

ÜLKER BİSKÜVİ SANAYİ A.Ş.
BYLAWS OF THE BOARD OF DIRECTORS

1. PURPOSE

This Procedure aims to ensure that the Board of Directors conducts its operations in a transparent, accountable, fair and responsible manner. In this respect this Procedure determines in writing the rules and procedures applicable to the responsibilities of the Board of Directors, the meetings of the Board of Directors as well as the deliberations at such meetings, resolutions and other functions of the Board of Directors outside such meetings, and the recording of deliberations and decisions of the Board of Directors.

(Reference: Principles 4.2.1 and 4.4.5)

2. SCOPE

This Procedure determines the working principles and procedures of the Board of Directors.

This Procedure has been prepared in accordance with the provisions of the TCC, CML, the Communiqué and the Principles, the OECD Principles and similar corporate governance regulations implemented at the discretion of the Board of Directors and the Articles of Association.

The relevant provisions of the applicable law and the Articles of Association on the formation, structure, meeting and voting quorums of the Board of Directors which are not regulated in this document are reserved.

3. RESPONSIBILITIES

Corporate Secretariat is responsible for the preparation, up-to-date maintenance and control of this Procedure.

This Procedure may be amended or revoked by a decision of the Board of Directors directly or at the recommendation of the General Manager (CEO).

4. DEFINITIONS AND ABBREVIATIONS

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| Articles of Association | : Ülker Articles of Association |
| Board (of Directors) | : Ülker Board of Directors CML : Capital Markets Law No. 6362 |
| Communiqué | : CMB's Corporate Governance Communiqué No: II-17.1 |
| OECD Principles (Company) | : G20/OECD Principles of Corporate Governance Ülker : ÜLKER BİSKÜVİ SANAYİ A.Ş. |
| Principles | : Corporate Governance Principles annexed to the Communiqué |
| Procedure | : Procedure on the Bylaws of the Board of Directors |
| TCC | : Turkish Commercial Code No. 6102 |

5. APPLICATION

5.1. Function of the Board of Directors

5.1.1. Without prejudice and any limitations to the mandatory provisions of the applicable law and the Articles of Association regarding the authority, responsibilities, duties of the members of the Board of Directors and the delegation thereof, the Board of Directors:

- i. manages and represents Ülker by taking strategic decisions, maintaining its risk, growth and income balance at the most appropriate level and by giving priority to the long-term interests of Ülker with a diligent risk-management approach (Reference: Principle 4.1.1);
- ii. sets strategic targets and guides corporate strategy, determines the human and financial resources required by Ülker, and while preventing conflicts of interest and balancing competing demands on Ülker, supervises the performance of Ülker and its management

(Reference: Principle 4.1.2, OECD Principles Section IV, Paragraph 3); and supervises the compliance of Ülker' operations with the applicable legislation, the Articles of Association, the internal regulations and corporate policies (Reference: OECD Principles Section IV, Paragraph 3).

- iii. The term of office of the members of the Board of Directors is three years. In the event that a membership becomes vacant for any reason, the Board of Directors elects a new member for the opened membership and submits it to the approval of the General Assembly at its first meeting. This member completes the term of the departing member

5.1.2. Composition of the Board of Director

- i. The Board of Directors is composed of directors appointed in the general meeting of shareholders.
- ii. The composition of the Board of Directors shall consider the diversity in all aspects including age, gender, ethnicity, nationality, country of origin, knowledge, ability, skill, expertise, and experience.
- iii. The total number of directors shall be adequate to the Company's current operating conditions while remaining within the boundaries set by the Article of Association.
- iv. The appointment and removal of the Chairman and the Chief Executive Officer shall be in accordance with the Article of Association

5.2. Members of the Board of Directors

5.2.1. The Board of Directors is composed of minimum seven members (Reference: Principle 4.3.1, Articles of Association A/11). Majority of the members of the Board of Directors are non-executive Board members who do not assume any other administrative or executive duties at Ülker, who are not responsible for administering an executive body within Ülker, and who do not interfere in daily business and commercial activities of Ülker (Reference: Principle 4.3.2). In line with the requirements of the Communiqué and the Principles, a sufficient number of independent Board members must be appointed from among the non- executive members of the Board of Directors (Reference: Principles 4.3.3, 4.3.4, 4.3.5 and 4.3.6, Articles of Association 11).

5.2.2. Prior to shareholders' general assembly meetings where the appointment of members to the Board of Directors is on the agenda, Ülker Corporate Governance Committee reviews the applicable nomination and compensation criteria foreseen in the applicable law and prepares and submits to the Board of Directors a set of nomination and compensation criteria and principles for the consideration of the shareholders (Reference: Principles 4.5.11 and 4.5.13, OECD Principles IV.D.4 and V.D.5, Articles of Association 12/22).

5.2.3. Every 3 year at its first meeting following the annual shareholders' general assembly meeting, the Board of Directors elects a Chairperson and a Vice-Chairperson to serve in his/her place in his/her absence (Articles of Association 12/22).

5.3. Timing of Meetings

5.3.1. The Board of Directors convenes for meetings whenever the Company business requires; provided that the Board of Directors meets at least four times a year (Reference: Principle 4.4.1 and Article 14 of the Articles of Association). The matrix presented to Board of Directors provides information on the intended timing for the minimum number of meetings for each calendar year and the meeting agenda.

5.3.2. Before the end of each calendar year the Chairperson proposes to the members of the Board of Directors the dates for scheduled meetings for the following each calendar. Meeting dates for each calendar year are finalized at the last Board of Directors meeting of the preceding year.

5.3.3. Members of the Board of Directors are called for each meeting as provided in the Articles of Association at least seven days in advance. The meeting can be convened in the presence of all members without the need for any prior notice period.

(Reference: Article 14 of the Articles of Association)

- 5.3.4.** All meetings are held at Ülker headquarters or any other location in or outside of Turkey indicated in the meeting invitation (Reference: Article 14 of the Articles of Association). Unless invited by the Chairperson no-one other than the Directors can attend meetings of the Board of Directors.
- 5.3.5.** Board members pay special attention to attend all meetings of the Board of Directors, devote appropriate preparation time ahead of each meeting and present their opinions at each meeting (Reference: Principle 4.4.1). The opinions of a Board member who does not attend a meeting but who has submitted opinions to the Chairperson in writing are notified to the other Board members latest at the relevant meeting (Reference: Principle 4.4.3).

5.4. Meeting Agenda and Deliberations

- 5.4.1.** The agenda for each meeting is determined by the Chairperson in discussion with the Board members and Ülker senior management and is circulated to the members of the Board of Directors. Ülker senior management prepares its proposal for the meeting agenda one month ahead of the scheduled meeting date and submits it for comments by the Board of Directors (Reference: Principle 4.4.1).
- 5.4.2.** The Chairperson ensures that all information and documentation relating to the issues included in the agenda of the meeting are made available for the examination of the Board members one week before the meeting (Reference: Principle 4.4.2).
- 5.4.3.** The matrix provides indicative information on the standing and special agenda items for the minimum number of meetings planned for each calendar year. For the avoidance of doubt, changes may be made on the indicative list for any meeting.
- 5.4.4.** Each item included in the meeting agenda are discussed openly and in all its aspects. The Chairperson spends best efforts to ensure the efficient participation of all Board members at the meeting (Reference: Principle 4.4.6).
- 5.4.5.** Board members dissenting on any matter discussed during the meeting records his/her reasonable and detailed dissenting opinion in the minutes (Reference: Principle 4.4.6).

5.5. Decisions

- 5.5.1.** Each Board member has one vote in the Board of Directors (Reference: Principle 4.4.4).
- 5.5.2.** Validity of the decisions by the Board of Directors is subject to the fulfilment of the requisite meeting and voting quorums set out in the Articles of Association, and, to the extent applicable, any special requirements set out in the applicable legislation, including the mandatory provisions of the Communiqué with respect to important transactions and related party transactions (Reference: Principles 1.3.10 and 4.4.7 and Article 14 of the Articles of Association).
- 5.5.3.** Notwithstanding the foregoing, unless one of the Board members asks for a meeting in writing, the Board of Directors can also adopt decisions by the written approval of simple majority of its members to a written proposal submitted by a Director (Reference: TCC 390/4, Article 14 of the Articles of Association).
- 5.5.4.** Each resolution passed at the Board of Directors is put into writing and signed by the sufficient number of Board members, in Turkish and in English, and are kept in the Resolution Ledger of the Board of Directors.

5.6. Conflict of Interest

- 5.6.1.** Each member of the Board of Directors allocates sufficient time to perform his/her role as a Board member of Ülker. A Board member may assume duties as a director or manager in or may provide consulting to another company; provided that this does not constitute a conflict of interest and impair the performance of the Board member's duty at Ülker. In the event such other duty to be assumed by the director during his/her term of office as a member of the Board of Directors may have an effect on his/her duties at Ülker, the Board member must consult with the Chairperson prior to accepting duty elsewhere. Other duties assumed

by the Board members outside of Ülker, indicating whether or not such duties are performed in affiliates, are announced to the shareholders' prior to the general assembly meeting where appointment of the members of the Board of Directors is on the agenda.

(Reference: Principle 4.4.7, OECD Principles IV.E.3)

- 5.6.2.** Board members cannot attend discussions or vote on agenda items giving rise to a conflict of interest between the interests of Ülker and the interests of the Board member, his/her relatives or other related parties. For the purposes of this paragraph (i) relatives include parents, children, spouse and blood relatives or relatives by affiliation up to and including the third degree of affinity and (ii) related parties include any business undertaking, enterprise or a legal entity where the relevant Board member participates in the ownership, direction or management.

(Reference: TCC 393/1 and Principle 4.4.7)

- 5.6.3.** Each Board member is required to notify the Chairperson of any direct or indirect conflict of interest as soon as possible after the receipt of the meeting agenda and in any event at the beginning of each meeting. In the event of doubt, the Board of Directors votes on the matter. In the event a Board member cannot participate in the discussion and vote of an agenda item, the matter and the reasons of the conflict of interest are indicated in the relevant decision (Reference: TCC 393/3).

- 5.6.4.** In any event, members of the Board of Directors must obtain the approval of the Chairperson prior to providing any consultancy service to Ülker.

5.7. Evaluation of Works and Induction Documents

- 5.7.1.** To determine whether it is functioning effectively, the Board of Directors reviews this Procedure and performs an evaluation of its performance on a regular basis and in arrears to be determined by the Board of Directors. The Board of Directors may consider the engagement of reputable, independent service providers to facilitate review processes. There is no limitation to directors' liabilities. Key findings of evaluations will be used to produce an action plan to address such findings until the evaluation is renewed at the discretion of the Board of Directors

- 5.7.2.** Based on the remuneration policy of Ülker, Stock options or payment plans that are based on company performance may not be used as part of the remuneration of the independent members of the Board of Directors"

- 5.7.3.** Whenever a new appointment is made in the Board of Directors, such Board member attends an induction program regarding the Company's operations, coordinated by the General Manager (CEO). Newly appointed Board members are also provided with an information set comprising the most recent annual and interim financial reports, this Procedure and information on the Board member's responsibilities with respect to his/her access to inside information, his/her duties under the TCC and the Turkish capital markets legislation.

5.8. Periodical Reporting to the Board of Directors

- 5.8.1.** The Board of Directors is periodically informed on the following matters in following arrears:
- i.** A summary of operational and financial results prepared by management each month with respect to the previous month and year-to-date, including EBITDA, EBT, compared to the budget, within ten business days following the relevant month.
 - ii.** An investor relations report prepared by Ülker Investor Relations at least four times each year, as part of the Board meeting documentation, on the latest industry analysis, stock performance trend and multiples benchmarked against domestic and international peers, material changes in shareholding structure, latest foreign ownership data, analyst information and target prices, Ülker IR calendar, investor disclosures by Ülker during the previous month and FAQs received from investors, within five business days following the relevant month;
 - iii.** Risk evaluation reports prepared by the Ülker Risk Committee once every two months, aimed at early determination of risks that may endanger the existence, development and the future of Ülker, the implementation of necessary precautionary measures and the management of detected risks, within one month following the end of the second, fourth, sixth, eighth, tenth and twelfth month of each calendar year (Reference: TCC 378/2); and

- iv. Financial reports announced by Ülker in accordance with the applicable law and investor presentations and information notes prepared in accordance with the said reports, reports on corporate governance rating of the Company and other information prepared in connection with operational and financial results, on the date of publication of such documents.

5.8.2. In addition to the information listed in the previous paragraph, members of the Board of Directors are informed of any important operational matters and any other matters prompted by the Ülker and any matter that falls within the competence of the Board of Directors, and any developments on the foregoing, as soon as possible.

5.9. Other Resources and Access to Information

5.9.1. Members of the Board of Directors may request from the Chairperson that opinions and information from company management are obtained for, and the relevant Company employees are invited to, a meeting of the Board of Directors (Reference: TCC 392/1).

5.9.2. The Board of Directors may retain, at the Company's expense, such advisors and experts as it deems necessary or appropriate to carry out its duties.

5.9.3. Subject to the prior approval of the Chairperson, the members of the Board of Directors may ask to review company records or require information on the business of the company or on specific matters from the members of the senior management outside of the meetings of the Board of Directors (Reference: TCC 392/3).

5.10. Secretariat Work

The secretariat work for keeping the relevant records in relation to the meetings and the resolutions of the Board of Directors is undertaken by the Corporate Secretariat. Corporate Secretary assists the Chairperson in ensuring communication between Board members, coordinates the preparation for the meetings of the Board of Directors and the Committees of the Board of Directors and records and archives all official documentation in this respect.