

PINAR SÜT MAMULLERİ SANAYİİ ANONİM ŞİRKETİ

ARTICLES OF ASSOCIATION

ESTABLISHMENT:

Article 1-

A joint stock company has been incorporated between the incorporators whose names and domiciles are written below, in accordance with the provisions of the Turkish Commercial Code governing instantaneous incorporation of joint stock companies.

<u>Founders</u>	<u>Address</u>	<u>Nationality</u>
1.	Yaşar Holding A.Ş Cumhuriyet Meydanı Meydan Apt. K.10 İZMİR	Turkish
2.	Durmuş Yaşar Yalı Cad. No.382 Karşıyaka/İZMİR	Turkish
3.	Selçuk Yaşar 1743 Sok. No.5 Karşıyaka/İZMİR	Turkish
4.	Selman Yaşar Set Üstü No.23 Kabataş/İSTANBUL	Turkish
5.	İbrahim Yücesan 1725 Sok. No.26 Karşıyaka/İZMİR	Turkish
6.	Türkiye İş Bankası A.Ş Mensupları Emekli Sandığı	Turkish
7.	Koç Holding A.Ş Meclisi Mebusan Cad. No.53 Fındıklı/İSTANBUL	Turkish
8.	Lütfi Krom Yalı Cad. No.342 Karşıyaka/İZMİR	Turkish
9.	Enver Saatçığıl Şair Eşref Bul. No.45 İZMİR	Turkish

TRADE NAME

Article 2-

The trade name of the company is “PINAR SÜT MAMULLERİ SANAYİİ ANONİM ŞİRKETİ”.

SCOPE AND PURPOSE

Article 3-

Mainly the purpose and subject of the corporation are:

- a. Manufacture and trade resistant (sterilized) milk, yoghurt, drinkable yoghurt, cheese and sorts thereof, butter, cream, ice cream, milk powder and products yielded from processing Thereof, mayonnaise, catch-up, tomato paste and salad sauces, mustard extract, packed fruit juices, honey, jam marmalade, compote and packed food stuff of kind;
- b. Purchase, sell, breed cows and other dairy animals and import the same when required;
- c. Purchase, import, sell and export stocks of any kind particularly cattle, sheep and goats, frozen flesh and similar products;
- d. Purchase, import, sell and export plant seeds, artificial seeds and animal seeds of any kind and relevant equipment thereto;
- e. Cultivate, purchase, sell and export olive and olive products;
- f. Become member of manufacturers unions and associations related to the business of the company, having been and to be incorporated;
- g. In order to strengthen the social responsibility and to contribute the society's healthy development, both in and out of the company to make researches, support researches and trainings, issue results and establish an institute to deal with this purpose.
- h. Manufacture feed and food and trading thereof;
 1. Establish organizations of sales, distribution and marketing related to the purpose and occupation field thereof;
 - i. Open branches and representatives either internal country or abroad;
 - j. Import, purchase, install, operate or sell raw, semi-product and finished product substances and materials, machinery, tools and complete plants related to the purpose and occupation field thereof;
 - k. Install, operate, hire let too rent or sell warehouses and cooling plants related to the purpose and occupations field thereof;
 - l. Purchase licenses, patent rights concerning the business of the company and have the same registered and obtain representative thereof on the name of the company;
 - m. Take over any commercial enterprise concerning the business of the company by means of whatsoever and howsoever manner, merger such enterprises or become partner of present companies;
 - n. Perform importation, exportation, exportation, trading either internal or external and industrial investments concerning the business of the company;
 - o. Company , where its purpose and occupation field so require , may utilize, operate, hire, let to rent , purchase or sell any movable , immovable , intangible tools and commodities, accept and grant mortgage and pledge , set the rights of unification , separation , cancellation and servitude and similar related to immovable , set and release real rights in favor of and against of the company , obtain and legislation related to credit transactions , grant surety provided that the necessary explanation required by the Board of Capital Market would be made in order to illuminate the investors in scope of special situations, and set mortgage on the immovable of the company for the debts of third parties.
 - ö. Grant assistance and donation to foundations, associations having been established for various purposes and universities within the frame of the regulations of the Capital Market Act.

Essential is to comply with the principles specified by Capital Market Board in the matter of that company would grant guarantee, surety, and security or set pledge right including mortgage on its

behalf and in favor of 3rd persons.

HEAD OFFICE AND BRANCHES OF COMPANY

Article 4-

The head office of the company is in Izmir. Its address is Akdeniz Mahallesi Şehit Fethi Bey Caddesi No.120/101 Konak/IZMIR. In case of any changes in the address, the new address shall be registered in the trade registry and announced in Turkish Trade Registry Gazette. The notifications made to the registered and announced address shall be deemed to have been made to the Company. In case the company does not register its new address in the registry term, this will constitute a reason for termination although the company moves from the registered and announced address.

The company may open branches within and outside the country pursuant to Turkish Commercial Code, Capital Market Law and other legislative provisions. In case the company opens or closes branches, such actions shall be registered in the Trade Registry and announced in the Turkish Trade Registry Gazette.

EXPIRATION PERIOD OF THE COMPANY

ARTICLE 5-

Expiration period of the company is indefinite. Dissolution is held as per the provisions of Turkish Commerce Code.

REGISTERED CAPITAL

Article 6-

The company accepted Registered Capital System pursuant to the provisions of Capital Market Law and the decision of Capital Market Board dated 20.11.1987 and numbered 684, and started this system.

The Registered Capital of the Company: TRY 80,000,000. (EIGHTYMILLION TURKISH LIRA).

Par value of each share: 1 Kr.

Authorized capital stock permission granted by the Capital Market Board is valid for 5 (five) years between 2017-2021. Even if the authorized capital stock is not reached by the end of 2021, for the board of directors to decide for capital increase after 2021, an authorization from the general assembly shall be sought by obtaining permission from the Capital Market Board for the previously permitted authorized stock or a new authorized stock. In case such authorization is not obtained, the capital can not be increased by a decision the Board of Directors.

Issued Capital of the Company:

TRY 1,728 for 172.800 shares registered to A Group shareholders.

TRY 1,260 for 126.000 shares registered to B Group shareholders.

TRY 44,948,063.25 for 4.494.806.325 shares C Group Bearer.

The Capital is composed of 4.495.105.125 in all, and the capital is TRY 44.951.051,25.

Shares representing the capital are monitored pursuant to principles of dematerialising.

TRY 43.923.626,25 of the issued capital is met from the internal resources and registered to the capital as bonus, and TRY 1.027.425 is paid in cash and in lump sum.

The Board of Directors is authorized to increase the capital by issuing shares to the bearer/as registered up to the registered authorized stock in compliance with the provisions of the Capital Market Law and the regulations of Capital Market Board between 2017-2021 when deemed necessary.

The Board of Directors is authorized to organize the new capital needs as different groups as registered or to the bearer, to issue privileged shares in their above or below par value, to limit the rights of shareholders to buy new shares, or to make decisions restricting the rights of the privileged shareholders pursuant to the provisions of the Capital Market Law.

At the end of the capital increase from the Internal Resources, bonus shares will be granted to the current shareholders.

ISSUANCE OF BONDS AND SIMILAR SECURITIES

Article 7-

Company may issue, any kind of bond, bond convertible to share, replaceable bond, bonds of golden silver and platinum, financing bonds, investment trust share, profit and loss partnership certificate, other capital market instruments acceptable to Capital Market Board as borrowing instrument in quality respect, and similar capital market instruments of any kind in order to sell natural and legal persons in country and abroad upon resolution of Board of Directors under the provisions of Capital Market Code and similar relevant legislation. Board of Directors is authorize to determine maximum amounts, types, maturity, interest and other conditions in connection with such issue and to furnish company management with power in this respect under the provisions of Capital Market Code. Regulations released under Capital Market Code and new regulations contained the relevant legislation shall be complied with in such issuance.

BOARD OF DIRECTORS

Article 8-

Business and administration of Company are conducted by a Board of Directors consisting of 5, 7 and 9 members to be elected by General Assembly under the provisions of Turkish Commerce Code and regulations of Capital Market Board. Should Board of Directors consist of 5 members, 3 of them shall be elected among the nominees pointed out by A group shareholders, 1 member among those by B group shareholders and 1 member among those by C group shareholders; in case of 7 members, 4 among A group, 2 among B group and 1 among C group, and in case of 9 members, 5 among A group, 3 among B group, and 1 among C group.

Managing Directors may be elected if Board of Directors so resolves. However, President of Board of Directors and Managing Directors are elected among members representing "A" group.

Number and qualities of independent members to assume office in Board of Directors shall be determined under the Capital Market Board regulations concerning Corporate Management Principles.

In the event that independent member fails to maintain independency, resigns or becomes unable to run the office, then procedures specified in Capital Market Board regulations shall be followed.

It is essential to elect Members of Board of Directors among such persons furnished with fundamental knowledge on legal procedures regulating transactions and dispositions in connection with business field of company, trained and experienced in company management, having ability to investigate financial

charts and reports and preferably college educated.

DURATION OF THE BOARD OF DIRECTORS

Article 9-

The members of the board of directors are selected for a period of three years. They will be replaced at the expiry of this period. Provided that any member whose office period is expired may be reelected. In such changes, number and rate of members representing A, B, C groups shall be kept as such. Save, procedures for independent members determined under the Capital Market Board regulations concerning Corporate Management Principles are reserved, General Assembly may anytime replace the members of Board of Directors if it deems necessary even if election period is not expired.

MEETINGS OF BOARD OF DIRECTORS

Article 10-

Board of Directors convenes as the business and affairs of company require. However, it is an obligation to convene once a month minimum.

Board of Directors convenes with majority of whole members and resolves with majority of members present in meeting.

REPRESENTATION, ADMINISTRATION OF COMPANY, DIVISION OF OFFICES, ASSIGNMENT OF POWERS

Article 11-

Administration of the company and representation and delegation thereof against outside belong to the board of directors. The board of directors may assign its powers of administration and representation to Managing Director/Directors or Managers, who would not be shareholders necessarily, together with minimum one member of board. Provisions of articles 371, 374 and 375 of Turkish Commerce Code are reserved. For all the documents from the company and all agreements to be executed by the company to be valid they should bear the signature of the president of the board of directors or the signature of the Managing Director, which they shall affix severally, or the signatures of any two members of the board of directors, which they shall affix jointly or the signatures of duly authorized persons, who would be authorized and whose manner of undersigning has been specified by the board of directors under the title of the company.

RESPONSIBILITIES OF BOARD MEMBERS

Article 12-

Board of Directors is authorized to assign administration power partially or entirely to one or several board members or one third person under an internal directive it shall regulate.

The Board of Directors elects one president and one vice president among the members thereof every year. Vice president chairs the meetings where the president is absent. Provision of second paragraph in article two of this Articles of Incorporation is reserved.

Board of Directors is responsible to represent the company before official departments, courts and third persons, to perform any and all business included in the fields of occupation of company and any legal transactions on behalf of company, purchase and sales of real estates in scope of company

and set and release real rights such as mortgage and similar thereon, reconciliation and assign arbitrator, prepare annual report and financial statements to be presented to general assembly, to offer amount of dividend divisible to general assembly and to fulfill duties attributed by laws and Articles of Incorporation.

FEES OF BOARD OF DIRECTORS

Article 13-

The president and members of the board of directors shall be paid a certain fee per each meeting day or a monthly wage in addition to the share to be separated for them from the net profit under the provisions hereof. The general assembly determines the amount of such fee.

AUDIT

Article 14-

Audits on accounts and transactions of Company are conducted under the provisions of Turkish Commerce Code and Capital Market Act legislations in force.

RESPONSIBILITIES OF AUDITS

Article 15-

Cancelled .

GENERAL ASSEMBLY

Article 16-

General assembly convenes ordinarily and extra ordinarily. The ordinary general assembly convenes within first three months following the account period of the company and once a year minimum; extraordinary general assemblies instead convene where and when the business requires and in accordance with the provisions written in law and the articles of incorporation.

Matters contained in article 409 of Turkish Commerce Code are discussed and necessary resolutions are passed during general assembly meetings.

Attending general assembly meeting in electronic media:

Shareholders having right to attend to the general assembly meetings of Company, may participate in such meetings through electronic media under the article 1527 of Turkish Commerce Code. Company may either install electronic general assembly system or may utilize systems established

for such purposes in order to ensure shareholders to participate in general assembly meetings through electronic media, to release comment, to cast vote under the provisions of the Regulation on General Assemblies to be Held in Electronic Media within Joint Stock Companies. During all such general assembly meetings, shareholders and representatives thereof shall be provided with any facility enabling them to utilize their rights stipulated in the provisions of regulation mentioned above under the provisions of Articles of Incorporation.

PLACE OF MEETING

Article 17-

General assembly convenes in the head office of the company or in an adequate place of the city , in which the head office is located.

PRESENCE OF TRUSTEE DURING THE MEETINGS

Article 18-

It is an obligation that the trustee of Ministry shall be present during either ordinary or extra ordinary meetings, and all papers shall be signed together.

The resolutions being made in the meetings with lack of the trustee and the protocols of meetings without the signature of trustee are not valid.

QUORUM

Article 19-

Quorum of general assembly meetings and other meetings will be subjected to the provisions of Turkish Commerce Law and Capital Market Law.

VOTE

Article 20-

Shareholders and proxies thereof being present in the ordinary and extra ordinary general assembly meetings shall have one vote for each share they own.

PROXY ASSIGNMENT

Article 21-

Shareholders may be represented in general assembly meetings by a proxy being a shareholder or not. Proxies being shareholders will be authorized to vote on their own name as well as on behalf of the principals thereof. The form of the power of attorney to be utilized shall be arranged and published by the board of directors within the frame of regulation of the Board of Capital Market.

Save assignment of representatives through Electronic General Assembly System is reserved, any power of attorney to be released on this matter shall be in writing.

ANNOUNCEMENTS

Article 22-

Issues to be necessarily announced by Company under Law, shall be published under the provisions of Turkish Commerce Code, and in accordance with such regulations, notifications issued in frame of aforesaid Code and in compliance to the relevant legislation. Matters of which mean of announcement was not specified in regulations shall posted to web site.

Furthermore, newspapers on which meeting date and order of the day were published be consigned to shareholders by registered mail, provided that provision of article 29/2 of Capital Market Code is reserved.

Announcements concerning call for general assembly shall be published minimum three weeks

beforehand excluding announcement and meeting days, under the provisions of Turkish Commerce Code and article 29 of Capital Market Code. For Announcements concerning reduction of capital and liquidation, provisions of the relevant articles 473 and 532 of Turkish Commercial Code shall apply.

For announcements to be published as an obligation under Capital Market Code, the relevant legislation shall apply.

MODE OF CASTING VOTES

Article 23-

Save votes to be used through Electronic General Assembly System are reserved, Voting is applied by hand rising during the general assembly meetings. However secret poll shall apply upon demand of those representing ten percent of the capital represented by present shareholders. For the votes cast by proxy, regulations of Capital Market Board shall apply.

FOUNDATION

Article 24-

The company may establish foundations in quality specified in article 522 of Turkish Commerce Code for its officers, employees and workers as well as may participate in such established companies.

MODIFICATION OF ARTICLES OF INCORPORATION

Article 25-

Cancelled.

FINANCIAL REPORTS

Article 26-

Financial statements and reports and independent auditor's report to be issued as foreseen by Capital Market Board are published to public within frame of procedures and principles determined by the Board.

ANNUAL ACCOUNTS

Article 27-

The account period of the company starts with the first day of January and ends the last day of December.

DIVISION OF PROFIT AND RESERVES

Article 28-

After deduction of expenses of any kind, and expenses to be paid obligatory by the Company, and amortizations and provisions from the income of the Company, as well as Taxes payable by Legal Person Company and deduction of losses over former years, by the end of fiscal, the remaining amount constitutes the basis for profit division.

From this profit;

- a) 5% is set aside as legal reserve until it reaches at the twenty percent of paid up capital under the article 519 of TTC.
- b) From the remainder, together with addition of donation within year if any, first dividend is set aside within the profit share policy of general assembly and under the relevant legislation.

From the remainder;

- c) An amount as much as 3% may be set aside for any plant to be established within the company upon approval of General Assembly and under the article 522 of Turkish Commerce Code.
- d) An amount as much as 5 % may be set aside as consideration for allocation of Board of Directors and for the matters to be assigned by Board of Directors.
- e) 5 % may be set aside for social aids, premiums, bonus etc. as to be specified by Board of Directors.
- f) General Assembly is authorized either to distribute as second dividend partially or entirely or to set aside as legal reserve under the article 521 of Turkish Commerce Code, such amount of remainder after deduction of the amounts stipulated in a, b, c, d, e from net profit.
- g) After deduction of profit share amount equal to 5% of issued capital as the part divisible to profit shareholders, 10% of the remainder shall be set aside as legal reserve under the article 519 of Turkish Commerce Code.
- h) Unless legal reserves to be set aside under law and dividend to be set aside for shareholders would be set aside, any resolution may not be released for setting aside anymore reserve, carrying profit forward to forthcoming year and unless the first dividend would be distributed to shareholders, any resolution may not be released for distribution of profit to members of Board of Directors, officers, workers and servants and trusts of various purposes.
- i) Advance of dividend may be distributed to shareholders under the provisions of the article 20 of Capital Market Code.

Profit share is equally distributed to all shares as of the distribution date, regardless to dates of issue and acquisition thereof.

General assembly determines the mode and time of distribution of profit share upon proposal of Board of Directors.

DISTRIBUTION OF PROFIT

Article 29-

General assembly determines the mode and time of distribution of profit share to shareholders upon proposal of Board of Directors upon observing the notifications of Capital Market Board.

Any profit distributed under this Articles of Incorporation may not be taken back.

LEGAL RESERVE

Article 30-

Part of the net profit up to 20 % of the capital is separated as general reserve. After reaching at 20 % if any decrease occurs it is continued to reserve until reaching at the same level. Even having reached at the said amount, and after all expenses of issuing shares are deducted the net balance is also contributed to the said 20 % reserve even if the legal limit is reached.

Unless total reserve fund exceeds one half of the capital, it shall be exclusively utilized to cover losses, to maintain business where activities would run poorly, to prevent unemployment or to take necessary measures to decrease adverse effects thereof.

HAVING MEMORANDUM PRINTED

Article 31-

Cancelled.

LEGAL PROVISIONS

Article 32-

For the matters not contained herein, the relevant provisions of the Turkish Commerce Code and Capital Market Code shall apply.

AUTHORIZED COURT

Article 33-

For any dispute that may arise from business and affairs of the company between company and shareholders or among shareholders, the Courts and Execution Offices of the place where the head office of the company is situated will have jurisdiction.

Article 34-

This Articles of Incorporation of the company PINAR SÜT MAMULLERİ SANAYİİ ANONİM ŞİRKETİ consisting of 10 pages and 34 articles was issued in two copies in İzmir on 2nd of March 1973, and the content thereof was agreed by majority of founders and signed by the same founders.

1. Retirement Fund of Türkiye İş Bankası A.Ş Associates
2. Selçuk YAŞAR
3. Durmuş Yaşar
4. Selman YAŞAR
5. Koç Holding A.Ş
6. Enver Saatçığıl
7. Yaşar Holding A.Ş
8. İbrahim Yücesan
9. Lütfi Krom

ORIENTATION TO CORPORATE MANAGEMENT PRINCIPLES

Article 35-

Corporate Management Principles shall be complied with as an obligation as determined by Capital Market Board. Any transaction made without complying with such principles and any such resolution by Board of Directors shall be considered a violation of this Articles of Incorporation.

Regulations of Capital Market Board in connection with corporate management shall be complied with in any transaction considered important in such respect and in any affiliated party transactions of company as well as any transaction related to releasing guarantee, pledge and mortgage in favor third persons.

PROVISIONAL ARTICLE -

Cancelled.