

PEGASUS HAVA TAŞIMACILIĞI ANONİM ŞİRKETİ ARTICLES OF ASSOCIATION

CURRENT TEXT	REVISED TEXT	RATIONALE
<p>Board of Directors and Term:</p> <p>Article 10:</p> <p>The Company's business and administration is undertaken by the Board of Directors which is composed of at least five and a maximum of eight members to be appointed within the framework of the Turkish Commercial Code and the Capital Markets Law. The number of independent directors to serve at the Board of Directors and the qualifications applicable to them are determined pursuant to the corporate governance principles of the Capital Markets Board. The members of the Board of Directors can be appointed for a maximum term of three years and can be re-appointed. The General Assembly of Shareholders can remove any member of the Board of Directors from duty at any time; provided that the requirements brought by the corporate governance principles of the Capital Markets Board are complied with.</p> <p>If a legal entity is appointed as a member of the Board of Directors, a single real person to be determined by such legal entity and to serve in the Board of Directors on behalf of such legal entity must be registered and announced together with the legal entity director. The legal entity member of the Board of Directors can always change the real person acting on its behalf. Such change must also registered and announced.</p> <p>In case of any vacancy in the Board of Directors due to resignation, death or similar reasons, the Board of Directors appoints a new member to fill the vacancy for the remainder of the term of the former member of the Board of Directors and such appointment is submitted for the approval of the shareholders at the first General Assembly meeting. The provisions of the corporate governance principles of the Capital Markets Board apply in the event an independent director no longer</p>	<p>Board of Directors and Term:</p> <p>Article 10:</p> <p>The Company's business and administration is undertaken by the Board of Directors which is composed of at least five and a maximum of eight members to be appointed within the framework of the Turkish Commercial Code and the Capital Markets Law. The number of independent directors to serve at the Board of Directors and the qualifications applicable to them are determined pursuant to the corporate governance principles of the Capital Markets Board. The members of the Board of Directors can be appointed for a maximum term of three years and can be re-appointed. The General Assembly of Shareholders can remove any member of the Board of Directors from duty at any time; provided that the requirements brought by the corporate governance principles of the Capital Markets Board are complied with.</p> <p>If a legal entity is appointed as a member of the Board of Directors, a single real person to be determined by such legal entity and to serve in the Board of Directors on behalf of such legal entity must be registered and announced together with the legal entity director. The legal entity member of the Board of Directors can always change the real person acting on its behalf. Such change must also registered and announced.</p> <p>In case of any vacancy in the Board of Directors due to resignation, death or similar reasons, the Board of Directors appoints a new member to fill the vacancy for the remainder of the term of the former member of the Board of Directors and such appointment is submitted for the approval of the shareholders at the first General Assembly meeting. The provisions of the corporate governance principles of the Capital Markets Board apply in the event an independent director no longer</p>	<p>The change aims to provide the Shareholders General Assembly flexibility in composing the Board of Directors, while maintaining the mandatory minimum threshold for number of directors stipulated in the CMB Corporate Governance Principles.</p>

<p>meets the requisite independency criteria, resigns or is no longer able to perform his/her duties.</p> <p>Members of the Board of Directors receive a monthly or an annual salary or a specific payment for each meeting, in either case to be determined by the General Assembly. The Company complies with the mandatory provisions of the corporate governance principles of the Capital Markets Board with respect to payments to the members of the Board of Directors.</p>	<p>meets the requisite independency criteria, resigns or is no longer able to perform his/her duties.</p> <p>Members of the Board of Directors receive a monthly or an annual salary or a specific payment for each meeting, in either case to be determined by the General Assembly. The Company complies with the mandatory provisions of the corporate governance principles of the Capital Markets Board with respect to payments to the members of the Board of Directors.</p>	
<p>Authority of the Board of Directors:</p> <p>Article 11:</p> <p>The Board of Directors is authorized to establish mortgage or pledge on the movable and immovable assets of the Company and to release such security for the purposes of obtaining loans, without further authorization from the General Assembly. The Board of Directors is further authorized to resolve on all matters that do not fall within the explicit authority of the General Assembly under the applicable law and the articles of association.</p> <p>The Board of Directors is further authorized to resolve on donations on behalf of the Company, within the ceiling to be determined by the General Assembly and subject to the restrictions that may be brought by the Capital Markets Board pursuant to Article 19 of the Capital Markets Law.</p>	<p>Authority of the Board of Directors:</p> <p>Article 11:</p> <p>The Board of Directors is authorized to establish mortgage or pledge on the movable and immovable assets of the Company and to release such security for the purposes of obtaining loans, without further authorization from the General Assembly.—The Board of Directors is further authorized to resolve on all matters that do not fall within the explicit authority of the General Assembly under the applicable law and the articles of association.</p> <p>The Board of Directors is further authorized to resolve on donations on behalf of the Company, within the ceiling to be determined by the General Assembly and subject to the restrictions that may be brought by the Capital Markets Board pursuant to Article 19 of the Capital Markets Law.</p>	<p>The deleted sentence repeats the general rule in the following sentence. However; a specific reference to the Board of Directors' competence on security transactions leads to an interpretation that such authority is non-delegable. The change, therefore, aims to ensure that the Board of Directors, whenever deemed necessary and legally permitted, may delegate its authority on security transactions to third persons as per Article 12, Last Paragraph and Article 15 of the Articles of Association.</p>