

General Assembly Meeting Procedures Applying to Shareholders of a Joint Stock Company, who are under the age of 18

Under Turkish Law, there are special general assembly meeting procedures that apply to shareholders of a joint stock company under the age of 18 (“**Minor Shareholder**”).

According to paragraph 1 of article 342 of the Turkish Civil Code (“the **TCC**”), both the mother and the father, if they are not shareholders of the company, must attend the general assembly meeting on behalf of the Minor Shareholder.

However, if any of the parents is a shareholder of the company, a trustee needs to be appointed by the court on behalf of the Minor Shareholder, since, according to paragraph 2 of article 426 of the TCC, it is considered that interest of the Minor Shareholder and the parents in such case is in conflict.

The purpose of paragraph 2 of article 426 of the TCC, which stipulates appointment of a trustee, is to preserve the interests of the Minor Shareholder and to ensure that the Minor Shareholder attends the general assembly meeting with the presence of a trustee.

The call for the general assembly meeting for the Minor Shareholder shall be made to his/her legal representative (to parents, if they are not shareholders of the company, or to the trustee, if any of the parents is a shareholder to the company). According to the practice of the Commercial Registry, if such call is not made to the legal representative of the Minor Shareholder, the call for the general assembly meeting shall be deemed null and void and, the decision of the general assembly meeting shall not be registered with the Commercial Registry.

Additionally, it should be noted that if the court decision regarding the appointment of the trustee includes an exclusive reference to a general assembly meeting on a certain date or a certain agenda, then appointment procedure must be repeated for each of the meeting. However, this can be resolved by demanding a trustee for representation in all general assembly meetings when the trustee is requested.

In light of the above, we advise our clients that it is important to check whether there is any Minor Shareholder in holding general assembly meetings to determine the correct procedure to follow.