

TEKFEN HOLDING ANONİM ŐİRKETİ
ARTICLES OF ASSOCIATION

Article 1 - INCORPORATION:

A joint-stock company is hereby founded by and among the founders identified herein with their name and surname and address, in accordance with the pertinent provisions of the Turkish Commercial Code (hereafter shortly referred to as the ‘‘TCC’’).

<u>Founders Name</u>	<u>Nationality</u>	<u>Address</u>
1. M.Sc Feyyaz Berker	T.C.	CevdetpaŐa Cad. 181 Bebek/İstanbul
2. M.Sc Ali Nihat Gökyağıt	T.C.	M. Kemal Öke Cad. 23/15 NiŐantaŐı / İstanbul
3. M.Sc Necati Akçağlılar	T.C.	CevdetpaŐa Cad. 183 Bebek/İstanbul
4. Alev Berker	T.C.	CevdetpaŐa Cad. 181 Bebek/İstanbul
5. Nezahat Gökyağıt	T.C.	M. Kemal Öke Cad. 23/15 NiŐantaŐı / İstanbul
6. Cansevil Akçağlılar	T.C.	CevdetpaŐa Cad. 183 Bebek/İstanbul

ARTICLE 2 – TRADE NAME:

Trade name of the Holding is ‘‘Tekfen Holding Anonim Őirketi’’ (hereinafter referred to as ‘‘the Holding’’)

ARTICLE 3 – PURPOSE AND SCOPE:

The Holding Company may participate in the management and the capital of any domestic and foreign joint stock or limited liability company formed or to be formed for any purposes, establish short or long term ordinary partnerships with domestic or foreign holdings, set up temporary subsidiaries with those or enter into agreements based on the division of financial liability. The Holding Company may also engage in the following legal and economical transactions based on the foregoing sentence.

Whereas the Holding Company may engage in the following transaction and dispositions in order to carry out this purpose.

- a) Without engaging in the brokerage activity in Turkey or abroad and without the purpose of engaging in securities portfolio management, buy and sell any shares, exchange the same with other shares, increase, decrease or terminate its participations.

- b) Provided that the necessary explanations required by the Capital Markets Board with regard to the special circumstances are provided to the investors for their information, the Holding Company may engage in the activities of issuing shares and bonds of the companies formed or to be formed and especially those companies to which it participated in the management and capital, and in the events of issuing the shares and bonds of these companies where the shares and the bonds were previously issued or either to be issued, guaranteeing the outcomes of these to the issuing companies or to the buyers, and engaging in the activities protecting their value and sale such as providing dividend guarantee or repurchasing guarantee. The Holding Company may purchase or otherwise finance corporate bonds.
- c) The Holding Company may carry out all the financing of the companies formed or to be formed and especially those of which it participated in the management and capital and, carry out legal, financial and technical business, as well as the accounting and personnel services.
- d) The Holding Company may carry out the advertising, marketing, publicity, public relations, importing and exporting, domestic trading, domestic and international agency services all of which are related to the business of the companies. The Holding Company may assist these companies for the provision of their services such as those related to the customs, storage, insurance, transportation and collection.
- e) Provided that the necessary explanations required by the Capital Markets Board with regard to the special circumstances are provided to the investors for their information, the Holding Company may provide real property mortgage, surety and all kinds of security and guarantees in the form of cash or in rem with respect to loans to be extended to the companies to which it has a participation by banks or other financial institutions, and receive any collateral in the form of cash or in rem including real property mortgage with respect to the financial commitments it undertakes in their favor.
- f) The Holding Company may take over the companies' receivables with or without bills with respect to their sales on credit terms, transfer or endorse the same to other institutions.

In addition to the financing of the companies, the Holding Company may provide services with respect to the legal and financial business of the companies, as well as their accounting, control and organizational and, technical and economical businesses such as carrying out projects, planning, survey and the training of the personnel. In order to perform such services the Holding Company, within itself, may employ permanent staff or, as an external relationship, may enter into agreements with expert staff for definite or indefinite terms. In consideration of these activities the Holding Company may collect fees from companies per every separate activity that was carried out or by means of entering into annual subscription agreements.

- g) The Holding Company may cooperate with foreign and domestic holding companies or other corporations, or set up subsidiaries and enter into agreements based on the division of financial liability.

- h) The Holding Company, by causing the tender projects and the proposals be prepared, may participate in the tenders on behalf of itself or on behalf and account of the companies of which it participated in the management and capital or, may assign the tenders which it undertook on its own behalf and account to these companies.

In consideration of these services the companies to which the Holding Company participates may enter into agreements for definite or indefinite terms or for in return for annual subscriptions and, the Holding Company is entitled to collect fees in return for its services and to claim a specific amount in consideration of the assignment of the tenders.

- i) The Holding Company may provide the companies to which it participated in the management and capital in Turkey and abroad with all kinds of services or transactions that may benefit them.
- j) The Holding Company may, on its own behalf and account; purchase, sell, assign or transfer into the accounts of, in order to assign to the companies of which it has participation in the capital; all kinds of goods, semi-finished goods, commodity, as well as all kinds of raw material, tool and equipment, machine, apparatus and whenever required the lands, all of which are related to the field of commercial and industrial activities of the companies of which it has a participation in the capital.

The Holding Company may, on its own behalf and account, import all kinds of goods which fall under the field of commercial and industrial activity of the companies of which it participates in the capital, in order to transfer those goods to the companies to which it participates.

In the event that the sale of the said goods to the companies to which it participates cannot be realized for any reason whatsoever, the Holding may sell or transfer those to the real or legal third parties or transfer those into accounts of them.

The Holding Company may purchase all kinds of commodity which is subject to importing, from the companies of which it participates in the capital and export those on its own behalf and account

In order to facilitate the commercial and industrial activities of the companies of which it participates in the capital, the Holding Company may obtain the right to act as the agent of the domestic and foreign companies or the companies to which it participates and may market the products of these companies.

- k) The Holding Company may make donations to or reserve a share of the profit for the trusts set up for various purposes and other such institutions and/or persons in accordance with the provisions of the Capital Market Law.

- l) In order to accomplish its objectives and carry out its activities the Holding Company may purchase real estate (including ships) and, transfer and assign these, with or without a consideration, to others and, wholly or partially lease these to others and, in addition it may carry out all kinds of disposal and transaction related to the rights of usufruct, easement, habitation as well as other in rem and immaterial

rights in accordance with the provisions of the Civil Code and, carry out disposals on the limited or unlimited real property and engage in the activities of the development, allotment, recreation, construction of infrastructure facilities of the real properties and their realization.

With regard to its field of business and objectives the Holding Company may borrow money against mortgage or other guarantees or without guarantee, may accept or grant all kinds of guarantees in rem or in person for the collection or the pledging of its rights and receivables or, in relation to the foregoing it may request the registration or the cancellation of the mortgage in the land registry.

m) The Holding Company, on its behalf and account, may establish and register trademarks, acquire trademarks, patents and know-how and transfer or otherwise lease all kinds of intellectual rights to the companies to which it participates or does not participate.

In addition to the above listed transactions and operations, the Holding Company may also enter into such other necessary activities and operations which it deems to be appropriate and beneficial for it for the future, by the resolution of its General Assembly of Shareholders upon proposal of the Board of Directors in this regard.

In order to apply these resolutions which, at the same time, amend the Articles of Association, the consents of the Ministry of Industry and Commerce and Capital Market Board shall be obtained.

While carrying out the above mentioned operations, the Holding Company shall fulfill its liabilities regarding the public disclosure for the purpose of informing the investors in accordance with the Capital Market Law and the relevant legislation.

ARTICLE 4 – HEAD OFFICE:

Head office of the Holding is in İstanbul, Beşiktaş. The address is Etiler, Kültür Mahallesi, Tekfen Sitesi Aydınlik Sokak A Blok No:7, Beşiktaş, İstanbul.

If the address changes the new address must be registered in the Trade Registry and announced in the Turkish Trade Registry Gazette and it also declared to the Ministry of Industry and Commerce and to the Capital Markets Board of Turkey. Moving out of the registered address and not registering the new address within the statutory time limit is a termination reason for the . All notifications made to the registered and announced address shall be deemed to have made to the Holding.

The Holding may open branches, stores, warehouses and liaison or similar facilities, reporter offices and agencies in Turkey and abroad with a decision of the Board of Directors and appropriate to the provisions of Turkish Trade Code by making notification to the Ministry of Industry and Commerce and to the Capital Markets Board of Turkey and other authorized bodies if it is necessary.

ARTICLE 5 – TERM OF THE HOLDING:

The definite incorporation date of the Holding is the registration date. The Holding is established for an indefinite period of time. The General Assembly is entitled to limit the time period of the Holding by amending the Articles of Association by respecting the meeting and decision quorums. This limitation can be changed to an indefinite period of time appropriate to the provisions of law.

In order to carry out this decision, which is an amendment of Articles of Association, the consent of the Ministry of Industry and Commerce and Capital Markets Board of Turkey is required.

ARTICLE 6 – CAPITAL:

The capital of the Holding shall be TRY 296,775,000.00 and it shall be divided into 296,775,000.00 registered shares each having a nominal value of TRY 1.

The 66,775,000 shares of the Holding which are increased this time and TRY 66,775,000 of the capital is paid by public offer through limiting the complete right of first refusal of the shareholders and the entire amount is paid.

There is no limitation for the transfer of the shares in the legislation of Capital Market.

The complete shares which are left after the usage of the right of first refusal or the complete shares which are issued when the usage of right of first refusal is limited will be offered to the public, with normal price which is not under nominal price, in accordance with the communiqué of Capital Markets Board.

The current capital is wholly paid.

ARTICLE 7 – INCREASE OR DECREASE OF THE CAPITAL:

The capital of the Holding may be increased or decreased in accordance with the legislation of Turkish Commercial Code and Capital Markets Board of Turkey.

ARTICLE 8 – RIGHT OF FIRST REFUSAL

If the capital will be increased, the existing shareholders have the right of first refusal to buy new shares in respect of their proportion of shares.

ARTICLE 9 – TRANSFER OF SHARES

The transfer and assignation of the bearer shares of the Holding is subject to the Turkish Commercial Code, Capital Markets Law and the relevant legislation.

ARTICLE 10 – PURCHASE OF SHARES RELATING TO THE LIMITATION OF SALE OF SHARES

The Holding can buy the shares which are inherited to foreclosure pursuant Article 329 of the Turkish Trade Code. The profits of the shares which are bought by the Holding belong to the

Holding until the re-purchase of the shares. However these kinds of shares bears no right of vote in the General Assembly Meetings during they are under the ownership of the Holding and they will not be counted as the majority.

ARTICLE 11 – CERTIFICATE OF PARTNERSHIP OF PROFIT AND LOSSES, BOND AND FINANCING BOND AND ISSUANCE OF STOCKS AND BOUNDS

The Holding may issue documents of all kinds of type bonds and profits with participation to profit and losses and partnership of losses (bond with participation to profit) Financing bounds and all kinds of certificates of debenture which are deemed appropriate by the Capital Markets Board and similar stocks and bounds.

According to the Turkish Commercial Code and Law of Capital Markets the General Assembly is authorized to issue of documents of guaranteed or non-guaranteed conversion and partnership of profit and loss which can be changed with stock shares. The Board of Directors is authorized to determine the amount of these documents.

ARTICLE 12 – REDEEMED SHARES:

30 of the registered redeemed shares belong to Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Korum Vakfı. The constitutive redeemed shares grant no vote rights of any membership rights to the owners. These shares grant just the right of getting a salary from the profit regarding to the article that determines distribution of profit in this Articles of Association.

ARTICLE 13 – BOARD OF DIRECTORS:

The Holding shall be governed by a Board of Directors consisting of nine (9) directors of whom shall be nominated by the General Assembly.

Three independent members shall be in the Board. The explanation about the independency of the members shall be laid in the annual activity report.

In the event that a director representing a legal entity no longer has any relationship with that legal entity, that director shall be deemed to have resigned from the Board. A member whose term of office expires may be re-elected.

ARTICLE 14 – TERM OF OFFICE AND OPENING OF MEMBERSHIP:

The members of Board of Directors may be elected for a maximum term of office of three (3) years. A director whose term of office expires may be re-elected.

The General Assembly can always change the Board of Directors without taking the term of office into consideration if it is necessary.

To the memberships which membership of Removal, resignation, death or Should any vacancy occur in the membership of the Board because of removal, resignation death or reasons which are determined in Article 315 of Turkish Trade Code, the Board shall appoint a person. The Directors so appointed shall serve until the next General Assembly. These

directors can serve until the end of the time of office of the former directors if the General Assembly accepts so.

Article 15- DUTIES OF THE BOARD OF DIRECTORS:

The Board of Directors fulfills and exercises the duties that are granted by the Turkish Commercial Code, these Articles of Association and the General Assembly resolutions.

The Board of Directors may partially transfer its authority and duties and the authority to represent the holding to a committee of persons selected from the Board Members, to an executive director, to directors, to a manager or to managers pursuant to the Turkish Commercial Code Article 319.

Article 16- REPRESENTATION:

The Holding is managed and represented by the Board of Directors. All documents and agreements issued or concluded by the Holding must be signed under the Holding title by the persons authorized by the Board of Directors.

The Board of Directors appoints a chairman and a vice chairman from among its members in the first meeting. Additionally, The Board of Directors may assign its representation and management authority in full or in part to one executive director chosen from the Board of Directors Members and a General Director or to a manager who is not a shareholder of the Company.

The Board of Directors determines the persons who are authorized to represent and bind the Holding and the extent of their authority and applies to the relevant authorities for such resolutions about this authority to be registered and announced.

Article 17- BOARD MEETING AND QUORUM:

Regardless of the term of management and representation, in the first Board of Directors' meeting following the first General Assembly, a chairman and a vice chairman will be appointed to represent the chairman in his absence.

The Board of Directors convenes when it is required for the business and the operations of the Holding. However, it is compulsory for the Board of Directors to convene at least once a month.

The quorum for the Board of Directors' meetings is majority of the Board of Directors. Decisions must be made by a majority of the Board of Directors members present in the meeting.

Decisions may be made by the Board of Directors without a meeting if a proposal for action is submitted in writing to each of the members of the Board, and each member gives consent in writing to such action.

Shareholders that own at least 5% of the Holding shares and have an interest in the subject of the meeting, may request the chairman of the Board of Directors to convene a meeting of the

Board of Directors. These shareholders may put the invitation issue into discussion in the following meeting if the chairman refuses their request.

Article 18- REMUNERATION OF DIRECTORS:

Remuneration of Directors is to be determined by the General Assembly of Shareholders as monthly or yearly remuneration or certain remuneration for each meeting.

Article 19- AUDITORS:

The General Assembly assigns two auditors for either from the shareholders or from outside for terms of at most three years.

The General Assembly has the authority to replace these auditors before the end of their term if necessary.

Auditors whose regular term is over can be re-elected.

Monthly remuneration of auditors is determined by General Assembly.

Article 20- INDEPENDENT AUDIT:

The Company's annual financial reports and intermediate financial reports that are required to be examined by independent audit according to the securities legislation and must be examined within the extent of these regulations by an internationally well-known independent external audit firm which is nominated by the Board of Directors and accepted by the General Assembly. The regulations of the Capital Markets Board regarding independent audit and election and approval of the independent auditor must be complied with.

Article 21- ORDINARY AND EXTRA-ORDINARY GENERAL ASSEMBLIES – MEETING QUORUM AND DECISION MAJORITY:

The General Assembly of the Company can be convened ordinarily or extra-ordinarily. An Ordinary General Assembly is required to be held at least once a year, within three months after the end of the business year of the company. Extra-ordinary General Assemblies can be convened and make decisions at any time that business of the company and/or the provisions of the articles of association require.

The Meeting place of the General Assembly is the head office of the company. It may take place in a suitable part of the city if the Board of Directors finds it necessary. This issue must be announced in the letters of convocations and notices.

Ordinary and extra-ordinary General Assembly meetings must be notified to Turkish Ministry of Industry and Commerce, the presidency of Istanbul Stock Exchange and the Capital Markets Board at least two weeks in advance. Other documents relevant to the meeting and its agenda must be attached to this announcement. Compliance with the regulations of the CMB is compulsory in these announcements.

All ordinary and extra-ordinary general assembly meetings and their quorums are subject to the Turkish Commercial Code. Article 2 of the Act No: 4487 which modifies Article 11 of

the Securities Exchange Act requires using the meeting quorums in Article 372 of the Turkish Commercial Code for the general assembly meetings which are called under the second and third clauses of Article 388 of the Turkish Commercial Code. Provisions of the Securities Exchange Act are reserved.

All matters regarding to the general assembly must be regulated in accordance with the securities legislation and the principles of the CMB.

Article 22- ATTENDING OF A COMMISSIONER TO GENERAL ASSEMBLY MEETINGS:

A commissioner of the Turkish Ministry of Industry and Commerce has to attend every ordinary and extra-ordinary general assembly meeting, and she has to sign a report of the meeting in addition to the persons concerned. A general assembly meeting which is held without a commissioner or minutes which doesn't carry commissioner's signature would be invalid.

Article 23-CALL TO THE MEETING:

The board of directors calls the general assembly to the ordinary meeting. The extraordinary general assembly may be called to the meeting by the board of directors or auditors. The board of directors and the board of auditors may be called to the meeting in case the shareholders who owe at least the 5% of the holding capital request by declaring a justification in written form. The 5% minority's, who call the general assembly to the meeting, right to take authorization from the court is reserved.

Article 24- APPOINTMENT OF A PROXY:

Shareholders may have themselves represented in the General Assembly meeting by a proxy appointed among other shareholders or externally. Proxies who are partners of the Holding are authorized to vote also for the represented shareholders other than their vote. The board of directors determines the form of the certificate of authority in accordance with the regulations of the Capital Markets Board. The power of attorney should be in written form. The proxy is obliged to vote in accordance with the demand of the transferor of the vote provided that it is determined in the certificate of authority of the transferor. Voting by a proxy should be in accordance with the regulations of the Capital Markets Board.

Article 25- RIGHT OF VOTING AND MODE OF VOTING:

Any shareholder or his/her proxy attending an Ordinary or Extraordinary General meeting has one voting right for each share held.

In General Assembly meetings, voting is made by raising of hands with the documents that designate the ones who vote by a proxy in accordance with the regulations of the Capital Markets Board. However, by the request of the attending shareholders who own one tenth of the capital that they represent, secret voting will be done.

Article 26- ANNOUNCEMENT:

Announcements relating to the Holding are made through the Turkish Trade Registry Gazette in accordance with the terms determined in the Turkish Commercial Code.

Announcements relating to the Holding are made through the Gazette published at the quarters of the head office prior to at least 15 days provided that Paragraph 4 of the Article 37 of the Turkish Commercial Code is reserved.

However, it is compulsory to make the announcements relating to the call of the General Assembly to the meeting prior to at least two weeks in accordance with the Article 368 of the Turkish Commercial Code excluding the announcement and meeting days.

Article 397 and 438 of the Turkish Commercial Code are applied concerning the announcements relating to reducing the capital and liquidation.

The regulations of the Capital Markets Board relating to announcements are reserved.

Article 27- ACCOUNTING PERIOD:

Accounting period of the Holding commences on the first day of January and ends on the last day of December. Holding may assign an accounting period for a period of twelve months by the resolution of the board of directors in accordance with the permission taken from the Ministry of Finance and Capital Markets Board.

Article 28- DISTRIBUTION OF PROFIT:

Net profit of the Holding reflected in the balance sheet to remain after deduction of general expenses and depreciation which should be paid and set aside by the Holding as well as all taxes payable by the Holding as a legal entity and losses of previous years (if any) from the income amount calculated at the end of the accounting period is distributed in the following order. The distribution of the net profit should be in accordance with the Securities Exchange Act and the declarations of the Capital Markets Board.

First Tranche Legal Reserves:

a) 5% is set aside as legal reserve.

First Dividend:

b) First dividend is set aside not less than the amount and rate specified by the Capital Markets Board, at least at rate of 30%, over the amount which will be found by adding the donation amounts within the year, out of the amount remained.

c) At most 3% of the amount remained is allocated to Tekfen Eğitim Sağlık Kültür Sanat ve Doğal Varlıkları Koruma Vakfı which has dividend right certificate.

d) General Assembly has the right to give a resolution for the distribution of at most 2% of the amount of net profit to remain after deduction of the amounts mentioned above to the members of the Board of Directors (in the bases and rates approved by the board of directors)

Second Dividend:

e) General Assembly is authorized to distribute wholly or partially the amount of the net profit remained after deduction of the amounts specified in a, b, c and d as second dividend or allocate as extraordinary reserve fund.

Second Tranche Legal Reserve:

f) Sub-paragraph 3 of the paragraph 2 and paragraph 3 of the Article 466 of the Turkish Commercial Code is not applied to the holding.

g) No decision can be made to set aside any legal reserve, to carry over profits to the next year or to distribute profit share to founder of dividend shares and common redeemed shares owners or board members and officials, workers and servers of the Holding, charitable foundations founded for different purposes and person/institutions in similar qualifications unless the reserves set forth in applicable legislation are set aside and first dividend is distributed to the shareholders as mentioned in the Articles of Association in cash and/or in the form of share certificates.

h) Dividend is distributed equally to all shares existing as of the accounting period regardless of acquisition date thereof.

Data and method of distribution of profit is determined by the General Assembly upon proposal of the Board of Directors in accordance with the legislation of the Capital Market and the provisions of the Turkish Commercial Code.

Article 29- DIVIDEND IN ADVANCE:

Holding may distribute to the shareholders a certain amount of dividends in advance in accordance with related provisions of Capital Market Act.

Article 30- AMENDMENTS TO THE ARTICLES OF ASSOCIATION:

For the validity of any amendments to this Articles of Association, the Board of Directors shall prepare a draft amendment and this draft shall be subject to the approval of the General Assembly following the approvals from the Capital Market Board and T.R. Ministry of Industry and Commerce. Any amendments to this Articles of Association must be registered to the Trade Registry and published on the Turkish Trade Registry Gazette.

Article 31- TERMINATION OF THE HOLDING:

The Holding shall be dissolved pursuant to the conditions set forth in the article 434 of the Turkish Commercial Code, or with a court decision. In case the termination and dissolution of the Holding is needed, the General Assembly shall be called for a decision thereof to an extraordinary meeting and, the dissolution shall be executed in accordance with the provisions of Turkish Commercial Code and Capital Market Legislation.

The provisions of the Capital Market Legislation about this subject are reserved.

Article 32- DOCUMENT TO BE SEND TO RELEVANT AUTHORITIES AND LEGAL PROVISIONS:

At the end of the accounting period, annual Board of Directors' reports and auditor report, and also the balance sheet reflecting the financial status of the Holding shall be arranged and, shall be sent to the T.R. Ministry of Industry and Commerce within one month from the General Assembly meeting. necessary number of copies of the board of directors and auditor reports, balance sheet, and the list of attendants showing the names and share amounts of the shareholders attending to the General Assembly shall be handed over to the government commissioner attending on the General Assembly meeting day, or shall be sent to the T.R. Ministry of Industry and Commerce within one month from the date of the meeting.

The Board of Directors report, Auditor report and the income statement shall be present in the Holding center and branch offices at least 15 days before the General Assembly meeting.

Article 33- ANNUAL REPORTS AND INFORMATION SERVICE:

The existing reporting conditions of the Holding shall be performed in accordance with the Capital Market legislation and, the compulsory financial statements and reports regulated by Capital Market Board and independent auditing reports shall be prepared complying with the procedures and principles determined by the Capital Market Board, and shall be submitted to the Capital Market Board and announced to the public.

The special condition announcements pursuant to the regulations of the Capital Market Board and all other announcements of the board shall be performed complying with the procedures.

Article 34- LEGAL PROVISIONS:

The articles of this Articles of Association, which will be contrary to the laws, statutes, regulations, communiqués entering into force in the future, shall not be applicable.

For the matters not regulated under this Articles of Association, the provisions of Turkish Commercial Code, Capital Market Law and relevant communiqués shall be applied.

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