

TEKFEN HOLDING A.Ş.
ARTICLES OF ASSOCIATION

Article 1 - INCORPORATION:

A joint-stock company is hereby founded in accordance with the relevant provisions of the Turkish Commercial Code (hereafter referred to as the “TCC”) by the following, whose names and addresses are provided below:

<u>Founder’s Name</u>	<u>Nationality</u>	<u>Address</u>
1- Feyyaz Berker, M.Sc.	Turkish	Cevdetpasa Cad. 181 Bebek/Istanbul
2- Ali Nihat Gökyigit, M.Sc.	Turkish	M. Kemal Öke Cad. 23/15 Nisantasi / Istanbul
3- Necati Akçaglılar, M.Sc.	Turkish	Cevdetpasa Cad. 183 Bebek/Istanbul
4- Alev Berker	Turkish	Cevdetpasa Cad. 181 Bebek/Istanbul
5- Nezahat Gökyigit	Turkish	M. Kemal Öke Cad. 23/15 Nisantasi / Istanbul
6- Cansevil Akçaglılar	Turkish	Cevdetpasa Cad. 183 Bebek/Istanbul

Article 2 – TRADE NAME:

Trade name of the Holding is “Tekfen Holding Anonim Sirketi” (hereinafter referred to as “the Holding”)

Article 3 – PURPOSE AND SCOPE:

The Holding Company may participate in the management of any local and foreign joint stock or limited liability company which is either formed or will be formed and which operates in any field; may acquire a stake in the same, establish short or long term ordinary partnerships with local or foreign holdings, set up temporary affiliations with those or enter into agreements based on the shared financial liability. In this context, the Holding Company may also engage in the following legal and economic transactions.

To this end, the Holding Company may engage in the following transactions and undertake the following.

a) Without engaging in the brokerage activity in Turkey or abroad and without any intention of engaging in securities portfolio management, it may buy and sell any shares, exchange the same with other shares, increase, decrease or terminate its share ownership in its affiliates.

b) As long as the statements, within the context of regulations issued by Capital Markets Board of Turkey related to public disclosure of material events, are made, the Holding Company may engage in the activities of issuing shares and bonds of the companies formed or to be formed and especially affiliates or subsidiaries, and in the event of these companies' issuing shares and bonds, where the shares and the bonds were previously issued or to be issued, providing guarantees concerning the consequences of these to the issuing companies or to the buyers and engaging in the activities of 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 undertake all financial activities of the companies formed or to be formed and especially affiliates or subsidiaries and, undertake legal, financial and technical matters, as well as providing 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 said companies. The Holding Company may assist these companies in their services such as those related to the customs, warehousing, insurance, transportation and debt collection.

e) As long as the statements, within the context of regulations issued by Capital Markets Board of Turkey related to public disclosure of material events, are made, the Holding Company may provide real estate mortgage, surety and all kinds of cash or in kind collateral and guarantees with respect to loans to be extended by banks or other financial institutions to the companies with which it is affiliated, and receive any cash or in kind collateral including real estate mortgage with respect to the financial commitments it undertakes in favor of its affiliates and subsidiaries.

f) The Holding Company may take over the companies' receivables with or without bonds with respect to their credit sales, 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 economic activities such as carrying out projects, planning, surveying and the training of the personnel. In order to perform such services the Holding Company, may employ permanent in house staff or, may enter into external agreements with expert for definite or indefinite periods. In return for these services the Holding Company may collect fees from companies either for each material case or on the basis of annual subscription agreements.

g) The Holding Company may cooperate with foreign and local holding companies or other corporations, or set up subsidiaries and enter into agreements based on shared financial liability.

h) The Holding Company may develop tender projects and proposals, may enter bids either on its own behalf or on behalf of its affiliates or subsidiaries, may assign the tenders which it undertook on its own behalf to these companies.

In return for these services the Holding Company may enter into definite or indefinite duration contracts with these companies, may collect fees from them on the basis of annual subscription agreements or may claim a specific fee in return for assigning these bids to the said companies.

i) The Holding Company may provide affiliates or subsidiaries in Turkey and abroad with all kinds of services or transactions that may benefit them.

j) The Holding Company may, on its own behalf; purchase, sell, assign or transfer, all kinds of goods, semi-finished goods, commodities, as well as all kinds of raw materials, tools and equipment, machinery, apparatus and the land when required, all of which are related to the field of commercial and industrial activities of the companies in whose capital it has a share with a view to ultimately transfer these to the said companies.

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 affiliates or subsidiaries, in order to transfer those goods to these affiliated companies.

In the event the sale of the said goods to the affiliated companies cannot be realized for any reason whatsoever, the Holding may sell or transfer these to real or legal third parties or transfer those into their accounts.

The Holding Company may purchase all kinds of commodity which is subject to exportation, from these affiliated companies and export these on its own behalf .

In order to facilitate the commercial and industrial activities of these affiliated companies, the Holding Company may obtain the right to act as the agent of the local and foreign companies or the affiliated companies and may market the products of the same.

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 vessels) and, transfer and assign these, with or and, wholly or partially lease these to others and in addition carry out all kinds of transactions regarding the rights of servitude, usufruct, habitation as well as other in kind and immaterial rights in accordance with the provisions of the Civil Code and, assume

undertakings with or without obligations on real estate and engage in the activities of development, allotment, recreation, construction of infrastructure facilities of the real estate and their realization.

In connection with its field of business and objectives the Holding Company may lend money in exchange of mortgage or other guarantees or without collateral, may accept or grant all kinds of personal or in kind collateral for the collection 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, may, on its behalf, establish and register trademarks, acquire trademarks, patents and know-how and transfer or otherwise lease all kinds of intellectual property rights to its affiliated or non-affiliated companies.

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, based on the approval and 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 consent of the Ministry of Industry and Commerce and Capital Markets Board shall be obtained.

While carrying out the above mentioned operations, the Holding Company shall fulfil 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 Istanbul, Besiktas. The address is Etiler, Kültür Mahallesi, Tekfen Sitesi Aydinlik Sokak A Blok No:7, Besiktas, Istanbul.

In case of an address change the new address must be registered in the Trade Registry and announced in the Turkish Trade Registry Gazette and it should also be 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 reason for winding up the Holding company. All notifications made to the registered and announced address shall be deemed to have been made to the Holding.

The Holding may open branches, stores, warehouses and liaison offices or similar facilities, reporter offices and agencies in Turkey and abroad by having a resolution of the Board of Directors and in compliance with the provisions of Turkish Commercial Code by notifying the Ministry of Industry and Commerce and the Capital Markets Board of Turkey and other authorized bodies as necessary.

Article 5 – VALIDITY:

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 adhering to the meeting and decision quorums. This limitation can be changed to an indefinite period of time in compliance with the provisions of the laws.

In order to implement 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 necessary.

Article 6 – CAPITAL:

The capital of the Holding shall be TL 370,000,000.00 and it shall be divided into 370,000,000.00 registered shares each having a nominal value of TL 1. All of the shares are issued as bearer share.

The nominal value of each share has been changed to become 1 Turkish Lira as per Council of Ministers decision No.2007/11963 dated 4 April 2007 which changes the caption “yeni (*new*)” in Yeni Türk Lirası and Yeni Kuruş as of 01 January 2009.

73,225,000 shares of the Holding capital which was increased this time and the entire capital at the value of TL 73,225,000 has been paid up out of the profit for 2008.

There is no limitation for the transfer of the shares as per Capital Market Law.

The shares which remain after the usage of preferential rights or shares which are issued when preferential rights are limited will be offered to the public, at the market price, which is not under the nominal price, in accordance with Capital Markets Board communiqués.

Shares representing capital are monitored on a registration basis based on provisions of share dematerialization.

Article 7 – RAISING OR REDUCING CAPITAL:

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

Article 8 – PREFERENTIAL RIGHTS:

In the event of a capital increase, preferential rights owners have the option 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 Market Law and the relevant legislation.

Article 10 – PURCHASE OF SHARES RELATED TO THE LIMITATION OF SALE OF SHARES:

The Holding can buy-back its own shares by means of foreclosure actions pursuant to Article 329 of the Turkish Commercial Code. Profits of these shares belong to the Holding until the sale of these shares. However, these kinds of shares bear no voting rights in the General Assembly Meetings while they are in the possession of the Holding and are not taken into consideration when establishing quorum.

Article 11 – ISSUANCE OF PROFIT AND LOSS SHARING CERTIFICATES, BONDS AND FINANCING BONDS SECURITIES:

The Holding may issue all kinds of bonds and profit and loss sharing certificates (bonds entailing profit sharing), commercial papers, all kinds of certificates of debenture and similar stocks and bonds deemed appropriate by the Capital Markets Board.

According to the Turkish Commercial Code and Capital Market Law, the General Assembly is authorized to issue guaranteed or non-guaranteed bonds, profit and loss sharing certificates which can be ex-changed with stock shares, while the Board of Directors is authorized to determine the amount of these securities.

Article 12 – REDEEMED SHARES:

30 of the registered redeemed shares belong to Tekfen Egitim Saglik Kültür Sanat ve Dogal Varliklari Koruma Vakfi (Tekfen Education, Health, Arts and Protection of Natural Assets Foundation). The constitutive redeemed shares grant no voting rights or any membership rights to their owners. These shares solely grant the right of getting dividends from the profit regarding the article that determines distribution of dividends in this Articles of Association.

Article 13 – BOARD OF DIRECTORS:

The Holding business and management shall be undertaken by a Board of Directors consisting of nine (9) directors who shall be elected by the General Assembly.

There will be three independent members on the Board. An explanation about the independency of members will be included in the annual report.

In the event a director representing a legal entity no longer has any relationship with that legal entity, the membership of that director shall be revoked. A member whose term of office expires should be re-elected.

Article 14 – TERM OF OFFICE AND VACANCY:

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 necessary.

The Board of Directors shall appoint a new member to replace those whose memberships have been terminated or revoked due to removal from duties, resignation, death or due to reasons stipulated in Article 315 of Turkish Commercial Code. The Directors so appointed shall serve until the next General Assembly. These directors can serve until the end of the term of office of the former directors upon approval of the General Assembly.

Article 15- THE MAIN DUTIES OF THE BOARD OF DIRECTORS:

The Board of Directors fulfils and exercises the duties in compliance with the Turkish Commercial Code, these Articles of Association and the General Assembly resolutions.

The Board of Directors may partially transfer its duties and responsibilities and the authority to represent the Holding to a committee of persons selected from among 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 selected from among the Board or Directors, to the General Manager 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 be binding for the Holding and the extent of their authority, duly registers and announces the same.

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 the simple majority of the Board of Directors, that is one member more than the number of half of the members of the board. Decisions must be made by a majority of the Board of Directors members present in the meeting.

Unless a member requests discussion, decisions may be taken by written consent of the board members to a proposal for action made by one member.

Shareholders or stakeholders who own at least 5% of the Holding shares may request the chairman of the Board of Directors to convene a meeting. If the chairman refuses their initial request to hold an immediate meeting, he may open discussion about this issue in the following Board meeting.

Article 18 - REMUNERATION OF DIRECTORS:

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

Article 19 - AUDITORS:

The General Assembly elects two auditors either from among the shareholders or from outside for a maximum term of three years.

The General Assembly has the authority to replace these auditors at any time 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 interim financial reports, which must be reviewed by independent auditors according to the securities legislation, shall be reviewed in compliance with these regulations by an internationally recognised independent external audit firm which is nominated by the Board of Directors and approved 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 must be held at least once a year, within three months after the end of the accounting term of the company. Extra-ordinary General Assemblies can be convened and may take decisions at any time that business of the company and/or the provisions of the articles of association necessitate.

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, 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. However, Article 2 of Law No: 4487 which amends Article 11 of the Capital Market Law stipulates that quorums in Article 372 of the Turkish Commercial Code be used 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 Capital Market Law are reserved.

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

Article 22 - REQUIREMENT FOR THE ATTENDANCE OF A GOVERNMENT COMMISSIONER AT THE 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 he/she has to sign a report of the meeting in addition to the signature of the other persons concerned. A general assembly meeting which is held without the attendance of a commissioner or minutes which do not carry the commissioner's signature shall be null and void.

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 by the Board of Directors or auditors. The Board of Directors and the board of auditors may call the general assembly to a meeting in case the shareholders who own at least the 5% of the holding capital request such a

meeting by submitting a written rationale. The 5% minority's right to get court permission to call the general assembly to a meeting is reserved.

Article 24 - REPRESENTATION BY PROXY:

Shareholders may be represented in the General Assembly meeting by proxy appointed from among other shareholders or externally. Proxies who are shareholders 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 proxy certificate in compliance with the regulations of the Capital Markets Board. The proxy must be in written form. The proxy is obliged to vote in accordance with the will of the transferor of the vote provided that this is indicated in the proxy certificate of the transferor. Voting by 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 by presenting the documents that designate the ones who vote by a proxy in accordance with the regulations of the Capital Markets Board. However, secret voting should be held by the request of the attending shareholders who own one tenth of the shares represented by the shareholders who are present.

Article 26 - ANNOUNCEMENTS:

Announcements relating to the Holding are made through the Turkish Trade Registry Gazette in accordance with the time frames stipulated in the Turkish Commercial Code.

Announcements relating to the Holding are made through the daily newspaper published in the location where the Holding head office is situated at least 15 days in advance with the provisions of Paragraph 4 of Article 37 of the Turkish Commercial Code being reserved.

However, announcements related to the call for General Assembly meeting must be made at least two weeks prior to the meeting date not counting the announcement day and the meeting days, in accordance with Article 368 of the Turkish Commercial Code.

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

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

Article 27 - ACCOUNTING PERIOD:

The accounting period of the Holding commences on the first day of January and ends on the last day of December. The Holding may assign an accounting period lasting a period of twelve months by decision of the Board of Directors and in accordance with the approval of the Ministry of Finance and Capital Markets Board.

Article 28 - DISTRIBUTION OF PROFIT:

The net profit of the Holding which is reflected in the balance sheet as the sum remaining after the deduction of general expenses and depreciation which should be paid and set aside by the Holding as well as all taxes payable and losses of previous years (if any) from the revenue calculated at the end of the accounting term shall be distributed as follows. The distribution of the net profit should be in accordance with the Capital Market Law and the announcements of the Capital Market Board.

First Tranche Legal Reserves:

a) 5% is set aside as legal reserve.

First Dividend:

b) From the remaining amount, and over the sum that should be calculated by adding any donations made during the year, first dividend in the ratio of at least 30% and not below the ratio and sum stipulated by the CMB is set aside.

c) A maximum of 3% of the remaining amount is allocated to the to Tekfen Egitim Saglik Kültür Sanat ve Dogal Varliklari Koruma Vakfi Foundation which has a redeemed share.

d) After the above deductions are made, the AGM may decide to distribute profits not exceeding 2% to the members of the Board of Directors (in accordance with the ratios and principles to be deemed appropriate by the Board of Directors).

Second Dividend:

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

Second Tranche Legal Reserve:

f) Sub-paragraph 3 of paragraph 2 and paragraph 3 of the Article 466 of the Turkish Commercial Code does not apply for 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 to founder of dividend shares and common redeemed shares

owners or board members and employees, workers and labourers of the Holding, charitable foundations founded for different purposes and person/institutions with similar qualifications unless the reserves stipulated 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 issuance and 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 Capital Market Law and the provisions of the Turkish Commercial Code.

Article 29 - DIVIDEND IN ADVANCE:

The Holding may distribute to the shareholders a certain amount of dividends in advance in accordance with relevant provisions of Capital Market Law.

Article 30 - AMENDMENTS TO THE ARTICLES OF ASSOCIATION:

For any amendments to this Articles of Association to be valid, the Board of Directors shall prepare a draft amendment and this draft shall be subject to the approval of the General Assembly following the approval obtained from the Capital Markets Board and the Ministry of Industry and Commerce. Any amendments to this Articles of Association must be registered at the Trade Registry and published in 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 necessary, 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 on this subject are reserved.

Article 32 - DOCUMENTS TO BE FORWARDED TO OFFICIALS AND LEGAL PROVISIONS:

At the end of the each accounting period, annual Board of Directors' reports and auditor report, and also the balance sheet reflecting the financial status of the Holding shall be prepared and, shall be sent to the Ministry of Industry and Commerce within one month from the date of 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 the General Assembly on the meeting day, or shall be sent to the Ministry of Industry and Commerce within one month from the date of the meeting.

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

Article 33 - ANNUAL REPORTS AND DISCLOSURE:

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

The material disclosures pursuant to the regulations of the Capital Markets Board and all other announcements of the board shall be undertaken in compliance with the relevant procedures.

Article 34 - LEGAL PROVISIONS:

The articles of this Articles of Association 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 apply.

Feyyaz Berker
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