

Abolition of Privileges Regarding Voting Rights and Representation in the Board of Directors

14/01/2020

Communiqué on Principles for the Abolition of Privileges Regarding Voting Rights and Representation in the Board of Directors

The purpose of the “Communiqué on Principles for the Abolition of Privileges Regarding Voting Rights and Representation in the Board of Directors” (“Communiqué”) published in the Official Gazette on 10.01.2019 is stated as; “to regulate the procedures and principles regarding the abolition of privileges for voting rights and representation in the board of directors in public joint-stock companies (“Companies”) which have made loss for the financial year for five consecutive years in accordance with the financial statements prepared accordingly with the legislation”.

According to the Communiqué; Companies which have made loss for the financial year for five consecutive years shall submit its explanations, which are related to the reasonable and compulsory conditions of the activities that has caused period loss, to the Capital Markets Board (“Board”) within 20 working days from the date of the public disclosure of the financial statements for the fifth financial period. As a result of the reviews made by the Board, within a maximum two months following the notification of the Board’s decision to the relevant Companies regarding the abolition of privileges, the relevant Companies must apply to the Board in order to make the necessary amendments to the articles of association. At the first general assembly meeting to be held following the application, the amendments to the articles of association that the Board considers appropriate must be included in the agenda of the general assembly. In the event that no application is made to the Board within the time limit, the Board shall add the relevant subject to the agenda of the general assembly pursuant to paragraph 4 of article 29 of the Capital Markets Law numbered 6362.