

**ARTICLES OF INCORPORATION OF  
ECZACIBAŐI PHARMACEUTICAL AND INDUSTRIAL INVESTMENT CO.**

**ARTICLE 1 - INCORPORATION**

“Eczacıbaşı İlaç Sanayi ve Ticaret Anonim Şirketi” has been founded by the general shareholders’ assembly of “Eczacıbaşı İlaçları Limited Şirketi” registered with the İstanbul Trade Registry with number 44943/14094, which had convened on 28.03.1968 to change the status of the Company with unanimous consent under the decree Numbered 968/4, to ensure that the Company’s structure is commensurable with its expanding operations, pursuant to the provisions of Article Number 152 of the Turkish Commercial Code, to continue the legal entity of “Eczacıbaşı İlaçları Limited Şirketi” at the date of announcement of the registration, with all its assets, accounts receivable, debts and liabilities, real estate, licenses, permits, patents and trademark rights together with all its agreements (pursuant to the provisions of the Turkish Commercial Code on instant incorporation).

The shareholders of the said “Eczacıbaşı İlaçları Limited Şirketi”, shall be the founders of the Joint Stock Company by keeping their shares of capital in the Limited Liability Company as stipulated in these Articles of Incorporation.

**ARTICLE 2 - THE FOUNDERS**

This Joint Stock Company has been founded by and between the undersigned real persons whose names and addresses are provided at the list attached to the end of these Articles of Incorporation, pursuant to the provisions of the Turkish Commercial Code on instant incorporation.

**ARTICLE 3 - CORPORATE NAME**

The name of the corporation shall be “Eczacıbaşı Pharmaceutical and Industrial Investment Co”.

**ARTICLE 4 - OBJECTIVES AND SUBJECT OF THE JOINT STOCK COMPANY**

- A) Manufacturing, trading, importing and exporting all kinds of medical pharmaceuticals, veterinary pharmaceuticals, agricultural chemicals, chemicals, cosmetics, medical, veterinary and agricultural materials, food, all kinds of sanitary ware, hygienic products and tissue paper, real estate and construction materials.
- B) Construction, purchasing and setting up of plants and laboratories, for this purpose, taking participating interest in foreign or domestic plants, laboratories or companies, to act as their representatives or sales agents, to perform commercial transactions such as manufacturing, imports, exports, domestic trade and contracting.
- C) Taking participating interest in the management and capital of commercial, industrial, financial and agricultural companies established or to be established, related with this objective.
- D) Merging and entering into partnerships with, acquiring or transferring, Companies which have been incorporated to achieve above mentioned objectives or entering into all kinds of partnerships or legal agreements with Holding Companies.
- E) Buying and selling all kinds of stock and bonds, without the purpose of engaging in brokerage or securities portfolio management activities. The joint stock company may issue bonds, profit sharing securities and all kinds of financial bonds to be sold to real or legal persons internally or abroad, if deemed necessary.

Issuance of collateral or plain profit sharing securities and financial bonds and the maximum amounts of the same, shall be decided upon by the General Assembly.  
The General Assembly may authorize the Board of Directors to determine other terms and conditions.

- F) Being granted all kinds of rights, permits, licenses, patents, trademark rights and all kinds of similar documents under its objectives and subject, to transfer the same to its affiliates or to third parties, to take over or to lease the same.
- G) Buying, selling, building, renting, leasing all kinds of movable and real estates (including ships) and real rights, to achieve above mentioned objectives, establishing or granting real rights on movable and real estates, establishing or granting and releasing essential pledges and mortgages, endorsing and acting as a surety for its affiliates against third parties, provided that the explanations required by the Capital Market Board under special circumstances are made.

Under special cases, making of disposals in favor of third persons and establishing and transferring usufruct, easement right, condominium servitude, right of construction and performing and executing all transactions permitted by laws and establishing and releasing these rights.

The Company is entitled to receive any and all real and personal security in order to collect its rights and receivables and may enter into transactions of registration, cancellation and similar at the land registry, tax offices and similar public and private institutions.

The Company may establish mortgage in its real estates and show them as security in the form of pledge on movables and on commercial operations and establish condominium and establish its rights as right owner or obligor in accordance with the provisions of the Civil Code and Condominium Law and register the same as several or permanent rights at the land registry on a different page and acquire the possession of real estates and enter into contracts for the transfer of real estates and make classification and annotate personal rights at the land registry records.

- H) The Joint Stock Company may provide help and make donations to social foundations, associations or universities pursuant to the principles stipulated by the Capital Market Board.

## **ARTICLE 5 - HEAD OFFICE AND BRANCHES OF THE JOINT STOCK COMPANY**

The head office of the Joint Stock Company is in Istanbul. The Joint Stock Company may establish branches in Turkey and abroad provided that the Ministry of Trade has been notified.

## **ARTICLE 6 - CORPORATE DURATION**

The duration of the Joint Stock Company is perpetual; however, it may dissolve for statutory reasons or by resolution of a two-thirds majority of the General Assembly of Shareholders attended by three quarters of the shareholders.

## **ARTICLE 7 - REGISTERED CAPITAL**

The Joint Stock Company has adopted the registered capital system in accordance with the Capital Markets Code No. 2499 and begun to apply this system upon the approval decree no. 333 dated 16.5.1991 by the Capital Markets Board.

The registered capital of the Joint Stock Company is YTL 200.000.000 (two hundred million) divided into 20.000.000.000 shares each having a par value of 1 (One) YKr.

The issued capital of the Corporation is 548.208.000 (five hundred forty eight million two hundred and eight thousand) YTL, all of which is fully paid. 291.280,14 (two hundred ninety one thousand two hundred eighty New Turkish Lira fourteen New Kuruş) YTL of this capital has been paid in full and in cash. 457.523,10 (Four hundred fifty seven thousand five hundred twenty three New Turkish Lira and ten New Kuruş) YTL of

the balance of 182.444.719,86 (one hundred eighty two million four hundred forty four thousand seven hundred nineteen New Turkish Lira and eighty six New Kuruş) YTL has been met by adding the extraordinary reserves to the capital, 28.017.834,45 (twenty eight million seventeen thousand eight hundred New Turkish Lira and forty five New Kuruş) YTL by adding the sales profits from the sales of shares of affiliates, 8.458.865,34 (eight million four hundred fifty eight thousand eight hundred sixty five New Turkish Lira) YTL by adding the revaluation funds from affiliates, 7.498.396,69 (seven million four hundred ninety eight thousand three hundred ninety six New Turkish Lira and sixty nine New Kuruş) YTL by adding the sales profit of real estate, 10.805.528,93 (ten million eight hundred five thousand twenty eight New Turkish Lira, ninety three New Kuruş) YTL by adding the cost increase funds, 2.712.258,15 (two million seven hundred twelve thousand two hundred fifty eight New Turkish Lira, fifteen New Kuruş) YTL by adding the value increase funds pursuant to the provisions of Article 298 bis of the Tax Procedure Law on revaluation, 14.097.253,13 (fourteen million ninety seven thousand two hundred fifty three New Turkish Lira, thirteen New Kuruş) YTL by adding the revaluation fund of tangible fixed assets, 59.629,30 (fifty nine thousand six hundred twenty nine New Turkish Lira, thirty New Kuruş) YTL by adding the cost increase funds from the affiliates, 3.559,18 (three thousand five hundred fifty nine New Turkish Lira, eighteen New Kuruş) YTL by adding the emissions premium and 110.333.871,59 (one hundred and ten million three hundred thirty three thousand eight hundred seventy one New Turkish Lira, eighteen New Kuruş) YTL by adding the profits from the production facilities provided to the new company as capital in kind. The stocks issued against this amount added to the capital were distributed to the shareholders as scrip issues in proportion with their shares.

The issued capital of the Joint Stock Company has been divided into 54.820.800.000 bearer shares each having a par value of 1 (One) YKr.

The Board of Directors is authorized to increase the issued capital up to the amount of the registered capital set forth herein above in accordance with the provisions of the Capital Market Code. The Board of Directors is authorized to impose limitation on the shareholders to buy new shares and to take decisions on the issue of premium shares.

While the nominal value of the share is TL 1.000,- it has been changed to 1 YKr. pursuant to the provisions of the law no. 5274 on amendment to the Turkish Code of Commerce. As a result of this change, the total number of shares has decreased and a share of 1 YKr will be provided in consideration of 10 shares with a value of TL 1.000. The rights of the shareholders arising from the owned shares shall be reserved after this change.

The shares representing the capital shall be monitored on the basis of the records according to recording principles.

#### **ARTICLE 8 - STOCK**

The shares of the company are bearer shares.

The Joint Stock Company shall recognize only one shareholder for each share. In case more than one person owns a share, they shall exercise their rights through a representative to be selected within themselves.

#### **ARTICLE 9 - BOARD OF DIRECTORS**

The Joint Stock Company shall be managed by a Board of Directors consisting of 3 to 7 directors elected by the General Assembly of Shareholders in accordance with the provisions of the Turkish Commercial Code.

#### **ARTICLE 10 - TERM OF OFFICE OF THE BOARD OF DIRECTORS**

Members of the Board of Directors shall be elected for a period of one year. It is possible for a member to be re-elected after the expiration of his/her term of office.

## **ARTICLE 11 - BOARD OF DIRECTORS MEETINGS**

The Board of Directors shall appoint a chairman every year among its members together with a vice chairman to act as deputy in the absence of the chairman.

The Board of directors shall convene as required pursuant to the business and transactions of Joint Stock Company.

In order for the Board of Directors to take a resolution, one more than the half of the total number of directors shall be present, and in any case, at least two and at most three directors shall be present for three and five member boards respectively.

The resolutions by the Board of Directors shall be passed by the consenting votes of the majority of the directors present at the meeting.

The Board of Directors shall have the right to pass resolutions by written consent of the members of Directors pursuant to the provisions of Article 330 of the Turkish Commercial Code.

The resolutions passed by the Board of Directors shall be registered in the book of resolutions and signed by the Chairman and members of the Board of Directors.

## **ARTICLE 12 - REPRESENTATION AND BINDING OF THE JOINT STOCK COMPANY**

The Board of directors shall be responsible to represent the Joint Stock Company against third parties on all issues.

In order for the documents to be issued by the company, the agreements to be entered into, written proposals, claims and declarations to be valid, they need to be undersigned by two members of the Board of Directors or by the person or persons authorized by the Board of Directors pursuant to Article 13 of these Articles of Incorporation under the title of the Joint Stock Company.

## **ARTICLE 13 - DUTIES OF THE MEMBERS OF THE BOARD OF DIRECTORS**

The management and representation duties of the Joint Stock Company can be distributed among the members of the Board of Directors. The Board of Directors may authorize one or more directors to manage and represent the company on any issue or on certain issues individually or jointly as chief executive officers.

The Board of Directors may also establish technical committees among the shareholders or from outside the company, appoint a director or directors, trade agents or proxies and grant the same the authority to represent the Joint Stock Company on any issue or on certain issues.

## **ARTICLE 14 - REMUNERATION AND ATTENDANCE FEES OF THE MEMBERS OF THE BOARD OF DIRECTORS**

The salary of the chief executive officer and the attendance fees and other salaries of the members of the Board of Directors shall be determined by the General Assembly of Shareholders.

The General Assembly of Shareholders may take a resolution to pay bonuses to the Chief Executive officer and to the members of the Board of Directors, who are assigned certain duties, other than their salaries and attendance fees, taking into consideration the benefits they have contributed to the Joint Stock Company as a result of their services and business successes.

## **ARTICLE 15 - AUDITORS**

The General Assembly of Shareholders may elect one to three auditors the shareholders or from outside the company for a term of one year. An auditor whose term of office expires is eligible for re-election.

Monthly or yearly salaries of the Auditors shall be determined by the General Assembly of Shareholders.

#### **ARTICLE 16 - DUTIES OF THE AUDITORS**

The Auditors shall be authorized to make recommendations to the Board of Directors to take all measures as deemed necessary by the Auditors to ensure sound management of the Joint Stock Company and to look after the Joint Stock Company's interest, to call a meeting of the Board of Directors and to determine the agenda of such a meeting and to prepare the report mentioned on Article 354 of the Turkish Commercial Code in addition to their obligations regarding performance of the duties stipulated on Article 353 of the Turkish Commercial Code. The Auditors shall be obliged to execute such authority immediately under important and urgent circumstances. The Auditors shall be individually and severally responsible for poor performance of the duties imposed upon them by the law and these Articles of Incorporation.

#### **ARTICLE 17 - GENERAL ASSEMBLY OF SHAREHOLDERS**

The General Assembly of Shareholders convenes for ordinary or extraordinary sessions under the chair of the Chairman of the Board of Directors or under the chair of the deputy chairman in absence of the Chairman.

An ordinary session of the General Assembly of Shareholders shall convene within three months following the corporate account period and at least once a year. In these meetings, the report of the Board of Directors and the accounts of the previous year as well as the items on the agenda shall be examined and resolved.

Where and when required by the Joint Stock Company's business, an extraordinary session of the General Assembly of Shareholders shall convene in accordance with the provisions of the law and these Articles of Incorporation and pass the required resolutions.

Two vote collectors and a secretary shall be elected among the shareholders who have the highest number of shares at the General Assembly of Shareholders meetings. The secretary may be elected from outside the company. The minutes of the meetings shall be signed by the Superintendent, chairman of the meeting, the vote collectors and the secretary.

#### **ARTICLE 18 - VENUE**

The General Assembly of Shareholders shall convene at the head office of the Company or, at a convenient venue in the city where the head office of the company is located.

#### **ARTICLE 19 - THE SUPERINTENDENT**

The presence of a Superintendent of the Ministry of Trade is required for all meetings. Resolutions passed at the General Assembly of Shareholders in the absence of the Superintendent shall not be valid.

#### **ARTICLE 20 - QUORUM**

The General Assembly of Shareholders shall convene with the presence of the shareholders representing at least twenty five percent of the capital of the Joint Stock Company unless otherwise stated in the Turkish Commercial Code and these Articles of Incorporation. In case such quorum is not attained at the first meeting, the General Assembly of Shareholders shall be authorized to discuss the issues on the agenda and to pass resolutions regardless of the amount of capital represented by the shareholders present.

#### **ARTICLE 21 - VOTING RIGHTS**

Each share of the shareholders or their representatives present at the ordinary and extraordinary sessions of the General Assembly of Shareholders shall have one (1) vote. The provisions of Article 373 of the Turkish Commercial Code shall be reserved. Unless otherwise provided by the exceptions stipulated in the

Turkish Commercial Code, resolutions of the General Assembly of Shareholders Meeting shall be passed by a simple majority of the votes cast by those present as principals and by proxy.

#### **ARTICLE 22 - REPRESENTATION OF THE SHAREHOLDERS BY PROXY**

The shareholders can have themselves represented at the General Assembly of Shareholders by appointing other shareholders or outsiders as proxy without prejudice to the rights imposed upon themselves pursuant to paragraph two of Article 360 of the Turkish Commercial Code. The representatives who are also shareholders shall have the right to cast the votes of the shareholders they represent in addition to their own votes. The type of the document for representation shall be determined by the Board of Directors.

#### **ARTICLE 23 - VOTING PROCEDURE**

Open voting by raising hands is the rule at the General Assembly of Shareholders. However, upon the request of shareholders wielding one tenths (1/10) of the capital represented by those present at the meeting, secret voting may be resorted to.

#### **ARTICLE 24 - PUBLIC NOTICES**

All public notices pertaining to the Joint Stock Company shall appear in a newspaper published in the city where the head office of the Joint Stock Company is located without prejudice to the provisions of Paragraph 4 of Article 37 of the Turkish Commercial Code.

Notification of the General Assembly of Shareholders shall be published at least two (2) weeks in advance, excluding the date of announcement and convention pursuant to the provisions of Article 368 of the Turkish Commercial Code.

Articles 397 and 439 of the Turkish Commercial Code shall apply with regard to the notices relating to the decrease of capital or liquidation.

#### **ARTICLE 25 - AMENDMENTS TO THE ARTICLES OF INCORPORATION**

The completion of the process of modification to these Articles of Incorporation shall be subject to the approval of the Ministry of Trade and to the provisions of Articles 385 and 386 of the Turkish Commercial Code. Said modifications shall take effect after the date of public notice following due approval and registration with the Trade Registry.

#### **ARTICLE 26 - ANNUAL REPORTS**

Three (3) copies of each of the reports of the Board of Directors and of the auditors, the list of attendees including the names of shareholders present at the General Assembly of Shareholders and the amount of shares they hold and the minutes of the General Assembly of Shareholders shall be forwarded to the Ministry of Trade at the latest within a month from the last day of the convening of the General Assembly of Shareholders or submitted to the Superintendent present at the meeting.

#### **ARTICLE 27 - ANNUAL ACCOUNTS**

The account period of the Joint Stock Company shall commence at the first day of January and end at the last day of December. However, as an exception, the first account period shall include the period between the date of final establishment of the Joint Stock Company and the last day of December of the same year.

#### **ARTICLE 28 - PROFIT OF THE JOINT STOCK COMPANY AND METHOD OF DISTRIBUTION**

The balance remaining after the deduction of the Joint Stock Company's disbursed and accrued expenses such as overheads and depreciation costs and reserves to be set aside and all financial obligations

incumbent upon the legal person of the corporation from the corporate revenue available at the end of the account period shall be regarded as net profit and distributed in the following order after the deduction of the previous year's losses, if any:

**First Order Statutory Reserves:**

A) 5 % shall be set aside as Statutory reserves.

**First Dividend:**

B) First dividends shall be set aside from the balance at the rate and amount specified by the Capital Markets Board.

**Second Dividend:**

C) After the amounts stated here above in paragraphs a and b have been deducted from the net profits, the General Assembly of Shareholders shall be authorized to distribute the balance as second dividend or set aside as extraordinary reserves.

**Second Order Statutory Reserves:**

D) After deducting 5% of the paid up capital as dividends from the portion decided to be distributed to the shareholders and to others who participate in the profit, one tenth of the balance shall be allocated as second order statutory reserves pursuant to sub-paragraph 3 of paragraph 2 of Article 466 of the Turkish Commercial Code.

E) Unless the statutory reserves to be set aside by law have been set aside and the first dividend specified for the shareholders in the Articles of Incorporation have been distributed in cash and/or as stocks, the General Assembly of Shareholders is not authorized to resolve to set aside other reserves, to retain earnings for the following year, to distribute a share of the earnings to holders of preference shares, holders of dividend right/founder dividend right certificates, members of the Board of Directors, officers, personnel or workers of the corporation, trust funds set up for various purposes and persons/institutions of similar nature.

The dividends shall be distributed equally to all existing shares as of the account period irrespective of their dates of issuance and acquisition.

**ARTICLE 29 - METHOD OF PAYMENT OF PROFITS**

The date, method and type of payment of annual profits to the shareholders shall be determined by the General Assembly of Shareholders. The General Assembly of Shareholders may authorize the Board of Directors to determine the date, rate and method of distribution of profits. In such a case the Board of Directors shall ensure that the profits are distributed in a certain month every year consistently. However the periods stipulated on the communiqués issued by the Capital Markets Board shall be complied with when determining the date of distribution.

The profits distributed in accordance with the provisions of these Articles of Association may not be refunded.

**ARTICLE 30 - RESERVES**

If the amount of reserves falls below one fifth (1/5) of the paid up capital for any reason whatsoever further reserves shall be set aside as five per cent (5%) from subsequent balance sheets in the same manner until the statutory reserves reach that amount.

The statutory reserves mentioned in Article 28 here above, shall be used to cover losses of the Joint Stock Company, to operate the company in bad times, to prevent unemployment and to mitigate the consequences.

The Board of Directors shall be free to utilize the extraordinary and special reserves.

### **ARTICLE 31 - PRINTING AND DISTRIBUTION OF THE ARTICLES OF INCORPORATION**

The Joint Stock Company shall print and distribute these Articles of Incorporation to the shareholders and send ten (10) copies to the Ministry of Trade.

### **ARTICLE 32 - RESOLUTION OF DISPUTES**

The disputes, other than those under the jurisdiction of the courts pursuant to the legislation, between the Company and the shareholders and among the shareholders shall be resolved through arbitration.

For the incidents which need to be taken to court, the court of jurisdiction shall be the court in the location of the head office of the company.

### **ARTICLE 33 - STATUTORY PROVISIONS**

The provisions of the Turkish Commercial Code and the Capital Markets Act shall apply to issues not covered under these Articles of Incorporation.

### **ADDITIONAL ARTICLE - 34**

In the event of the corporation's rescission and dissolution, the liquidation shall take place in accordance with the provisions of the Turkish Commercial Code.

### **FOUNDERS OF THE COMPANY**

- M. Nejat Eczacıbaşı : Citizen of Republic of Turkey, Köybaşı Cad. Kirazlıbağlar Sok. No;10  
Yeniköy, İstanbul
- Melih Eczacıbaşı : Citizen of Republic of Turkey, Halaskargazi Cad. Baştimar Apt. Daire;2  
Şişli, İstanbul
- Haluk Eczacıbaşı : Citizen of Republic of Turkey, Koruyolu Kuruçeşme Sok. No;22, Daire;4,  
Emirgan, İstanbul
- Kemal Eczacıbaşı : Citizen of Republic of Turkey, Şehit Nevres Bulvarı, No;7, Daire;10,  
Alsancak, İzmir
- M. Şakir Eczacıbaşı : Citizen of Republic of Turkey, Silahane Cad. Feza Apt. No;18,  
Maçka, İstanbul