

**COMMUNIQUÉ ON
SQUEEZE-OUT AND SELL-OUT RIGHTS**

(II-27.2)

(Published in the Official Gazette edition 29173 on 12/11/2014)

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

Purpose and Scope

ARTICLE 1 – (1) The purpose of this Communiqué is to set down the principles and procedures relating to the right of controlling shareholder to squeeze out other shareholders, and the right of other shareholders to sell their shares out to controlling shareholder.

Grounds

ARTICLE 2 – (1) This Communiqué has been prepared and issued in reliance upon Article 27 of the Capital Markets Law no. 6362 dated 6/12/2012.

Definitions

ARTICLE 3 – (1) For the purposes and in the context of this Communiqué:

- (a) **“Persons acting in concert”** refers to natural persons or legal entities who act in cooperation in reliance upon an explicit or implicit, verbal or written agreement, for the purpose of acquiring management control of the corporation;
- (b) **“Exchange”** refers to the systems, marketplaces and foreign stock exchanges as defined in Article 3 of the Law no. 6362;
- (c) **“Emerging Companies Market”** refers to the market defined in exchange legislation;
- (ç) **“Controlling shareholder”** refers to natural persons or legal entities who jointly or individually hold at least 98% of voting rights in the corporation;
- (d) **“Law”** refers for the Capital Market Law no. 6362;
- (e) **“Board”** refers to the Capital Markets Board;
- (f) **“CRA”** refers to Central Registry Agency Co., Inc.;

(g) **“Corporation”** refers to a joint-stock company the shares of which are offered to public or are deemed to have been offered to public;

(ğ) **“Take-over bid”** refers to a bid defined in the regulations of the Board pertaining to take-over bids;

(h) **“Takasbank”** refers to İstanbul Takas ve Saklama Bankası A.Ş. (Istanbul Settlement and Custody Bank);

(ı) **“TCC”** refers to the Turkish Commercial Code no. 6102 dated 13/1/2011;

(i) **“TTRG”** refers to the Turkish Trade Registry Gazette;

(j) **“Investment firm”** refers to joint-stock companies defined in Article 3 of the Law;

(k) **“Management control”** refers to the status of holding more than fifty percent of voting rights in the corporation, alone or jointly with persons acting in concert, directly or indirectly, , or holding majority of privileged shares granting the right of nomination for the simple majority of total number of the members of the board of directors in the meeting of the general assembly of shareholders.

SECOND PART

Exercise of Squeeze-out and Sell-out Rights

Method of Calculation of Voting Rights

ARTICLE 4 – (1) As a result of a take-over bid or by any other means including acting in concert, in cases where the controlling shareholder’s voting rights reach %98 or the controlling shareholder buys an additional share while holding %98 of the shares, regardless of whether the shares are privileged or not, controlling shareholder shall become entitled to squeeze out all other shareholders, and other shareholders shall become entitled to sell out their shares to the controlling shareholder

(2) In determination of the ratio of voting rights, both direct and indirect shares owned by the controlling shareholder shall be taken into consideration. Privileges on voting rights or a usufruct or buying right on shares owned by controlling shareholder shall not be taken into consideration.

(3) Obligations of corporations arising out of legislation applicable to them other than capital market legislation they are, however, reserved.

Procedure for Exercise of Rights

ARTICLE 5 – (1) Upon gaining the status of controlling shareholder or upon purchasing additional shares in that status, the controlling shareholder shall publicly disclose this status in

accordance with the regulations of the Board pertaining to public disclosure of material events. Within a prescriptive period of three months following that disclosure, shareholders other than the controlling shareholder intending to exercise their sell-out rights shall submit their requests to exercise their sell-out rights over the price determined pursuant to third paragraph of Article 6 to the corporation. If the controlling shareholder loses its control within said period of three months, the exercise of sell-out rights shall be continued until the end of said period. During this period of three months, except for purchases made by the controlling shareholder due to exercise of the sell-out right, the controlling shareholder may not purchase additional shares.

(2) The corporation shall check the shareholding status of shareholders intending to use their sell-out rights, and shall have a valuation report prepared pursuant to the pertinent regulations of the Board with a view to determining the share prices within a period of one month following receipt of the first request of exercise of the sell-out right .

(3) The corporation shall notify the requests of shareholders to the controlling shareholder by registered mail or via a notary public, within no later than one month following receipt of the request, and in any case, within no later than three business days following the date of disclosure of the results of the valuation report to public.

(4) The controlling shareholder is required to deposit the payment for the shares in the account of the corporation within no later than three business days following receipt of the request of exercise of the sell-out right . Payment for shares held by shareholders intending to exercise their sell-out right shall be paid by the corporation at the latest in the second business day following the deposit of the payment for shares by the controlling shareholder to the corporation's account, and upon payment, the share transfer process shall be completed. The sell-out right may be exercised through an investment firm.

(5) When the sell-out right is intended to be exercised, it should be exercised for all privileged or non-privileged shares owned.

(6) Within no later than three business days following the prescriptive period of three months pertaining to use of sell-out rights, the controlling shareholder wishing to exercise its squeeze-out right is required to apply to the corporation for exercise of this right over the price specified in second paragraph of Article 6. The application should state name and surname/title and address of controlling shareholder, and sale price, as well as a bank letter of guarantee, or the fund to be used for the squeeze-out right of should be deposited in a special account.

(7) The board of directors of the corporation shall take a decision to cancel the shares of other shareholders and to issue new shares in place of the cancelled shares, and shall apply to the Board for approval of the issue document by submitting the documents listed in the Annex to this Communiqué. Corporations the shares of which are traded on the exchange shall simultaneously apply to the stock exchange for delisting of their shares. The application to the Board shall be processed according to the principles of capital increase through private placement within the framework of regulations of the Board regarding shares, however, in this

case, the principles of price margins included in the regulations of the exchange pertaining to the wholesale market shall not be applied.

(8) Controlling shareholder shall deposit the total payment required for squeeze-out of other shareholders in the corporation's bank account within three business days following the date of approval of the Board. The capital increase of the corporation privately placed to the controlling shareholder shall be offset against the payment deposited to the corporation under the provisions of sixth paragraph of this Article. The Board fee to be calculated for the new shares to be issued over the exercise price for squeeze-out rights, not being less than the nominal value of said shares, shall be deposited by the controlling shareholder into the relevant account of the Board prior to receipt of the issue document.

(9) The Board-approved issue document shall be registered in the trade registry and published in TTRG by the corporation within three business days following the date of approval of the Board. Previous shares being the subject matter of the squeeze-out right are deemed to have been cancelled as of the date of said registration.

(10) In the business day following the date of depositing of the money by the controlling shareholder in the corporation's account, the corporations the shares of which are traded on the exchange shall apply to CRA requesting this money to be transferred to accounts of shareholders other than controlling shareholder, shares of said other shareholders to be cancelled, and newly issued shares to be transferred to account of controlling shareholder. Amounts relating to shares dematerialized in CRA system shall be transferred by CRA to accounts of the relevant investment firms for further transfer to accounts of shareholders other than controlling shareholder. The remaining amount, related to shares registered in the name of the corporation in CRA system as of the said date, and related to non-dematerialized shares of persons proving their shareholding after the said date, is required to be kept by the corporation through relevant investment firms for a period of three years in a special interest-bearing account to be opened at Takasbank. A bank letter of guarantee may be provided for the amount to be deposited. At the end of the period of three years following the date of cancellation of shares, the special account shall be unblocked upon application of the relevant investment firm to Takasbank. The account balance plus interests accrued over the deposited amount kept in the Takasbank account for a period of three years shall be refunded to the corporation upon its request at the end of three years. Prices of shares required to be paid for shares to persons proving their shareholding after that date shall be paid by the corporation. For the purposes of this paragraph, the principles relating to application of interest over the amount kept in the deposited account, the principles of clearing applicable on brokerage services, and the principles of unblocking shall be determined by Takasbank upon approval of the Board.

(11) Corporations the shares of which are not traded on the exchange shall disclose to public, that the controlling shareholder is going to exercise its squeeze-out right, that shares will be cancelled due to the exercise of the squeeze-out right, and that the holders of such shares are required to apply to the corporation for the destruction of their share certificates against payment for the sale of shares thereof, in accordance with regulations of the Board pertaining

to disclosure of material events and announce in a nationwide newspaper or in one of the local periodicals with the highest circulation published where the headquarters of the corporation is. Payments for share certificates submitted shall be made fully in cash on the same day. Share certificates together with the relevant coupons shall be physically cancelled and destroyed, in a notary public, and such destruction shall be evidenced in minutes to be issued by the notary public. Said corporations are under the obligation to purchase the previous shares, which are the subject matter of use of the squeeze-out right and are deemed to be cancelled, upon application of their holders, without being subject to any time limitation.

(12) Following completion of CRA process described in the tenth paragraph, the exchange shall evaluate the related application and shall decide to delist the corporation shares from the exchange, and to permanently prohibit their trading therein, and such decisions shall become effective in the first business day after disclosure of the decisions by the stock exchange in PDP (Public Disclosure Platform).

(13) Corporations where the controlling shareholder exercises its squeeze-out right shall be excluded ex officio by the Board from the scope of the Law.

(14) The process of delisting from the exchange, to be carried out under this Article, is considered and treated as one of the cases which do not lead to an appraisal right.

THIRD CHAPTER

Exercise Price for Squeeze-out and Sell-out Rights

Exercise Price for Rights

ARTICLE 6 – (1) During the process of exercise of squeeze-out and sell-out rights, payments shall be made fully in cash in Turkish Lira.

(2) Sale price with respect to the exercise of squeeze-out rights shall be considered and accepted:

a) For corporations shares of which are traded on the exchange:

- 1) For each of the share groups traded in the exchange, as arithmetical average of weighted average prices in the exchange within thirty days prior to the date of disclosure to public of the acquisition of controlling shareholder status or the purchase of additional shares in the controlling shareholder status;
- 2) For each of the share groups not traded in the exchange, if there is only one share group traded therein, as the price determined for that group pursuant to provisions of sub-clause (1) of subparagraph (a) of this paragraph, or if there are more than one share groups traded

therein, as arithmetical average of prices determined for those groups pursuant to provisions of sub-clause (1) of subparagraph (a) of this paragraph;

b) For corporations the shares of which are not traded on the exchange, as the price determined in the valuation report prepared for determining the price for each share group.

(3) Fair price with respect to the exercise of the sell-out right is considered and accepted:

a) For corporations the shares of which are traded on the exchange, as the highest price to be found through comparison of the price to be calculated within the frame of second paragraph of this Article, the price to be determined in the valuation report issued for determination of price for each share group, mandatory takeover bid price, if a mandatory bid is made under Article 26 of the Law within one year prior to the date of disclosure to public of the acquisition of controlling shareholder status or the purchase of additional shares in the controlling shareholder status, and average of weighted average prices in the exchange within the last six months, one year and five years prior to the date of disclosure to public of the acquisition of controlling shareholder status or the purchase of additional shares in the controlling shareholder status;

b) For corporations the shares of which are not traded on the exchange, as the highest price to be found through comparison of the price to be determined in the valuation report issued under the second paragraph of this Article, and mandatory takeover bid price, if a mandatory bid is made under Article 26 of the Law within one year prior to the date of disclosure to public of the acquisition of controlling shareholder status or the purchase of additional shares in the controlling shareholder status.

If and when it is decided by the Board to apply the provisions of Articles 101 and 107 of the Law with regard to the transactions effected within the periods specified in this Article, these periods of time shall not be included in calculation periods.

FOURTH CHAPTER

Miscellaneous and Final Provisions

Public Disclosure

ARTICLE 7 – (1) The acquisition of controlling shareholder status or the purchase of additional shares in the controlling shareholder status or the loss of this status or a decision to exercise the squeeze-out right shall be disclosed by the controlling shareholder to public, together with the exercise price for this right, within the framework of the regulations of the Board regarding the disclosure of material events.

(2) The following information or events shall be disclosed by the corporation to public within the framework of regulations of the Board regarding the disclosure of material events:

- a) Information on application to the corporation for a request of exercise of the squeeze-out right, on the squeeze-out process, and on results of the squeeze-out process;
 - b) In the case of emergence of the sell-out right or an application to the corporation with a request to exercise the sell-out right of, on a daily basis as long as applications are received, information on the number of shareholders intending to exercise this right, and their shares in the capital, and total price of the sell-out right ;
 - c) The price of the sell-out right , also including the summary or results of the valuation report determining the sale price;
 - ç) At the end of the period of exercise of the sell-out right, information on the number of shareholders exercising this right, their shares in the capital, and the rate of shares of the controlling shareholder in the capital.
- (3) If, at the time of application to the corporation for the purpose of exercising the sell-out right , the share price is uncertain according to the results of the valuation report, then the prices determined according to other criteria specified in Article 6 are required to be disclosed to public, together with information as to the request for exercising the sell-out right .

Exceptions

ARTICLE 8 – (1) In corporations where public entities or administrations hold shares, unless otherwise requested by the relevant public entities or administrations, the provisions of this Communiqué are not applicable for the shares held by the public entities or administrations.

(2) Provisions pertaining to investment companies are, however, reserved.

Limitation on Use of Rights of Squeeze-out and Sell-out

ARTICLE 9 – (1) The rights of squeeze-out or sell-out may not be used for a period of two years following the starting date of trading of the corporation’s shares in the exchange.

Repealed Communiqué

ARTICLE 10 – (1) The Communiqué on Squeeze-out and Sell-out Rights (II-27.1), published in the Official Gazette edition 28870 on 2/1/2014 is repealed.

(2) References made in the other regulations of the Board to the Communiqué named in the first paragraph shall be deemed to have been made to this Communiqué.

Provisions on Existing Controlling Shareholders

TRANSITIONAL ARTICLE 1 – (1) For shareholders being in the controlling shareholder status as of the effective date of this Communiqué, the squeeze-out right shall not arise

automatically. In this case, the sell-out right may not be exercised either. However, these rights become exercisable upon purchase of additional shares by the controlling shareholder.

Outstanding Applications to the Board

TRANSITIONAL ARTICLE 2 – (1) In the process of handling applications filed with the Board for exercise of the squeeze-out right , the controlling shareholder shall be granted an additional period of one month following the date of publication of this Communiqué for review of its intention on whether or not to exercise their squeeze-out right . The sell-out right may not be exercised during this period of time. If the controlling shareholder declares to the public that it has renounced the intention of exercising its squeeze-out right, the sell-out right may be started to be exercised only if and when the controlling shareholder purchases additional shares. If, however, the controlling shareholder declares to the public that it intends to exercise its squeeze-out right , the prescriptive period relating to the exercise of the sell-out right shall start as of the date of said disclosure to public. For the purpose of calculating of the exercise price for the rights, the date of first public disclosure made by the controlling shareholder in relation to exercising its squeeze-out right shall be taken as the starting date thereof.

Transitory Process on Determination of Voting Rates

TRANSITIONAL ARTICLE 3 – (1) The voting rate of 98% specified in Article 4, as required to enable the exercise of squeeze-out and sell-out rights of, shall be considered as 95% for the exercise the rights which have arisen until 31/12/2014, and as 97% for the exercise the rights which will arise until 31/12/2017.

Effective Date

ARTICLE 11 – (1) This Communiqué becomes effective as of date of publishing.

Enforcement

ARTICLE 12 – (1) The provisions of this Communiqué will be enforced and executed by the Board.

ANNEX
INFORMATION AND DOCUMENTS
REQUESTED IN APPLICATIONS TO BE FILED WITH THE BOARD
FOR EXERCISING THE SQUEEZE-OUT RIGHT

- (1) The corporation's articles of association, duly signed by the authorized signatories of the corporation, as a single text containing all current and applicable amendments,
- (2) Information on share groups stated in the articles of association, and on privileges granted and restrictions applied on these groups,
- (3) Name and surname/title and address of controlling shareholder, and sale price,
- (4) A valuation report prepared according to the pertinent regulations of the Board for the purpose of determination of share prices,
- (5) Information and documents relating to a letter of guarantee to be provided by a bank holding a license for conducting banking activities in Turkey, or to the funds deposited in a special account to be used for the squeeze-out right,
- (6) Decision of the board of directors as to cancellation of shares of other shareholders and as to issuance of new shares in consideration of the cancelled shares,
- (7) Issue document,
- (8) In corporations subject to the share capital system, a draft amendment showing the amendments to the article on "capital",
- (9) New version of the article on "capital" of articles of association showing the issued capital, to be registered and announced pursuant to seventh paragraph of Article 18 of the Law, in corporations in the authorized capital system,
- (10) Certified public accountant's report verifying that the existing capital of the corporation is paid in,
- (11) 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,
- (12) A copy of the TTRG edition where the registration of final capital increase of the corporation was announced,
- (13) A notary-certified authorized signatory list of the corporation,
- (14) Other information and documents that may be requested by the Board.