

**YALINKAYA HOLDİNG ANONİM ŞİRKETİ**  
**(YALINKAYA HOLDING, INC.)**  
**ARTICLES OF ASSOCIATION**

**ESTABLISHMENT**

**ARTICLE 1.** An incorporated company has been established with the participation of the persons whose names, last names, addresses of residence and nationalities listed herein as follows:

- a) HASAN YALINKAYA - T.C. UYRUKLU  
Şenlik Mah. Harman Sok. İdil Apt. No: 15 Daire 2 Florya - ISTANBUL
- b) MEHMET SEDAT YALINKAYA - T.C. UYRUKLU  
Şenlik Mah. Harman Sok. idil Apt. No: 15 Daire 3 Florya - ISTANBUL
- c) GÜLTEN YALINKAYA - T.C. UYRUKLU  
Şenlik Mah. Harman Sok. İdil Apt. No: 15 Daire 2 Florya - ISTANBUL
- d) FERAH YALINKAYA - T.C. UYRUKLU  
Şenlik Mah. Harman Sok. İdil Apt. No: 15 Daire 3 Florya - ISTANBUL
- e) ARİF ZEKİ YALINKAYA - T.C. UYRUKLU  
Şenlik Mah. Harman Sok. İdil Apt. No: 15 Daire 4 Florya - ISTANBUL
- f) NİMET YALINKAYA - T.C. UYRUKLU  
Şenlik Mah. Harman Sok. İdil Apt. No: 15 Daire 4 Florya - ISTANBUL

**TITLE**

**ARTICLE 2.** "YALINKAYA HOLDİNG ANONİM ŞİRKETİ (*YALINKAYA HOLDING INCORPORATED*)"

**SCOPE**

**ARTICLE 3.** Major fields of activity shall be as follows:

I- Holding organization is targeting to increase the success in the fields of companies it has established or participated while ensuring their continuities, increasing their efficiencies through advanced organizational management techniques, minimizing their financial loads through the arrangement of joint fields of service, overcoming the economic distresses within the group of companies that may be caused by economic and social developments, concentrating on enterprises in a stronger way by evaluating its own equities together with resources belonging to its affiliated companies, acquiring finance and credit opportunities from resources outside the company, assisting in the administration and auditing of the affiliated companies, and making investments either on an individual basis or jointly with affiliated companies in certain fields.

Major activities and targets of the holding company shall be to establish local or international companies to be involved in commercial and industrial investments in the fields of capital markets as well as financing and insurance business activities; participate into already established enterprises; and take part actively in their management to ensure their continuity in a profitable manner.

It may also be involved in the following business activities and transactions with the exception of financial intermediary and securities portfolio management fields of activities:

a) It may establish enterprises authorized in the fields of banking, financial leasing, factoring, insurance, securities management, real estate investment trusts, selling and purchasing of foreign exchange and gold as well as all other similar financial matters; and may participate to the already established ones.

b) It may undertake all kinds of financing liabilities including gold and valuable metals in the establishments it has participated to its capital or administration; be involved in credit raising activities from external resources; and, take part in borrowing and leasing activities to such enterprises with or without guarantees and/or with or without interests provided that such transactions shall not be in the field of financial intermediation business. It may enter into all kinds of credit and license agreements, and give all kinds of guarantees either in cash or in kind;

c) It may purchase securities, bonds, financial bonds, government bonds, treasury bills, revenue partnership bills and all kinds of other similar private sector and public sector securities as well as the associated preemption, redemption, acquisition, usufruct and preferential rights, options and similar individual and real rights provided that such transactions shall not be in the field of financial intermediation business; may exchange such rights with others; may dispose of such rights on individual and real bases;

d) It may receive or give all kinds of suretyship and guarantee letters and all kinds of similar guarantees on favor of third parties,

e) In order to realize its targets, it may acquire all kinds of securities, real estate properties and other similar real rights under its own name or for transferring them to such enterprises to which it has participated into their capitals or disposing them in their names; cede or transfer the same to others; give the same for rent in whole or in part; establish, alter, transfer or discharge all kinds of real or individual rights including mortgages in its own name or on behalf of its affiliated companies, public institutions or the third parties; dispose of such individual or real rights on an individual or real basis; acquire, transfer, assign, alter and discharge such individual or real rights from third persons or affiliated companies including mortgages; purchase all kinds of sea, air and land transportation vehicles within the body of its affiliated companies; and lease and transfer the same for use in all kinds of business activities including marketing;

f) It may give onerous or gratuitous consultancy services to its affiliated companies in relation with the commercial, technical, economical, financial, administrative and legal subjects like investments, finding credits, project development, managerial and organizational matters as well as marketing and sales related issues; participate into public and private sector tenders on behalf of its affiliated companies;

g) It may establish ordinary partnerships or participations on a short-term or long-term basis with local or foreign persons or entities; and, may enter agreements regarding undertakings and distributions with such persons or entities,

h) It may establish, acquire, register and use all kinds of invention rights (copyrights) and certificates, trade and service marks, privileges, individual model and drawing copyrights, know-how and all kinds of other similar intangible rights; may have such rights be used by others on onerous or gratuitous basis; may transfer the same rights; and may receive and grant licenses in this respect;

i) It may import and export all kinds of goods and services in relation with the fields of activities of the companies to whom it has participated into their capitals or management; acquire all kinds of agencies or representative rights; and transfer such representative rights and have them transferred to it;

j) Holding may undertake responsibilities and give guarantees in the issue of shares and bonds of the companies to whom it has participated/shall participate into their capitals or management as well as the intermediations in their subscription transactions against issuing companies or their creditors.

k) It may set up reserves in favor of benevolent funds with legal identities for the personnel of its own organization or the companies to whom it has participated into their capitals in accordance with the provisions of article 468 of Turkish Trade Law; establish or acquire other foundations and funds for social purposes; and make investments on the existing ones towards maximization of their productivities;

l) It may have all kinds of receivables arising out of the companies to whom it has participated into their capitals or managements be transferred or assigned to itself; or transfer, assign or endorse such receivables to other companies.

Holding may cooperate with local and foreign holdings or other companies; be involved in temporary participations; and enter into agreements based on distribution of financial responsibilities.

Holding may enter agreements based on its capital or administration; assist in storage and transportation operations; execute centralized collection as well as financial and legal consultation and similar common services.

## **HEAD OFFICE AND BRANCHES**

**ARTICLE 4.** Company's head office is located in the district of GÜNGÖREN at the province of ISTANBUL. Its address is "Keresteciler Sitesi, Kayalar Sokak, No: 24 34010 MERTER". Address changes shall be registered at the Commercial Registrar, announced through the Turkish Trade Registry Gazette and notified also to the Ministry of Industry and Trade as required. All the notifications made to the registered and announced address shall be deemed duly made to the Company. The company shall be deemed terminated in case it shall not register its new address although it has left its address as registered and announced before. The company may establish branches in the country or abroad on the condition that it shall make necessary notification to Ministry of Industry and Trade.

## **PERIOD OF COMPANY**

**ARTICLE 5.** The company has been established for an unlimited period of time.

## **COMPANY CAPITAL AND SHARES (\*)**

**ARTICLE 6.** Company's capital is TL 100,000,000,000,000.- (say hundred trillion Turkish Liras) (YTL 100,000,000.-); and, it has been divided into a total of 1,000,000,000 shares comprised of 200,000,000 group (A) registered shares and 800,000,000 group (B) registered shares each having a nominal value of TL 100,000.- (say hundred thousand Turkish Liras) (YTL 0.1.-).

Company's previous capital which was TL 28,000,000,000,000.- (say twenty eight trillion Turkish Liras) (YTL 28,000,000.-) corresponding to a total of 280,000,000 shares comprising of 56,000,000 group (A) registered shares and 224,000,000 group (B) registered shares has been subscribed and completely paid in cash preemptorily by shareholders in the rate and depending on the group of shares held.

The portion of the increased capital TL 72,000,000,000,000.- (YTL 72,000,000.-) amounting to TL 26,420,093,020,000.- (YTL 26,420,093.02) has been covered by positive capital differences of inflationary adjustment. Balancing portion of the increased capital which is TL 45,579,906,980,000.- (YTL 45,579,906.98.-) has subscribed (committed) by shareholders preemptorily in the rate and depending on the group of shares held. ¼ of the increased cash capital shall be paid within a maximum period of three months starting from the date of registering the capital increase while the balance shall be paid until the date of 25.10.2008.

Bearer shares shall not be issued until the capital shall be paid completely.

Related announcements shall be made in accordance with the provisions stated in the present Articles of Association.

*(\*) It has been published in Turkish Trade Registry Gazette No. 6462 dated 28/12/2005.*

## **SHARES AND THEIR TRANSFERS**

**ARTICLE 7.** Shares of group (A) and (B) are registered (registered shares).

Shares (stocks) may be issued in denominations of more than one share belonging to the same groups (multiple shares) within the framework of decisions by the Board of Directors.

Group (A) or (B) shares cannot be transferred and assigned to the third parties.

Group (A) shares that are of registered type may be transferred and assigned only to the holders of registered shares of the same group or to the holders of registered shares of group (B), group (B) shares that are of registered type may be transferred and assigned only to the holders of registered shares of the same group or to the holders of registered shares of group (A) at their nominal values subject to the permission by the Board of Directors.

A shareholder who wants to transfer her/his shares of group (A) or (B) is obliged to notify the situation to other shareholders through the notary public. In the event that there shall be no demand to purchase such shares among the existing shareholders within a period of one month from the date of this notification, the shares may be sold to the third parties on the condition that it shall be allowed by the Board of Directors and in the direction of related provisions of the Turkish Trade Law as well as other related legislations in effect.

Board of Directors shall be free not to give permission to the sale transaction of registered group (A) shares and group (B) shares that do not comply with the paragraphs 3, 4 and 5 of the article hereby without declaring any reasons thereof. It may not record such transfer and assign transaction on the share register. Provisions of the last paragraph in article 418 of Turkish Trade Law are preserved.

Provisions of paragraphs 3, 4, 5, 6 and 7 of the article hereby may be altered only by the solid (unanimous) vote of shareholders in the General Assembly meetings. These quorums shall be sought in both the first and the second General Assembly meetings.

## **BOARD OF DIRECTORS AND PERIOD OF OFFICE**

**ARTICLE 8.** Company's Board of Directors is comprised of 5 members to be elected by the General Assembly in accordance with the provisions of the Turkish Trade Law.

The 5 members of Board of Directors shall be elected by the General Assembly among the candidates to be nominated among the holders of group (A) shares.

Members of Board of Directors are elected for a period of 2 years. Members completing their periods of office may be reelected. In the event that a membership in the Board of Directors become vacant, the Board elects one of the shareholders holding the same group of shares among the candidates nominated; and, if there are no candidates nominated, the Board assigns a member representing the group of shares belonging to the membership that became vacant. The member elected or assigned in this way, acts as a member until the next General Assembly meeting and continues his period of duty if such membership is approved in the General Assembly meeting.

The Board of Directors elects a president and a vice-president (deputy) to represent the president in her/his absence in its first board meeting to be held following its election. President and Vice-President may be reelected after completing their periods of office.

Provisions of paragraphs 1 and 5 of the article hereby may only changed by unanimous decisions to be made in General Assembly meetings with participation of all shareholders. These quorums shall be sought in both the first and the second General Assembly meetings.

## **MAIN TASKS OF THE BOARD OF DIRECTORS**

**ARTICLE 9.** Board of Directors has all the tasks and authorities related to all the functions and powers other than the tasks and authorities of the General Assembly as specified in the Turkish Trade Law, Company's Articles of Association and other related legislations.

The Board of Directors may delegate a part of its tasks and authorities as well as the authority to represent the company to executive committee or managing director(s) or manager(s) in accordance with the provisions of article 319 of the Turkish Trade Law.

#### **QUORUMS IN BOARD OF DIRECTORS MEETINGS AND DECISIONS**

**ARTICLE 10.** The Board of Directors holds meetings at the head office of the company or any other place deemed appropriate with the participation at least 4 of its members according to the requirements of company activities and produces its resolutions with the positive vote of at least 3 of the participant members.

Provisions of the article hereby may only changed by unanimous decisions to be made in General Assembly meetings with participation of all shareholders. These quorums shall be sought in both the first and the second General Assembly meetings.

#### **PAYMENTS TO MEMBERS OF THE BOARD**

**ARTICLE 11.** General Assembly decides whether to make any salary payments to the members of Board of Directors as well as the amount of such payments if it decides to make such a payment.

#### **REPRESENTING AND BINDING THE COMPANY**

**ARTICLE 12.** Right of administering and representing the company against others belongs to the Board of Directors. All the documents to be issued and agreements to be entered by the Company shall be valid only if they are signed by a person authorized to represent and bind the Company with a signature put under the commercial title of the company. Provisions of article 319 of the Turkish Trade Law are preserved. Principles of representing and binding the Company are determined by a signature circular duly registered and announced accordingly.

#### **GENERAL MANAGER AND MANAGERS**

**ARTICLE 13.** General Manager and other managers are assigned by the Board of Directors.

General Manager is liable administer the Company with due care and prudence in the direction of the resolutions made by the Board of Directors as well as the provisions of the Turkish Trade Law and other related legislations.

#### **AUDITORS**

**ARTICLE 14.** General Assembly elects two auditors with higher education and experience among shareholders or from outside for a period of office of 1 year.

Auditors are elected among the candidates nominated by the holders of group (A) shares. Auditors completing their period of office may be reelected.

Auditors are responsible for performing the tasks mentioned in articles 353 - 357 of the Turkish Trade Law.

## **PAYMENTS TO AUDITORS**

**ARTICLE 15.** Salaries of the auditors are determined by the General Assembly.

## **GENERAL ASSEMBLY**

**ARTICLE 16.** General Assembly holds ordinary and extraordinary meetings according to the provisions of the Turkish Trade Law.

### **a) Method of Invitation:**

Provisions of articles 355, 365, 366 and 368 of Turkish Trade Law shall apply to invitations to these meetings.

### **b) Meeting periods:**

Ordinary General Assembly meetings are held at least once a year within a maximum period of three months following the end of the company's accounting period while Extraordinary General Assembly meetings are held at the times needed according to the requirements of company activities and in cases envisaged in legislations.

### **c) Voting and Assignment of Proxy:**

Each shareholder or the person representing a shareholder by proxy shall have the right of one vote for each share in Ordinary and Extraordinary General Assembly meetings. Shareholders may be represented in General Assembly meetings by another shareholder or a proxy from outside.

### **d) Carrying Out Discussions, Quorums in Meetings and Decisions:**

Subjects referred in article 369 of the Turkish Trade Law are discussed and related resolutions are produced in General Assembly meetings. Quorums in General Assembly meetings and decisions to be made thereof are subject to the provisions of Turkish Trade Law.

### **e) Place of Meeting:**

General Assembly meeting is held at a suitable location in city where the company's head office is situated.

## **PARTICIPATION OF COMMISSARY TO GENERAL ASSEMBLY MEETINGS**

**ARTICLE 17.** Attendance of the Commissary of the Ministry of Industry and Trade is obligatory both in Ordinary and Extraordinary General Assembly meetings. Resolutions to be produced in General Assembly meetings not attended by the commissary shall not be deemed valid.

## **ANNOUNCEMENTS**

**ARTICLE 18.** Announcements by the Company are made at least 15 days in advance through a newspaper published in the city where the Company's head office is situated preserving the provisions of paragraph 4 in article 37 of Turkish Trade Law.

But the announcements related to the invitation for General Assembly meetings shall be made at least two weeks in advance, except for the days of announcement and meeting, in accordance with the provisions of article 368 of the Turkish Trade Law. Provisions of articles 397 and 438 are preserved.

## **ACCOUNTING PERIOD**

**ARTICLE 19.** Accounting period of the Company starts with the first of day of January and ends in the last day of December. But, the first accounting period shall start in the date of establishing the Company and ends in the last day of the corresponding year.

## **DETERMINATION AND DISTRIBUTION OF PROFIT**

**ARTICLE 20.** Net profit is calculated by deducting the special and general expenses (including depreciations and allowances) that are acceptable according to the provisions of Turkish Trade Law made in the direction of company's activities from the revenues of the Company. This profit is distributed as follows;

- a) Legal reserves of 5% are deducted.
- b) All kinds of taxes and legal liabilities that have to be paid are deducted.
- c) First dividend that is at a rate of 5% of company's paid capital is deducted from the balancing amount of profit.
- d) After deducting the legal reserves, all kinds of taxes and legal liabilities that have to be paid and first dividend mentioned in paragraphs (a), (b) and (c) above from the net profit; an amount up to 10% of the balancing net profit may be allocated for payments to the President and Members of Board of Directors and/or managers, officers and other personnel in the company.
- e) General Assembly decides makes decision on whether the rest of the profit shall be distributed.

## **CONTINGENCY RESERVES**

**ARTICLE 21.** Provisions of articles 466 and 467 of the Turkish Trade Law shall be applied by the Company with regard to contingency reserves.

## **ISSUE OF BONDS AND OTHER SECURITIES**

**ARTICLE 22.** The Company may issue bonds, financial bonds, bonds that may be converted to securities and other Capital market instruments in accordance with the provisions of Turkish Trade Law, Capital Markets Law and other related laws and communiqués in effect.

The Company may issue guaranteed bonds, plain bonds, financial bonds and other Capital market instruments that will indicate indebtedness of the company either domestically or in abroad within the borders envisaged by the provisions of Turkish Trade Law, Capital Markets Law and other related legislations in effect within the framework of the provisions of article 13 of Capital Markets Board.

## **DELIVERY OF THE ARTICLES OF ASSOCIATION**

**ARTICLE 23.** The Company shall send two copies of the Turkish Trade Registry Gazette containing the announcement of its articles of association.

## **LEGAL PROVISIONS**

**ARTICLE 24.** Provisions of Turkish Trade Law and other related legislations shall apply in the cases where there are no provisions available in the present articles of association.

**Provisional Article 1.** Stamp tax related to the present articles of association shall be paid to the related tax office within three months.

**Provisional Article 2.** Members of the First Board of Directors shall use the authorities referred in articles 334 and 335 of Turkish Trade Law until the first General Assembly meeting.

**Provisional Article 3.** Mr. Hasan Yalınkaya has been elected as the first President of Board of Directors for a period of three years. Unless otherwise resolved in the Board of Directors meeting; Mr. Hasan Yalınkaya, President of the Board, and Mr. Mehmet Sedat Yalınkaya, Member of the Board, shall have the authority to represent and bind the company severally with the individual signature of any one of the above.

HASAN YALINKAYA

MEHMET SEDAT YALINKAYA

GÜLTEN YALINKAYA

FERAH YALINKAYA

ARIF ZEKİ YALINKAYA

NİMET YALINKAYA