company shares are cast in favour of the resolution. In other words, a 4/4 ratio shall be applied to the General Assembly meeting and the meeting quorum, respectively.

PRESENCE OF A COMMISSIONER AT THE MEETINGS

ARTICLE 20

Commissioner of the relevant Ministry shall attend both ordinary and extraordinary general meetings and sign the minutes of the meetings together with the persons concerned Resolutions taken in the meetings of the General Assembly in the absence of the Commissioner and minutes of the meeting without the signature of the Commissioner shall not be valid.

ACCOUNTING PERIOD

ARTICLE 21

The fiscal period of the Company shall begin on the first day of January and shall end on the last day of December.


BİZİM TOPTAN
SATIŞ MAĞAZALARI A.Ş.

DETERMINATION AND DISTRIBUTION OF PROFIT

ARTICLE 22

The net profit drawn up in the annual budget after the deduction of all expenses and depreciation sums, reserves and taxes needed to be paid by or charged to the Company, from the revenues of the Company as determined by the end of the accounting term and after the deduction of the previous years loss, if any, shall be distributed as follows:

General Statutory Reserve Fund:

- a) 5% shall be set aside as the statutory reserve fund.

First Dividend:

- b) The first dividend shall be set aside from the remaining amount, over the amount to be found by addition of the amount of donation made within the year, if any, in accordance with the Turkish Commercial Code and the Regulations on Capital Markets.
- c) After the abovementioned deduction is made, the General Assembly may set aside an amount as profit share for the members of the Board of Directors, officers, employees and workers and foundations established for various purposes and similar natural or legal persons.

Second Dividend:

- d) The General Assembly shall be authorized to allocate whole or part of the remaining amount, after deducting the amounts stated in sub-paragraphs (a), (b) and (c) from the net profit, as second dividend or set aside as reserve fund pursuant to Article 521 of the Turkish Commercial Code.

General Statutory Reserve Fund:

- e) Pursuant to second paragraph of Article 519 of the Turkish Commercial Code, one tenth of the amount calculated after deducting 5% profit share from the portion decided to be distributed to eligible shareholders and other persons with participating stock shall be allocated as general legal reserves.

It may not be resolved that any other reserve funds be set aside or left for the following year; the profit be distributed to the members of the Board of Directors, officers and employees and foundations established for various purposes and similar natural or legal persons unless reserve fund is set aside in compliance with the legislation and dividend stated in the Articles of Association for the shareholders are distributed.

Dividend shall be distributed equally to all shares existing as of the date date of distribution, without taking into consideration the date of issue and acquisition.

The General Assembly shall determine how and when to distribute the profit, upon a proposal submitted by the Board of Directors.

Resolution for distribution of profit passed by the General Assembly pursuant to these provisions of the Articles of Association shall not be revoked.


RISIM TOPTAN
SATIŞ MAĞAZALARI A.Ş.

CONTINGENCY RESERVES

ARTICLE 23

Pursuant to Article 521 of the Turkish Commercial Code, an amount over five percent of the annual profit may be allocated as contingency reserves and contingency reserves may exceed 20 percent of the paid capital.

LEGAL PROVISIONS

ARTICLE 24

With regards to matters not mentioned in this Articles of Association, provisions of the Turkish Commercial Code and the Capital Markets Law shall apply.

FINANCIAL PROCEDURES

ARTICLE 25

a) The Company shall keep thorough and current books, and shall comply with the laws and regulations regarding other records.

b) An Independent Auditor shall be appointed in accordance with regulations on Capital Markets from among independent audit companies authorized by the the Capital Markets Board. Financial statements, reports and independent audit reports required by the Capital Markets Board shall be sent to the Capital Markets Board and shall be disclosed to the public according to the procedures and principles specified by the Capital Markets Board.

With regards to the election of the independent audit company the Capital Markets Law and the provisions of the applicable legislation shall apply.

PROVIDING INFORMATION

ARTICLE 26

The Company shall be obligated to provide information to the Capital Markets Board and submit reports and documents stipulated by the legislation within the scope of its operations and pursuant to the procedures and principles stipulated in the regulations of Capital Markets Board. The financial statements, reports and independent audit reports required by Capital Markets Board shall be sent to the Capital Markets Board and disclosed to the public according to the procedures and principles specified by the Capital Markets Board.

With regards to the preparation and announcement of the balance sheet, income statement and the Board of Directors or Auditor reports, relevant communiqués of the Capital Markets Board and the Corporate Governance Principles shall apply.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

ARTICLE 27

The proposal of amendments drawn up by the Board of Directors has to be approved by the Capital Markets Board and the Ministry of Industry and Commerce so that amendments to the Articles of Association of the Company could be discussed and approved by the General Assembly.

Amendments to the Articles of Association shall be announced in the Trade Registry Gazette after being duly


R. T. TORTAN
SATIŞ MAĞAZALARI A.Ş.

certified and registered in the Trade Registry, and one copy shall be submitted to the Capital Markets Board.

REMUNERATION OF THE BOARD MEMBERS AND SENIOR EXECUTIVES

ARTICLE 28

Board Members shall receive a monthly or annual salary or a certain allowance for each meeting to be determined by the General Assembly. Corporate Governance Principles and Capital Markets Board legislation shall apply with regards to remuneration of Board Members and senior executives.

COMPLIANCE WITH PRINCIPLES OF CORPORATE GOVERNANCE

ARTICLE 29

Principles of Corporate Governance required by the Capital Markets Board shall be complied with. Any procedures conducted without observing the mandatory principles and resolutions taken by the Board of Directors are invalid and shall be considered contrary to the Articles of Association. Regulations on Corporate Governance of the Capital Markets Board shall be applicable for transactions that are considered to be significant in terms of implementation of the Principles of Corporate Governance, and for all related party transactions of the Company and for transactions regarding the guarantees, pledges and mortgages the Company has granted in favour of third parties.

The General Assembly must approve beforehand and be informed in order to obtain its authorization for transactions that may cause a conflict of interest with the Company or its subsidiaries and that are carried out by the controlling shareholders, Board Members, senior management and/or their spouses as well as their relatives by blood and/or marriage to the second degree.

Regulations on capital market shall apply with regards to the Company giving guarantees, pledges and indemnities, or establishing liens, including mortgage on its behalf or in favour of third parties.


BEZİM TOPTAN
SATIŞ MAĞAZALARI A.Ş.