

INTERNAL REGULATION ON WORKING PRINCIPLES AND PROCEDURES OF THE GENERAL ASSEMBLY OF TURK TRAKTOR VE ZIRAAT MAKINELERİ ANONİM ŞİRKETİ

PART ONE

Objective, Scope, Basis and Definitions

Objective and Scope:

ARTICLE 1 – (1) The objective of this internal regulation is to determine the working principles and procedures of the General Assembly of Türk Traktör ve Ziraat Makineleri Anonim Şirketi within the frame of the Law, related legislation and the provisions of the Articles of Association. This Internal Regulation shall cover all ordinary and extraordinary General Assembly meetings of Türk Traktör ve Ziraat Makineleri Anonim Şirketi.

Basis:

ARTICLE 2 – (1) This Internal Regulation has been issued by the Board of Directors pursuant to the provisions of the Regulation on the Principles and Procedures of the General Assembly Meetings of Incorporated Companies and the Representatives of the Ministry of Customs and Trade in Those Meetings.

Definitions:

ARTICLE 3 – (1) In this Internal Regulation, the following terms shall bear the following meanings:

- a) Session: The one-day meeting of the General Assembly
- b) Law: Turkish Commercial Code no. 6102 dated January 13, 2011
- c) Sitting: Each and every part of the sittings interrupted due to the reasons such as coffee break, lunch break etc.
- d) Meeting: Ordinary and extraordinary General Assembly meetings
- e) Chairmanship of the Meeting: In accordance with 419th article 1st paragraph of the Law, the board consisting of the Chairman of the meeting elected by the General Assembly to chair the meeting, the Vice Chairman of the meeting elected by the General Assembly when required, Minutes Clerk assigned by the Chairman of the meeting and Vote Collector if the Chairman of the meeting deems necessary.

PART TWO

Working Principles and Procedures of the General Assembly

Applicable Provisions:

ARTICLE 4 – (1) The meeting shall be held in compliance with the provisions of the Law, the related legislation and the Articles of Association concerning the General Assembly.

Entry to the Meeting Venue and Preparations:

ARTICLE 5 – (1) Shareholders or their representatives registered on the List of Attendees, which is prepared by the Board of Directors, members of the Board of Directors, the auditor, other managers of the Company, persons responsible for the Electronic General Assembly

System, press members, Representative of the Ministry and persons to be elected or assigned for the Chairmanship of the meeting shall be authorized to enter the meeting venue.

(2) Real person shareholders and the representatives assigned by the electronic general assembly system, which is established pursuant to 1527th article of the Code, shall be obliged to submit their IDs and representatives of the real person shareholders shall be obliged to submit their IDs together with their representation certificate and the representatives of the legal person shareholders shall be obliged to submit their certificate of authorization and sign the space allocated for them on the List of Attendees, while entering the meeting venue. The control procedures in question shall be provided by the Board of Directors or by member or members of the Board of Directors or by person or persons assigned by the Board of Directors. The List of Attendees shall be signed by the Chairman of the Board or by another member of the Board of Directors, in case the Chairman of the Board is absent.

(3) Board of Directors shall be liable for fulfilling the tasks as follows: preparing the meeting venue efficient enough to host all shareholders and providing the stationery, documents, tools and materials required for the meeting. Without prejudice to the provisions of the legislation related to the Electronic General Assembly System, the audio or visual recording of the meeting shall be performed.

Opening the Meeting:

ARTICLE 6 – (1) The meeting shall be opened in the headquarters of the Company or in a favorable place in Ankara, İstanbul or İzmir, at the date announced previously, by the Chairman or the Vice Chairman or another member of the Board of Directors after it is identified that the meeting quorum is reached as stipulated in the Articles of Association.

Setting the Chairmanship of the Meeting:

ARTICLE 7 – (1) As per the 6th article of this Internal Regulation, under the chairmanship of the person opening the meeting, a Chairman liable for the management of the General Assembly and the Vice Chairman if necessary, shall be elected primarily among the candidates be a shareholder.

(2) At least one minutes clerk and sufficient number of vote collectors if required shall be assigned by the Chairman. Experts shall be assigned by the Chairman of the meeting with the intent to execute the technical procedures of the Electronic General Assembly System during the meeting.

(3) Chairmanship of the meeting shall be authorized to sign the minutes and the other documents forming the basis of this minutes.

(4) The Chairman of the meeting shall comply with the provisions of the Law, Articles of Association and this Internal Regulation, while chairing the General Assembly meeting.

Functions and Authorities of the Chairmanship of the meeting:

ARTICLE 8 – (1) Chairmanship of the meeting shall fulfill the following functions, as chaired by the Chairman:

- a) Controlling whether the meeting is held at the address stated in the announcement and whether the meeting venue is in compliance with the Articles of Association, if stated.
- b) Controlling and reporting in the minutes whether the General Assembly is called for the meeting in accordance with the Articles of Association, on the website of the companies liable for creating a website and with an announcement published in the Turkish Trade Registry Gazette, whether this call is made three weeks before the meeting date excluding the announcement and the meeting days, whether the meeting day and the gazettes with the announcement and the agenda are notified to the shareholders written in the share ledger or to shareholders notifying their addresses to the company beforehand by submitting the share register or other documents proving their shareholding.
- c) Controlling whether people without entry clearance entered the meeting venue and whether the tasks concerning the entry to the meeting venue, which are stated in the provisions of 5th article 2nd paragraph of this Internal Regulation, are fulfilled by the Board of Directors.
- d) Controlling and reporting in the minutes whether the Articles of Association, share ledger, annual report of the board of directors, audit reports, financial statements, agenda, the draft of the amendment to the Articles of Association prepared by the Board of Directors if any, compliance note and its annex of the Republic of Turkey Ministry of Customs and Trade together with the assent of the Capital Markets Board and other related institutions if necessary, amendment draft, the List of Attendees issued by the Board of Directors, the adjournment minutes if the General Assembly is called for a meeting due to an adjournment and other required documents related to the previous meeting are present at the meeting venue.
- e) Controlling the IDs of the General Assembly attendees acting as principal or as representative by means of signing the List of Attendees in the case of complaint or necessity and controlling the accuracy of the representation certificates.
- f) Controlling and reporting in the minutes whether the executive members and at least one member of the Board of Directors and the Independent Auditor attend the meeting.
- g) Directing the work of General Assembly within the scope of agenda, preventing the possibility of diverging from the agenda apart from the exceptions stated in the Law, maintaining order at the meeting and taking necessary precautions for this purpose.
- h) Opening and closing the sessions and sittings and closing the meeting.
- i) Reading or having someone read the documents or their abstracts concerning the negotiated issues such as resolutions, drafts, minutes, reports, recommendations and giving the floor to people demanding to comment on the issue.
- j) Starting to vote the resolutions taken by the General Assembly and reporting the results.

- k) Controlling whether the minimum quorum is provided at the beginning, during and after the meeting and whether the resolutions are adopted in accordance with the quorum stipulated in the Law and in the Articles of Association.
- l) Announcing the notices made by the representatives stated in [428th article and] 429th article of the Law to the General Assembly.
- m) As per the 436th article of the Law, preventing non-eligible voters from voting for the resolutions stipulated in the aforesaid Article, and safeguarding for any kind of restrictions imposed on the right to vote and privileged voting pursuant to the Law and the Articles of Association.
- n) Upon the request of shareholders owning the one twentieth of the capital in public companies, negotiating the financial statements and related issues and delaying the subject matter to be negotiated in the next meeting to be held one month later without any necessity for a General Assembly resolution.
- o) Arranging for the minutes regarding the work of General Assembly, writing the complaints to the minutes, signing the resolutions and the minutes, writing down all the votes casted for and against the resolutions adopted in the meeting to the minutes, without causing any ambiguity.
- p) Delivering the meeting minutes, annual report of the Board of Directors, audit reports, financial statements, the List of Attendees, the agenda, resolutions, ballot papers and protocols of the votes if any and all the other documents related to the meeting to one of the Board of Directors members by means of a minutes.

Procedures Applicable Prior to Negotiating the Agenda:

ARTICLE 9 – (1) The Chairman of the meeting shall read or have someone read the agenda to the General Assembly and ask whether there is any proposal to change the negotiation order of the subject matters of the agenda. In the event of a proposal, the Chairman shall submit the proposal to the General Assembly for approval. The negotiation order of the subject matters of the agenda may be changed in accordance with the quorum stated in the Articles of Association.

The Agenda and the Negotiation of the Agenda Items:

ARTICLE 10 – (1) Ordinary General Assembly agenda shall mandatorily cover the following subject matters:

- a) The opening and the election of the Chairmanship of the meeting
- b) Reading, negotiating and approving the Annual Report issued by the Board of Directors of the Company
- c) Reading the [Audit Report] and the Executive Summary of the Independent Audit Report regarding the accounting period
- d) Reading, negotiating and approving the Financial Statements regarding the accounting period
- e) Separately acquitting each member of the Board of Directors

- f) Separately acquitting the auditors
- g) Determining the number and the term of duty of the members of the Board of Directors, making an election according to the number of the members, electing the Independent Board Members
- h) Pursuant to the Turkish Commercial Code and the Capital Markets Board regulations, verifying the election of Independent Audit Firm [and the Group Auditor] made by the Board of Directors
- i) Pursuant to Capital Markets Board regulations, informing the Shareholders about the remuneration policy towards the Board Members and Top Managers and about the payments made within the scope of this policy and verifying them
- j) Determining the gross monthly remuneration of the Board members
- k) Determining the use and the distribution of the profit and the dividend rate
- l) Negotiating the amendments of the Articles of Association, if any
- m) Other subject matters considered necessary
- n) Other subject matters as identified by the Capital Markets Board regulations and other Governmental Agencies

(2) The reasons requiring a meeting shall constitute the agenda of the extraordinary general assembly meeting.

(3) The subject matter not included in the meeting agenda shall not be discussed or resolved, other than the exceptions stated below:

- a) In the event all the shareholders are present, new subject matters shall be added to the agenda by unanimously.
- b) As per the 438th article of the Law, a private audit demand of the shareholder shall be resolved by the General Assembly, regardless of being covered by the agenda.
- c) The subject matters of discharging the members of the Board of Directors from their functions and the election of new members shall be considered related to the article covering the negotiations of the year-end financial statements and these subject matters shall be negotiated and resolved directly regardless of the presence of an article related to the subject matter.
- d) In the case there are well-reasoned grounds such as corruption, inadequacy, the breach of liability of commitment, difficulty in execution one's duty due to multiple membership in numerous companies, incompatibility and fraud on a power are present, the subject matters of discharging the members of the board of directors and electing new members instead shall be added to the agenda in the General Assembly in accordance with the quorum stipulated in the Articles of Association, despite of not having any such agenda item.

(4) An agenda item negotiated and resolved in the General Assembly shall not be renegotiated and resolved unless attendees decide otherwise with unanimity.

(5) Due to auditing results or any other reason, the subject matters to be negotiated in the General Assembly upon Ministry's request shall be added to the agenda.

(6) The agenda shall be set by the person convening the General Assembly.

Taking the Floor in the Meeting:

ARTICLE 11 – (1) Shareholders or those concerned shall notify the Chairmanship of the meeting about their demand to take the floor about the negotiated item of the agenda. Chairmanship shall announce the names taking the floor to the General Assembly and shall give the floor to them according to the order of their request. Provided that the Electronic General Assembly regulations are reserved, those who are absent from the meeting venue when it is their turn to speak, shall lose their right to take the floor. Speeches shall be delivered addressing the General Assembly from the space allocated for them. Speakers shall change their order to speak as agreed among each other. In the event of limited duration of speech, when the time given to the person whose turn to speak is up, the speaker shall continue speaking only if the next speaker afterwards give his/her right to speak to the current speaker, provided that the speech will be concluded in the time given to that next speaker. Otherwise, the duration of the speech shall not be prolonged.

(2) The Board members and the auditor demanding to comment on the negotiated subject matters shall be given the floor by the Chairman of the Meeting, regardless of the order.

(3) Duration of the speeches shall be determined by the General Assembly, upon the proposal of the Chairman or the shareholders, depending on the intensity of the agenda, the total number of agenda items and the significance of the negotiated items and also the number of people demanding to take the floor.

(4) The procedures and principles stated in the 1527th article and its secondary regulations shall apply for the delivery of proposals and suggestions by the shareholders or their representatives, attending the General Assembly electronically as per the stated article.

Voting and Procedure of Voting

ARTICLE 12 – (1) Before starting to vote, the Chairman of the meeting shall announce the agenda item to be voted to the General Assembly. In the event of a voting for a draft resolution, this shall be determined in writing and read and then the voting shall start. After the voting is announced to begin, one shall ask for permission to take the floor only about procedural issues. In the mean time, if there are any shareholders demanding to speak yet not given the floor, they shall use their right to take the floor on the condition that they remind themselves and that the Chairman confirms. Once the voting begins, no one shall be given the floor.

(2) The votes concerning the negotiated agenda items in the meeting shall be casted by means of raising a hand, standing up or saying agreed or rejected separately. These votes shall be counted by the Chairmanship of the Meeting. When needed, the chairmanship may assign sufficient number of people to assist the counting process. Those who do not raise a hand or stand up or make a statement somehow shall be considered to cast “rejected” vote and these votes shall be regarded against the related resolution.

(3) The procedures and principles stated in the 1527th article and its secondary regulations shall apply for the delivery of proposals and suggestions by the shareholders or their representatives, attending the General Assembly electronically as per the stated article.

Arranging the Minutes of the Meeting

ARTICLE 13 – (1) The List of Attendees indicating the shareholders or their representatives, their shares, groups, numbers and nominal values shall be signed by the Chairman of the

meeting. The questions asked and the answers given shall be written down in summary and the resolutions adopted and the number of positive and negative votes casted for each of these resolutions shall be reported explicitly and the minutes shall be arranged in accordance with the principles stipulated in the Law and the related legislation.

(2) The minutes of the General Assembly meeting shall be typed via typewriter or computer or shall be handwritten with a pen legibly in the meeting venue, during the meeting. For minutes to be typed up via computer, a printer, enabling print outs, shall be available in the meeting venue.

(3) The minutes shall be issued in two copies and each page shall be signed by the chairmanship of the meeting and the representative of the Ministry, if any.

(4) The commercial title of the Company, the date and the venue of the meeting, total nominal value of the company shares and the number of shares, total number of shares represented as principal or as representative in the meeting, name and surname of the representative of the Ministry and the date and number of the assignment note for this representative, whether the meeting is announced or not and in the event of an announcement, the form of the announcement shall mandatorily be indicated in the minutes.

(5) The amount of the votes concerning the resolutions adopted in the meeting shall be stated in the minutes, without causing any ambiguity.

(6) The names and the surnames of those casting negative votes against the resolutions in the meeting and their reason for the dissenting opinion, if so requested, shall be reported in the minutes.

(7) In the event of written delivery of the reason for the dissenting opinion, this note shall be added to the minutes. The name and the surname of the partner or the representative submitting dissenting opinion shall be written in the minutes and the fact that the dissenting opinion note is annexed shall be reported. The dissenting opinion note added to the minutes shall be signed by the chairmanship of the meeting and the Ministry representative, if any.

Procedures Applied at the End of the Meeting:

ARTICLE 14 – (1) The chairman of the meeting shall deliver one copy of the meeting minutes and all the other documents concerning the General Assembly to one of the members of the Board of Directors present in the meeting.

(2) Provided that the longer periods stipulated in the Law for procedures with special requirements are reserved, the Board of Directors shall be liable for delivering a notarized copy of the minutes to the trade registry at the latest within fifteen days following the date of the meeting and for having registered and announced the matters subject to registry and announcement in this minutes.

(3) The minutes shall immediately be disseminated on the website, the Public Disclosure Platform and the Electronic General Assembly System.

(4) The chairman of the meeting shall immediately deliver one copy of the List of Attendees, the agenda and the General Assembly meeting minutes to the representative of the Ministry.

Attending the Meeting Electronically:

ARTICLE 15 – (1) In the event of electronic attendance to the General Assembly meeting as per 1527th article of the Code, the board of directors and the chairmanship of the meeting shall apply the procedures stipulated under 1527th article of the Code and the related legislation.

PART THREE

Miscellaneous Provisions

Attendance of the Representative of the Ministry and the Documents Related to General Assembly Meeting:

ARTICLE 16 – (1) For the meetings where the attendance of the Representative of the Ministry is compulsory, the provisions of the Regulation on Principles and Procedures of General Assembly Meetings of Incorporated Companies and the Representatives of the Ministry of Customs and Trade attending these meetings, shall be reserved for the matters related to requesting for such a representative and the functions and authorities of this representative.

(2) With regards the preparation of the list of those eligible to attend the General Assembly meeting and the List of Attendees, it shall be required to comply with the provisions of the Regulation stated in 1st paragraph and the provisions of this General Assembly Internal Regulation, for the representation certificates to be used in the general assembly and the meeting minutes.

Contingencies:

ARTICLE 17 – (1) In the case of contingencies not stipulated in this Internal Regulation during these meetings, the resolution made by the General Assembly in accordance with the legislation shall be adopted.

Enforcement of the Internal Regulation and the Amendments:

ARTICLE 18 – (1) This Internal Regulation shall be enforced, registered and announced by the Board of Directors with the approval of the General Assembly of Türk Traktör ve Ziraat Makineleri Anonim Şirketi. The amendments to the Internal Regulation shall be subject to the same procedure.

Effectiveness of the Internal Regulation

ARTICLE 19 – (1) Accepted in the general assembly meeting dated March 18, 2013 of Türk Traktör ve Ziraat Makineleri Anonim Şirketi, this Internal Regulation shall be effective on the date it is published in the Turkish Trade Registry Gazette.