

ARTICLES OF ASSOCIATION OF PAŞABAHÇE CAM SANAYİİ VE TİCARET ANONİM ŞİRKETİ

INCORPORATION

Article 1- A Joint Stock Company is hereby incorporated by and between the Founders whose names, nationalities and addresses subscribed below according to provisions of Turkish Commercial Code for instantaneous incorporation of Joint Stock Companies.

1. Türkiye Şişe ve Cam Fabrikaları A.Ş. (Turkish Nationality)
2. Türkiye İş Bankası A.Ş. (Turkish Nationality)
3. Topkapı Şişe Sanayii A.Ş. (Turkish Nationality)
4. Anadolu Anonim Türk Sigorta Şirketi (Turkish Nationality)
5. Destek Reasürans Türk Anonim Şirketi (Turkish Nationality)

TITLE OF THE COMPANY

Article 2- The title of the Company is **Paşabahçe Cam Sanayii ve Ticaret Anonim Şirketi**. In this Articles of Association it shall be referred briefly as the “Company”.

OBJECTIVES AND SUBJECT

Article 3- Objectives and subject of the Company shall be as follows:

- a) To produce all types of glassware, household glassware, bottles, float glasses, electric bulbs, glasses and other material, commodities and articles made of glass; establish, operate and participate to already established industries where these articles are material are produced;
- b) In addition to glass industry and supplementary or complementary industries that are, in any way, concerned with this industry; to establish and operate all types of glass industries and to participate in such industries;
- c) To establish and operate materials industries whereby glass products are made, and to participate in such industries;
- d) In order to develop industries relevant to the glass industry; to perform research activities, establish facilities and participate in such facilities;
- e) To perform wholesale and retail sale marketing, exportation, importation, contracting, commercial representation and commission business activities for glassware, household glassware, glasses, all types of commodities produced from glasses and for

household goods, necessities, domestic appliances, electronic appliances and similar goods, which shall be produced by the Company;

- f) To acquire all industrial property rights, such as letter patents, trademarks, designs, which are relevant to activities of the Company and are found beneficial for these activities, and to transfer and take over these rights, enter into license contracts relevant to them, to take over industrial property rights from any third parties, to enter into and execute license contracts relevant thereof, to acquire and transfer know-how and to exchange technical information relevant to them and cooperate with others regarding these matters;
- g) To perform all commercial, financial and industrial transactions and operations relevant to the scope of the Company and, to become partners to other companies engaging in these transactions and operations, and establish new companies in order to ensure that its products are sold and in order to increase its sales and to become a partner to any companies that have been established, and enter into merchandising, storekeeping activities and exclusive sales contracts with any third parties;
- h) To perform all types of sales, importation and exportation activities relevant to the scope of the Company and to open and operate stores, shops and warehouses in relation to sales, storage (maintenance and keeping) and standardization of the goods included in its fields of activity and to hold exhibitions and exhibit and display goods;
- i) To acquire rights to act as a commercial representative and open representative offices in the country and abroad and to grant third parties the rights to act as its commercial representative and open representation offices in the country and abroad;
- j) To purchase, rent, lease out, sell and construct any movable and immovable properties required by the purposes and scope of the Company or to have them constructed and, to acquire all types of real and personal rights in relation to movable and immovable properties, particularly chattel mortgages, commercial enterprise pledges and hypothecates, to transfer them to any third parties, to establish chattel mortgages, commercial enterprise pledges and hypothecates in favor of any third parties; to perform all types of transactions on immovable properties to the extent allowed by the laws, including parceling out and subdivision, and to terminate any real rights, such as chattel mortgages, hypothecates and enterprise pledges, on movable and immovable properties and to have them cancelled and deleted from their registries;
- k) In relation to its scope, to enter into service, mandatum, agency, commissioning business and contracting agreements as well as other contracts and agreements required by the Company's field of activities and; in this context, to borrow and secure short, medium and long term loans and issue, accept and endorse legal and negotiable instruments;
- l) The Company is entitled to become a partner to local and/or foreign companies that have been and shall be established. The Company is entitled to acquire share certificates and/or other stocks/securities provided that it does not perform portfolio management activities for stocks/securities and that they are not in the nature of an intermediary activity and; it is entitled to sell share certificates (or shares) in its

possession or other stocks/securities and transfer them to third parties and pledge them and take the same as pledges;

- m) The Company is entitled to provide securities for other companies which act as intermediate for its exportations and domestic sales and which directly and indirectly provide loans to the Company for its own requirements or with which the Company is directly or indirectly in capital ownership relations, and accept all types of sureties;
- n) The Company is entitled to enter into other ventures required by its purposes and scope and perform all types of required industrial, commercial and other operations and transactions;
- o) The Company is entitled to register all types of intellectual and industrial property rights such as brands, letter patents, utility models, industrial designs, geographical marks, integral circuit photography, etc. with Turkish Patent Institute and any other institutions either within the country or abroad, conduct any business and transactions with and through these institutions relevant thereof, and render brand and patent rights representation services to any others.

HEAD OFFICE AND BRANCHES

Article 4- The Head Office of the Company is situated in Istanbul Turkey. Its address is located at “İş Kuleleri Kule 3 34330 4.Levent – Beşiktaş / İstanbul”.

In case of any address change, the Company shall cause its new address to be registered at the Trade Registry and cause its announcement through Turkish Commercial Registration Gazette, and in case it is obliged to establish an internet site it shall cause it to be posted on its internet site. The notices made to the registered address shall be deemed as having been actually made to the Company.

The Company may establish branch offices within the country or abroad by notifying and obtaining prior endorsement of the Ministry of Trade.

DURATION

Article 5- The Company is incorporated for an unlimited period of time.

CAPITAL

Article 6- Registered capital of the Company is TL 215.535.800,20 (two hundred and fifteen million five hundred and thirty-five thousand eight hundred Turkish Liras and twenty Kurush).

This capital was divided into 215.535.800,20 bearer shares, having a par value of TL 1 (one Turkish Liras) each.

The Board of Directors shall be authorized to determine issuance and distribution of the share coupons in varying denominations. For the shares which nominal value is lower than TL 1 a fractions slip shall be issued.

The total amount of TL 215.535.800,20 representing the principal capital of the Company was paid in full.

Unless the principal capital of the Company is fully paid and discharged bearer shares may not be issued.

BONDS AND OTHER DEBT INSTRUMENTS

Article 7- The Company may issue bonds and other debt instruments in accordance with the procedures, terms and conditions contained in the provisions of the Turkish Commercial Code and of the relevant legislation.

THE BOARD OF DIRECTORS

Article 8- The activities of the Company shall be carried out by a Board of Directors to be constituted from minimum five members to be elected by the Shareholders General Assembly as per the provisions of the Turkish Commercial Code.

TERM OF OFFICE OF THE BOARD OF DIRECTORS

Article 9- The members of the Board of Directors shall be elected for maximum three years. In the case of a vacancy in one of the membership positions an election shall be carried out as per provisions of the Turkish Commercial Code and the result of the election shall be submitted to the upcoming General Assembly meeting for due approval.

A member, whose term of office has expired, may be re-elected. If it deems necessary, the General Assembly may replace any or all the members of the Board of Directors at any times of its choice regardless of their terms of office.

POWERS OF THE BOARD OF DIRECTORS

Article 10- Other than those that have been entrusted with the General Assembly pursuant to the law and the Articles of Association; the Board of Directors is authorized to adopt resolutions on any affairs and transactions required for accomplishment of the Company object and purposes.

With an internal directive to be issued the Board of Directors may assign partial or whole management of the Company to one or more than one member of the Board of Directors or to any third parties.

The terms of office and signing authorities of the General Manager, Managers and all the officials that have signing authorities are not limited to the terms of office pertaining to the

members of the Board of Directors. The signing authorities of these persons shall be effective until such time as these authorities are revoked by the Board of Directors.

REPRESENTATION AND BINDING OF THE COMPANY

Article 11- The Company shall be managed and represented by the Board of Directors. In order that any documents and contracts to be prepared on behalf of the Company become effective and can bind the Company, it is necessary that they have been signed by those who are authorized to put their signatures on behalf of the Company. Those that are authorized to sign on behalf of the Company and the relevant procedure for prescribing signatures shall be determined by the Board of Directors, and the relevant resolution of the Board of Directors shall be registered and announced accordingly.

MEETINGS AND WORKING ORDER OF THE BOARD OF DIRECTORS

Article 12- The Board of Directors shall, following each General Assembly, elect a Chairman/Chairwoman and a Deputy Chairman/Chairwoman. However; in case the Chairman/Chairwoman and/or the Deputy Chairman/Chairwoman quits or resigns from this position for any reason; the Board of Directors shall carry out a new election for these vacant positions.

At the times when the Chairman/Chairwoman is absent; the Board of Directors shall be chaired by the Deputy Chairman/Chairwoman.

In case the Deputy Chairman/Chairwoman is also absent; the Board of Directors shall be chaired by a temporary chairman/chairwoman to be elected from among its members for that meeting.

The meeting dates and agendas of the Board of Directors shall be determined by the Chairman/Chairwoman. In cases where the Chairman/Chairwoman is absent; this task shall be fulfilled by the Deputy Chairman/Chairwoman. However, the meeting dates may also be fixed under a resolution of the Board of Directors. The Board of Directors shall meet in cases required by the affairs and transactions of the Company. However; it is mandatory to hold meeting at least six times a year. Meetings of the Board of Directors may be held between the attendees or through teleconference.

While the Board of Directors takes its resolutions it shall take into consideration of the meeting and quorums for resolution set out in the Turkish Commercial Code and the relevant legislation.

Board of Directors may establish committees and commissions which may also include members of the Board of Directors in order to monitor the progress of the affairs, prepare reports for any matters submitted to the Board of Directors, to have its resolutions implemented and for internal audit purposes.

FEEES FOR THE MEMBERS OF THE BOARD OF DIRECTORS

Article 13- The issues regarding the fees, attendance fees, bonus payments and granting dividends from the annual profit of the Company to the members of the Board of Directors shall be resolved by the General Assembly in compliance with the provisions of the Turkish Commercial Code and the relevant legislation.

AUDITS

Article 14- The audits on the Company shall be performed as per the framework of provisions contained in the Turkish Commercial Code and in the relevant legislation governing the Company.

GENERAL ASSEMBLY

Article 15- The General Assemblies shall meet ordinarily or extraordinarily. The Ordinary General Assembly shall meet pursuant to the provisions contained in the Turkish Commercial Code and in the relevant legislation. Extraordinary General Assembly meetings shall be held in cases where and at the times when the affairs of the Company require and in accordance with the provisions contained in the Code and in the Articles of Association and thereby, any required resolutions shall be taken. It is mandatory that the executive directors (if any) and minimum one member of the Board of Directors and the independent auditor are present at General Assembly meetings.

MEETING PLACE

Article 16- The General Assemblies shall meet at the head office of the Company. However, whenever necessary the Board Directors may, by adopting a resolution, call the General Assembly for a meeting at another address in the city where the Company Headquarters is situated or, in another city.

THE MINISTRY'S REPRESENTATIVE

Article 17- The arrangements provided by the Ministry of Customs and Trade in relation to the Ministry's representative to attend the General Assembly meetings shall be complied with.

QUORUMS

Article 18- Quorum for holding General Assembly meetings and quorum for adopting resolutions at these meetings shall be subject to the provisions of the Turkish Commercial Code and the relevant legislation. However, as long as European Bank for Reconstruction and Development ("**EBRD**") is a shareholder of the Company holding at least 13% of the Company shares, decisions shall be adopted with higher quorum for the below referred matters, and the relevant General Assembly resolutions shall not be considered valid without the affirmative vote of EBRD.

- (i) Resolutions regarding any amendments on the articles of association relating to main objectives and subject of the Company;
- (ii) Resolutions relating to conversion of type, merger by way of takeover or incorporation into a new entity, demerger, dissolution or winding up or reorganization of the Company as another corporation type or taking over another entity; however, in case the procedures of conversion of type, merger by way of takeover or incorporation into a new entity, demerger, take over or reorganization of the Company have been performed between the Company and any entity which has direct or indirect control over or directly or indirectly controlled by or under common control of Türkiye İş Bankası A.Ş. or of the affiliates of Türkiye İş Bankası Pension Fund Foundation (“**Group Companies**”), the affirmative vote of EBRD shall not be required provided that the resolution does not significantly affect the rights of EBRD;
- (iii) Resolutions relating to appointment or discharge of the auditors or (in case the Company goes into voluntary dissolution) the liquidators (if any);
- (iv) Resolutions regarding approval of any restrictions relating to transfer of shares of the Company;
- (v) Any Resolutions which removes or restricts the rights of EBRD to exercise its preemptive rights to purchase the newly issued Company shares; and
- (vi) Resolutions regulating any and all matters relating to the Board of Directors, including number of Board members and rules of voting of the Board of Directors.

For avoidance of doubt, irrespective of the ratio of company shares held by EBRD, the affirmative vote of EBRD shall be mandatorily obtained in order to have the General Assembly resolutions adopted about the above item (v) to be valid and enforceable.

VOTES

Article 19- The shareholders or their proxies, who are present at any Ordinary and Extraordinary General Assembly meetings, shall have one vote for the each share.

APPOINTMENT OF A PROXY

Article 20- At the General Assembly meetings; a shareholder may be represented by another shareholder or by a proxy to appointed by him/her from among third parties. A proxy, who is a shareholder of the Company, is authorized to cast his/her own vote, in addition to the vote(s) pertaining to the share(s) represented by such proxy shareholder. The form of proxy authorization certificates shall be determined and announced by the Board of Directors

ANNOUNCEMENTS

Article 21- Announcements pertaining to the Company shall be made in accordance with the announcement-related provisions of the Turkish Commercial Code.

PROCEDURES FOR VOTING

Article 22- At the General Assembly meetings, the votes are taken by open ballot and by show of hands. However; voting by ballot shall apply upon request of the shareholders who attend the meeting and hold minimum 1/10 of the share capital of the Company.

The regulations and rules set forth by the Turkish Commercial Code and the relevant legislation shall be complied with respect to voting at the General Assembly meetings.

AMENDMENTS ON THE ARTICLES OF ASSOCIATION

Article 23- Conclusion and enforcement of any and all amendments that may be made on the Articles of Association shall be performed pursuant to dictates of the Turkish Commercial Code and the relevant legislation. Any relevant amendments shall become effective as from the dates when they are announced, after they are duly approved and registered with the trade registry.

TRANSFER OF SHARES

Article 24- Pre-emptive Right

(a) In case Türkiye Şişe ve Cam Fabrikaları A.Ş. or EBRD (“**Offeror**”) seeks to transfer its shares it has to obtain a good-faith letter of intent from any such prospective third party buyer to confirm that it shall purchase the shares of the Offeror either in part or as a whole. In this case, the Offeror shall be obliged to initially offer the said shares to the other shareholders (“**Offerees**”) with the same terms and conditions of transfer granted to such prospective third party buyer.

The Offeror shall inform the Offerees about (i) the number of offered shares; (ii) ID information of the third-party buyer; (iii) terms and conditions of share transfer offer of the third party buyer including the price of the each share; (iv) final acceptance date (“**Final Acceptance Date**”) on which the Offerees shall be obliged to accept the offer, provided such period is not lesser than thirty (30) days after the date of notification of the share transfer offer; and (v) shall send a notice nominating the date closing date of the transactions of share transfer, provided such period is not lesser than sixty (60) days after the date of notification of the share transfer offer. The Offeror shall attach a copy of the written share transfer offer of the third party to its notice.

(b) Upon the Offeree delivers its irrevocable notice of acceptance to the Offeror, the Offeree shall become entitled to receipt transfer of all shares that constitute at least the entire number of the subject shares offered on or before the Final Acceptance Date.

(c) In case of occurrence any of the following, the Offeror shall become entitled to sell its shares subject to offer to the third party buyer on same terms and conditions of the initial share transfer offer of the third party within a period of hundred and twenty (120) days after the Final Acceptance Date;

- (i) Refusal of the notification of the Offeree or the Offeror not receiving a letter of acceptance as of the Final Acceptance Date;
- (ii) Offeror receiving a letter of acceptance not for the whole but only for a part of the offered shares;
- (i) After issuance of the letter of acceptance, failure by the Offeree to receipt transfer of the offered shares and pay their transfer price on the date and place stipulated in the notice for any reasons which cannot be attributable to fault or negligence of the Offeror.

In case the Offeror fails to complete the sales transaction to the third party buyer within a period of hundred and twenty (120) days, sale of the shares shall be made in accordance with the rules designated herein.

Pre-Emptive Rights: In case the shareholders General Assembly ratifies a resolution for the Company to issue additional shares, the Company shall send written notices to the each Shareholder to that effect. The subject notification shall include information about (i) the number of offered shares; (ii) right associated to the offered shares, preferential rights, and the terms and conditions relevant thereof; and (iii) the monetary value to be paid for the each offered share. The each shareholder shall have right to irrevocably undertake purchase of the shares offered in the notice pro rate to their respective shares held in the Company; and this right shall be available to exercise within thirty (30) days after receipt of the notice.

ANNUAL ACCOUNTS

Article 25- The Company's Accounting year shall start on the first day of each January and shall end on the last day of December the same year.

DISTRIBUTION OF PROFIT

Article 26- Distribution of profit within the Company shall be resolved by the General Assembly as per motion to be made by the Board of Directors by taking into consideration all applicable provisions of the Turkish Commercial Code and the relevant legislation which the Company is subject.

DATE FOR DISTRIBUTION OF PROFIT

Article 27- The dates and procedures on how annual profit shall be distributed among the shareholders shall be resolved by the General Assembly acting upon the motion to be made by the Board of Directors. The profit distributed in compliance with the provisions of the Articles of Association cannot be retrieved. Relevant provision of the Turkish Commercial Code in relation to retrieval of the profits is reserved.

RESOLUTION ON LIQUIDATION

Article 28- The Company shall be terminated under the grounds indicated in the Turkish Commercial Code or as per ruling of a law court or under a resolution of the Shareholders General Assembly in compliance with the liquidation-related provisions of the Turkish Commercial Code.

LIQUIDATOR

Article 29- In case the Company dissolves or is terminated for a reason except for bankruptcy; the liquidators shall be appointed by the General Assembly.

RESPONSIBILITIES OF THE LIQUIDATORS

Article 30- Termination and liquidation of the Company and, the procedures on how the liquidation shall be carried out and, the responsibilities of the liquidators shall be determined according to the relevant provisions contained in the Turkish Commercial Code.

STATUTORY PROVISIONS

Article 31- For any matters, which are not covered by the Articles of Association; the provisions contained in the Turkish Commercial Code and in the relevant legislation shall apply.