

## MERGER REPORT

One party being;

Türkiye Şişe ve Cam Fabrikaları Anonim Şirketi (“**Acquiring Company**” or “**ŞİŞECAM**” or “**Acquiring Company – Şişecam**”), registered with Istanbul Trade Registry Office under registration number 21599, registered address being İçmeler Mahallesi, D-100 Karayolu Caddesi, No: 44A 34947 Tuzla / İSTANBUL,

Other parties being;

- Anadolu Cam Sanayii Anonim Şirketi (“**ANADOLU CAM**” or “**Acquired Company 1**” or “**Acquired Company 1 – Anadolu Cam**”), registered with Istanbul Trade Registry Office under registration number 103040, registered address being İçmeler Mahallesi, D-100 Karayolu Caddesi, No: 44A 34947 Tuzla / İSTANBUL,
- Denizli Cam Sanayii ve Ticaret Anonim Şirketi (“**DENİZLİ CAM**” or “**Acquired Company 2**” or “**Acquired Company 2 – Denizli Cam**”), registered with Denizli Trade Registry Office under registration number 3407, registered address being Bahçelievler Mah. 4013 Sokak No:10 20014 Merkezefendi / DENİZLİ,
- Paşabahçe Cam Sanayii ve Ticaret Anonim Şirketi (“**PAŞABAHÇE**” or “**Acquired Company 3**” or “**Acquired Company 3 – Paşabahçe**”), registered with Istanbul Trade Registry Office under registration number 103040, registered address being İçmeler Mahallesi, D-100 Karayolu Caddesi, No: 44A 34947 Tuzla / İSTANBUL,
- Soda Sanayii Anonim Şirketi (“**SODA SANAYİİ**” or “**Acquired Company 4**” or “**Acquired Company 4 – Soda Sanayii**”), registered with Istanbul Trade Registry Office under registration number 495852, registered address being İçmeler Mahallesi, D-100 Karayolu Caddesi, No: 44A 34947 Tuzla / İSTANBUL,
- Trakya Cam Sanayii Anonim Şirketi (“**TRAKYA CAM**” or “**Acquired Company 5**” or “**Acquired Company 5 – Trakya Cam**”), registered with Istanbul Trade Registry Office under registration number 151415, registered address being İçmeler Mahallesi, D-100 Karayolu Caddesi, No: 44A 34947 Tuzla / İSTANBUL,

this **MERGER REPORT** is composed of 22 articles and is executed on 27 April 2020.

Acquired Company 1, Acquired Company 2, Acquired Company 3, Acquired Company 4 and Acquired Company 5 will be hereinafter jointly referred to as "**Acquired Companies**".

Acquiring Company and Acquired Companies will be hereinafter jointly referred to as "**All Parties**".

**ARTICLE 1: GENERAL INFORMATION ON ALL PARTIES; INFORMATION ON EXISTING SHARES AND CAPITAL, AND ON THE MANAGEMENT, MAIN SUBJECTS OF ACTIVITY AND OPERATING RESULTS OF ALL PARTIES**

**1.1. General Information on All Parties**

**A. Acquiring Company - Şişecam**

<b>Trade Name</b>	: Türkiye Şişe ve Cam Fabrikaları Anonim Şirketi
<b>Registered Address</b>	: İçmeler Mahallesi, D-100 Karayolu Caddesi, No: 44A 34947 Tuzla / İSTANBUL
<b>Trade Registry Office</b>	: Istanbul Trade Registry Office
<b>Trade Registry Number</b>	: 21599
<b>Term</b>	: Indefinite
<b>Subject of Activity</b>	: a) The company establishes and operates all kinds of auxiliary and complementary facilities that are directly or indirectly related to glass, glassware and glass industry (and/or substitute industries), and ensures their development and improvement. b) The company can acquire shares from, and participate in the management of, an established or to-be-established industrial and commercial company, either domestic or overseas, operating in any field. Other businesses stated in its Articles of Association also fall under the company's subject of activity.
<b>Tax Office</b>	: Major Taxpayers Tax Office
<b>Tax No</b>	: 8150034473
<b>Website</b>	: <a href="http://www.sisecam.com">www.sisecam.com</a>
<b>Independent Auditor</b>	: Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
<b>Nace Code</b>	: 70.10.01 Rev.2.0 - Activities of head offices (including overseeing and managing of other units of the company or enterprise and holding subsidiary management) 74.1.0.02 Rev.2.0 - Other specialized design activities (including designs related to textile, wearing apparel, shoes, furniture and industrial design, excluding the

activities of specialized graphic designers and interior decorators)

**The Market where the Capital : BIST STARS - Group 1**  
**Market Instrument is Traded**

### **B. Acquired Company 1 - ANADOLU CAM**

**Trade Name** : Anadolu Cam Sanayii A.Ş.  
**Registered Address** : İçmeler Mahallesi, D-100 Karayolu Caddesi, No: 44A  
34947 Tuzla / İSTANBUL  
**Trade Registry Office** : Istanbul Trade Registry Office  
**Trade Registry Number** : 103040  
**Term** : Indefinite  
**Subject of Activity** : The company's objectives are to establish and operate plants to manufacture common and special glass, bottles and industrial containers. The business / transactions which the company is authorized to perform for achieving these objectives are stipulated by the Articles of Association.  
**Tax Office** : Major Taxpayers Tax Office  
**Tax No** : 0680062336  
**Website** : [www.sisecamcamambalaj.com](http://www.sisecamcamambalaj.com)  
**Independent Auditor** : Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.  
**Nace Code** : 23.13.01 Rev.2.0 - Manufacturing of glass bottles, jars and other containers; drinking glasses; glass-made inner surfaces of thermoses and other vacuum containers; table and kitchen glassware (excluding light bulbs)  
**The Market where the Capital : BIST STARS - Group 2**  
**Market Instrument is Traded**

### **C. Acquired Company 2 - Denizli Cam**

**Trade Name** : Denizli Cam Sanayii ve Ticaret A.Ş.  
**Registered Address** : Bahçelievler Mah. 4013 Sokak No:10 20014  
Merkezefendi / DENİZLİ  
**Trade Registry Office** : Denizli Trade Registry Office  
**Trade Registry Number** : 3407

<b>Term</b>	: Indefinite
<b>Subject of Activity</b>	: a) To establish all kinds of glass manufacturing facilities. b) To establish facilities related to these manufacturing activities, which will deal with raw materials, semi-finished products and products, c) To search for minerals required for glass manufacturing, to operate mines, to build facilities, d) With the purpose to realize the above mentioned manufacturing and other activities, to establish facilities in Turkey and overseas, to operate these, to provide machinery, equipment and fittings required for these, to acquire existing machinery, equipment and fittings entirely or partially. The company can also engage in other businesses stated in its Articles of Association.
<b>Tax Office</b>	: Pamukkale Tax Office
<b>Tax No</b>	: 2920012553
<b>Website</b>	: <a href="http://www.denizlicam.com">www.denizlicam.com</a>
<b>Independent Auditor</b>	: Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
<b>Nace Code</b>	: 23.13.01 Manufacturing of Bottles and other Containers of Glass or Crystal
<b>The Market where the Capital Market Instrument is Traded</b>	: BIST MAIN - Group 1

#### **D. Acquired Company 3 - PAŞABAHÇE:**

<b>Trade Name</b>	: Paşabahçe Cam Sanayii ve Ticaret A.Ş.
<b>Registered Address</b>	: İçmeler Mahallesi D-100 Karayolu Caddesi No:44/A Tuzla/İSTANBUL
<b>Trade Registry Office</b>	: Istanbul Trade Registry Office
<b>Trade Registry Number</b>	: 119071
<b>Term</b>	: Major Taxpayers Tax Office
<b>Subject of Activity</b>	: To manufacture all kinds of glassware, tableware, bottles, flat glass, light bulbs, and other glass or glass-made items; to establish and operate manufacturing facilities required for these activities; to acquire shares from existing facilities; and to engage in other activities stated in the draft amendment registered on April 15, 2013.

<b>Tax Office</b>	: Major Taxpayers Tax Office
<b>Tax No</b>	: 7230005479
<b>Website</b>	: <a href="http://www.pasabahce.com">http://www.pasabahce.com</a>
<b>Independent Auditor</b>	: Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
<b>Nace Code</b>	: 23.13.01 Rev.2.0 - Manufacturing of glass bottles, jars and other containers; drinking glasses; glass-made inner surfaces of thermoses and other vacuum containers; table and kitchen glassware (excluding light bulbs)
<b>The Market where the Capital Market Instrument is Traded</b>	: None.

#### **E. Acquired Company 4 - Soda Sanayii**

<b>Trade Name</b>	: Soda Sanayii A.Ş.
<b>Registered Address</b>	: İçmeler Mahallesi D -100 Karayolu Caddesi No: 44/A 34947 Tuzla / İSTANBUL
<b>Trade Registry Office</b>	: Istanbul Trade Registry Office
<b>Trade Registry Number</b>	: 495852
<b>Term</b>	: Indefinite
<b>Subject of Activity</b>	: a) To produce sodium carbonate, sodium bicarbonate, other soda chemicals; bichromate, chromic acid, basic chrome sulphate, other chromium chemicals and all kinds of chemicals, to establish plants to produce other products, to acquire shares from existing plants, to manufacture heavy machinery. b) To search for natural raw materials such as salt, limestone and chromite that are required to produce soda-chromium chemicals, and to search for other substances that are within the scope of mining law, to establish and operate mining facilities. c) To establish and operate auxiliary and complementary facilities that are related to Soda Sanayii in any way, to acquire shares from existing such facilities. d) To carry out research required to develop the soda-chromium chemicals industry, to establish facilities and to acquire shares from existing facilities. e) To engage in various auxiliary and complementary

activities that are related in any way to Soda Sanayii, and the sale of products. Other businesses stated in its Articles of Association also fall under the company's subject of activity.

<b>Tax Office</b>	: Major Taxpayers Tax Office
<b>Tax No</b>	: 7720023498
<b>Website</b>	: <a href="http://www.sisecamkimyasallar.com">www.sisecamkimyasallar.com</a>
<b>Independent Auditor</b>	: Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
<b>Nace Code</b>	: 20.13.07 Rev.2.0-Manufacturing of other metal salts and basic inorganic chemicals (isotopes and their compounds, salts of oxo-metallic / peroxo-metallic acids, cyanides, borates, hydrogen peroxide, sulphur, roasted iron pyrite, piezoelectricity quartz, etc.)
<b>The Market where the Capital Market Instrument is Traded</b>	: BIST STARS - Group 1

#### **F. Acquired Company 5 - Trakya Cam**

<b>Trade Name</b>	: Trakya Cam Sanayii A.Ş.
<b>Registered Address</b>	: İçmeler Mah. D-100 Karayolu Cad. N44/A 34947 Tuzla / İSTANBUL
<b>Trade Registry Office</b>	: Istanbul Trade Registry Office
<b>Trade Registry Number</b>	: 151415
<b>Term</b>	: Indefinite
<b>Subject of Activity</b>	: a) To establish facilities that are related to the glass industry directly or indirectly, facilities that are auxiliary, complementary or substitute to glass industry, facilities that provide input to glass industry; to develop these facilities, to acquire shares from existing facilities. b) As required by the economic conjuncture, to engage in other industrial, commercial and financial activities with the purpose to ensure the profitable growth and continuity of the company by diversifying risks and realize the company's potential; to establish companies in these fields, and to acquire shares from existing companies. c) To organize economic and social services within the company.

	Other businesses stated in its Articles of Association also fall under the company's subject of activity.
<b>Tax Office</b>	: Major Taxpayers Tax Office
<b>Tax No</b>	: 8590048476
<b>Website</b>	: <a href="http://www.sisecamduzcam.com">www.sisecamduzcam.com</a>
<b>Independent Auditor</b>	: Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
<b>Nace Code</b>	: 23.11.01 Rev.2.0-Manufacturing of flat glass in the form of plates or layers (including wired glass, frosted glass, colored or tinted flat glass), (the ones that are cast, rolled, drawn, blown, float, surface polished or waxed, but not processed in any other way)
<b>The Market where the Capital Market Instrument is Traded</b>	: BIST STARS - Group 1

## 1.2. Information on Existing Shares and Shareholding Structure

### A. Acquiring Company (ŞİŞECAM)

- a. **Issued Capital** : TRY 2,250,000,000
- b. **Upper Limit of Registered Capital** : TRY 4,000,000,000
- c. **The Current Shareholders of the Issued Capital:**

ŞİŞECAM has adopted the registered capital system, and the upper limit of its registered capital is 4,000,000,000 Turkish Liras. The issued capital of ŞİŞECAM is TRY 2,250,000,000. This capital is divided into 225,000,000,000 bearer shares, each having a nominal value of TRY 0.01 (one kurush).

ŞİŞECAM shareholders, the number and rate of their shares are as follows.

SHAREHOLDER	AMOUNT OF CAPITAL (TRY)	SHARE IN CAPITAL (%)	VOTING RIGHT (%)
TÜRKİYE İŞ BANKASI A.Ş.	1,553,652,039.15	69.05	69.05
EFES HOLDİNG A.Ş.	185,093,915.32	8.23	8.23
OTHERS	511,254,045.52	22.72	22.77
<b>TOTAL</b>	<b>2,250,000,000.00</b>	<b>100.00</b>	<b>100.00</b>

With the "Certified Public Accountant Report on the Verification of Payment of Capital" no. YMM 1896/383-27 issued by Atlantis Denetim Danışmanlık Yeminli Mali Müşavirlik Limited Şirketi on 13 April 2020, it is verified that the entire capital of ŞİŞECAM is paid-in.

**d. Indirect Real and Legal Shareholders**

SHAREHOLDER	AMOUNT OF CAPITAL (TRY)	SHARE IN CAPITAL (%)
İŞBANK MEMBERS' SUPPLEMENTARY PENSION FUND	808,009,346	35.91
REPUBLICAN PEOPLE'S PARTY GENERAL DIRECTORATE	436,674,323	19.41
OTHERS	1,005,316,331	44.68
<b>TOTAL</b>	<b>2,250,000,000</b>	<b>100.00</b>

**e. Freely Floating Shares**

TICKER SYMBOL	FREELY FLOATING SHARE AMOUNT (TRY)	FREELY FLOATING SHARE RATE (%)
SISE	696,286,791.7	30.94

**f. Privileges Granted to Share Certificates Representing Capital, and whether there are any Existing Privileges:**

At ŞİŞECAM, there are no privileges granted to share certificates representing capital.

**g. Information on Non-Voting Shares among the Share Certificates Representing Capital, and Borrowing Instruments such as Bonds:**

The company has not issued any non-voting share certificates.

ŞİŞECAM bonds, issued on 09 May 2013 with a nominal value of 299,920,000 US Dollar in accordance with the Capital Markets Board's ("CMB") resolution no. 29833736-105.03.01-14.62, dated 06 May 2013, are redeemed on 11 May 2020. The Company has a total of



700,000,000 US Dollar in bonds, issued on 14 March 2019 and 28 March 2019 with nominal value of 550,000,000 US Dollar and 150,000,000 US Dollar, respectively, in accordance with the CMB's resolution no. 19/546, dated 27 April 2018, both of which will be fully redeemed on 14 March 2026. These bonds are listed on the Ireland Exchange. The coupon interest rate of bonds with a nominal value of 700,000,000 US Dollar that will mature in 2026 is 6.95% (effective interest rate: 7.32%). Coupon payments are made semi-annually, in equal installments.

Total funds obtained with these 7-year borrowing instruments (bonds) issued on 09 May 2013, 14 March 2019 and 28 March 2019 is 999,920,000 US Dollar. Out of this amount, USD 383,293,333 were transferred to TRAKYA CAM, 199,984,000 US Dollar was transferred to ANADOLU CAM, 140,000,000 US Dollar were transferred to PAŞABAHÇE, 76,658,667 US Dollar were transferred to SODA SANAYİİ. These transfers are made in return for the guarantee received from the related subsidiary, stating that they will pay the principal, interest and similar amounts corresponding to the amount that they have received.

#### **B. Acquired Company 1 (ANADOLU CAM)**

- a. Issued Capital** : TRY 750,000,000
- b. Upper Limit of Registered Capital** : TRY 2,000,000,000
- c. The Current Shareholders of the Issued Capital:**

ANADOLU CAM has adopted the registered capital system, and the upper limit of its registered capital is 2,000,000,000 Turkish Liras. The issued capital of ANADOLU CAM is TRY 750,000,000. Out of this capital, TRY 737,513,894.671 is divided into 73,751,389,432 Group A bearer shares, each having a nominal value of TRY 0.01 (one kurush), and TRY 12,486,105.529 is divided into 1,248,610,567 Group B bearer shares, each having a nominal value of TRY 0.01 (one kurush), total number of bearer shares being 75,000,000,000.

ANADOLU CAM shareholders, the number and rate of their shares are as follows.

<b>SHAREHOLDER</b>	<b>AMOUNT OF CAPITAL (TRY)</b>	<b>SHARE IN CAPITAL (%)</b>	<b>VOTING RIGHT (%)</b>	<b>SHARE GROUP</b>
TÜRKİYE ŞİŞE VE CAM FABRİKALARI ANONİM ŞİRKETİ	574,629,806	76.62	76.62	Group A

TÜRKİYE ŞİŞE VE CAM FABRİKALARI ANONİM ŞİRKETİ <sup>1</sup>	12,486,106	1.66	1.66	Group B
OTHERS	162,884,088	21.72	21.72	Group A
<b>TOTAL</b>	<b>750,000,000.00</b>	<b>100.00</b>	<b>100.00</b>	<b>-</b>

With the "Certified Public Accountant Report on the Verification of Payment of Capital" no. YMM 1896/380-24 issued by Atlantis Denetim Danışmanlık Yeminli Mali Müşavirlik Limited Şirketi on 13 April 2020, it is verified that the entire capital of ANADOLU CAM is paid-in.

#### d. Indirect Real and Legal Shareholders

SHAREHOLDER	AMOUNT OF CAPITAL (TRY)	SHARE IN CAPITAL (%)
İŞBANK MEMBERS' SUPPLEMENTARY PENSION FUND	210,842,286	28.11
REPUBLICAN PEOPLE'S PARTY GENERAL DIRECTORATE	113,945,975	15.19
OTHERS	425,211,735	56.69
<b>TOTAL</b>	<b>750,000,000</b>	<b>100.00</b>

#### e. Freely Floating Shares

TICKER SYMBOL	FREELY FLOATING SHARE AMOUNT (TRY)	FREELY FLOATING SHARE RATE (%)
ANACM	164,200,785.39	21.89

<sup>1</sup> In addition to the privileged shares owned by ŞİŞECAM in the capital of ANADOLU CAM, the privileged shares with a nominal value of TRY 1.048 are monitored in the Dematerialized Unknown Shareholder Account (KAYDBOH), while the privileged share with a nominal value of TRY 0.555 appears in the Investor Compensation Center.

**f. Privileges Granted to Share Certificates Representing Capital, and whether there are any Existing Privileges:**

ANADOLU CAM has adopted the registered capital system, and the upper limit of its registered capital is 2,000,000,000 Turkish Liras. The issued capital of ANADOLU CAM is TRY 750,000,000 and this capital is divided into 75,000,000,000 bearer shares, the nominal value of each one being TRY 1 (one kurush). Group information of the shares of the capital are as follows:

	<b>Group A Bearer Shares</b>	<b>Group B Bearer Shares (Privileged)</b>
<b>Number</b>	73,751,389,432	1,248,610,568
<b>Capital Amount (TRY)</b>	737,513,894.321	12,486,105.679

Group B shares representing ANADOLU CAM capital are privileged. Group B shares are not freely floating, and all of them are owned by ŞİŞECAM.<sup>2</sup>

This privilege is stated in Article 29, "Profit Distribution", in the company's Articles of Association<sup>3</sup>:

<sup>2</sup> The privileged shares with a nominal value of TRY 1.048 are monitored in the Dematerialized Unknown Shareholder Account (KAYDBOH), while the privileged share with a nominal value of TRY 0.555 appears in the Investor Compensation Center.

**3 PROFIT DISTRIBUTION**

Article 29:

Profit distribution of the Company is decided by the General Assembly based on the recommendation of the Board of Directors in the framework of the profit distribution policy determined by the General Assembly in accordance with Turkish Commercial Code, Capital Markets Law and other applicable legislative provisions. Dividend advances may be distributed in compliance with the terms and procedures set forth in the Capital Markets Legislation. After general expenses and amounts that must be paid or set aside by the company such as various amortization in addition to compulsory taxes that must be paid by the legal personality of the company are deducted from the income determined at the end of the financial period of the company, the remaining profit of the period monitored in the annual balance sheet, after deducting the losses of previous periods (if any), is distributed as shown below respectively:

- a) 5% is set aside as legal reserve until reaching 20% of the capital.
- b) First dividend is set aside from the remaining amount, based on the amount to be calculated by adding the amounts of donations made within the year if any, in the framework of the profit distribution policy to be determined by the general assembly and in line with the provisions of related legislation.

According to this Merger Report and the merger agreement executed by All Parties regarding the Merger, the privileges of ANADOLU CAM privileged shares will terminate. Since ŞİŞECAM owns all of the B Group shares, ŞİŞECAM will not receive any shares in return for these shares. Before the extraordinary general assembly meeting of ANADOLU CAM where the merger will be submitted for approval, a special assembly meeting will be held among Group B shareholders, and the aforementioned matter will be approved in this meeting.

**g. Information on Non-Voting Shares among the Share Certificates Representing Capital, and Borrowing Instruments such as Bonds:**

Pursuant to all merger documents issued for the Merger subject to this Merger Report, there are 4,709 non-voting founder shares at ANADOLU CAM. Within the Company's records, non-voting shares are held by real and legal persons listed in the annex to the Merger Agreement executed regarding the Merger. Pursuant to Law No. 6698 on Protection of Personal Data, Annex-1 will not be disclosed to the public; however, the relevant parties will be informed

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c) After the above deductions are made, 80% of 10% of the remaining profit is paid to owners of founder usufruct shares stated in Article 9 of the Articles of Association and 20% is paid to B group shareholders,

d) After the amounts indicated under subparagraphs (a), (b) and (c) are deducted from the net profit of the period, the General Assembly is authorized to distribute the remaining part partially or entirely as secondary dividend or set it aside as voluntary reserve funds in accordance with Article 521 of the Turkish Commercial Code.

e) One tenth of the amount calculated after deducting dividends at the rate of 5% of the capital from the part that has been decided to be distributed to shareholders and other partakers in the profit is added to general legal reserves as per subparagraph 2 of Article 519 of the Turkish Commercial Code.

Until reserve funds that must be set aside as per the provisions of law are set aside and the dividends defined for shareholders under the Articles of Association are distributed in cash and/or by means of shares; decisions on setting aside other reserve funds, transferring profit to the following year and distributing dividends to members of the board of directors and officers, employees and workers and foundations established for various reasons and similar persons and/or institutions cannot be made.

Dividends are distributed equally to all existing shares at the date of distribution, irrespective of their issuance and acquisition dates.

The method and date of the profit distribution is resolved by the general assembly based on the proposal of the board of directors in this regard.

The profit distribution decision made by the general assembly cannot be withdrawn in accordance with these provisions of the Articles of Association.

Dividend advances may be distributed in compliance with the terms and procedures set forth in the Capital Markets Legislation.

about whether they are non-voting founder shareholders or not and if they are, how many non-voting shares they appear to have, upon their application to the email address at [anacm.intifa@sisecam.com](mailto:anacm.intifa@sisecam.com). According to the Merger Agreement executed regarding this Merger, non-voting founder shares at ANADOLU CAM shall be purchased from their shareholders as per Article 140, paragraph five of the TCC. The purchase price shall be TRY 24,750 per non-voting founder share, which is based on the fair value calculated in the Valuation Expert's Report. Consequently, these ANADOLU CAM non-voting founder shares will be canceled. Payments shall be made in five business days following the registration of the merger, to the bank accounts advised to the company by the non-voting founder shareholders indicated in the annex to the Merger Agreement. If the title of shareholding changes (by inheritance or other reasons), if a shareholder is not included to the list in the annex to the Merger Agreement, or a change occurs in the bank account details advised to the company, shareholders should advise these matters to the Company no later than five business days following the extraordinary general assembly meeting held for the Merger. If these changes and corrections are not advised to the company, the related shareholders shall not make any claims against ŞİŞECAM concerning the payments made according to the list in the annex to the Merger Agreement.

If the company records any period profit, these shareholders receive dividends as per Article 29/c, "Profit Distribution", of the Articles of Association.

Funds amounting to 100,000,000 US Dollar were obtained by ŞİŞECAM through the bond issue dated 09 May 2013, redemption date being 11 May 2020, and fixed interest rate being 4.25%, and these funds were transferred to ANADOLU CAM under the same conditions. ANADOLU CAM provided an exclusive guarantee for the principal amount, interest and similar payments for this funding. Out of the nominal value of this debt, 40,016,000 US Dollar were repaid on 29 March 2019, before the redemption date. The remaining nominal value of 59,984,000 US Dollar was repaid on the redemption date of 11 May 2020.

In summary, total nominal value of ŞİŞECAM bonds is 700,000,000 US Dollar, the maturity is 7 years, issue date is 28 March 2019, redemption date is 14 March 2026, and the coupon rate is 6.95%. Out of the funds obtained through this bond issue, 140,000,000 US Dollar were transferred to ANADOLU CAM under the same conditions. ANADOLU CAM provided an exclusive guarantee for the principal amount, interest and similar payments for this funding.

As of 31 December 2019, in relation to the bond issue by ŞİŞECAM, the amount of the funds allocated to ANADOLU CAM under the payment guarantee is (including principal, interest, issue differential, commission), TRY 1,196,464,000.

**C. Acquired Company 2 (DENİZLİ CAM)**

- a. **Issued Capital** : TRY 15,000,000
- b. **Upper Limit of Registered Capital** : TRY 25,000,000
- c. **The Current Shareholders of the Issued Capital:**

DENİZLİ CAM has adopted the registered capital system, and the upper limit of its registered capital is 25,000,000 Turkish Liras. The issued capital of DENİZLİ CAM is TRY 15,000,000. This capital is divided into 1,500,000,000 nominative shares, each having a nominal value of TRY 0.01 (one kurush).

DENİZLİ CAM shareholders, the number and rate of their shares are as follows.

SHAREHOLDER	AMOUNT OF CAPITAL (TRY)	SHARE IN CAPITAL (%)	VOTING RIGHT (%)
PAŞABAĞÇE CAM SANAYİİ VE TİCARET ANONİM ŞİRKETİ	7,649,999.88	51.00	51.00
ABDULLAH AKINCI	1,250,000.50	8.33	8.33
DENİZLİ CAM MEMBERS' SUPPLEMENTARY PENSION FUND	1,000,000.00	6.67	6.67
OTHERS	5,099,999.62	34.00	34.00
<b>TOTAL</b>	<b>15,000,000.00</b>	<b>100.00</b>	<b>100.00</b>

With the "Certified Public Accountant Report on the Verification of Payment of Capital" no. YMM 1896/381-25 issued by Atlantis Denetim Danışmanlık Yeminli Mali Müşavirlik Limited Şirketi on 13 April 2020, it is verified that the entire capital of DENİZLİ CAM is paid-in.

**d. Indirect Real and Legal Person Shareholders**

SHAREHOLDER	AMOUNT OF CAPITAL (TRY)	SHARE IN CAPITAL (%)
İŞBANK MEMBERS' SUPPLEMENTARY PENSION FUND	2,694,751	17.97
ABDULLAH AKINCI	1,250,000	8.33
DENİZLİ CAM MEMBERS' SUPPLEMENTARY PENSION FUND	1,000,000	6.67
OTHERS	10,055,249	67.03
<b>TOTAL</b>	<b>15,000,000</b>	<b>100.00</b>

**e. Freely Floating Shares:**

TICKER SYMBOL	FREELY FLOATING SHARE AMOUNT (TRY)	FREELY FLOATING SHARE RATE (%)
DENCM	7,314,517.22	48.76

**f. Privileges Granted to Share Certificates Representing Capital, and whether there are any Existing Privileges:**

At DENİZLİ CAM, there are no privileges granted to share certificates representing capital.

**g. Information on Non-Voting Shares among the Share Certificates Representing Capital, and Borrowing Instruments such as Bonds:**

There are no borrowing instruments such as bonds, or non-voting shares issued by DENİZLİ CAM.

**D. Acquired Company 3 (PAŞABAHÇE)**

- a. **Principal Capital** : TRY 224,117,049.00
- b. **Registered Capital** : The company is not subject to the registered capital system.
- c. **The Current Shareholders of the Principal Capital:**

The principal capital of PAŞABAHÇE is TRY 224,117,049. This capital is divided into 224,117,049 bearer shares, each having a nominal value of 1 (one) Turkish Lira.

PAŞABAHÇE shareholders, the number and rate of their shares are as follows.

SHAREHOLDER	AMOUNT OF CAPITAL (TRY)	SHARE IN CAPITAL (%)	VOTING RIGHT (%)
T.ŞİŞE VE CAM FABRİKALARI A.Ş	222,937,761.00	99.474	99.474
ISLAMIC DEVELOPMENT BANK	1,179,288.00	0.526	0.526
<b>TOTAL</b>	<b>224,117,049.00</b>	<b>100.000</b>	<b>100.000</b>

With the "Certified Public Accountant Report on the Verification of Payment of Capital" no. YMM 1896/382-26 issued by Atlantis Denetim Danışmanlık Yeminli Mali Müşavirlik Limited Şirketi by 13 April 2020, it is verified that the entire capital of PAŞABAHÇE is paid-in.

**d. Privileges Granted to Share Certificates Representing Capital, and whether there are any Existing Privileges:**

There are no separate share groups at PAŞABAHÇE. There are no non-voting founder shares, and there are no privileges granted.

**e. Information on Non-Voting Shares among the Share Certificates Representing Capital, and Borrowing Instruments such as Bonds:**

There are no non-voting shares at PAŞABAHÇE.

In summary, total nominal value of ŞİŞECAM bonds is 700,000,000 US Dollar, the maturity is 7 years, issue date is 28 March 2019, redemption date is 14 March 2026, and the coupon rate is 6.95%. Out of the funds obtained through this bond issue, 140,000,000 US Dollar were transferred to PAŞABAHÇE under the same conditions. PAŞABAHÇE provided an exclusive guarantee for the principal amount, interest and similar payments for this funding.



As of 31 December 2019, in relation to the bond issue by ŞİŞECAM, the amount of the funds allocated to PAŞABAĞÇE is TRY 838,102,000 (including principal, interest, issue differential, commission).

#### E. Acquired Company 4 (SODA SANAYİİ)

- a. **Issued Capital** : TRY 1,000,000,000
- b. **Upper Limit of Registered Capital** : TRY 2,500,000,000
- c. **The Current Shareholders of the Issued Capital:**

SODA SANAYİİ has adopted the registered capital system, and the upper limit of its registered capital is 2,500,000,000 Turkish Liras. The issued capital of SODA SANAYİİ is TRY 1,000,000,000. This capital is divided into 100,000,000,000 nominative shares, each having a nominal value of TRY 0.01 (one kurush).

SODA SANAYİİ shareholders, the number and rate of their shares are as follows.

SHAREHOLDER	AMOUNT OF CAPITAL (TRY)	SHARE IN CAPITAL (%)	VOTING RIGHT (%)
TÜRKİYE ŞİŞE VE CAM FABRİKALARI ANONİM ŞİRKETİ	630,151,677.27	63.02	63.02
OTHERS	369,848,322.73	36.98	36.98
<b>TOTAL</b>	<b>1,000,000,000</b>	<b>100</b>	<b>100</b>

With the "Certified Public Accountant Report on the Verification of Payment of Capital" no. YMM 1896/384-28 issued by Atlantis Denetim Danışmanlık Yeminli Mali Müşavirlik Limited Şirketi on 13 April 2020, it is verified that the entire capital of SODA SANAYİİ is paid-in.

#### d. Indirect Real and Legal Shareholders

SHAREHOLDER	AMOUNT OF CAPITAL (TRY)	SHARE IN CAPITAL (%)
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İŞBANK MEMBERS' SUPPLEMENTARY PENSION FUND	226,297,086	22.63
REPUBLICAN PEOPLE'S PARTY GENERAL DIRECTORATE	122,298,248	12.23
OTHERS	651,404,661	65.14
<b>TOTAL</b>	<b>1,000,000,000</b>	<b>100</b>

**e. Freely Floating Shares**

TICKER SYMBOL	FREELY FLOATING SHARE AMOUNT (TRY)	FREELY FLOATING SHARE RATE (%)
SODA	370,808,886.45	37.08

**f. Privileges Granted to Share Certificates Representing Capital, and whether there are any Existing Privileges:**

At SODA SANAYİİ, there are no privileges granted to share certificates representing capital.

**g. Information on Non-Voting Shares among the Share Certificates Representing Capital, and Borrowing Instruments such as Bonds:**

There are no non-voting shares at SODA SANAYİİ.

Funds amounting to 50,000,000 US Dollar were obtained by ŞİŞECAM through the bond issue dated 09 May 2013, redemption date being 11 May 2020, and fixed interest rate being 4.25%, and these funds were transferred to SODA SANAYİİ under the same conditions. SODA SANAYİİ provided an exclusive guarantee for the principal amount, interest and similar payments for this funding. Out of the nominal value of this debt, 21,008,000 US Dollar were repaid before the redemption date, on 29 March 2019. The remaining nominal amount, 29,992,000 US Dollar was repaid on the redemption date of 11 May 2020.

In summary, total nominal value of ŞİŞECAM bonds is 700,000,000 US Dollar, the maturity is 7 years, issue date is 28 March 2019, redemption date is 14 March 2026, and the coupon rate is 6.95%. Following the bond issue, funds amounting to 46,667,000 US Dollar were transferred

to SODA SANAYİİ under the same conditions. SODA SANAYİİ provided an exclusive guarantee for the principal amount, interest and similar payments for this funding.

As of 31 December 2019, in relation to the bond issue by ŞİŞECAM, the amount of the funds allocated to SODA SANAYİİ under the payment guarantee is (including principal, interest, issue differential, commission), TRY 458,549,000.

#### **F. Acquired Company 5 (TRAKYA CAM)**

- a. Issued Capital** : TRY 1,250,000,000
- b. Upper Limit of Registered Capital** : TRY 3,000,000,000
- c. The Current Shareholders of the Issued Capital:**

TRAKYA CAM has adopted the registered capital system, and the upper limit of its registered capital is 3,000,000,000 Turkish Liras. The issued capital of TRAKYA CAM is TRY 1,250,000,000. This capital is divided into 125,000,000,000 registered shares, each having a nominal value of TRY 0.01 (one kurush). TRAKYA CAM shareholders, the number and rate of their shares are as follows.

<b>SHAREHOLDER</b>	<b>AMOUNT OF CAPITAL (TRY)</b>	<b>SHARE IN CAPITAL (%)</b>	<b>VOTING RIGHT (%)</b>
TÜRKİYE ŞİŞE VE CAM FABRİKALARI ANONİM ŞİRKETİ	897,379,559.09	71.79	71.79
OTHERS	352,620,440.91	28.21	28.21
<b>TOTAL</b>	<b>1,250,000,000</b>	<b>100</b>	<b>100</b>

With the "Certified Public Accountant Report on the Verification of Payment of Capital" no. YMM 1896/385-29 issued by Atlantis Denetim Danışmanlık Yeminli Mali Müşavirlik Limited Şirketi on 13 April 2020, it is verified that the entire capital of TRAKYA CAM is paid-in.

#### **d. Indirect Real and Legal Shareholders**

SHAREHOLDER	AMOUNT OF CAPITAL (TRY)	SHARE IN CAPITAL (%)
İŞBANK MEMBERS' SUPPLEMENTARY PENSION FUND	322,262,698	25.78
REPUBLICAN PEOPLE'S PARTY GENERAL DIRECTORATE	174,161,161	13.93
OTHERS	753,576,141	60.29
<b>TOTAL</b>	<b>1,130,000,000.00</b>	<b>100</b>

**e. Freely Floating Shares**

TICKER SYMBOL	FREELY FLOATING SHARE AMOUNT (TRY)	FREELY FLOATING SHARE RATE (%)
TRKCM	352,376,242.53	28.19

**f. Privileges Granted to Share Certificates Representing Capital, and whether there are any Existing Privileges:**

At TRAKYA CAM, there are no privileges granted to share certificates representing capital.

**g. Information on Non-Voting Shares among the Share Certificates Representing Capital, and Borrowing Instruments such as Bonds:**

There are no non-voting shares at TRAKYA CAM.

Funds amounting to 250,000,000 US Dollar were obtained by ŞİŞECAM through the bond issue dated 09 May 2013, redemption date being 11 May 2020, and fixed interest rate being 4.25%, and these funds were transferred to TRAKYA CAM under the same conditions. TRAKYA CAM provided an exclusive guarantee for the principal amount, interest and similar payments for this funding. Out of the nominal value of this debt, 200,000,000 US Dollar were repaid before the redemption date, on 29 March 2019. The remaining nominal amount, 50,000,000 US Dollar was repaid on the redemption date of 11 May 2020.

In summary, total nominal value of ŞİŞECAM bonds is 700,000,000 US Dollar, the maturity is 7 years, issue date is 28 March 2019, redemption date is 14 March 2026, and the coupon rate is 6.95%. Following the bond issue, funds amounting to 233,000,000 US Dollar were transferred

to TRAKYA CAM under the same conditions. TRAKYA CAM provided an exclusive guarantee for the principal amount, interest and similar payments for this funding.

As of 31 December 2019, in relation to the bond issue by ŞİŞECAM, the amount of the funds allocated to TRAKYA CAM under the payment guarantee is (including principal, interest, issue differential, commission), TRY 2,292,740,000.

### 1.3. Information on the Executive Bodies and their Members

#### A. Acquiring Company (ŞİŞECAM)

Name-Surname	Position	Term of Office	Committees that He/She is a Member
Adnan Bali	Chairman of the Board	27.03.2021	-
Dr. Ahmet Kırman	Vice Chairman of the Board	27.03.2021	-
Senar Akkuş	Board Member	27.03.2021	Early Detection of Risk Committee
İzlem Erdem	Board Member	27.03.2021	Corporate Governance Committee
Zeynep Hansu Uçar	Board Member	27.03.2021	Early Detection of Risk Committee Corporate Governance Committee
Dr. Şener Oktik	Board Member	27.03.2021	Early Detection of Risk Committee Corporate Governance Committee
Dinç Kızıldemir	Independent Member	27.03.2021	Early Detection of Risk Committee Corporate Governance Committee

			Audit Committee
Aysun Mercan	Independent Member	27.03.2021	Audit Committee Early Detection of Risk Committee
Dr. Mehmet Cem Kozlu	Independent Member	27.03.2021	-

**B. Acquired Company 1 (ANADOLU CAM)**

<b>Name-Surname</b>	<b>Position</b>	<b>Term of Office</b>	<b>Committees that He/She is a Member</b>
Dr. Ahmet Kırman	Chairman of the Board	26.03.2021	-
Abdullah Kılınc	Vice Chairman of the Board	26.03.2021	-
Sibel Koç Karacaoğlu	Board Member	26.03.2021	Corporate Governance Committee
Zeynep Hansu Uçar	Board Member	26.03.2021	Corporate Governance Committee Early Detection of Risk Committee
Mehmet Celal Betil	Independent member	26.03.2021	Early Detection of Risk Committee Corporate Governance Committee Audit Committee
İlhan İl	Independent member	26.03.2021	Audit Committee Early Detection of Risk Committee

**C. Acquired Company 2 (DENİZLİ CAM)**

<b>Name-Surname</b>	<b>Position</b>	<b>Term of Office</b>	<b>Committees that He/She is a Member</b>
Cemil Tokel	Chairman of the Board	24.03.2021	-
Gökhan Güralp	Vice Chairman of the Board	24.03.2021	Corporate Governance Committee Early Detection of Risk Committee
Osman Öztürk	Board Member	24.03.2021	-
Mehmet Sefa Pamuksuz	Independent member	24.03.2021	Early Detection of Risk Committee Audit Committee Corporate Governance Committee
Dr. Gül Okutan Nilsson	Independent member	24.03.2021	Corporate Governance Committee Audit Committee Early Detection of Risk Committee

**D. Acquired Company 3 (Paşabahçe)**

<b>Name-Surname</b>	<b>Position</b>	<b>Term of Office</b>	<b>Committees that He/She is a Member</b>
Dr. Ahmet Kırman	Chairman of the Board	26.03.2023	-
Cemil Tokel	Vice Chairman of the Board	26.03.2023	-
Gökhan Güralp	Board Member	26.03.2023	Corporate Governance Committee Early Detection of Risk Committee
Zeynep Hansu Uçar	Board Member	26.03.2023	Audit Committee Corporate Governance Committee Early Detection of Risk Committee
Mehmet Celal Betil	Independent Member	26.03.2023	Audit Committee Corporate Governance Committee Early Detection of Risk Committee



**E. Acquired Company 4 (SODA SANAYİİ)**

<b>Name-Surname</b>	<b>Position</b>	<b>Term of Office</b>	<b>Committees that He/She is a Member</b>
Dr. Ahmet Kırman	Chairman of the Board	27.03.2021	-
Tahsin Burhan Ergene	Vice Chairman of the Board	27.03.2021	-
Murat Doğan	Board Member	27.03.2021	Early Detection of Risk Committee
Umut Barış Dönmez	Board Member	27.03.2021	Corporate Governance Committee
Mehmet Sefa Pamuksuz	Independent member	27.03.2021	Corporate Governance Committee Audit Committee Early Detection of Risk Committee
Aysun Mercan	Independent member	27.03.2021	Corporate Governance Committee Audit Committee

			Early Detection of Risk Committee
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**F. Acquired Company 5 (TRAKYA CAM)**

<b>Name-Surname</b>	<b>Position</b>	<b>Term of Office</b>	<b>Committees that He/She is a Member</b>
Dr. Ahmet Kırman	Chairman of the Board	26.03.2021	-
Dr. Reha Akçakaya	Vice Chairman of the Board	26.03.2021	-
Zeynep Hansu Uçar	Board Member	26.03.2021	Corporate Governance Committee Early Detection of Risk Committee
Hüseyin Burak Dağlı	Board Member	26.03.2021	Corporate Governance Committee
Diñç Kızıldemir	Independent member	26.03.2021	Corporate Governance Committee Audit Committee Early Detection of Risk Committee

İlhan İl	Independent Member	26.03.2021	Corporate Governance Committee Audit Committee Early Detection of Risk Committee
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## ARTICLE 2: BOARD OF DIRECTORS RESOLUTIONS THAT CONSTITUTE THE GROUNDS FOR THE MERGER

### 2.1. General Information

As part of the Merger under this Merger Report, Acquiring Company ŞİŞECAM will acquire the Acquired Companies, namely, ANADOLU CAM, DENİZLİ CAM, PAŞABAĞÇE, SODA SANAYİİ and TRAKYA CAM, as a whole, with all their assets and liabilities. Consequently, all companies will merge under ŞİŞECAM ("**Merger**"). Therefore, ŞİŞECAM will acquire the Acquired Companies by way of dissolving without liquidation, without any taxes and as they are, including all the assets and liabilities. This Merger shall be carried out in compliance with Articles 136 to 158 of the Turkish Commercial Code ("**TCC**"), Articles 23 and 24 of the Capital Markets Law ("**CML**") numbered 6362, all communiqués and resolutions of the CMB, including the Communiqué on Merger and Demerger (II-23.2), repealed Communiqué on Common Rules for Transactions of Critical Importance and Exit Rights (II-23.1), Communiqué on Common Rules for Transactions of Critical Importance and Exit Rights (II-23.3), and Communiqué on Share Repurchase (II-22.1); all other related legal regulations, and additionally, Article 19, "Acquisition, Demerger and Share Exchange", the Corporate Tax Code ("**CTC**") no. 5520, Article 20, "Taxation in Case of Acquisition, Demerger and Share Exchange", General Communiqué Series no. 1 on Corporate Tax, the Directive of Trade Registry, and other related legal regulations.

On 25 February 2020, the Law no. 7222, on "Amendments to the Banking Law and Certain Other Laws" was published in the Official Gazette, and entered into force. With this Law no. 7222, Articles 23 and 24 of the CML were amended. This required an amendment to the CMB's Communiqué on Common Rules for Transactions of Critical Importance and Exit Rights, Series: II, No. 23.1. This requirement was met by the CMB's Communiqué II.23.3 on Common Rules for Transactions of Critical Importance and Exit Rights ("Communiqué II-23.3"), published in the Official Gazette no. 31168 and dated 27 June 2020. The Interim Article of the Communiqué no. II.23.3 states that, (i) for transactions of critical importance that were disclosed to public before 25 February 2020, shareholders who/which are eligible for exit rights, and their share amounts would be determined as of 25 February 2020, and in this determination, the matched orders would be taken into consideration, regardless of settlement being finalized, and additionally, (ii) transactions of critical importance that were disclosed to public before the Communiqué no. II-23-3 entered into force would be concluded according to the provisions of the repealed Communiqué no. II-23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, without prejudice to the provisions of the first paragraph. Consequently, the transactions under this merger report shall, as a rule, continue to be subject to the repealed Communiqué on Common Rules for Transactions of Critical Importance and Exit Rights (II-23.1). However, shareholders that are eligible for exit rights and their share amounts shall be determined as of 25 February 2020.

Following the preparation and signing of documents related to the Merger under this Merger Report, an application shall be filed with the CMB for permission. Application documents shall be announced on the Public Disclosure Platform ("**KAP**") and the websites of All Parties ([www.sisecamcamambalaj.com](http://www.sisecamcamambalaj.com), [www.denizlicam.com](http://www.denizlicam.com), [www.pasabahce.com](http://www.pasabahce.com), [www.sisecamkimyasallar.com](http://www.sisecamkimyasallar.com), [www.sisecamduzcam.com](http://www.sisecamduzcam.com) ve [www.sisecam.com](http://www.sisecam.com)) the same day.

According to the TCC Article 149, "Right of Examination", Merger documents approved by the CMB shall be announced in the Turkish Trade Registry Gazette at least 30 days before the extraordinary general assembly meetings in which the Merger will be approved, and these documents shall be kept available for the examination of shareholders at the head offices, branches, and websites of All Parties.

Once the affirmative opinion of the CMB is obtained for the transaction, at least thirty days before the general assembly meeting in which the Merger will be approved, the following

documents shall be announced at the websites of All Parties and at the Public Disclosure Platform (KAP) to inform the shareholders and shall be kept available for examination in the head offices and branches of Companies: Announcement of All Parties which is approved by the CMB according to the Communiqué on Merger and Demerger (II-23.2), Article 8, "Public Disclosure", merger agreement, merger report, financial reports of the last three years, valuation expert's report, predicted opening balance sheet following the merger, independent auditor's reports for the last three years, and all other related merger documentation.

## **2.2. Board of Directors Resolutions**

### **Board Resolution of the Acquiring Company - Şişecam:**

The Resolution of ŞİŞECAM Board of Directors dated 30.01.2020 states that, discussing to gather ŞİŞECAM activities under a single umbrella; in consideration of Şişecam Group's long term strategies and the competitive objectives in global markets, with the purpose of ensuring efficiency, effectiveness, simplicity and agility, evaluating the potential union of forces that will arise, and in consideration of the fact that the transaction in question would also have a positive impact on the market value of ŞİŞECAM because investors prefer shares with higher trading volume and depth; it is decided to initiate discussions with the intention of merging ŞİŞECAM with Anadolu Cam Sanayii A.Ş., Denizli Cam Sanayii ve Ticaret A.Ş., Paşabahçe Cam Sanayii ve Ticaret A.Ş., Soda Sanayii A.Ş. and Trakya Cam Sanayii A.Ş., in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC, and provisions of other related regulations.

The Resolution of ŞİŞECAM Board of Directors dated 27.04.2020 states that it is decided to initiate the procedures to merge ŞİŞECAM with Anadolu Cam Sanayii A.Ş., Denizli Cam Sanayii ve Ticaret A.Ş., Paşabahçe Cam Sanayii ve Ticaret A.Ş., Soda Sanayii A.Ş. and Trakya Cam Sanayii A.Ş. by way of acquisition, in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC, and provisions of other related legal regulations, to sign the Merger Agreement, to file an

application to the CMB for the approval of the Merger Announcement, and to assign Dr. Ahmet Kırman and Mustafa Görkem Elverici for the execution of the necessary merger procedures.

In the following step, necessary amendments were made to this Merger Report, which was approved as amended by the Board of Directors resolution of 14 July 2020.

### **Board Resolution of Acquired Company 1 - Anadolu Cam:**

The Resolution of ANADOLU CAM Board of Directors dated 30 January 2020 stated that, discussing to gather ŞİŞECAM activities under a single umbrella, in consideration of Şişecam Group's long term strategies and the competitive objectives in global markets, with the purpose of ensuring efficiency, effectiveness, leanness and agility, evaluating the potential union of forces that will arise, and in consideration of the fact that the transaction in question would also have a positive impact on the market value of ŞİŞECAM because investors prefer shares with higher trading volume and depth; it is decided to initiate discussions with the intention of merging ANADOLU CAM with Türkiye Şişe ve Cam Sanayii A.Ş., by way of being acquired by this company, together with the other companies of the Group, namely, Denizli Cam Sanayii ve Ticaret A.Ş., Paşabahçe Cam Sanayii ve Ticaret A.Ş., Soda Sanayii A.Ş. and Trakya Cam Sanayii A.Ş., in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC and provisions of other related regulations.

The Resolution of ANADOLU CAM Board of Directors dated 27 April 2020 states that it is decided to initiate the procedures to merge ANADOLU CAM with Türkiye Şişe ve Cam Fabrikaları A.Ş., by way of being acquired by this company, together with the other companies of the Group, namely, Denizli Cam Sanayii ve Ticaret A.Ş., Paşabahçe Cam Sanayii ve Ticaret A.Ş., Soda Sanayii A.Ş. and Trakya Cam Sanayii A.Ş., in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC, and provisions of other related legal regulations, to sign the Merger Agreement, to file an application to the CMB for the approval of the Merger Announcement, and to assign Dr. Ahmet Kırman and Sibel Koç Karacaoğlu for the execution of the necessary merger procedures.

In the following step, necessary amendments were made to this Merger Report, which was approved as amended by the Board of Directors resolution of 14 July 2020.

### **Board Resolution of Acquired Company 2 - Denizli Cam:**

The Resolution of DENİZLİ CAM Board of Directors dated 30 January 2020 states that, discussing to gather ŞİŞECAM activities under a single umbrella; in consideration of Şişecam Group's long term strategies and the competitive objectives in global markets, with the purpose of ensuring efficiency, effectiveness, leanness and agility, evaluating the potential union of forces that will arise, and in consideration of the fact that the transaction in question would also have a positive impact on the market value of ŞİŞECAM because investors prefer shares with higher trading volume and depth; it is decided to initiate discussions with the intention of merging DENİZLİ CAM with Türkiye Şişe ve Cam Sanayii A.Ş., by way of being acquired by this company, together with the other companies of the Group, namely, Anadolu Cam Sanayii A.Ş., Paşabahçe Cam Sanayii ve Ticaret A.Ş., Soda Sanayii A.Ş. and Trakya Cam Sanayii A.Ş., in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC, and provisions of other related regulations.

The Resolution of DENİZLİ CAM Board of Directors dated 27 April 2020 states that it is decided to initiate the procedures to merge DENİZLİ CAM with Türkiye Şişe ve Cam Fabrikaları A.Ş., by way of being acquired by this company, together with the other companies of the Group, namely, Anadolu Cam Sanayii A.Ş., Paşabahçe Cam Sanayii ve Ticaret A.Ş., Soda Sanayii A.Ş. and Trakya Cam Sanayii A.Ş., in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC, and provisions of other related legal regulations, to sign the Merger Agreement, to file an application to the CMB for the approval of the Merger Announcement, and to assign Cemil Tokel and Gökhan Güralp for the execution of the necessary merger procedures.

In the following step, necessary amendments were made to this Merger Report, which was approved as amended by the Board of Directors resolution of 14 July 2020.

### **Board Resolution of Acquired Company 3 - Paşabahçe:**

The Resolution of PAŞABAHÇE Board of Directors dated 30 January 2020 states that, discussing to gather ŞİŞECAM activities under a single umbrella; in consideration of Şişecam Group's long term strategies and the competitive objectives in global markets, with the purpose of ensuring efficiency, effectiveness, leanness and agility, evaluating the potential union of

forces that will arise, and in consideration of the fact that the transaction in question would also have a positive impact on the market value of ŞİŞECAM because investors prefer shares with higher trading volume and depth; it is decided to initiate discussions with the intention of merging PAŞABAHÇE with Türkiye Şiše ve Cam Sanayii A.Ş., by way of being acquired by this company, together with the other companies of the Group, namely, Anadolu Cam Sanayii A.Ş., Denizli Cam Sanayii ve Ticaret A.Ş., Soda Sanayii A.Ş. and Trakya Cam Sanayii A.Ş., in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC, and provisions of other related regulations.

The Resolution of PAŞABAHÇE Board of Directors dated 27 April 2020 states that it is decided to initiate the procedures to merge PAŞABAHÇE with Türkiye Şiše ve Cam Fabrikaları A.Ş., by way of being acquired by this company, together with the other companies of the Group, namely, Anadolu Cam Sanayii A.Ş., Denizli Cam Sanayii ve Ticaret A.Ş., Soda Sanayii A.Ş. and Trakya Cam Sanayii A.Ş., in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC, and provisions of other related legal regulations, to sign the Merger Agreement, to file an application to the CMB for the approval of the Merger Announcement, and to assign Dr. Ahmet Kırman and Gökhan Güralp for the execution of the necessary merger procedures.

In the following step, necessary amendments were made to this Merger Report, which was approved as amended by the Board of Directors resolution of 14 July 2020.

#### **Board Resolution of Acquired Company 4 - Soda Sanayii:**

The Resolution of SODA SANAYİİ Board of Directors dated 30 January 2020 states that, discussing to gather ŞİŞECAM activities under a single umbrella; in consideration of Şişecam Group's long term strategies and the competitive objectives in global markets, with the purpose of ensuring efficiency, effectiveness, leanness and agility, evaluating the potential union of forces that will arise, and in consideration of the fact that the transaction in question would also have a positive impact on the market value of ŞİŞECAM because investors prefer shares with higher trading volume and depth; it is decided to initiate discussions with the intention of merging SODA SANAYİİ with Türkiye Şiše ve Cam Sanayii A.Ş., by way of being acquired by this company, together with the other companies of the Group, namely, Anadolu Cam Sanayii A.Ş., Denizli Cam Sanayii ve Ticaret A.Ş., Paşabahçe Cam Sanayii ve Ticaret A.Ş. and



Trakya Cam Sanayii A.Ş., in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC, and provisions of other related regulations.

The Resolution of SODA SANAYİİ Board of Directors dated 27 April 2020 states that it is decided to initiate the transactions to merge SODA SANAYİİ with Türkiye Şişe ve Cam Fabrikaları A.Ş., by way of being acquired by this company, together with the other companies of the Group, namely, Anadolu Cam Sanayii A.Ş., Denizli Cam Sanayii ve Ticaret A.Ş., Paşabahçe Cam Sanayii ve Ticaret A.Ş. and Trakya Cam Sanayii A.Ş., in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC, and provisions of other related legal regulations, to sign the Merger Agreement, to file an application to the CMB for the approval of the Merger Announcement, and to assign Dr. Ahmet Kırman and Umut Barış Dönmez for the execution of the necessary merger procedures.

In the following step, necessary amendments were made to this Merger Report, which was approved as amended by the Board of Directors resolution of 14 July 2020.

#### **Board Resolution of Acquired Company 5 - Trakya Cam:**

The resolution of TRAKYA CAM Board of Directors dated 30 January 2020 states that, discussing to gather ŞİŞECAM activities under a single umbrella; in consideration of Şişecam Group's long term strategies and the competitive objectives in global markets, with the purpose of ensuring efficiency, effectiveness, leanness and agility, evaluating the potential union of forces that will arise, and in consideration of the fact that the transaction in question would also have a positive impact on the market value of ŞİŞECAM because investors prefer shares with higher trading volume and depth; it is decided to initiate discussions with the intention of merging TRAKYA CAM with Türkiye Şişe ve Cam Sanayii A.Ş., by way of being acquired by this company, together with the other companies of the Group, namely, Anadolu Cam Sanayii A.Ş., Denizli Cam Sanayii ve Ticaret A.Ş., Paşabahçe Cam Sanayii ve Ticaret A.Ş. and Soda Sanayii A.Ş., in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC, and provisions of other related regulations.

The Resolution of TRAKYA CAM Board of Directors dated 27 April 2020 states that it is decided to initiate the transactions to merge TRAKYA CAM with Türkiye Şişe ve Cam Fabrikaları A.Ş., by way of being acquired by this company, together with the other companies of the Group, namely, Anadolu Cam Sanayii A.Ş., Denizli Cam Sanayii ve Ticaret A.Ş., Paşabahçe Cam Sanayii ve Ticaret A.Ş. and Soda Sanayii A.Ş., in accordance with the CML, the CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, the CMB Communiqué Series no. II, no. 23.2 on Merger and Demerger, TCC, CTC, and provisions of other related legal regulations, to sign the Merger Agreement, to file an application to the CMB for the approval of the Merger Announcement, and to assign Dr. Ahmet Kırman and Hüseyin Burak Dağlı for the execution of the necessary merger procedures.

In the following step, necessary amendments were made to this Merger Report, which was approved as amended by the Board of Directors resolution of 14 July 2020.

### **ARTICLE 3: FINANCIAL STATEMENTS USED FOR THE MERGER**

In the Merger under this Merger Report, the Acquiring Company ŞİŞECAM, and the acquired companies ANADOLU CAM, DENİZLİ CAM, SODA SANAYİİ and TRAKYA CAM are companies subject to the CML, and their shares are listed on Borsa İstanbul A.Ş. ("**Exchange**"). Therefore, their financial statements and footnotes as of 31.12.2019 that are used for the Merger have been prepared according to the "Communiqué on the Rules of Financial Reporting" (II-14.1) by CMB, Turkish Accounting Standards and Turkish Financial Reporting Standards issued by the Public Oversight Accounting and Auditing Standards Authority, and these financial statements have been independently audited. Although PAŞABAHÇE is not subject to the CML, and its shares are not listed on any exchange, its financial statements and footnotes as of 31 December 2019 that are used for the Merger have been prepared according to the "Communiqué on the Rules of Financial Reporting" (II-14.1) by CMB, Turkish Accounting Standards and Turkish Financial Reporting Standards issued by the Public Oversight Accounting and Auditing Standards Authority, and these financial statements have been independently audited.

### **ARTICLE 4: VALUATION EXPERT'S REPORT USED FOR THE MERGER**

In the Merger, the merger ratios, swap ratios, the amount of capital that will be increased by the Acquiring Company ŞİŞECAM due to the Merger, the number of ŞİŞECAM shares that will be delivered to the shareholders of Acquired Companies following the capital increase should be calculated and specified fairly, reasonably, and beyond hesitation, in line with the provisions of the related legal regulations. Because ŞİŞECAM, ANADOLU CAM, DENİZLİ CAM, SODA SANAYİİ and TRAKYA CAM are subject to the CML and their shares are listed on the Exchange, a Valuation Expert's Report ("**Valuation Expert's Report**") is used in these calculations. This report dated 27.04.2020 was prepared by PwC Yönetim Danışmanlığı A.Ş., in line with the provisions of CMB's Communiqué on Merger and Demerger (II-23.2), Article 7, "Valuation Expert's Opinion".

Valuation Expert is selected and authorized under an authorization granted by ŞİŞECAM on 31 January 2020. Consequently, an agreement was signed with PwC Yönetim Danışmanlığı A.Ş. on 31 January 2020, for the preparation of the Valuation Expert's Report that will be used for the Merger under this Merger Report and the Merger Agreement executed regarding the Merger.

Executive Summary and the related annexes of the Valuation Expert's Report are attached to this Merger Agreement (Annex-2).

#### **ARTICLE 5: MERGER AGREEMENT**

The Merger Agreement executed regarding the Merger by the managing bodies of the Companies involved in the Merger is attached to this report.

#### **ARTICLE 6: APPROVAL FROM THE CAPITAL MARKETS BOARD FOR THE MERGER ANNOUNCEMENT**

The Merger Announcement was approved by the Capital Markets Board with the letter no. [\_\_\_\_\_] and dated [\_\_].[\_\_].2020.

#### **ARTICLE 7: EXIT PRICE**

In the Merger under this Merger Report, no Exit Price is determined according to Article 141 of the TCC. However, the exercise of exit rights is stipulated in Article 18 of this Merger Report, in line with the CMB Communiqué Series no. II, no. 23.3 on Common Rules for Transactions of Critical Importance and Exit Rights, the repealed CMB Communiqué Series no. II, no. 23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, which will apply to this Merger, and other related capital market regulations.

#### **ARTICLE 8: COMPENSATION PAYMENT**

In the Merger under this Merger Report, no Compensation Payment is stipulated for the minority shareholders of the Acquired Companies according to Article 140 of the TCC.

#### **ARTICLE 9: PURPOSES AND LEGAL AND ECONOMIC JUSTIFICATIONS FOR THE MERGER**

The purposes and legal and economic justifications for the Merger under this Merger Report are as follows:

- Due to the increase in its market value and transaction depth as a result of the merger, it is foreseen that ŞİŞECAM shares may fulfil the investment criteria of a higher number of corporate foreign investors which is estimated to have a positive impact on the share performance and thus the value of ŞİŞECAM accordingly.
- It is expected for the "Discount by Holding" to be added to the value of ŞİŞECAM in the medium-term.
- Strategy of ŞİŞECAM Group (“**Group**”) will become more explainable to the investors as there will only be a single listed company and ŞİŞECAM shares will start to follow a more stable evolution.
- A more effective dividend distribution policy can be implemented as ŞİŞECAM investors will be closer to companies that generate the dividend.

- Cost of compliance with legislation arising from the complexity of the current structure shall decrease and even be eliminated as listed subsidiaries will cease to exist. It must also be taken into consideration that besides the cost of managing risks inevitably incurred from reciprocal transactions within the Group that comprises five listed companies, the conducted studies do not provide a guarantee on preventing the realization of risks and there is always such a possibility.
- Efforts and resources spent on the realization of intragroup transactions will be shifted to other areas which will provide saving and efficiency. Also, synergy will be created among the groups in areas such as production, sales and marketing, quality and supply chain and these functions will be more effectively managed through the obtained coordination.
- It will be possible to create efficiency in the internal and external communication of the Group thanks to the singularity of corporate identity.
- It will also reveal the possibility of consolidation in foreign holding structures which may prove to decrease costs furthermore.
- The usage and distribution of Group resources freely within the group shall create favorable outcomes.

## **ARTICLE 10: RESULTS OF THE MERGER**

### **10.1 The Amount of the Capital Increase By the Acquiring Company, Swap Ratio, Merger Ratio, the Type and Nominal Amount of the Shares to be Delivered to the Shareholders of Acquired Companies**

According to the Valuation Expert's Report, the new shareholding structure of the Acquiring Company ŞİŞECAM will be as per the principles stated below following the merger, with the condition that none of the shareholders of acquired companies dissent to the merger in the general assembly meetings of All Parties, and go through the procedure of exit rights, as per Article 18 of this Merger Report. If exit rights are exercised, the new partnership structure of Acquiring Company ŞİŞECAM will differ following the Merger; the post-Merger capital amount will be calculated based on the capital amount corresponding to the exit rights exercised, the capital increase will be realized accordingly, and an application will be filed to the CMB to obtain an issue certificate.

SHAREHOLDER	AMOUNT OF CAPITAL (TRY mn)	SHARE IN CAPITAL (%)
Türkiye İş Bankası AŞ	1,554	50.70285
Listed Shares	1,325	43.23611
Efes Holding A.Ş.	185	6.04047
Islamic Development Bank	1	0.02056
<b>TOTAL</b>	<b>3,064</b>	<b>100.00</b>

As per the provisions of the CMB Communiqué on Merger and Demerger (II-23.2), Article 7, "Valuation Expert's Opinion", Valuation Expert's Opinion has been prepared in consideration of four (4) valuation methods, depending on the characteristics of Parties.

These **4 methods** used in valuation studies are; Income Approach ("**IA**"), Market Approach ("**MA**"), Asset-Based Approach ("**ABA**") and Market Capitalization Approach ("**MCA**").

- **Income Approach ("IA"):** In this method, the value of the Acquired Companies is calculated by discounting the cash flows that are expected to be generated in the projection period, to their net present value. In the framework of the income approach, business plans provided by the managing bodies of the Acquired Companies, and cash flow forecasts for the periods coming after these business plans have been considered. Within the Framework of the DCF (Discounted Cash Flow) analysis, a DCF model was prepared, which forecasted the revenues/expenses of the Acquired Companies, taxes that will be paid by them, their investments and working capital requirements. Information provided by the managing bodies of the Acquired Companies was taken as the basis of DCF calculations. Present values of the cash flows that are forecasted to be generated by the Acquired Companies are calculated by discounting these cash flows using a discount rate in conformity with the risk profile of these companies. Within the framework of the income approach, standalone share values were calculated for each

company of the study, and then when calculating the total value of each company to be merged, "Adding-Up the Pieces" method was used. In this method; firstly, share values forecasted for the Acquired Company itself, its affiliates and subsidiaries are multiplied with the shareholding rates of the Acquired Company in these affiliates and subsidiaries. Then, the value of the Acquired Company and the value of its shares in the affiliates and subsidiaries are added-up, reaching the total share value. 30% weight was assigned to the Income Approach by the Valuation Expert, because it better reflects the expectations regarding the cash generation potentials of the Acquired Companies, considers the COVID-19 impact, and considers the new investment projects that will be deployed in the future.

- **Market Approach ("MA"):** Within the framework of the Market Approach, two methods are used, being public company comparables ("PCC"), and precedent transactions ("PT"). Both these methods aim to estimate the total share value by considering the valuation multiples of other companies which have similar operations with the Acquired Companies. In this method, the value of a company is calculated by analyzing the financial data of comparable public companies, and companies that have been acquired before. The value of the company is expressed as multiples of its financial figures. The biggest obstacle in the practice of this method is the difficulty of finding comparable companies and precedent transactions. The companies selected for the analysis of Public Company Comparables are; public companies that are both similar to the Acquired Companies with regards to their operations, profitability and indebtedness, and that are understood to be in competition with the Acquired Companies, with regards to business lines and geographies. As the adequate valuation multiple to be used in comparison, "Company Value (CV)/EBITDA ratio" is specified. CV/EBITDA ratio is calculated by using the 5-year average market values for the period of 2015-2019 (data was obtained from the related companies), end-of-year net indebtedness amounts, and other relevant data. This ratio, which is calculated annually for a period of 5 years, and taken into account as averages, is believed to represent the industry's general multiple. The calculated multiple was applied to the 4-year (2019-2022) average EBITDA amount of the Acquired Companies (inflation adjusted to the year 2019), thus the company value was estimated. With this method of EBITDA selection, the short-term effects of the COVID-19 pandemic is included in the EBITDA base, enabling to reflect this current development to the value in the Market Approach study as well. Precedent

transactions method was not applied, because there were not a sufficient number of transactions disclosed fully to the public, and some of the existing ones were for purchases of minority shares. A 5-year retrospective search was made, and the number of available transactions was not sufficient. When the Market Approach was being applied for ŞİŞECAM, a separate comparable company search was not conducted. Where ŞİŞECAM is a direct shareholder of an Acquired Company, Market Approach results for those Acquired Companies were taken into account in proportion to the rate of ŞİŞECAM shares. The result was the estimation of total ŞİŞECAM share value. Where ŞİŞECAM is the direct shareholder of a company but that company is not one of the Acquired Companies, Income Approach or Asset-Based Approach was applied as part of Market Approach to calculate the value of those companies. Because those other companies are engaged in narrow-scope, specialized activities in line with the Group's requirements, Market Approach was thought as not being appropriate for their valuation. Many companies that are similar to the Acquired Companies with regards to operations and finances, and that are direct competitors, are publicly traded. Multiples of these companies are seen to be adequate industry multipliers, and the Valuation Expert assigned 30% to the Market Approach, the same weight with the Income Approach.

- **Asset-Based Approach ("ABA"):** This approach is based on the assumption that; the value a buyer will pay for a company should be at least the amount calculated by liquidating all of the company's assets and payables at a certain date, or the expenditure that has to be made to bring the company to its current status (amortized renewal value). Within this framework, net asset values of all the companies in question were estimated, based on the consolidated shareholders' equity in their independently audited financial statements as of 31 December 2019. Financial statements used in the analysis have been prepared in compliance with CMB standards for ŞİŞECAM, ANADOLU CAM, DENİZLİ CAM, SODA SANAYİİ and TRAKYA CAM, and in compliance with TAS/TFRS financial reporting standards issued by the Public Oversight Accounting and Auditing Standards Authority (KGK), for PAŞABAHÇE. In the process, shareholders' equity figures were adjusted for the dividends that will be paid or received, and adjustments were also made for certain other asset and liability items. Because the Acquired Companies are operating in capital-intensive industries, Asset-Based



Approach should be considered. However, because the gain from capital investments is realized in the future, Valuation Expert assigned 20% weight to Asset-Based Approach.

- **Market Capitalization ("MC"):** Because All Parties are listed companies and the price information supplied by an active market is seen as an adequate indicator of value, Market Capitalization approach was considered for the listed companies of the merger. When the value is being calculated in the Market Capitalization approach, average share price of the Acquired Companies weighted for the daily trade volume was calculated for a period of one year, retrospectively from the date ŞİŞECAM disclosed the merger on the Public Disclosure Platform (KAP) (from 30 January 2020 to 31 January 2019). Because PAŞABAHÇE is not a listed company, market capitalization was estimated using the results of Income Approach and Market Approach. In this estimation, the ratio of the market capitalization of other Acquired Companies to their value as the average of Income and Market Approaches was used. This ratio was multiplied with the arithmetic average of PAŞABAHÇE valuations coming out of Income and Market Approaches. The result was the estimated market capitalization of PAŞABAHÇE. Details of this calculation are in the report's PAŞABAHÇE section. Because the Acquired Companies are listed companies excluding PAŞABAHÇE, and also considering that they are included in BIST-30/BIST 50 indexes, their liquidity, trade volumes and investor profiles, Market Capitalization is decided to be used as a valuation method. On the other hand, because past price performance does not reflect the current developments, Valuation Expert assigned 20% weight to the Market Capitalization approach.

#### **According to the Valuation Expert's Report;**

**Merger Ratio:** 73.42795%

#### **Swap Ratios:**

- 1.00000 for ŞİŞECAM;
- 0.88239 for ANADOLU CAM;
- 0.33089 for DENİZLİ CAM;
- 0.53423 for PAŞABAHÇE;

- 1.15997 for **SODA SANAYİİ**;
- 0.67615 for **TRAKYA CAM**.

ŞİŞECAM will increase its capital for TRY 814,228,446.43, because of the acquisition of TRAKYA CAM, ANADOLU CAM, SODA SANAYİİ, DENİZLİ CAM and PAŞABAĞÇE. This amount is subject to change, depending on the amount of exit rights that will be exercised.

As part of the merger, ANADOLU CAM shareholders will receive 0.88239 (both in quantity and amount in TRY) Şişecam shares, in return for each 1 Kurush nominal value Anadolu Cam shares they have.

As part of the merger, DENİZLİ CAM shareholders will receive 0.33089 (both in quantity and amount in TRY) Şişecam shares, in return for each 1 Kurush nominal value Denizli Cam shares they have.

As part of the merger, PAŞABAĞÇE shareholders will receive 0.53423 (both in quantity and amount in TRY) Şişecam shares, in return for each TRY 1 nominal value Paşabahçe shares they have.

As part of the merger, SODA SANAYİİ shareholders will receive 1.15997 (both in quantity and amount in TRY) Şişecam shares, in return for each 1 Kurush nominal value Soda Sanayii shares they have.

As part of the merger, TRAKYA CAM shareholders will receive 0.67615 (both in quantity and amount in TRY) Şişecam shares, in return for each 1 Kurush nominal value Trakya Cam shares they have.

The Valuation Expert's Report states that a merger ratio of 73.42795% is thought to be fair and reasonable, calculated by weighing the swap ratios (the result of the four (4) approaches of valuation).

## **10.2. Rights Granted to Shareholders of the Acquired Companies under Acquiring Company**

Following the Merger, the shareholders of the Acquired Companies will have equal rights with ŞİŞECAM shareholders. The rights of shareholders in ŞİŞECAM are included in the Articles of Association.

For shares to be given to the shareholders of Acquired Companies which will dissolve without liquidation as a result of the Merger, the delivery will be in dematerialized form at the Central Registry Agency, within deadlines stipulated by the CMB and the Central Registry Agency.

In ANADOLU CAM, the privileges of the existing privileged shares will end. Since ŞİŞECAM owns all Group B shares, ŞİŞECAM will not receive any shares in return for these shares. Before the extraordinary general assembly meeting of ANADOLU CAM where the merger will be submitted for approval, a special assembly meeting will be held among Group B shareholders, and the aforementioned issue will be approved in this meeting.

Pursuant to all relevant merger documents prepared for the Merger under this Merger Report, ANADOLU CAM has 4,709 non-voting shares. Within the company records, non-voting shareholders are held by real and legal persons listed in the Annex to the Merger Agreement executed regarding the Merger. Pursuant to the Merger Agreement, the existing non-voting shares in ANADOLU CAM will be purchased from their owners as per article 140, paragraph five of the TCC. The purchase price will be TRY 24,750 per non-voting share, based on the fair value calculated in the Valuation Expert's Report. Consequently, these ANADOLU CAM non-voting shares will be canceled. Payments will be made to the bank accounts notified to ŞİŞECAM by the owners of non-voting shares, within five working days following the registration of the merger. If the title of shareholding changes (by inheritance or for other reasons), if a shareholder is not included in the list of non-voting shareholders in the annex to the Merger Agreement, or a change occurs in the bank account details notified to ŞİŞECAM, shareholders should advise these matters to ŞİŞECAM within five working days following the extraordinary general assembly meeting held for the Merger. If these changes and corrections are not notified, the related shareholders cannot make any claims against ŞİŞECAM concerning the payments made to non-voting shareholders in the list attached to the Merger Agreement.

### **10.3. Information on Additional Payments and Other Personal Performance Obligations and Responsibilities to be Imposed on Shareholders of Acquired Companies due to the Merger (if foreseen)**

There are no additional payments and other personal performance obligations and responsibilities to be imposed on the shareholders of the Acquired Companies due to the Merger.

#### 10.4. Amendments to the Articles of Association

As part of the merger, three articles of ŞİŞECAM's Articles of Association will be amended: Article 4, "Purpose and Subject", Article 7, "Capital", Article 21, "Amendments to the Articles of Association", once the necessary approvals and permissions are obtained from the Capital Markets Board, Energy Market Regulatory Authority, and other governmental authorities as may be required. Additionally, as being subject to the same approvals and permits, two new articles will be inserted to ŞİŞECAM's Articles of Association: (I) Article 33, "Transfer of Shares or Share Certificates", and (ii) Article 34, "Merger and Demerger Provisions". Concerning these amendments to the Articles of Association, Board Resolutions, draft amendment texts and all other necessary documents will be disclosed through the Public Disclosure Platform.

Former Text	New Text
<p><b>TÜRKİYE ŞİŞE VE CAM FABRİKALARI ANONİM ŞİRKETİ</b></p> <p><b>ARTICLES OF ASSOCIATION</b></p>	<p><b>TÜRKİYE ŞİŞE VE CAM FABRİKALARI ANONİM ŞİRKETİ</b></p> <p><b>ARTICLES OF ASSOCIATION</b></p>
<p><b>PURPOSE AND SUBJECT</b></p> <p><b>Article 4-</b></p> <p><b>A) Purpose of the Company:</b></p> <p>To establish and operate glass industry and auxiliary and complementary industries which are related to this industry. Purposes of the Company also include managing the investment, financing, organization and management issues of stock corporations it partakes in capital or management wise which are established or to be</p>	<p><b>PURPOSE AND SUBJECT</b></p> <p><b>Article 4-</b></p> <p><b>A) Purpose of the Company:</b></p> <p><b>Purposes of the company are provided hereunder:</b></p> <p><b>(i) Production of all kinds of glassware, tableware, glass packaging, flat glass, light bulb, other glass and material made of glass and the establishment, operation and improvement of auxiliary and</b></p>

<p>established collectively, together and mutually, spreading the risk by entering fields other than the glass industry, ensuring the security of investments against cyclical movements and thus ensuring the development and sustainability of these companies, supporting the development of the capital market and thus national industry by encouraging the safe participation of the savings of Company members and the public within the stock corporations in which it does and does not partake.</p> <p><b>B) Sphere of Activity of the Company:</b></p> <p>In order to actualize its purposes mentioned above, the Company may carry out the following;</p> <p>a) The Company establishes auxiliary and complementary industries that directly or indirectly relate to all kinds of glass, glassware and glass industry (and/or substitute industry), takes measures for their development and progress and operates them.</p> <p>b) The Company may partake in the capital and management of all kinds of industrial and commercial companies both domestic and foreign which operate in any field, whether established or to be established.</p> <p>c) The Company may purchase securities such as government bonds (including treasury bills), private sector bonds, profit and loss sharing certificates, bank certificates of deposit so long as they are not in the nature of intermediation</p>	<p>complementary industries related to this industry;</p> <p><b>(ii) Production of soda ash, sodium bicarbonate and other soda chemicals; sodium dichromate, chromic acid, basic chromium sulphate and other chromium chemicals and all kinds of chemicals, establishment of plants for the production of other products, participation in these plants and production of heavy machinery;</b></p> <p><b>(iii) Exploration of other natural raw materials such as salt, limestone and chromite that are required for the production of soda-chromium chemicals and other materials within the scope of mining law and the establishment and operation of facilities for their extraction;</b></p> <p><b>(iv) Carry out exploration required for the improvement and reformation of industry related to soda-chromium chemicals, establishment and operation of and partaking in their facilities;</b></p> <p><b>(v) Carry out all auxiliary and complementary activities in relation to the soda industry and sale of its products in any way.</b></p> <p><b>(vi) Managing the investment, financing, organization and management issues of stock corporations it partakes in capital or management wise which are established or to be established, collectively, together and mutually;</b></p> <p><b>(vii) Spreading the risk by entering fields other than the glass industry, ensuring the security of investments against cyclical</b></p>
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<p>activities or portfolio management according to the Capital Markets Law.</p> <p>d) On condition that they are not in the nature of investment services or activities, the Company may transfer its current share certificates (or shares) or other securities to others, swap them with other share certificates (and/or shares) and/or other securities, pledge them, buy or sell share certificates and hold in pledge the share certificates (or shares) or other securities of other shareholders.</p> <p>e) The Company may provide guarantee for the establishment, capital increase, bank loans and bond-commercial bill issuance and other debts of stock corporations of which capital and/or management it directly or indirectly partakes in.</p> <p>Principles defined within the scope of capital market legislation are complied with in relation to the Company providing guarantee, warranty and collaterals in favor of itself and 3rd parties and the allocation of the right of pledge including mortgages.</p> <p>f) The Company may take over all kinds of receivables arising from the sales of companies and their subsidiaries of which capital and management it partakes in, and transfer and/or endorse them to other institutions it partakes in or not.</p> <p>g) The Company may own or lease immovable (including ships) and movables and intangible fixed assets (rights) in order to perform its purpose and sphere of activity, it may lease them</p>	<p>movements and thus ensuring the development and sustainability of these companies;</p> <p>(viii) Supporting the development of the capital market and thus national industry by encouraging the safe participation of the savings of Company members and the public in the stock corporations in which it does and does not partake;</p> <p><b>(ix) Organizing social services within and outside of the company.</b></p> <p><b>B) Sphere of Activity of the Company:</b></p> <p>In order to actualize its purposes mentioned above, the Company may carry out the following;</p> <p>a) The Company establishes auxiliary and complementary industries that directly or indirectly relate to all kinds of glass, glassware and glass industry (and/or substitute industry), takes measures for their development and progress and operates them.</p> <p>b) The Company may partake in the capital and management of all kinds of industrial and commercial companies both domestic and foreign which operate in any field, whether established or to be established.</p> <p>c) The Company may purchase securities such as government bonds (including treasury bills), private sector bonds, profit and loss sharing certificates, bank certificates of deposit so long as they are not in the nature of intermediation activities or portfolio management according to the Capital Markets Law.</p>
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<p>to others fully or partially, it may transfer, assign or donate the immovable, movable and intangible fixed assets it owns, it may carry out all kinds of promissory and dispositive transactions related to real and intangible rights in accordance with servitude, usufruct, habitation rights and provisions of the civil law and other laws and it may perform disposition on the immovable whether with obligation or not.</p> <p>h) The Company may borrow against mortgage or other collaterals or without collateral in relation to its purpose and scope, it may receive or give all kinds of collateral both in kind or personal for the collection or establishment of its rights and receivables (including mortgages), it may carry out registration and cancellation proceedings in relation to these before title deeds office and other various government agencies.</p> <p>i) The Company may collaborate with domestic and foreign companies, it may establish all kinds of participations/partnerships with them and sign agreements based on sharing financial liabilities.</p> <p>j) The Company may establish foundations with social purposes outside of the Company in line with the provisions of law; it may partake in and aid such various foundations.</p> <p>k) The Company may intermediate the collection and payments of and carry out financial and legal consulting, auditing and all kinds of other services for companies of which capital and management it directly or indirectly partakes in.</p>	<p>d) On condition that they are not in the nature of investment services or activities, the Company may transfer its current share certificates (or shares) or other securities to others, swap them with other share certificates (and/or shares) and/or other securities, pledge them, buy or sell share certificates and hold in pledge the share certificates (or shares) or other securities of other shareholders.</p> <p>e) The Company may provide guarantee for the establishment, capital increase, bank loans and bond-commercial bill issuance and other debts of stock corporations of which capital and/or management it directly or indirectly partakes in.</p> <p>Principles defined within the scope of capital market legislation are complied with in relation to the Company providing guarantee, warranty and collaterals in favor of itself and 3rd parties and the allocation of the right of pledge including mortgages.</p> <p>f) The Company may take over all kinds of receivables arising from the sales of companies and their subsidiaries of which capital and management it partakes in, and transfer and/or endorse them to other institutions it partakes in or not.</p> <p>g) The Company may own or lease immovable (including ships) and movables and intangible fixed assets (rights) in order to perform its purpose and sphere of activity, it may lease them to others fully or partially, it may transfer, assign or donate the immovable, movable and intangible fixed assets it owns, it may carry out all kinds of</p>
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<p>The Company may undertake works such as warehousing, transportation, project preparation, feasibility works, chemical-physical analyses, data processing, import, export, marketing, organization, training and planning of all kinds of enterprises of which capital and management it directly or indirectly partakes in.</p> <p>The Company may open warehouses, stores, branches, representative offices, galleries and the like in its field both domestically and abroad in order to reach its purpose or offer franchises and dealerships.</p> <p>Before the Turkish Patent Institute and other institutions both domestic and abroad; the Company may provide services on the registration of all kinds of industrial and intellectual property rights such as trademarks, patents, utility models, industrial designs, geographical marks and integrated circuit photographs and carry out all kinds of tasks and proceedings before these institutions and act as trademark and patent attorney for third parties.</p> <p>The Company may engage in the exploration of all kinds of substances and mines in liquid, solid and gas form (including LPG), the closure, takeover or transfer and procurement and operation of mine sites and the execution of all proceedings in line with related laws and the purification, segregation, warehousing, distribution and trading of these substances and mines.</p> <p>Apart from the affairs stated above, the Company may also carry out all kinds of agency business,</p>	<p>promissory and dispositive transactions related to real and intangible rights in accordance with servitude, usufruct, habitation rights and provisions of the civil law and other laws and it may perform disposition on the immovable whether with obligation or not.</p> <p>h) The Company may borrow against mortgage or other collaterals or without collateral in relation to its purpose and scope, it may receive or give all kinds of collateral both in kind or personal for the collection or establishment of its rights and receivables (including mortgages), it may carry out registration and cancellation proceedings in relation to these before title deeds office and other various government agencies.</p> <p>i) The Company may collaborate with domestic and foreign companies, it may establish all kinds of participations/partnerships with them and sign agreements based on sharing financial liabilities.</p> <p>j) The Company may establish foundations with social purposes outside of the Company in line with the provisions of law; it may partake in and aid such various foundations.</p> <p>k) The Company may intermediate the collection and payments of and carry out financial and legal consulting, auditing and all kinds of other services for companies of which capital and management it directly or indirectly partakes in.</p> <p>The Company may undertake works such as warehousing, transportation, project preparation, feasibility works, chemical-physical analyses, data processing, import, export, marketing,</p>
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<p>advertisement-publicity, tourism investment and management.</p> <p>The Company may make donations as part of social responsibility within the terms and conditions set forth by the Capital Markets Board.</p> <p>On condition that the maximum limit of donations is determined by the General Assembly, that donations exceeding this amount are not permitted, the donations are added to the distributable profit base, that regulations of the CMB on hidden income transfer are not violated, necessary material disclosures are made and donations made within the year are provided for the information of shareholders during the General Assembly; it is possible to make donations in a manner that does not interrupt its own purpose and scope.</p> <p>Necessary permissions must be received from the Ministry of Trade and Capital Markets Board in case of any changes in the purpose and scope of the Company.</p> <p>The Company may carry out any other procedure related to issues and procedures stated under subclause a above.</p>	<p>organization, training and planning of all kinds of enterprises of which capital and management it directly or indirectly partakes in.</p> <p>l) The Company may open warehouses, stores, branches, representative offices, galleries and the like in its field both domestically and abroad in order to reach its purpose or offer franchises and dealerships.</p> <p>m) Before the Turkish Patent Institute and other institutions both domestic and abroad; the Company may provide services on the registration of all kinds of industrial and intellectual property rights such as trademarks, patents, utility models, industrial designs, geographical marks and integrated circuit photographs and carry out all kinds of tasks and proceedings before these institutions and act as trademark and patent attorney for third parties.</p> <p><b>n) The Company engages in the establishment, commissioning and lease of electricity production facilities, electricity production and the sale of hot water, steam, demineralized water, heat and by-products stemming from the produced electric energy and/or capacity.</b></p> <p><b>The Company may perform activities in the fields provided hereunder in order to actualize its purpose, in line with related legislation regarding the electricity market:</b></p> <p><b>1) to establish, commission, undertake, lease or rent out all kinds of facilities to produce electric energy,</b></p>
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	<p><b>2) to sell the produced electric energy and/or capacity to; legal persons that possess wholesale license or supply license, legal persons that possess retail sales license and free consumers through bilateral agreements,</b></p> <p><b>3) to enter into participation relations with electricity generation companies established or to be established.</b></p> <p><b>o) The Company may engage in the exploration of all kinds of substances and mines in liquid, solid and gas form (including LPG), the closure, takeover or transfer and procurement and operation of mine sites and the execution of all proceedings in line with related laws and the purification, segregation, warehousing, distribution and trading of these substances and mines.</b></p> <p><b>p) The Company may perform all kinds of logistics and transportation services related to itself and group companies it is a part of, in the framework of purposes and spheres indicated above and may engage in the below services for this purpose.</b></p> <p><b>a- They may perform domestic and international transportation works through all kinds of land, sea and air vehicles.</b></p> <p><b>b- They may perform all kinds of loading, unloading, port management and customs clearance works.</b></p>
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	<p>c- <b>They may perform all kinds of storage, warehousing, packaging and handling works.</b></p> <p>d- <b>They may perform franchising, distributorship, agency businesses and brokering services related to issues indicated under a-b-c and sign agreements.</b></p> <p>e- <b>They may purchase, lease and provide repair and maintenance services for all kinds of land, sea and air vehicles to render services indicated above and engage in the trade and distributorship including import for these vehicles.</b></p> <p><b>They may lease the land, sea and air vehicles they own to third parties and may operate them this way.</b></p> <p>r) Apart from the affairs stated above, the Company may also carry out all kinds of agency business, advertisement-publicity, tourism investment and management.</p> <p>s) The Company may make donations as part of social responsibility within the terms and conditions set forth by the Capital Markets Board.</p> <p>On condition that the maximum limit of donations is determined by the General Assembly, that donations exceeding this amount are not permitted, the donations are added to the distributable profit base, that regulations of the CMB on hidden income transfer are not violated, necessary material disclosures are made and</p>
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	<p>donations made within the year are provided for the information of shareholders during the General Assembly; it is possible to make donations in a manner that does not interrupt its own purpose and scope.</p> <p>t) Necessary permissions must be received from the Ministry of Trade and Capital Markets Board in case of any changes in the purpose and scope of the Company.</p> <p>y) The Company may engage in other proceedings related to subjects and proceedings stated within subclauses a - t above <b>and/or may carry out activities permitted by law through companies to be established domestically or abroad for this purpose.</b></p>
<p><b>CAPITAL</b></p> <p><b>Article 7-</b></p> <p>The Company has accepted the Registered Capital System as per provisions of Capital Markets Law and completed the transition to this system with the permission of the Capital Markets Board dated 4.3.1985 numbered 93.</p> <p>The upper limit of registered capital of the Company is 4,000,000,000 Turkish Liras and it has been divided into 400,000,000,000 shares each with a nominal value of 1 (One) Kurush.</p> <p>The permission given by the Capital Markets Board for the upper limit of registered capital is valid for 2017-2021 (5 years). Even if the permitted upper limit of registered capital has not been reached by the end of 2021, in order for the</p>	<p><b>CAPITAL</b></p> <p><b>Article 7-</b></p> <p>The Company has accepted the Registered Capital System as per provisions of Capital Markets Law and completed the transition to this system with the permission of the Capital Markets Board dated 4.3.1985 numbered 93.</p> <p>The upper limit of registered capital of the Company is 4,000,000,000 Turkish Liras and it has been divided into 400,000,000,000 shares each with a nominal value of 1 (One) Kurush.</p> <p>The permission given by the Capital Markets Board for the upper limit of registered capital is valid for 2017-2021 (5 years). Even if the permitted upper limit of registered capital has not been reached by the end of 2021, in order for the</p>

<p>board of directors to take a resolution on capital increase after 2021; it is compulsory to receive authorization from the general assembly for a new time frame not to exceed 5 years by receiving permission from the Capital Markets Board for the previously permitted limit or a new limit. The Company cannot increase its capital with a resolution of the Board of Directors in case the said authorization is not obtained.</p> <p>The issued capital of the Company is 2,250,000,000 Turkish Liras and it has been divided into 225,000,000,000 bearer shares each with a nominal value of 1 Kurush. 2,250,000,000 Turkish Liras that constitutes the issued capital has been fully paid and covered.</p> <p>Shares representing the capital are kept in dematerialized form, in line with the rules of dematerialization.</p>	<p>board of directors to take a resolution on capital increase after 2021; it is compulsory to receive authorization from the general assembly for a new time frame not to exceed 5 years by receiving permission from the Capital Markets Board for the previously permitted limit or a new limit. The Company cannot increase its capital with a resolution of the Board of Directors in case the said authorization is not obtained.</p> <p>The issued capital of the Company is 2,250,000,000 Turkish Liras and it has been divided into 225,000,000,000 shares each with a nominal value of 1 Kurush. 2,250,000,000 Turkish Liras that constitutes the issued capital has been fully paid and covered.</p> <p>All company shares are registered share certificates. The Company cannot issue registered share certificates except for those to be issued in order to be traded on the stock exchange.</p> <p>The capital of the company may be increased or decreased in accordance with the provisions of the Turkish Commercial Code, Capital Markets Regulations and Electricity Market Regulations when necessary.</p> <p>Shares representing the capital are kept in dematerialized form, in line with the rules of dematerialization.</p>
<p><b>AMENDMENTS TO THE ARTICLES OF ASSOCIATION</b></p>	<p><b>AMENDMENTS TO THE ARTICLES OF ASSOCIATION</b></p>

<p><b>Article 21-</b></p> <p>Any amendments to these Articles of Association are concluded and implemented in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Law. These amendments will be valid from the date of announcement, after they are duly approved and registered in the trade registry.</p> <p>Following the approval of the Capital Markets Board and the Ministry of Commerce, the amendments to the Articles of Association will be decided in compliance with the Law, Board legislation and provisions set forth in the Articles of Association, at the General Assembly to be called in accordance with the provisions of the Law and Articles of Association.</p>	<p><b>Article 21-</b></p> <p>Any amendments to these Articles of Association are concluded and implemented in accordance with the provisions of the Turkish Commercial Code and the Capital Markets Law. These amendments will be valid from the date of announcement, after they are duly approved and registered in the trade registry.</p> <p>Following the approval of the Capital Markets Board and the Ministry of Commerce, the amendments to the Articles of Association will be decided in compliance with the Law, Board legislation and provisions set forth in the Articles of Association, at the General Assembly to be called in accordance with the provisions of the Law and Articles of Association.</p> <p><b>Approval of Energy Market Regulatory Authority is mandatory for the amendments to the Articles of Association regarding shareholding and share transfers, mergers and demergers, and capital decrease.</b></p>
	<p><b>TRANSFER OF SHARE OR SHARE CERTIFICATES</b></p> <p><b>Article 33-</b></p> <p><b>The approval of the Energy Market Regulatory Authority is mandatory for the following transfers of shares, provided that the necessary material disclosures are made to the investors as required by the Capital Markets Board: shares representing five percent or more of the Company's capital being acquired by a real or legal person directly or indirectly,</b></p>

	<p>share acquisitions which result in the share of a single shareholder exceeding five percent of the Company's capital, and/or the share transfers which result in the share of a single shareholder falling below five percent of the Company's capital. The approval becomes invalid if the share transfer does not take place within six months as from the date of approval. This provision also applies for the acquisition of a voting right.</p> <p>Even if no share transfer occurs, placement or cancellation of privileges on existing shares or issuance of non-voting shares are subject to the approval of the Energy Market Regulatory Authority, regardless of the proportional limit related to the share transfer.</p> <p>Transfer of share certificates traded on the stock exchange requires compliance with the Capital Markets Legislation.</p>
	<p><b>PROVISIONS ON MERGER AND DEMERGER</b></p> <p><b>Article 34-</b></p> <p>The company may merge with other companies together with all its assets and liabilities. The merger takes place in accordance with the Turkish Commercial Code and Capital Markets legislation. In case a legal entity that possesses a production license wishes for a merger to take place within itself or within the body of another legal entity with all its assets and liabilities or for a full or partial demerger to take place, it is</p>

	<p><b>compulsory to receive approval from the Capital Markets Board and Energy Market Regulatory Authority in relation to the merger or demerger before the merger or demerger takes place, reserving the provisions concerning mergers and acquisitions of the Law no. 4054 on the Protection of Competition. Once the approval is obtained, merger procedures shall be concluded within hundred and eighty days following the date of approval.</b></p> <p><b>The said merger agreement shall not include provisions that violate the rights and receivables of consumers or write off the debts of the company and shall include the terms required by the Electricity Market legislation.</b></p> <p><b>Provisions of the Capital Markets legislation on mergers and demergers are reserved.</b></p>
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### **10.5. Tax Payables and Declaration**

ŞİŞECAM shall deliver a letter of undertaking to the tax offices of the Acquired Companies within the legally required period, stating that the Acquiring Company shall pay all the tax obligations of the Acquired Companies to dissolve with the Merger which have accrued, and which will accrue until the Merger Date, also that the Acquiring Company shall fulfill all other debts and obligations of the Acquired Companies. The Acquiring Company shall provide a collateral, if the related authority requests it.

All Parties shall prepare and sign jointly the Corporate Tax Return of the Acquired Companies as of the merger date. Accompanied with acquisition balance sheets and profit & loss table, this Corporate Tax Return shall be delivered to the tax offices of the Acquired Companies no later than 30 days following the announcement of the merger in the Turkish Trade Registry Gazette.

### **10.6. Debts of the Acquired Companies**



As the result of the merger, Acquired Companies will dissolve without liquidation, and their debts to third persons shall be paid by the Acquiring Company in full and timely, pursuant to the terms of the agreement, provisions of the TCC and other related legal regulations.

TCC Article 541 shall apply for the following debts of the Acquired Companies: Debts that have become due but have not been paid because the creditors have not applied, undue debts, debts in dispute<sup>4</sup>.

### **10.7. Impact of the Merger on the Creditors of the Companies involved in the Merger**

As a result of the merger, Acquired Companies will dissolve without liquidation, and their debts to third parties will be paid by ŞİŞECAM in full and completely, pursuant to any contractual terms, as well as provisions of the TCC and other related regulations.

Article 541 of TCC shall apply to debts that have become due but have not been paid because the creditors have not applied, undue debts, and debts in dispute.

In addition, if the creditors of the Acquired Companies make a request within three months after the merger becomes legally valid (registered), ŞİŞECAM guarantees their receivables in compliance with Article 157/1 of the TCC.

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<sup>4</sup> Article 541 of the TCC is as follows:

(1) Creditors are notified that the company has terminated, and they are invited to report their receivables to the liquidation officers. This notification shall be made, (i) by registered mail, for persons who are seen as creditors in the company books or other documents, and for which the address is known, (ii) for other creditors, by an announcement in the Turkish Trade Registry Gazette and the company's website, and at the same time as stated in the Articles of Association, announcement being repeated three times, with 1-week intervals.

(2) If known creditors do not report their receivables, the amount of their receivables is deposited with a bank that will be specified by the Ministry of Customs and Trade. (3) If there are any debts of the company that are undue or that are in dispute, funds sufficient to cover these shall be deposited with a public notary, unless these debts have sufficient collateral coverage, or there is a condition that the assets of the company can be shared by the shareholders only after these debts are paid. (4) Liquidation officers who violate the above-mentioned provisions shall be liable for the unjust payments pursuant to Article 553.

Pursuant to Article 157/1 of the TCC, three announcements are published in the Turkish Trade Registry Gazette at seven-day intervals and an online announcement is also posted to notify the creditors of the Acquired Companies involved in the Merger under this Merger Report about their rights.

Pursuant to Article 157/4 of the TCC, if it is understood that other creditors will not be harmed, the liable company may pay the debt instead of posting a guarantee.

### **10.8. Merger Date, and the Dissolution Date of the Acquired Company**

After the general assemblies of All Parties approve the Merger, these approval resolutions will be registered with the related Trade Registry Office. According to Article 152 of the TCC, the merger will be officially valid on the registration date, which will be recognized as the "Merger Date". As of this date, Acquired Companies will dissolve without liquidation, and all the assets and liabilities of the Acquired Companies will be transferred to the Acquiring Company. Any transaction and action performed by the Acquired Companies will be deemed to have been performed on behalf of the Acquiring Company. Profits and losses arising out of the operations of the Acquired Companies until the Merger Date will be assumed by the Acquiring Company, and these accounts shall be entirely transferred to the books of ŞİŞECAM.

Although this merger will consider balance sheets of 31 December 2019, once the necessary end-of-year operations have been carried out, activities and transactions carried out by the Acquired Companies from the date of approval of the Merger Agreement by the general assemblies to the date when the Merger is registered with the Trade Registry Office will be transferred to the records of ŞİŞECAM, and, thus included in the operating results of ŞİŞECAM.

### **10.9. Dividend**

As a result of the Merger, shareholders of the Acquired Companies will receive shares from the ŞİŞECAM. This share transfer will take place in dematerialized form at the Central Registry Agency.

Shareholders of the Acquired Companies shall be eligible to receive dividends for their new shares of ŞİŞECAM, as of the registration date of the Merger. As part of this merger, a capital

increase will be made, leading to the issuance of new shares. Resulting dividends will be equally paid to all existing shares as of the payment date, regardless of their issue or acquisition date.

On the other hand, the Ordinary General Assembly of ANADOLU CAM decided to distribute TRY 142,193,421 out of the net consolidated balance sheet profit of TRY 527,224,000 for 2019 and to fix the payment date of cash dividends at 29 May 2020.

However, as per Article 12 of the Law No. 7244 on “Amending the Law on the Reduction of the Effects of the Coronavirus (Covid-19) on Economic and Social Life and Some Other Laws” published in the Official Gazette on 17 April 2020, Interim Article 13 was added to the TCC stating that: *“In stock corporations, until 30 September 2020, only twenty-five percent of the net profit of 2019 can be distributed, the previous year’s profits and free reserves cannot be distributed, and the Board of Directors cannot be authorized by the General Assembly to distribute dividend advances. ... If the General Assembly has decided to distribute dividends for the fiscal year 2019, but if the shareholders have not yet been paid or have been paid partially, payments for the part exceeding twenty-five percent of the net profit for 2019 will be postponed until the end of the period specified in the first paragraph.”*

Issued by the Ministry of Trade in relation to the implementation of the said Interim Article 13, the Communiqué on the Procedures and Principles Regarding the Implementation of the Interim Article 13 of the Turkish Commercial Code No. 6102 ("**Communiqué on Interim Article 13**") took effect following its publication in the Official Gazette on 17 May 2020. The Communiqué states that, in some cases, exceptions may apply to the rule of postponement of dividend payments mentioned above. However, it is not possible to apply the exceptions to the holders of public shares of ANADOLU CAM.

Pursuant to the abovementioned legislation, a partial payment of TRY 100,505,852 – corresponding to the legally distributable profit share - was made to the shareholders of ANADOLU CAM on 29 May 2020, and the remaining payment of TRY 41,687,569 was postponed until 30 September 2020.

As ANADOLU CAM will be transferred to ŞİŞECAM with all its assets and liabilities and will thus dissolve upon the registration of the General Assembly resolution on the merger, it will be physically impossible to differentiate ANADOLU CAM shareholders to whom residual profit share will be paid. Therefore, as of the Extraordinary General meeting date on which the merger

will be discussed, existing shareholders will be identified and the remaining profit share payment will be made by ŞİŞECAM to these shareholders.

#### **ARTICLE 11: TRANSFER OF LEGAL RIGHTS FOR REGISTERED ASSETS OWNED BY THE ACQUIRED COMPANIES**

All legal rights owned by the Acquired Companies, including trademarks, industrial and intellectual property rights, and rights associated with real estate, vehicles and any other kind of right subject to registration shall transfer and pass entirely to ŞİŞECAM, as of the merger date stated in Article 10. The necessary registration operations shall be carried out based on the Merger Agreement, and other merger documents regarding registration.

#### **ARTICLE 12: PRIVILEGED SHARES, NON-VOTING SHARES and BORROWING INSTRUMENTS**

##### **– Acquiring Company - ŞİŞECAM:**

At the Acquiring Company, there are no privileges granted to share certificates representing capital. There are no non-voting shares at the Acquiring Company.

ŞİŞECAM bonds, issued on 09 May 2013 with a nominal value of 299,920,000 US Dollar in accordance with the CMB's resolution (i) no. 29833736-105.03.01-14.62, dated 06 May 2013, are fully redeemed on 11 May 2020. The Company has a total of 700,000,000 US Dollar in bonds, issued on 14 March 2019 and 28 March 2019 with nominal value of 550,000,000 US Dollar and 150,000,000 US Dollar, respectively, in accordance with the CMB's resolution no. 19/546, dated 27 April 2018, both of which will be fully redeemed on 14 March 2026. These bonds are listed on the Ireland Exchange. The coupon interest rate of bonds with nominal value of 700,000,000 US Dollar that will mature in 2026 is 6.95% (effective interest rate: 7.32%). Coupon payments are made semi-annually, in equal installments.

Total funds obtained with these 7-year borrowing instruments (bonds) issued on 09 May 2013, 14 March 2019 and 28 March 2019 is 999,920,000 US Dollar. Out of this amount, 799,936,000 US Dollar was transferred as follows: 383,293,333 US Dollar to TRAKYA CAM, 199,984,000 US Dollar to ANADOLU CAM, 140,000,000 US Dollar to PAŞABAĞÇE, 76,658,667 US Dollar to SODA SANAYİİ. These transfers are made in return for the guarantee received from the subsidiaries, stating that they will pay the principal, interest and similar amounts corresponding to the amount that they have received.

– **Acquired Company 1 - ANADOLU CAM**

ANADOLU CAM has adopted the registered capital system, and the upper limit of its registered capital is 2,000,000,000 Turkish Liras. Registered capital is divided into 200,000,000,000 bearer shares, each having a nominal value of 1 (one) Kurush.

The issued capital of the company is TRY 750,000,000. This capital is divided into 75,000,000,000 bearer shares, each having a nominal value of 1 (one) Kurush. Group information of the shares of the capital is as follows:

	<b>Group A Bearer Shares</b>	<b>Group B Bearer Shares (Privileged)</b>
<b>Number</b>	73,751,389,432	1,248,610,568
<b>Capital Amount (TRY)</b>	737,513,894.321	12,486,105.679

Group B shares representing ANADOLU CAM capital are privileged. This privilege in question is stated in Article 29, "Profit Distribution" in the company's Articles of Association:

According to this Merger Report and Merger Agreement executed by the Companies involved in the merger, the privileges of ANADOLU CAM privileged shares will terminate. Since ŞİŞECAM owns all of the B Group shares, ŞİŞECAM will not receive any shares in return for these shares. Before the extraordinary general assembly meeting of ANADOLU CAM where the merger will be submitted for approval, a special assembly meeting will be held among Group B shareholders, and the aforementioned matter will be approved in this meeting.

Pursuant to all merger documents issued for the Merger subject to this Merger Report, ANADOLU CAM has 4,709 non-voting shares. Within the Company's records, non-voting shares are held by real and legal persons listed in the annex to the Merger Agreement executed regarding the Merger. According to this Merger Agreement, non-voting shares at ANADOLU CAM will be purchased from their shareholders as per Article 140, paragraph five of the TCC. The purchase price will be TRY 24,750 per non-voting share, based on the fair value calculated in the Valuation Expert's Report. Consequently, these non-voting shares of ANADOLU CAM will be canceled. Payments will be made within five business days following the registration of the merger, to the bank accounts advised to the Company by the non-voting shareholders indicated in the annex to the Merger Agreement. If the title of shareholding changes (by inheritance or other reasons), if a shareholder is not included in the list attached to the Merger

Agreement, or a change occurs in the bank account details advised to the company, shareholders should advise them to the Company no later than five business days following the extraordinary general assembly meeting held for the Merger. If these changes and corrections are not advised to the Company, the related shareholders cannot make any claims against ŞİŞECAM concerning the payments made according to the list attached to the Merger Agreement.

If the company records any period profit, these shareholders receive dividends as per Article 29/c, "Profit Distribution", of the Articles of Association.

Funds amounting to 100,000,000 US Dollar were obtained by ŞİŞECAM through the bond issue dated 9 May 2013, redemption date being 11 May 2020, and fixed interest rate being 4.25%, and these funds were transferred to ANADOLU CAM under the same conditions. ANADOLU CAM provided an exclusive guarantee for the principal amount, interest and similar payments for this funding. Out of the nominal value of this debt, 40,016,000 US Dollar were repaid on 29 March 2019, before the redemption date. The remaining nominal amount of 59,984,000 US Dollar was paid on the redemption date of 11 May 2020.

In summary, total nominal value of ŞİŞECAM bonds is 700,000,000 US Dollar, the maturity is 7 years, issue date is 28 March 2019, redemption date is 14 March 2026, and the coupon rate is 6.95%. Following the bond issue, funds amounting to 140,000,000 US Dollar were transferred to ANADOLU CAM under the same conditions. ANADOLU CAM provided an exclusive guarantee for the principal amount, interest and similar payments for this funding.

As of 31 December 2019, in relation to the bond issue by ŞİŞECAM, the amount of the funds allocated to ANADOLU CAM under the payment guarantee is (including principal, interest, issue differential, commission), TRY 1,196,464,000.

– **Acquired Company 2 - DENİZLİ CAM:**

At DENİZLİ CAM, there are no privileges granted to share certificates representing the capital.

There are no borrowing instruments such as bonds, or non-voting shares issued by DENİZLİ CAM.

– **Acquired Company 3 - PAŞABAĞÇE:**

At PAŞABAĞÇE, there are no different share groups, privileged shares and non-voting shares.

In summary, total nominal value of ŞİŞECAM bonds is 700,000,000 US Dollar, the maturity is 7 years, issue date is 28 March 2019, redemption date is 14 March 2026, and the coupon rate is 6.95%. Out of the funds obtained through this bond issue, 140,000,000 US Dollar were transferred to PAŞABAĞÇE under the same conditions. PAŞABAĞÇE provided an exclusive guarantee for the principal amount, interest and similar payments for this funding.

As of 31 December 2019, in relation to the bond issue by ŞİŞECAM, the amount of the funds allocated to PAŞABAĞÇE is TRY 838,102,000 (including principal, interest, issue differential, commission).

– **Acquired Company 4 - SODA SANAYİİ:**

At the Acquired Company 4, there are no privileges granted to share certificates representing capital.

There are no non-voting shares at the Acquired Company 4.

Funds amounting to 50,000,000 US Dollar were obtained by ŞİŞECAM through the bond issue dated 09 May 2013, redemption date being 11 May 2020, and fixed interest rate being 4.25%, and these funds were transferred to SODA SANAYİİ under the same conditions. SODA SANAYİİ provided an exclusive guarantee for the principal amount, interest and similar payments for this funding. Out of the nominal value of this debt, 21,008,000 US Dollar were repaid on 29 March 2019, before the redemption date. The remaining nominal amount of 29,992,000 US Dollar was repaid on the redemption date of 11 May 2020.

In summary, total nominal value of ŞİŞECAM bonds is 700,000,000 US Dollar, the maturity is 7 years, issue date is 28.03.2019, redemption date is 14.03.2026, and the coupon rate is 6.95%. Following the bond issue, funds amounting to 46,667,000 US Dollar were transferred to SODA SANAYİİ under the same conditions. SODA SANAYİİ provided an exclusive guarantee for the principal amount, interest and similar payments for this funding.

As of 31 December 2019, in relation to the bond issue by ŞİŞECAM, the amount of the funds allocated to SODA SANAYİİ under the payment guarantee is (including principal, interest, issue differential, commission), TRY 458,549,000.

– **Acquired Company 5 - TRAKYA CAM:**

At TRAKYA CAM, there are no privileges granted to share certificates representing capital. There are no non-voting shares at the Acquired Company 5.

Funds amounting to 250,000,000 US Dollar were obtained by ŞİŞECAM through the bond issue dated 09 May 2013, redemption date being 11 May 2020, and fixed interest rate being 4.25%, and these funds were transferred to TRAKYA CAM under the same conditions. TRAKYA CAM provided an exclusive guarantee for the principal amount, interest and similar payments for this funding. Out of the nominal value of this debt, 200,000,000 US Dollar were repaid on 29 March 2019, before the redemption date. The remaining nominal amount of, 50,000,000 US Dollar was repaid on the redemption date of 11 May 2020.

In summary, total nominal value of ŞİŞECAM bonds is 700,000,000 US Dollar, the maturity is 7 years, issue date is 28 March 2019, redemption date is 14 March 2026, and the coupon rate is 6.95%. Following the bond issue, funds amounting to 233,000,000 US Dollar were transferred to TRAKYA CAM under the same conditions. TRAKYA CAM provided an exclusive guarantee for the principal amount, interest and similar payments for this funding.

As of 31 December 2019, in relation to the bond issue by ŞİŞECAM, the amount of the funds allocated to TRAKYA CAM under the payment guarantee is (including principal, interest, issue differential, commission), TRY 2,292,740,000.

#### **ARTICLE 13: RIGHTS AND OBLIGATIONS OF THE PARTIES**

All Parties of this Merger shall show effort and care to the extent possible, to fulfill their debts and obligations arising out of this Merger Report in a timely and complete manner. Any party failing to fulfill any obligation, shall indemnify the losses and damages of the other party, shareholders and creditors of All Parties.

#### **ARTICLE 14: IMPACT OF THE MERGER ON THE EMPLOYEES AND CREDITORS OF THE COMPANIES INVOLVED IN THE MERGER**

Pursuant to Articles 147 and 178 of the Turkish Commercial Code, employees of the Acquired Companies will be transferred in ŞİŞECAM with all their rights and obligations, as per applicable legislation. There will be no changes to their rights.



As a result of the employee transfer from the Acquired Companies, necessary changes will be made in the job descriptions and positions of both current employees and their managers, as well as in the organizational structure of the entire company.

As a result of the Merger, Acquired Companies will dissolve without liquidation, and their debts to third parties will be paid by ŞİŞECAM in full and completely, pursuant to any contractual terms, as well as provisions of the TCC and other related regulations.

Article 541 of TCC shall apply to debts that have become due but have not been paid because the creditors have not applied, undue debts, and debts in dispute.

#### **ARTICLE 15: MAXIMUM DURATION ALLOWED FOR CONVENING THE GENERAL ASSEMBLY**

The Merger under this Merger Report and the merger agreement executed accordingly will be effective upon the permission by the CMB, other regulatory permissions if any, and the approvals of the general assemblies of All Parties. The boards of directors of All Parties will invite the general assembly of their companies to meet, to negotiate and approve the Merger. These invitations shall be made after the CMB approves the merger announcement, and the timing of the invitations shall be arranged so that the general assembly meetings are held no later than 31 August 2020. If the boards of directors of All Parties do not make the invitations as explained above, this Merger Report shall be null and void, without creating any consequences.

#### **ARTICLE 16: APPROVAL OF OTHER OFFICIAL AUTHORITIES**

This Merger Report is executed upon the approval of the CMB, issued by their resolution no. [\_\_\_\_\_], dated [\_\_].[\_\_].2020.

This Merger is in the category of "*intra-group transactions not resulting in a change of control, and other transactions*", as explained in Article 6 of the Communiqué no. 2010/04 on "Mergers and Acquisitions Requiring the Approval of the Competition Board", issued by the Turkish Competition Authority. Therefore, the approval of the Competition Board is not required. All Parties shall submit their statements to the CMB.

Additionally, an application was filed with the Energy Market Regulatory Authority ("EPDK"), for the transfer of the licenses held by All Parties, to the Acquiring Company ŞİŞECAM.

Furthermore, pursuant to the same legal regulations and the EPDK practices, planned amendments to the Articles of Association shall be submitted to the approval of the General Assembly.

Necessary permissions will also be obtained from the General Directorate of Domestic Trade under the Ministry of Trade.

#### **ARTICLE 17: SPECIAL BENEFITS GRANTED TO THE MANAGING BODIES AND THE PERSONS WHO PREPARED THE VALUATION EXPERT'S REPORT USED IN THE MERGER**

None of the Parties have granted any special benefits to the managing bodies, executives, and PwC Yönetim Danışmanlığı A.Ş., which prepared the Valuation Expert's Report.

#### **ARTICLE 18: EXIT RIGHTS**

Pursuant to Article 23 of the CML and Article 9, "Exercise of Exit Rights," of the repealed Communiqué on Common Rules for Transactions of Critical Importance and Exit Rights (II-23.1) (which applies to this Merger pursuant to Interim Article 1 of the CMB Communiqué on Common Rules for Transactions of Critical Importance and Exit Rights (II-23.3)), shareholders will be entitled to exit rights, if they attend in person or through a proxy, to the general assembly meetings (of ŞİŞECAM, ANADOLU CAM, DENİZLİ CAM, SODA SANAYİİ and TRAKYA CAM) in which the Merger is approved, and then cast their vote as "negative" and record their dissenting opinion to the meeting minutes. As PAŞABAHÇE is not subject to the CML, its shareholders will not be entitled to exit rights.

Following the general assembly meeting in which the Merger is submitted to approval, shareholders who/which have cast a negative vote for the merger and have recorded their dissenting opinion to the meeting minutes will be able to request to exercise their exit right, by submitting their request through specified and disclosed procedures to the intermediary institution authorized by All Parties to manage exclusively the merger. If the exit rights are exercised upon such request, the share price to be paid to these shareholders will be the "arithmetic average of the weighted average prices" in Borsa Istanbul, within thirty days before the disclosure date of the Merger - 30 January 2020 inclusive (since the announcement was made after the closing of Borsa İstanbul session). This price calculation method is pursuant to Article 24, "Exit Rights", of the CML and Article 10, "Exercise Price for Exit Rights" of the

repealed Communiqué on Common Rules for Transactions of Critical Importance and Exit Rights (II-23.1) (which applies to this Merger). Accordingly, the price for the exercise of Exit Rights shall be as follows for All Parties:

<b>Company</b>	<b>Exit Rights Price</b>	<b>Dividend Payment 2019</b>	<b>Net Exit Rights Price after Dividend Payment</b>
<b>Türkiye Şişe ve Cam Fabrikaları Anonim Şirketi</b>	5.268	0.142	5.126
<b>Anadolu Cam Sanayii Anonim Şirketi</b>	4.455	0.133	4.322
<b>Denizli Cam Sanayii ve Ticaret Anonim Şirketi</b>	8.852	0.000	8.852
<b>Soda Sanayii Anonim Şirketi</b>	6.389	0.245	6.144
<b>Trakya Cam Sanayii Anonim Şirketi</b>	3.474	0.104	3.370

The exercise of the exit rights shall start no later than 6 working days following the date of the general assembly in which the Merger is submitted to approval. The duration allowed for the exercise of exit rights is 15 working days. Durations related to the exercise of exit rights shall be notified to the investors by way of the agenda of the general assembly, and also will be disclosed through the Public Disclosure Platform. Additionally, the agenda of the general assembly in which the Merger will be negotiated, shall include: That the shareholders casting a negative vote shall be entitled to exit rights, the unit price the shares will be purchased by the related company if the right is exercised, and the procedure related to the exercise of exit rights.

It is mandatory to exercise the exit rights through the intermediary institution. Acquiring Company ŞİŞECAM has executed an agreement with İş Yatırım Menkul Değerler A.Ş. for this purpose. Shareholders that will exercise their exit rights shall deliver their shares to the

intermediary institution assigned to run the process, for their shares to be sold. The delivery and sale process shall comply with the disclosed procedure of exercising of exit rights and general provisions. The proceeds of the sale shall be paid to the shareholders exercising the exit right, on the working day following the sale at the latest.

In addition to our aforementioned explanations, as explained in detail in Article 2 of this Merger Report, the Interim Article 1 of the Communiqué no. II-23.3 states that (i) for transactions of critical importance that were publicly disclosed before 25 February 2020, shareholders who/which are eligible for exit rights and their share amounts would be determined as of 25 February 2020, and in this determination, the matched orders would be taken into consideration, regardless of the settlement being finalized, and, (ii) transactions of critical importance that were publicly disclosed before the Communiqué no. II-3.3 entered into force would be concluded according to the provisions of the repealed Communiqué no. II-23.1 on Common Rules for Transactions of Critical Importance and Exit Rights, without prejudice to the provisions of the first paragraph. Consequently, the transactions under this Merger Report and Merger Agreement executed by the Companies involved in the merger shall, as a rule, continue to be subject to the repealed Communiqué on Common Rules for Transactions of Critical Importance and Exit Rights (II-23.1). However, shareholders that are eligible for exit rights and their share amounts shall be determined as of 25 February 2020.

Pursuant to Article 11(2) of the Communiqué No. II-.23.3, *“The amount of shares to be subject to the exit rights is calculated by deducting from end-of-day balances, on a last-in-first-out basis, any sales made until the date of the general assembly for shares held on the date specified in this paragraph. Matched orders are taken into consideration in determining the shareholders on the date of public disclosure and their share amounts, regardless of the settlement being finalized.”* However, since the Interim Article 1 of the said Communiqué does not refer to the mentioned Article 11(2), the aforementioned Article 11 (2) will not apply to the Merger. In other words, investors who hold shares on 25 February 2020 will be able to exercise their exit rights, from 25 February 2020 to the general assembly date on which the Merger will be approved, provided that they do not exceed the number of shares on the said date and regardless of how they have exercised their right of disposition on their shares. In this context, shareholders who have sold their shares after 25 February 2020 will also be able to exercise their exit rights by purchasing the said number of shares from the market.

## **ARTICLE 19: UPPER LIMITS TO BE IMPOSED BY THE BOARDS OF DIRECTORS OF ALL PARTIES**

In this Merger, the boards of directors of Parties will not set an “upper limit” for the total cost that ŞİŞECAM will have to incur as a result of the exercise of the exit rights, and/or the ratio of total shares to the issued capital for the shareholders that will cast a negative vote at the general assembly in which the merger will be approved and record their dissenting opinion in the meeting minutes.

## **ARTICLE 20: OTHER MATTERS**

In addition to the abovementioned matters, All Parties shall fulfill all of their obligations related to the merger, arising out of the TCC, CTC, CML, CMB's regulations on mergers, and other tax laws. In cases that are not mentioned in this Merger Report, the provisions of TCC, CTC, CML and the CMB regulations related to mergers shall apply.

## **ARTICLE 21: RISKS THAT MAY PREVENT THE ACHIEVEMENT OF GOALS AS INTENDED WITH THE MERGER**

The realization of the merger is dependent on obtaining the legally required permissions and approvals detailed in this Merger Report and the Merger Agreement executed by the companies involved in the merger.

According to Article 6 of the Communiqué No. II-23.2 (*Financial Statements to be Used for the Merger and Demerger*), the Merger should be approved by the general assemblies of the Acquiring Company and the Acquired Companies by August 31, 2020. If the general assemblies do not meet and approve the transaction by the said date, or another future date as may be allowed by the CMB, financial statements dated December 31, 2019 cannot be used for the merger.

According to Article 10 of the CMB Communiqué No. II-23.2 (*Changes in the Financial Position*), paragraph 1, if a significant change occurs in the financial position of the companies involved in the merger from the date on which the merger agreement is signed to the date on which the agreement will be submitted to the approval of the general assembly, the managing bodies of all parties may have to decide to amend the merger agreement or to renounce the merger. In such a case, there is a risk that the general assembly meeting related to the merger cannot be held by August 31, 2020 because of the renouncement of the merger or amendment in the merger agreement.

In case there are shareholders who/which wish to exercise exit rights, and they attend to the general assembly, cast a negative vote, and have their dissenting opinion recorded in the meeting minutes, financing may be required for the payments to be made to these shareholders or their representatives, depending on the amount of exercised exit rights. The company may not cover the financing necessary for the exercise of exit rights with its internal resources. If such financing cannot be obtained at all or cannot be obtained with the anticipated conditions, this may prevent the merger.

Finally, force majeure events such as earthquake, epidemic and war may cause difficulties for the shareholders in their attendance to the general assembly meeting in which the merger will be approved, and the exercise of their exit rights. These factors may also make the registration of the approved merger extremely difficult, or impossible, in an unforeseeable way.

#### **ARTICLE 22: SIGNATURES**

This Merger Report is prepared in 8 copies. It was signed by the managing bodies of All Parties and will be effective upon its approval by the general assemblies of companies involved in the merger. According to Law no. 4684 and the provision included in Table (2) of the Stamp Duty Law no. 488 (line no. IV-17), this Merger Report is exempt from stamp duty.

**27/04/2020**

**Türkiye Şiše ve Cam Fabrikaları Anonim Şirketi**

**Senar Akkuş**

**Dr. Ahmet Kırman**

**Adnan Bali**

**Dinç Kızıldemir**

**Aysun Mercan**

**Dr. Mehmet Cem Kozlu**

**İzlem Erdem**

**Dr. Şener Oktik**

**Zeynep Hansu Uçar**

**Anadolu Cam Sanayii Anonim Şirketi**

**Zeynep Hansu Uçar**

**Abdullah Kılınc**

**Dr. Ahmet Kırman**

**Sibel Koç Karacaoğlu**

**İlhan İl**

**Mehmet Celal Betil**



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**Denizli Cam Sanayii ve Ticaret Anonim Şirketi**

**Cemil Tokel**

**Gökhan Güralp**

**Dr. Gül Okutan Nilsson**

**M. Sefa Pamuksuz**

**Osman Öztürk**

**Paşabahçe Cam Sanayii ve Ticaret Anonim Şirketi**

**Zeynep Hansu Uçar**

**Cemil Tokel**

**Dr. Ahmet Kırman**

**Gökhan Güralp**

**Mehmet Celal Betil**





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**Soda Sanayii Anonim Şirketi**

**Murat Dođan**

**Tahsin Burhan Ergene**

**Dr. Ahmet Kırman**

**Umut Barıř Dönmez**

**Aysun Mercan**

**M. Sefa Pamuksuz**

**Trakya Cam Sanayii Anonim Şirketi**

**Zeynep Hansu Uçar**

**Dr. Reha Akçakaya**

**Dr. Ahmet Kırman**

**Hüseyin Burak Dađlı**

**İlhan İl**

**Dinç Kızıldemir**



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