



Kordsa Teknik Tekstil Anonim Şirketi
Internal Directive on Rules of Procedures and Principles
of the General Assembly
No: 2

SECTION ONE
Objective, Scope, Basis and Definitions

Objective and Scope

ARTICLE 1-

- (1) The objective of this Internal Directive is determining the rules of procedures and principles of the general assembly of the Company within the framework of Law, relevant legislation and the provisions of the articles of association. This Internal Directive includes all ordinary and extraordinary general assembly meetings of the Company.

Basis

ARTICLE 2-

- (1) This Internal Directive is prepared by the Board of Directors in compliance with the provisions of the Regulations on Procedures and Principles of General Assembly Meetings of Stock Companies and the Representatives of the Ministry of Customs and Trade to Participate These Meetings.

Definitions

ARTICLE 2-

- (1) Terms in this Internal Directive refer to the meanings as the following:
- a) Ministry : The Ministry of Customs and Trade
 - b) Sitting : One day meeting of the General Assembly,
 - c) Law : Turkish Commercial Code dated 13/1/2011 with number 6102,
 - d) Session : Each of the sections of the sitting suspended for resting, lunch and such other reasons,
 - e) Meeting : Ordinary and extraordinary general assembly meetings,
 - f) Meeting Council : The board constituted of the chairman of the Meeting selected by the general assembly pursuant to the articles of association to conduct the Meeting, the clerk determined by the chairman of the Meeting and the vote collector if the chairman of the Meeting finds it necessary,
 - g) Company : Kordsa Teknik Tekstil Anonim Şirketi

SECTION TWO

Rules of Procedures and Principles of the General Assembly

Provisions to be Followed

ARTICLE 4-

- (1) The meeting is held according to the provisions of the Law, relevant legislation and the articles of Association.

Entrance to the meeting place and preparations

Article 5-

- (1) Shareholders recorded to the list of attendants prepared by regarding the shareholders list provided from the Central Registry Agency (Merkezi Kayıt Kuruluşu Anonim Şirketi) by the board of directors or their representatives authorized within the framework of the regulations of the Board on voting by proxy, members of the board of directors, auditor, representative of the Ministry, people who shall be selected or assigned to the meeting council, certificated users who shall use the electronic general meeting system, other

managers and employees of the company and expert responsible persons to fulfill technical processes relevant to the subject system may enter the Meeting place.

- (2) At the entrance of the Meeting place, real person shareholders and representatives assigned from the electronic general meeting system established pursuant to article 1527 of the Law has to show their identification cards, representatives of the real person shareholders have to show their identification cards along with the certificate of representation, representatives of the legal entity shareholders have to show their certificate of authority and in this way sign the places shown them in the list of attendants.

The subject control processes are made by the board of directors or one or more members of the board of directors assigned by the board of directors or person or persons assigned by the board of directors.

- (3) Duties as preparing the meeting place to take all the shareholders, having available stationaries, documents, tools and materials which may be needed during the meeting are fulfilled by the board of directors or the person or persons assigned by the board of directors.

Meeting moment may be sound/image recorded reserving the provisions of the electronic general meeting system and the relevant legislation.

Opening the meeting

ARTICLE 6-

- (1) The Meeting is opened at the registered office of the company or in Istanbul upon the decision to be taken by the board of directors at the time announced previously by the chairman of the board of directors or the deputy chairman or by one of the members of the board upon confirming by a report that the quorum determined in articles 418 and 421 of the Law or stipulated within the scope of the Capital Markets Legislation is provided.
- (2) The Meeting is opened in the physical and electronic environments at the same time.

Formation of the Meeting Council

ARTICLE 7-

- (1) The meeting council which shall be responsible from conducting the general meeting is established under the management of the person opening the meeting pursuant to the provision of the 6th article of the Internal Directive. The chairman or the deputy chairman of the board of directors shall be the chairman of the general assembly meetings. In the absence of both of them, the person to be the chairman of the general assembly is selected by the general assembly.
- (2) At least one clerk and sufficient number of vote collectors, if necessary, are assigned by the chairman. The chairman of the meeting may assign experts to fulfill technical processes relevant to the electronic general assembly system during the meeting, if he finds necessary.
- (3) The meeting council is authorized to sign the minute of the meeting and other documents basis to this minute.
- (4) The chairman of the meeting behaves pursuant to the provisions of the Law, articles of association and the Internal Directive while conducting the meeting.

Duties and authorities of the meeting council

ARTICLE 8-

- (1) The meeting council fulfills the following duties under the management of the chairman:
 - a) To examine whether the meeting is held at the address determined in the announcement and whether the meeting place stated in the articles of association is adequate.
 - b) To examine whether the general assembly is invited to the meeting on the website of the Company, Public Disclosure Platform, other places determined by the Board, and by an announcement published in the Turkish Trade Registry Gazette as stated in the articles of association, whether this invitation is made at least three weeks before the meeting, excluding the dates of announcement and the meeting, whether the date of meeting, agenda and the newspapers the announcement is published/shall be published are sent to the shareholders listed in the stock ledger and shareholders who have notified their addresses by

submitting share register or a document probative for share ownership by registered letter with return receipt and to enter this status to the minutes of the meeting.

- c) To control whether people unauthorized to enter the meeting place have entered the meeting and whether duties stated in the second clause of the 5th article of the Internal Directive on entrance to the meeting place are fulfilled by the board of directors.
- ç) To determine whether the articles of association, including the amendments if any, stock ledger, annual activity report of the board of directors, auditor reports, financial statements, agenda, amendment draft prepared by the board of directors if there is any amendment of the articles of association is in the agenda, permission letters obtained from the Ministry and the Board, and amendment drafts attached, list of attendants prepared by the board of directors, postpone report of the previous meeting if the general assembly is invited upon a postpone and all other documents relevant to the meeting are available completely at the meeting place to enter this status to the minutes of the meeting.
- d) To check the identity controls of the attendants attending the general assembly personally or by proxy by signing the list of attendants upon an objection or necessity and control the verification of the proxy documents.
- e) To determine whether executive directors and at least one of the members of the board of directors and the auditor are present at the meeting and to enter this status to the minutes of the meeting.
- f) To conduct general assembly studies within the framework of the agenda, avoid going off the agenda besides exceptions stated in Law and the Legislation of the Capital Markets, ensure meeting order, to take necessary measures for this.
- g) To open and close the sittings and sessions, and close the meeting.
- ğ) To read or have read decisions, proposals, reports, suggestions and such documents on the subjects discussed to the general assembly and give words to those who want to speak.
- h) To have voting on the decisions to be taken by the general assembly and announce the results.
- i) To observe whether the quorum for the meeting is kept in the beginning, middle and end of the meeting, and whether the decisions are taken in compliance with the quorums stipulated in Law, Legislation of the Capital Markets and the articles of association.
- j) Pursuant to Article 436 of the Law, to avoid voting of non-voting shares in decisions stated in the mentioned article, to protect all kinds of restrictions brought to voting right and privileged voting pursuant to Law, Legislation of the Capital Markets and the articles of association.
- k) To postpone discussion of financial statements and subjects relevant to these upon request of the shareholders holding one twentieth of the capital to be discussed in the meeting to be held one month later without necessity of the decision taken by the general assembly.
- l) To ensure arrangement of minutes of the general assembly studies, enter the objections to the minutes, sign decisions and minutes, state votes used against or on behalf of to the minutes of the meeting beyond question.
- l) To deliver minutes of the meeting, annual activity report of the board of directors, auditor reports, financial statements, list of attendants, voting papers of the elections, if any, and its reports and all documents relevant to the meeting to one of the members of the board of directors present there, at the end of the meeting with a report.

Processes to be Performed before discussion of the Agenda

ARTICLE 9-

- (1) The chairman of the meeting reads or have read the meeting agenda to the general assembly. The chairman asks whether there is and proposal for a change in the order of the items of the agenda to be discussed, if any, this situation is submitted to the approval of the general assembly. By the majority of the votes attending the meeting, discussion order of the agenda items may be changed.

Agenda and discussion of the agenda items

ARTICLE 10-

- (1) It is mandatory to have the following issues in the agenda of an ordinary general assembly:
 - a) Opening and formation of the Meeting Council
 - b) Reading annual activity report of the board of directors and the summary of the auditor's report and discussing financial statements,
 - c) Release of the members of the Board of Directors and the auditor.
 - ç) Election of the new members of the board of director for the members whose periods of office are expired.
 - d) Approval of the independent auditing institution by the board of directors within the scope of Law and Legislation of the Capital markets.
 - e) Informing general assembly on the salary policy of the members of the board of directors and the executives pursuant to the Legislation of the Capital markets.
 - f) Informing General Assembly on donations and aids made in the previous activity year pursuant to the Legislation of the Capital markets.
 - g) Informing General Assembly on the related party transactions, if any, in the previous activity year pursuant to the Legislation of the Capital markets.
 - ğ) Determining usage way, distribution of the profit and the rates of the dividend shares.
 - h) Discussing amendments of the articles of association, if any.
 - ı) Other subjects found necessary.
- (2) Reasons requiring a meeting constitute the agenda of an extraordinary general assembly meeting.
- (3) Besides the exceptions stated below, topics not involved in the agenda may not be discussed or finalized:
 - a) In case all the shareholders are present, an item may be added to the agenda unanimously.
 - b) Pursuant to the 438th article of the Law, request for a special audit of a shareholder is finalized by the general assembly, regardless of whether it takes place in the agenda.
 - c) Issues on dismissing the members of the board of directors and election of the new ones is deemed as relevant to the item on discussing year-end financial statements and is directly discussed and decided upon claim regardless of if there is an item in the agenda relevant to the subject.
 - ç) Even if there is not an item, in case of existence of justifiable reasons as malpractice, inadequacy, breach of loyalty obligation, difficulty in performing duties due to membership in many companies, lack of harmony, fraud on a power, issues on discharge of the members of the directors and electing the new ones for replacing are taken in the agenda by the majority of the votes of the attendants at the general assembly.
- (4) Agenda item discussed and finalized in the general assembly cannot be discussed again and finalized unless decided by the attendants unanimously.
- (5) As a result of the audit performed or claimed by the Ministry or the Board for any reason, issues to be discussed in the general assembly of the company are entered in the agenda.
- (6) Agenda is determined by the person inviting the general assembly to the meeting.

Taking the floor at the meeting

ARTICLE 11-

- (1) Shareholders or other relevant people who want to take the floor on the agenda item being discussed, reports this situation to the meeting council. The council announces the persons to take the floor to the general assembly and these people are recognized in the order of their application. If the person who has the turn to speak is not at the meeting place, loses his right to speak. Speeches are made from the place allocated for this and addressing to the general assembly. The people may change their order of speaking between them. In case the duration of the speech is limited, the person whose speech period is expired may continue

his speech if the first person after him gives his right to him, provided that he completes his speech within this period. Duration of the speech is not extended in any other way.

- (2) The chairman of the meeting may give word regardless of the order to the members of the board of directors and the auditor who want to make explanation on the subjects discussed.
- (3) Duration of the speeches are decided by the general assembly upon proposal of the chairman or the shareholders, according to the intensity of the agenda, abundance and importance of the subjects required to be discussed, number of people who want to take the floor. In such situations, whether limiting the speech duration is required and what the duration of the speak shall be are decided by the general assembly separately by voting.
- (4) Pursuant to the 1527th article of the Law, principles and procedures determined in the mentioned articles and sub-arrangements are applied in relation with transmitting opinions and suggestions of the shareholders or their proxies attending the general assembly in electronic environment.

Voting and method of voting

ARTICLE 12-

- (1) Before voting, the chairman of the meeting describes the subject to be voted to the general assembly. If a decision draft is to be voted, voting is made after this is determined in written and read. After announcing the voting, people may want to take the floor only on the procedure. At this time, if there is a shareholder who has requested to take floor but word is not given yet, he may use his right of speak upon reminding provided that it is approved by the Chairman. Work is not given after voting is started.
- (2) Votes on the subjects discussed at the meeting are used by open vote and by rising hands and/or by participating in electronic environment. These votes are counted by the meeting council. If necessary, the council may assign sufficient number of persons to help in vote counting. Those who have not raised their hands and/or not used vote in the electronic environment are assumed as they have used "nay" vote and these votes are considered as used against the relevant decision in the evaluation. In case requested by the shareholders holding 1/10 of the capital issued by the Company, it is mandatory to apply to written or secret vote.
- (3) Pursuant to the 1527th article of the Law, principles and procedures determined in the mentioned articles and sub-arrangements are applied in relation with voting of the shareholders or their proxies attending the general assembly in electronic environment.

Preparing the minutes of the meeting

ARTICLE 13-

- (1) List of attendants showing the shareholders or their proxies, shares they hold, groups, number of shares and their nominal values are signed by the chairman of the meeting, by showing in the minutes briefly the questions asked in the general assembly and the answers given, and showing explicitly the decisions taken and the negative and positive votes used for each decision , the minutes are provided to be arranged in compliance with the principles determined in Law and the relevant legislation.
- (2) Minutes of the general assembly are prepared at the meeting place and during the meeting in compliance with the provisions of the relevant legislation. There must be a printer to enable an opportunity to have the minutes written on the computer and to be printed out.
- (3) Minutes are prepared in two copies and each page of the minutes are signed by the meeting council and the representative of the Ministry if he has attended.
- (4) In the minutes, it is mandatory to state the trade name of the company, meeting place and date, total nominal value of the shares of the company, total number of shares represented personally and by proxy, name and surname of the representative of the Ministry, date and number of the assignment letter, how the invitation is made if the meeting is made by announcement.
- (5) Number of votes in the decisions taken at the meeting are stated in the minutes in figures and words beyond question.

- (6) Those who have given negative votes for the decisions taken at the meeting and want their opposition to be recorded in the minutes, their names, surnames and the reason for opposition are written in the minutes.
- (7) In case the reason of objection is given in written, this letter is attached to the minutes. In the minutes, name, surname of the partner or his proxy stating the objection is written in the minutes and it is stated that the objection letter is in the attachment. Objection letter attached to the minutes are signed by the meeting council and the representative of the Ministry.

Procedures to be made at the end of the meeting

ARTICLE 14-

- (1) Chairman of the meeting hands in one of the copies of the minutes and all documents relevant to the general assembly to one of the members of the board of directors attending the meeting, at the end of the meeting.
- (2) The Board of Directors is obliged to submit the minutes to the trade registry office within fifteen days in compliance with the relevant provisions of the legislation and to register and announce the items in this minute subject to registration and announcement.
- (3) Minutes are placed in the website of the Company within fifteen days as of the date of general assembly.
- (4) Chairman of the meeting delivers a copy of the list of attendants and the minutes of the general assembly to the representative of the Ministry.

Attending the meeting in electronic environment

ARTICLE 15-

- (1) To enable attending the general assembly in electronic environment pursuant to the 1527th article of the Law, procedures to be fulfilled by the board of directors and the meeting council are performed by considering the 1527th article of the law and the relevant legislation.

SECTION THREE Various Provisions

Participation of the Ministry's Representative and documents relevant to the general assembly

ARTICLE 16-

- (1) Provisions of the Regulations on Procedures and Principles of General Assembly Meeting of Stock Companies and on Representatives of the Ministry of Customs and Trade Participate these Meetings on requesting the Ministry representative on requesting representative of the Ministry and duties and authorities of this representative are reserved.
- (2) In preparing the list of those who shall attend and the attendants, representation documents to be used in the general assembly and in preparing the meeting minutes, it is mandatory to follow the provisions of the Regulations stated in the first item.

Unanticipated Situations in the Internal Directive

ARTICLE 17-

- (1) In case of encountering a situation not anticipated in this Internal Directive in the meetings, it shall be acted in line with the decision to be given by the general assembly.

Acceptance of the Internal Directive and Changes

ARTICLE 18-

- (1) This Internal Directive is put into effect, registered and announced by the approval of the general assembly of the Company and by the board of directors. Changes in the Internal Directive are also subject to the same procedure.

Validity of the Internal Directive

ARTICLE 19-

- (1) This Internal Directive is accepted at the general assembly of the Company dated March 27, 2017 and shall be put into effect on the date it is announced in the Turkish Trade Registry Gazette.