

PRINCIPLES TO BE FOLLOWED BY THE JOINT STOCK CORPORATIONS SUBJECT TO CAPITAL MARKET LAW*

OVERRULED COMMUNIQUÉS

(Published in the Official Gazette dated 26 February 1982 No:17617.)

1. Annex Communiqué Serial: IV No: 6 to Communiqué on “Principles to be Followed by Joint Stock Corporations Subject to Capital Market Law” published in the Official Gazette dated 17 December 1985 No:18961 has been overruled by Communiqué Serial: VIII No: 27 published in the Official Gazette dated 19 December 1995 No:22498.
2. (“Annex Communiqué Serial: IV No: 4 to Communiqué Serial: IV No: 1” was published in the Official Gazette dated 09 February 1983 No:17954.)
3. (Communiqué Serial: IV No: 5 was published in the Official Gazette dated 2.3.1983 numbered 17975.)
4. (“Communiqué Serial: IV No: 10 on Amending the Communiqué on Principles to be Followed by the Joint Stock Corporations subject to Capital Market Law” was published in the Official Gazette dated 14 March 1995 No:22227.)
5. (“Communiqué Serial: IV No: 15 on Amending the Communiqué on Principles to be Followed by the Joint Stock Corporations subject to Capital Market Law” was published in the Official Gazette dated 1 November 1995 No:22450.)
6. (“Annex Communiqué Serial: IV No: 18 to Communiqué on Principles to be Followed by the Joint Stock Corporations subject to Capital Market Law” was published in the Official Gazette dated 19 February 1996 No: 22559.)
7. (“Annex Communiqué Serial: IV No: 20 to Communiqué on Principles to be Followed by the Joint Stock Corporations subject to Capital Market Law” was published in the Official Gazette dated 19 December 1996 No:22852.)
8. Article 7 of this Communiqué has been overruled by Serial:IV No:27 Communiqué on Principles to be Followed by the Joint Stock Corporations subject to Capital Market Law Concerning Distribution of Dividends and Interim Dividends, which was published in the Official Gazette dated 13 November .2001 No:24582.
9. Articles 2,3,4 and 5 of this Communiqué have been overruled by Serial:I No:29 Communiqué on Principles Regarding Registration with the CMB and Sale of Shares, which was published in the Official Gazette dated 18 February 2003 No:25024.

* The name was amended by Communiqué Serial: IV No: 4 published in the Official Gazette dated 9.2.1983 numbered 17954. The previous name was “Provisions that are followed in 1982 in accordance with Law No: 2499 by the Joint Stock Corporations with Securities Offered to Public”.

Serial: IV
No: 1

Definitions

Law: Capital Market Law No: 2499
Board: Capital Markets Board
Corporation: Joint Stock Corporation

The compulsions of joint stock corporations with securities offered to public within the scope of Article 11 of Capital Market Law No: 2499 and the obligations they have to fulfil in accordance with Provisional Article 2 of the Law are explained below.

Scope

ARTICLE 1- In accordance with Provisional Article 2 of the Law, corporations established prior to effectiveness of the Law, having the qualifications laid down in Article 11 shall be subject to provisions of the Law, as well. The Board can provide a period not exceeding one year to these corporations so that they can satisfy the necessary requirements.

Provisional Article 2 is related to corporations with securities offered to public with the number of shareholders determined by any way to be more than 100. This type of corporations, which will be established after February 1, 1982, shall be subject to the Law in all their operations and the corporations established prior to this date shall also be subject to this Law; however, they shall harmonise their status with the Law until December 31, 1982.

Obligations

ARTICLE 2- (Overruled by Article 25 of Communiqué Serial:I No:29 published in the Official Gazette dated 18 February 2003 No:25024)

Obligations of the Auditors of the Corporation

ARTICLE 3 – (Overruled by Article 25 of Communiqué Serial:I No:29 published in the Official Gazette dated 18 February 2003 No:25024)

Obligations of Commissioners of Ministry of Trade, Other Government Officials, Banks and Exchange Brokers

ARTICLE 4 – (Overruled by Article 25 of Communiqué Serial:I No:29 published in the Official Gazette dated 18 February 2003 No:25024)

Determination of Number of Shareholders

ARTICLE 5 – (Overruled by Article 25 of Communiqué Serial: I No: 29 published in the Official Gazette dated 18 February 2003 No: 25024)

Amendments in Articles of Association

ARTICLE 6 – The corporations are obliged to harmonise their Articles of Association with the provisions of Law No: 2499 by 31 December 1982. The provisions of Articles of Association of the corporations not harmonising their status with the Law during this period shall not be implemented. In such a case, in case the operation applicable in the Law is clear, the provision of the Law, if not, the principles and methods to be determined by the Board upon written application shall be implemented. In case there is no applicable provision in the Articles of Association;

- a) The first dividend amount determined in accordance with Article 15 of the Law shall be allocated upon the ratio determined in Article 7 of this Communiqué,
- b) Profit shall not be allocated to members of Board of Directors, employees, workers and officers,
- c) (Overruled by Article 3 of Communiqué Serial: IV No: 2 published in the Official Gazette dated 10 July 1982 No: 17750)

The basic issues to be regulated specially in Articles of Association according to Law No: 2499 are as follows;

- a) Approval of adopting registered capital system,
- b) Attribution of the decision making authority to Board of Directors on issuance of preferred stocks or issuance of shares with a premium over their nominal value and limitation of pre-emptive rights or limitation of rights of preferred shareholders,
- c) Transfer of authority to issue bonds to Board of Directors,
- d) Possibility to issue convertible bonds,
- e) Inclusion of principles of profit distribution determined by the Board in accordance with paragraph 1 of Article 15 of the Law.

First Dividend Ratio and Dividend Payments (The title of the Article had been amended by Communiqué Serial: IV No: 18)

ARTICLE 7 – (Overruled by Communiqué Serial: IV No: 27 published in the Official Gazette dated 11 November 2001 No: 24582)

Dividends for 1981 Accounting Period

ARTICLE 8 – Utilisation of the profit for 1981 accounting period, first and second dividends, reserve funds and bonus payments shall be paid in

ratios and terms determined at the Shareholders Meeting within the framework of TCC and other legislation and Articles of Association of the corporation. However, the dividends and bonus payments decided to be distributed but transferred and the dividends and bonus payments for 1981 shall be paid at the latest by the end of 1982.

Financial Statements and Reports for 1981 Accounting Period

ARTICLE 9 – In implementation of this Communiqué, 1981 accounting period covers the period from 1 January 1981 to 31 December 1981 for corporations that have chosen the calendar year as accounting period and the one year period backwards from the last date of the period not exceeding 30 September 1982 for corporations implementing a special accounting period.

Balance sheets, profit and loss statements, reports of board of directors and auditors for the accounting period determined in accordance with the first paragraph, shall be arranged as in previous years and finalised with the approval of the authorised bodies of the corporation. The principles and forms to be determined by the Board in this regard, shall be applicable for the accounting periods ending after 30 September 1982.

Financial statements and reports for 1981 accounting period shall be sent through registered mail to “Capital Markets Board – Ankara” address within thirty days following their approval at the Shareholders’ Meeting without publishing these in the TTRG and in at least two daily newspapers in which the public offering and sale notices had been published.

SUPPLEMENTARY ARTICLE 1- (Annexed through Communiqué Serial: IV No: 4) If the corporations covered by the Law have not delivered stocks representing the shares in paid-in capital to their shareholders on the date of effectiveness of this Communiqué, they have to deliver the stocks in at most three months.

The corporation shall inform the delivery of shares to related individuals.

Notification about the operation shall be made to the Board in six working days after distribution. (This article shall be effective on the date of publication starting from 1 January 1983).

SUPPLEMENTARY ARTICLE 2 - (Annexed through Communiqué Serial: IV No: 20) In real estate purchases and sales of corporations with shares traded on Stock Exchange, exceeding 5% of the paid-in capital, if they provide their real estates as capital in kind for another company, these real estates must be valued by the expertise companies mentioned in

Supplementary Article 1 of the Communiqué on Principles Regarding Real Estate Investment Companies Serial: VI No: 7.

In operations within this article, the corporations must notify the Stock Exchange about the result of the valuation made by the expertise company, buying and selling price of real estate or the value of the capital in kind, qualifications of the real estate, percentage of the mentioned real estate in paid-in capital of the corporation, from whom the real estate was bought and to whom it was sold or in which company the real estate was used as capital in kind, direct or indirect relation between the company buying, selling or using the capital in kind and the publicly held corporation and the other information requested by the Board, so that these can be published in the ISE Bulletin in the working day following the mentioned operations.

ARTICLE 10 – This Communiqué shall enter into force on the date of its publication to be effective from 1 February 1982.