

EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.
ARTICLES OF ASSOCIATION

SECTION I:

Incorporation:

Article 1- A Joint Stock Company was incorporated under the title of “Ereğli Demir ve Çelik Fabrikaları Türk Anonim Şirketi” between the founders with names and addresses written in article 2, in order to perform the following activities and procedures in frame of provisions, terms and conditions contained in the present Articles of Association.

Founders:

Article 2- The Company's founders are as follows:

NAME	LOCATION
1 Koppers Associates, S.A.	Zurich, Switzerland
2 General Directorate of Türkiye İş Bankası A.Ş.	Ankara
3 General Directorate of Türkiye Demir ve Çelik İşletmeleri A.Ş.	Karabük
4 General Directorate of Sümerbank	Ankara
5 Ankara Chamber of Trade and Industry	Ankara

Title:

Article 3- The Company's title is “Ereğli Demir ve Çelik Fabrikaları Türk Anonim Şirketi”. It shall be hereinafter referred to as the “Company”.

The name of the enterprise is “ERDEMİR”.

Purpose and Scope:

Article 4- The objectives and field of operations of the Company are as follows:

- A. To purchase, lease or otherwise acquire real estates directly or indirectly relating to the objectives and subject-matter of the Company together with all rights thereon in connection of use thereof including establishing any lien thereon and renting out the same, and to sell any redundant real estates,
- B. To construct, purchase and operate all facilities and equipment inland and abroad whether by itself or by establishing partnerships to that end, which are necessary or relating to the manufacture of any type, nature and size of iron and steel rolling products, alloyed or pure iron, steel and pig cast iron, cast and press products as well as inputs and byproducts necessary for the manufacture thereof,
- C. To purchase, lease or otherwise acquire other raw materials, derivatives as well as any type and nature of mineral ores that are directly or indirectly necessary for the manufacture and production of the products as indicated in the subparagraph (B) above, and to discover, explore, extract, process and produce mines,

- D. To purchase, construct, establish and operate any facilities and equipment that are directly or indirectly necessary for the further process and use of the byproducts, wastes, and scraps obtained at any process or stage of the products or processes as indicated in subparagraphs (B) and (C) above,
- E. To establish generating plants and generate electric and heat energy, mainly for the purpose of meeting its own needs for electric and heat energy within the auto producer license (the production license to be issued in place of auto producer license as per Provisional Article 7 of Electricity Market Law No.6446), in accordance with the legislations relating to the Electricity Market and, in case of surplus generation, to sell generated electric and heat energy and/or capacity to other legal entities having the pertinent license and free consumers within the framework of the said legislations, and to engage in such activities relating to obtain all equipment and fuels necessary for the electric generating plants, provided that such activities shall not be of commercial nature,
- F. To establish Research Centers, and to provide national and international laboratory services of any kind as well as training and consultancy services,
- G. To operate ports and piers by constructing, purchasing and landing them for the purpose of shipping the products and supplying the inputs inland and abroad, and to provide pilotage, marine towing, storage and transportation services by letting other individuals and companies use such ports and piers, and to engage in land and sea transport activities inland and abroad or to establish separate companies and/or partnerships to that end,
- H. To perform any kind of financial, commercial and industrial procedures directly or indirectly relating to the foregoing including but without limited to the below mentioned authorities,
- I. To carry out borrowing, financing and cash management procedures and use any kind of risk management instruments by means of using any kind of money and capital market instruments in terms of Turkish Lira and/or foreign currencies inland or abroad without being limited to certain amounts for or in connection with any of the subject of the activity of the Company, provided that such transactions shall not be qualified as the investment services and activities,
- J. Save for all rights vested to the Group A by virtue of article 22 hereof, to lend and receive deeds and/or bank letters of guarantee as security in connection with any field of operation of the Company, provided that this shall not be contrary to the legislations relating to lending procedures; to establish current accounts; to provide pecuniary, non-cash or personal guarantees for the financial liabilities of third parties, provided that the Company shall make necessary disclosures in accordance with the procedures set forth by the Capital Market Board,
- K. To carry out all procedures relating to its own interests in accordance with provisions of articles 379 and 382 of the Turkish Commercial Code and the other relevant provisions,
- L. To participate and purchase domestic or foreign companies which engage in the production or consumption of iron and steel products or which directly or indirectly provided services in respect thereof inland and abroad, or to establish new companies to that end, provided that the provisions of the Capital Market Law regarding regulations on hidden profit transfer shall be reserved,

- M. To provide its personnel with training both in Turkey and foreign countries so that they have technical knowledge and skills in various specialization areas of the iron and steel industry; to establish training facilities and provide training and consultancy services,
- N. To make license, know-how and similar agreements with domestic and foreign companies; to participate in tenders and commitments in respect of establishment of factories, and to purchase or sell information and technology,
- O. To construct/cause to be constructed pipe lines and facilities for the purpose of purchasing, selling, storing and distributing natural gas,
- P. To perform any kind of corporate activities and procedures both in Turkey and foreign countries, which are directly or indirectly relating to the field of operation of the Company, in accordance with the pertinent laws,
- R. To act and to grant rights others to act as a representative office, agency, distributor, authorized dealer; and to receive and give commission, in connection with its objectives and field of activity,
- S. To acquire, use, lease, rent out, transfer and sell authorizations, permits, patents, patent rights, trademark rights, licenses and royalties as well as any kind of industrial and/or intellectual property rights in connection with its objectives and field of activity, and to take and give mortgages thereon,
- T. To purchase, lease, take over and transfer and dispose of any kind of land, air and sea transport vehicles in order to achieve its objectives and fields of activity, and to sell the surplus quantity thereof. To engage in any kind of activity directly or indirectly relating to the objectives and fields of operation as set forth hereinabove;
- U. To carry out Engineering and Architectural activities for any kind of studies, calculations, designs and technical drawings relating to the projects for which the Company may be in need in relation with its subjects of activity; and to follow up the implementation thereof;
- V. Providing that it is not contrary to the regulations of Capital Market Law, governing hidden profit transfer and the provisions of other relevant legislation, the necessary special condition statements are made and the donations made within the year are presented to the information of the shareholders in the general assembly, the company may make any donation and provide any support in a way that does not hinder its own objective and activity scope.

Without prejudice to the rights granted to Group A under Article 22 herein, the Company may also engage in other activities other than those listed herein, which are related to its scope of activity or which the company will deem useful for its scope of activity on the condition that the company fulfills the requirements provided for within the frame of the legislation and such activities are not contrary to the legislation.

Head Office of the Company:

Article 5 - The head office of company is located in Istanbul. Its Address is Merdivenköy Yolu Caddesi No: 2 34750 Küçükbakkalköy Ataşehir/İSTANBUL.

In case of address change, new address shall be registered in Trade Registry and promulgated in Turkey Trade Registry Gazette and furthermore notified to Ministry of Customs and Trade and Capital Market Board.

Written notification served to the registered and promulgated address shall be considered as notification duly served to the company. Although it has moved from the registered and promulgated address into new address which is not registered within its legal period shall be deemed as a reason to terminate the company.

Company may open branches or offices in such other suitable places upon the resolution of Board of Directors, provided that the same is notified to Capital Market Board as well as Ministry of Customs and Trade.

Term:

Article 6- The term of the Company is unlimited from the registration and announcement of the present Articles of Association.

SECTION II:

Capital:

Article 7- Company accepted the registered capital system according to provisions of Law No 2499 amended by Law No 3794 and began to implement this system with permission No 2416 dated August 15, 1983 of Capital Market Board.

The registered capital ceiling of the company is TRY 7,000,000,000.00 (seven billion Turkish Liras). When deems it necessary, Board of Directors may increase its capital by issuing share certificates each with a par value of 1 Kr (one Kuruş) and all issued to their bearers up to the amount of registered capital between 2012 and 2016, provided that the terms of this Article are complied with.

The permission of registered capital ceiling given by Capital Market Board is valid for 5 years between the years 2012 and 2016. Even if permitted registered capital ceiling would have not been reached at the end of 2016, in order for a decision on capital increase to be able to be taken by Board of Directors, Board of Directors must be empowered by General Assembly on a new period for the ceiling permitted before or a new ceiling after obtaining the permission of Capital Market Board. Should such an empowerment cannot be obtained, company shall be deemed to be removed from registered capital system.

Board of Directors is authorized to limit rights of shareholder to acquire new share certificates and issue share certificates above their nominal values, provided that it is not contrary to the provisions of Turkish Commercial Code and Capital Market Law.

Each share certificate has a 1 voting right.

The issued capital of the company is TRY 3,500,000,000.00 (three billion five hundred million Turkish Liras) and all paid-in. This capital consists of 350,000,000,000 (three hundred fifty billion) share certificates, each with a par value of 1 Kr (one Kuruş).

Shares representing the capital are monitored on records within the framework of registration principles.

This capital is divided into shares Group A and Group B. 1 (one) share of certificate, issued to the bearer amounting to 1 Kr (one Kuruş) is A group and 349,999,999,999 (three hundred forty nine billion nine hundred ninety nine million nine hundred ninety nine thousand nine hundred ninety nine) share of certificates amounting to 3,499,999,999.99 (three billion four hundred ninety nine million nine hundred ninety nine thousand nine hundred ninety nine Turkish Liras, ninety nine Kuruş) is B Group.

The right of usufruct shall be established in favor of and to the name of Privatization Administration on the shares of A Group with all rights appertaining thereto unless otherwise decided by Supreme Board of Privatization. All voting rights on the shares of A Group shall be exercised by the holder of usufruct. ("usufruct")

Capital Increase or Decrease:

Article 8- Without prejudice to the rights granted to Group A under article 22 herein, the capital of the company may be increased or decreased within the frame of the provisions of Turkish Commercial Code and Capital Market Legislation, when necessary.

Issue of Debt Instruments:

Article 9- The Company may issue any debenture, financial bill, asset-backed commercial paper, other debt instruments, including those drawn up on the basis of discount, the replaceable and purchasable bonds as well as any sort of security and other capital market instruments in the form of debt instrument through the resolution of the Board of Directors in accordance with Turkish Commercial Code and Capital Market legislation.

In the issue of these securities, The Board of Directors is authorized indefinitely pursuant to relevant provisions of Capital Market Law.

SECTION III:

Board of Directors:

Article 10- Company's business and management is governed by the Board of Directors.

Board of Directors consists of minimum 5 and maximum 9 members to be selected by the General Assembly of Shareholders under the provisions of Turkish Commercial Code and Capital Markets Board Law.

One of the Board members is elected by the General Assembly from among the candidates to be shown by the Directorate of Privatization Administration, which has the right of usufruct in representation of Group A shares.

The number and the qualifications of the independent members that shall take office in the Board of Directors are determined according to the regulations of Capital Market Board regarding corporate management.

General Assembly of Shareholders determines the number of members to be selected for Board of Directors in such a manner to ensure the members to perform effective and creative

activities, to take quick and rational decisions and efficiently organize their activities as well as formation of committees.

Term of Board of Directors:

Article 11- Members of Board of Directors are appointed for three years and the independent members are appointed for 1 year; the members with expired tenure may be re-elected. In case of vacancy in a position of a member for any reason, the Board of Directors shall appoint someone with the qualifications stipulated in Turkish Commercial Code, Capital Markets Board legislation and the present Articles of Association temporarily for this position, and submit to the approval of first coming General Assembly of Shareholders. So the elected member completes the former member's post term.

General Assembly of Shareholders is entitled to change members of the Board of Directors whenever it deems necessary.

In case the duty of the member of Board of Directors representing the Group A shares expires in any way within the term he has been elected for, the substitute member must also be elected among the candidates to be offered by the Privatization Administration as the usufructuary to represent the Group A shares.

Meetings:

Article 12- Board of Directors gathers at the corporate headquarters or at another location upon the resolution of Board of Directors at least six times a year or whenever deemed necessary for the Company's business. Board of Directors elects a chairman and one vice chairman at least to act as proxy in his absence among the members during the first meeting of each year. The procedure to be followed to assemble the Board of Directors, the quorum for the meeting and the resolution, voting, as well as duties, rights and authorities of Board of Directors are subject to provisions of Turkish Commercial Code and related legislation. Resolutions of Board of Directors are entered into the official minutes book. It is also signed by the chairman and the members. Without prejudice to the rights conferred upon the Group A by the article 22 of the present Articles of Association; Board of Directors may grant all or some part of the authority of representation and administration to one or several executive directors who are also the members of Board of Directors other than independent board members. The provisions of Article 367 of TCC are reserved in this subject.

Board of Directors shall have to discuss on a detailed report issued by the General Directorate showing the quarterly progress of investment projects, and to pass a resolution upon the suggestions made by the member of Board of Directors as the usufructuary to represent the Group A shares. The development of investment projects is reflected on the annual report of Board of Directors in detail. Furthermore, no resolution can be passed by Board of Directors on the issues mentioned in articles 22 and 37 of the present Articles of Association without the affirmative vote of the member of Board of Directors as the usufructuary to represent the Group A shares.

The member of Board of Directors in the capacity of usufructuary or a person to be addressed by him shall participate in the General Assemblies of Shareholders of Subsidiaries to represent the Group A shares of the Company in Subsidiaries. One of the members of Board of Directors of the Subsidiary shall be elected among the candidates to be shown by that representative or the member of the Board of Directors.

In the event that a resolution is to be passed in General Assemblies of the Subsidiary on issues concerning the rights granted to the Group A shares in the Subsidiary, the affirmative vote of the said representative or the member of the Board of Directors shall be sought.

Resolutions to be passed by the Company's Board of Directors on any rights and obligations regarding the Group A shares in the Subsidiaries shall be passed upon the affirmative vote of the member of Board of Directors in the capacity of the usufructuary.

For the purposes of the present Articles of Association, "Subsidiary" refers to İskenderun Demir ve Çelik Anonim Şirketi and Erdemir Madencilik Sanayi ve Ticaret Anonim Şirketi.

It's mandatory that the member of Board of Directors in the capacity of usufructuary also casts an affirmative vote on resolutions to be passed concerning the rights granted to the Group A shares.

It shall be observed the Corporate Management Principles, the implementation of which is made obligatory by Capital Markets Board. The transactions made and the resolutions passed without observing the obligatory principles are held invalid and deemed contrary to the articles of association.

With regard to the implementation of the Corporate Management Principles, the regulations of Capital Market Board on corporate management are observed in the transactions deemed to have an important nature and any related party transactions of the company, which are of important nature as well as the transactions for giving security and establishing pledge and mortgage in favor of third persons.

If none of the members requests to make a meeting, the resolutions of board of directors can be taken upon the obtainment of the written approval of the majority of the total member number at least for the proposal of one of board members on any issue, which is written in the form of resolution. Such resolution taken in this way can be only valid if the same proposal is made to all members of board of directors. It is not required to have all approvals on the same paper; however, affixation of all papers, where the approval signatures take place, on the resolution of board of directors or transformation of them to a resolution that includes the signatures of the approvers and recording it on the resolution book is required for the validity of the resolution.

The resolutions are not valid unless they are in written form and signed.

The board members may neither cast vote in representation of one another nor attend to the meetings through a representative.

In case that the votes are equal, this subject is left to the next meeting. If the votes are equal in the second meeting, as well, such proposal is deemed to be rejected.

Authorities of the Board of Directors:

Article 13 – The Board of Directors shall manage and represent the Company.

Except for the managing and representing rights as determined by the Resolution of the Board of Directors in respect of the appointment of a managing director or directors in accordance with the last sentence of subparagraph 1 of article 12 of the Articles of Association, no documents to be issued and no agreements to be made by the Company shall be valid unless signed by at least two persons authorized to represent and bind the Company, which signatures shall be affixed below the corporate name of the Company.

The term of office of the general manager, assistant general managers, managers and other employees authorized to sign on behalf of the Company shall not be limited to the term of office of the Members of the Board of Directors.

The Board of Directors shall determine, register and announce the persons who are to be authorized to sign on behalf of the Company, and how they affix their signatures on behalf of the Company.

The Board of Directors is entitled to assign the management completely or partially to a couple of board members or a third party according to an internal guideline to be set out, as per Article 367 of Turkish Commercial Code, except for the untransferable duties and authorities defined in Article 375 of Turkish Commercial Code. Also board of directors may assign the representation authority to one or more executive directors or a third party as a manager. At least one board member has to have representative authority.

Such transactions as the acquisition, putting in pledge and securing with a pledge etc. regarding the own shares of the company are carried out by the Board of Directors. The provisions of TCC and relevant legislation are observed in this respect.

Duties of Board of Directors :

Article 14- The primary duties of Board of Directors are; to fulfill the resolutions of General Assembly of Shareholders, to invite the General Assembly of Shareholders to meeting under the law and articles of association, to execute any kind of disposals deemed necessary and useful for the Company, to purchase and acquire any immovable properties and similar real rights on behalf of and for the possession of the Company; to restrict the Company's immovable properties under a certain real right or execute sales transactions; to lease and hire out any kind of movable and immovable properties that it shall deem as necessary for the interests of the Company; to grant and owe loans on the account and behalf of the Company, whenever necessary to establish liens on the immovable properties of the Company, and to take mortgages from real and legal entities on behalf of the Company and to submit motions of the same; to cancel such mortgages and any and all types of restrictions and limitations; and to submit the necessary cancellation motions.

The principles stipulated within the scope of Capital Market regulations shall be complied with, concerning the issues as to Company's giving guarantees, securities, warranties or giving collaterals including liens, mortgages on its behalf and for the benefit of third parties.

The Board of Directors is authorized to take decisions about any transactions other than the issues exclusively left to the discretion of General Assembly of Shareholders in the Law and the Articles of Association.

Remuneration of the Members of Board of Directors:

Article 15- Remuneration of the members of Board of Directors shall be determined by General Assembly of Shareholders.

Appointment and Duties of the General Manager:

Article 16- The Company's General Manager is appointed by Board of Directors.

The General Manager conducts the Company's business in frame of the resolutions of Board of Directors and in line with the principles specified in the legislation.

Assignment of Powers to the General Manager

Article 17- The General Manager is liable to manage the Company according to the provisions of Turkish Commercial Code, Capital Market Law, Communiqués of Capital Markets Board and other related legislations and in compliance with resolutions of Board of Directors.

Power to represent the company before official bodies, private institutions and persons, assemblies, courts, all judicial and administrative bodies as well as the rights to accept a reconciliation offer regarding a dispute, to release a debtor and to recourse arbitration are vested in and belong to the Board of Directors, and the Board may delegate some parts of these powers to the Company's General Manager duly depending on the requirements and necessity of the work.

SECTION IV:

AUDIT

Article 18- Regarding the audit of the company, the relevant articles of Turkish Commercial Code and Capital Market Legislation are applied.

Committees

Article 19 – Concerning the formation of the committees that the Board of Directors is obliged to set up, including the commission for the determination in time of the exposure within the frame of Capital Market legislation and Article 378 of Turkish Commercial Code as well as duties and working principles of such committees and their relations with the Board of Directors, the provisions of the relevant legislation are applied.

SECTION V:

GENERAL ASSEMBLY

Shareholders' General Meetings:

Article 20- Ordinary General Assembly shall be held within three months from the end of the Company's activity period and at least once in a year, discussing and resolving upon the subjects of agenda. Extraordinary General Assembly shall be held whenever required by the Company's business in compliance with the provisions written in the law and the present Articles of Association.

Voting Right and Form of Representation:

Article 21 – The shareholders or their proxies who present in the Ordinary and Extraordinary General Assembly meetings shall exercise their voting rights pro rata to the total nominal value of the shares. Each share has only one voting right. In the meetings of General Assembly, shareholders may cause to represent themselves through other shareholders or proxies assigned from outside of the Company. Proxies who are also company shareholders

have the authority to cast the votes of shareholders to whom they represent, in addition to their own votes.

Capital Market Board's regulations on voting by proxy shall be reserved.

The functioning manner of the general assembly meeting is regulated through an internal directive. The general assembly meeting is conducted in accordance with the provisions of TCC, capital market legislation and internal directive.

Participating in general assembly meetings via electronic means

Shareholders may participate in General Assembly meetings via electronic environment pursuant to Article 1527 of Turkish Commercial Code. Company may setup an electronic general assembly system which will enable Shareholders to participate in the General Assembly meetings, to communicate their opinions, to furnish suggestions and to cast their votes or may purchase service of systems set up for such purposes pursuant to the provisions of Regulation on General Assembly meetings of Joint-Stock Companies to be held via Electronic Environment.

Pursuant to present article of Articles of Association, at all general assembly meetings, shareholders and their proxies shall be allowed to exercise their rights provided in the provisions of said Regulation over such a system set up.

Adopting Resolutions on Issues which shall affect the Group A Shares:

Article 22- Resolutions regarding any amendment in the Articles of Association which are likely to affect, directly or indirectly, the obligations in the Share Sale Agreement in respect of investment and employment, and, the rights granted to the Group A shares in connection with those obligations as well as the amendments which are to affect the quorum for meeting and resolution of Board of Directors and the rights belonging to the Group A shares,

- Resolutions regarding closedown or sales of or an encumbrance upon the integrated steel production facilities and mining facilities owned by the Company and/or its subsidiaries or a resolution on reduction in capacity of such facilities,
- Resolutions regarding closedown, sales, demerger or merger or liquidation of the Company and / or its subsidiaries owning the integrated steel production facilities and mining facilities,

can be passed only through affirmative votes of the usufructuary in representation of Group A shares. Otherwise, the resolutions passed shall be invalid.

Quorum:

Article 23- For the general assembly meetings and the necessary quorum in these meetings, the provisions of Turkish Commercial Code, capital market legislation and the corporate governance principles of Capital Market Board are observed.

Meeting Venue:

Article 24- General Assemblies are held in the province where the corporate headquarters is located or in Ankara or in Karadeniz Ereğli where is deemed appropriate by Board of Directors. If the meeting is to be held anywhere else other than the place where the corporate headquarters is located, venue of the meeting shall be expressly stated in the announcement regarding general meetings.

Chairman

Article 25- General Assemblies are headed by the Chairman of Board of Directors. Vice chairman performs this duty in absence of the chairman. The person to act as the chairman in absence of both shall be appointed by the General Assembly of Shareholders.

Powers of General Assembly of Shareholders:

Article 26- Powers of General Assembly of Shareholders are,

- a) To decide upon the issues that fall outside the powers of Board of Directors,
- b) To give special permissions to Board of Directors and to ascertain the conditions thereof, and to determine the manner of managing the corporate business,
- c) To accept or reject reports, balance sheets, income statements to be arranged by the Board of Directors and auditors concerning company operations, or through performing a negotiation, to resolve that they shall be rearranged. To decide the acquittance and liability of the Board of Directors' debit. To choose the members of the Board of Directors and auditors, and when necessary, to dismiss them and to appoint others. To determine the fees to be paid to the members of the Board of Directors and auditors.

Other Powers:

Article 27- The powers mentioned in the article above are not limited. Taking resolutions regarding subjects that concern the Company either directly or indirectly, such as the management of the company operations or modification of the Articles of Association are within the powers of the General Assembly of Shareholders within the context of the Turkish Commercial Code and Capital Market Law provisions.

Acquittance:

Article 28- The general assembly resolution regarding the approval of the balance sheet results in the release of the members of board of directors, managers and auditors, unless otherwise explained in the resolution. In addition to it, if some issues are not stated properly or at all or the balance sheet involves some matters that will hinder the consideration of company's actual status and if it is acted intentionally in this regard, the approval does not result in release.

Ministry Representative:

Article 29- Concerning the methods and principles regarding at which conditions the Ministry representative will be present in the general assembly as well as the assignment of representatives for the general assembly meetings, and the qualifications, duties and authorities of such representatives, the provisions of the relevant legislation are observed.

Announcement:

Article 30 - The announcements of the company shall be made in accordance with Turkish Commercial Code, regulations of Capital Market Board and the provisions of relevant legislation.

The provisions of Article 1524 of TCC are reserved.

Amendments of the Articles of Association:

Article 31- The amendment to the articles of association shall be decided within the frame of the provisions stated in the legislation and articles of association, in a general assembly to be invited in accordance with the legislation and the provisions of the articles of the association, upon obtainment of a permit from Ministry of Customs and Trade with the assent of the Capital Market Board.

Documents to be sent to the Ministry of Customs and Trade and Capital Markets Board:

Article 32- One copy from the Board of Directors activity report, independent audit report and annual balance sheet, and profit&loss statement as well as minutes of general assembly and attendants' list shall be submitted to the Ministry of Customs and Trade within one month at latest as of general assembly meeting date.

The financial statements and reports which are required by the Capital Market Board to be issued as well as the independent audit report in case that it is subjected to an independent audit are announced to the public within the frame of the relevant provisions of TCC and the principles and procedures determined by Capital Market Board.

SECTION VI:**Activity Period:**

Article 33- The activity period of the Company starts in the first day of the month of January and ends in the last day of the month of December.

Determination and Allocation of the Profit:

Article 34- General Assembly is entitled to take resolutions regarding non-distribution of the profit or distribution of the profit partially or completely in line with the profit distribution policies.

General legal reserves and the applications regarding dividend account are carried out in accordance with the provisions of TCC, CMB and the relevant legislation.

Unless the reserves required to be set aside legally and the dividend determined for the shareholders are set aside, it may not be resolved for setting aside any other reserve, transferring profit to the next year, and distributing dividend to the dividend share owners, board members and employees of the partnership and unless the determined dividend is paid, it may not be distributed dividend to those people.

Also General Assembly is entitled for the distribution of Dividend Advance within the frame of the relevant provisions of TCC, Capital Market Board and relevant legislation.

The dividend distributed in accordance with the provisions of this Articles of Association may not be claimed back. In case of distribution of dividend advance, reclaiming dividend is exception.

SECTION VII:

Miscellaneous Provisions:

Competent Court:

Article 35- The competent court of the district in where the Company's headquarters is located shall handle and conclude all conflicts that may arise between the company and its shareholders and all disputes that may occur during activity or liquidation period.

The Termination and Liquidation of the Company:

Article 36- Board of Directors may call for a General Assembly due to any reason in order to discuss the termination or liquidation procedure of the Company or its consequences. The Company shall be terminated through reasons determined by the Turkish Commercial Code or by court decision. Furthermore, it may also be terminated through the decision of the General Assembly of Shareholders within the context of legal provisions. Provisions of the Turkish Commercial Code are applicable concerning the method of termination and liquidation of the company and related transactions.

Article 37- Provided that it will be effective from the signature date of the Share Sale Agreement to be signed following the realization of the privatization transaction concerning the shares pertaining to the Republic of Turkey Prime Ministry Privatization Administration as per the Law no 4046, the fulfillment of commitments contemplated in the Share Sale Agreement concerning investment and employment shall be under the responsibility of the Company's Board of Directors. This present Article 37 may be amended with the affirmative vote of the usufructuary representing Group A shares.

Article 38- Provisions of Turkish Commercial Code and Capital Market Law shall be applied to the issues that are not written in this Articles of Association.

Temporary Article 1- The provisions of the Articles of Association concerning the right of usufruct, other than the amendments made in the clause 9 of the Article 7 of the Articles of Association of the Company, shall be eliminated when the usufruct established on Group A shares are removed.

Usufruct established in favor of the Republic of Turkey Prime Ministry Privatization Administration comes to an end through a resolution to be taken by the Privatization High Council concerning this subject. This circumstance shall be reflected to the Company's Articles of Association.

The present Temporary Article 1, may be changed with the affirmative vote of the usufructuary representing Group A shares.

Temporary Article 2- While the nominal value of the shares was TL 500, it first changed to 1 New Kuruş in accordance with the Law No. 5274 on Amendment to the Turkish Commercial Code, and then to 1 Kuruş since the word "New" was removed from the words "New Turkish Lira" and "New Kuruş" on 1 January 2009, in accordance with the Decree of the Council of Ministers no. 2007/11963 dated 4 April 2007. For the reason of such change, the number of total shares was reduced, and a share with nominal value of 1 (New) Kuruş was given in consideration of 20 shares with a value of TL 500. The rights of the shareholders arising from the shares held by them shall be reserved in respect of the said change.

The words "Turkish Liras" contained herein are the words changed by the above mentioned Decree of the Council of Ministers.