

İZMİR ÇİMENTO FABRİKASI
TÜRK ANONİM ŞİRKETİ
ARTICLES OF ASSOCIATION

INCORPORATION
ARTICLE 1

A joint-stock company has been registered among the following founders, whose names and residence addresses are given below according to the provisions of Turkish Commercial Code covering the establishment of joint-stock companies.

Composed of

1. Bedri Akgerman,
İnönü Cad. No:877, İZMİR
2. Şeküre Akgerman,
İnönü Cad. No:877, İZMİR
3. Nuri Rodop,
Dr. Mustafa Bey Cad, No: 18, İZMİR
4. Kamil Tınaz,
Dr. Mustafa Bey Cad, No: 12, İZMİR
5. Mahmut Tınaz,
Kültür Sokak No:25, İZMİR
6. Selahattin Sanver,
Fahrettinpaşa Cad., No:430 Karşıyaka, İZMİR
7. Haydar Dünder,
Celal Bayar Bul., No:9, İZMİR
8. J. Aliotti,
Kurtuluş Sok., No:1, Bornova, İZMİR
9. Hüseyin Bahri Aktı,
1688 Sok., No:3, Karşıyaka, İZMİR
10. Şekip Uyal,
1700 Sok., No:466, Karşıyaka, İZMİR
11. Hasan Tahsin Erşen,
179 Sok., No:8, Karantina, İZMİR
12. M. Fevzi Özaruhan,
Salihpaşa Cad., No: 208, Karşıyaka, İZMİR
13. Raşit Özaruhan,
Rayegan Sok., Karşıyaka, İZMİR
14. Sadullah Birsal,
Ayyazpaşa Bosfor Apt., İSTANBUL
15. Enver Bakioglu,
Atatürk Cad., No:188, İZMİR

16. Tahsin Tan,
İnönü Cad., No:558, İZMİR
17. Douglas Whittall,
Bornova Caddesi, Bornova, İZMİR
18. Adnan Tan,
İnönü Cad., No:558, İZMİR
19. Tevfik Fikret Serter,
İnönü Cad., No:639, İZMİR
20. İş Bankası, İZMİR

COMPANY'S TITLE
ARTICLE 2

Company's name : İzmir Çimento Fabrikası T.A.Ş.

Abbreviated name : ÇİMENTAŞ

PURPOSE AND SCOPE OF BUSINESS
ARTICLE 3

The purpose and scope of business of the company are as follows:

1. To manufacture, trade, import and export cement, lime, chemical lime, lime cream, crushed stone, ready-mixed concrete, light concrete, light aggregates, gypsum and similar building and structure components and materials as well as tile floors, bricks, roof tiles, drain tiles, floor and roof coverings, insulation materials and other building materials made of the above-mentioned materials or argil, clay, wood plastics and other substances,
2. To carry out the manufacturing, trading, importing and exporting of bags and packaging materials made of paper or other materials,
3. Provided that special legal regulations are reserved, to obtain, produce, trade, import and export all and any kinds of mines, stone quarries, similar infrastructural and superstructural natural resources,
4. To carry out all kinds of construction, contracting and technical consultancy works,
5. To establish and operate power generation plants,
6. To carry out foreign and local transportation via any kind of in-land, marine and air vehicles,
7. To carry out the production, importation and export of any kind of food substance; to open and operate restaurants, cafeterias, patisseries and similar shops,
8. The company may carry out, manufacture, import and export, trade off of all finished products, semi-finished products, raw materials and supplementary materials, machines, tools and gadgets, equipment, installation and transportation vehicles; it may carry out services such as trading, representative, agency, dealership, project, preliminary feasibility, research and development conditions, controlling and similar services; it may carry out any transportation, leasing and operational works, it may exercise, transfer or take over any foreign currency rights

arising from the above-mentioned activities and operations as well as other rights provided that the company shall not operate foreign currency exchange offices and not undergo any exchange undertakings. The company may acquire, take over and transfer licenses, privileges, trademarks, patents, patent rights, certificates, technical data and knowledge, technical assistance and intellectual rights in respect of prospecting preliminary operation and exploitation, operation and similar subject within the frame of other legal regulations and arrangements in respect of mining, stone quarry and natural resources. It may found and establish enterprises, companies and facilities in respect of the works set out in the foregoing subparagraphs; it may participate in the present businesses, companies, facilities or personal enterprises; it may purchase and sell the stock shares of all kinds of companies provided not to manage a securities portfolio and not to act as broker.

9. The company may provide donations and grants to foundations and associations established for various purposes and similar legal and/or real person(s) within the limits approved by General Assembly by complying with maximum limits enforced by Capital Market Board and set forth in the Tax Legislation, Capital Market Legislation and its communiqués promulgated accordingly.

10. Without prejudice to Article 21/1 of the Capital Markets Law, the company may carry out all kinds of legal, financial, commercial and industrial activities and businesses related to its purpose set out therein; it may merge with or acquire Turkish and foreign companies that are engaging in similar activities with the company. The Company, for its own behalf and name, may acquire and sell immovable and movable goods and acquire, sell, use all kinds of in rem and personal rights; establish, amend and revoke all in rem and personnel rights. Establish, amend, release and revoke mortgages in favor and against, in rem and personnel rights, movable and immovable liabilities.

11. Company obeys the principles defined by capital market legislation, in order to establish guarantee, indemnity, warranty, pledge right including mortgage in favor of 3rd parties to ensure 3rd Parties debts.

12. Company may accept all kinds of indemnity, guarantee, pledge, mortgages, in rem and personnel rights, movable and immovable goods liabilities to be established in favor of the Company.

Company, may conduct any kind of commercial, industrial and economic activities which are not under ban and restricted or stipulated by law.

In case of any change in the purpose and scope of the business, necessary permissions must be obtained from the Ministry of Trade and the Capital Markets Board.

COMPANY'S HEAD OFFICE AND BRANCHES

ARTICLE 4

The registered head office of the Company is domiciled in Izmir. The address of the Company is Işıklar Mah. Eski Kemal Paşa Cad. Çimentaş Blok No: 4B Bornova / İzmir. In case of any change of this address, the new address shall be registered at the trade registry, announced at the trade registry gazette and the Ministry of Trade and the Capital Market Board shall be notified of such change of address. Notices and other correspondences addressed to the registered and announced address of the Company shall be deemed to have been duly served to the Company.

The failure to register the new address within the required period after leaving the registered and announced address is considered a reason for the dissolution of the Company. The Company may establish branches both in Turkey and abroad provided that the relevant authorities are informed thereof.

TERM
ARTICLE 5

The company has been established for an indefinite term.

CAPITAL AND SHARES
ARTICLE 6

The paid-in capital of the company is 87.112.463,20 (Eighty Seven Million One Hundred And Twelve Thousand Four Hundred Sixty Three Turkish Liras And Twenty Kuruş) Turkish Liras divided into 8.711.246.320 bearer shares each one with a nominal value of 1Kr(One Kuruş).

Such portion of the issued paid-in capital equal to 16.653.620,20TL was paid in cash and such portion equal to 626.902TL was covered by sales of real estates and such portion equal to 69.831.941TL was covered by adding this amount to the share capital from internal resources. In capital increases covered by the internal resources, the newly-issued shares shall be distributed to the shareholders as bonus shares pro rata with their respective shareholding.

New shares cannot be issued until the issued shares are fully sold and their payments are made.

The shares representing the capital shall be pursued as record under dematerialization principles.

The General Assembly shall be authorized, to issue privileged shares, stock shares with a value exceeding its nominal value and to adopt resolutions which will restrict the shareholders' rights to acquire new shares.

INCORPORATORS CERTIFICATES
ARTICLE 7

One thousand non-paid and registered certificates has been issued to be distributed among the incorporators.

REDEEMED SHARES, DEBENTURES AND OTHER SECURITIES
ARTICLE 8

The company may issue bonds, debentures replaceable with shares and other securities, which are capital market instruments under Turkish Commercial Code, Capital Market Law and other provisions of other respective law and communiqué.

The powers exercisable by general assembly related to issuance of debentures and such borrowing instruments has been transferred to board of directors in accordance with Article 31 of Capital Market Law.

BOARD OF DIRECTORS
ARTICLE 9

The company's business and management shall be carried out by a board of directors consisting of minimum 5 members to be appointed by the general assembly in accordance with the provisions of the Turkish Commercial Code and capital markets legislation.

Members of the board of directors are not required to be share holders as well.

Legal entities may be elected as a member of board of directors. In case a legal entity is elected as a member of board of directors ; a representative appointed by the legal entity to act on its behalf

is also registered and announced as well. Only, this registered representative may attend meetings and vote on behalf of the legal entity.

The members of the board of directors are appointed for a maximum term of three (3) years. Upon the expiration of the duty term, members of the board of directors may be re-elected by the general assembly. If general assembly deems it necessary, it may replace members the board of directors at any time.

Within the framework of the regulations of Capital Markets Board on corporate governance, listed companies are required to have independent members on the board of directors. The qualifications and the number of the independent members of Board of Directors are determined in accordance with the regulations specified in corporate governance principles of the Capital Markets Board. In addition, the independent members are elected among the candidates who have the qualifications of independent members determined by the regulations of the Capital Markets Board on corporate governance.

Majority of the members of the Board of Directors shall consist of non-executive members.

Independent member candidates by Nomination Committee, in the absence of a Nomination Committee by Corporate Governance Committee; within the framework of the regulations of the Capital Markets Board on corporate governance are submitted to the Board of Directors and the same is submitted by Board of Directors to the General Assembly.

In case of a resignation, being unable to perform the duties or elimination of the independency of an independent member, such circumstance is notified to the Board of Directors and the independent member of the Board of Directors who has lost the independency resigns, upon ensuring the minimum number of independent members, the Nomination Committee, in the absence of the Nomination Committee, Corporate Governance Committee determines an independent member to be appointed until the coming General Assembly Meeting within the framework of the regulations of the Capital Markets Board on corporate governance are submitted to the Board of Directors and the same is submitted by Board of Directors to the General Assembly.

MEETINGS OF THE BOARD OF DIRECTORS

ARTICLE 10

Board of directors shall convene whenever company's business requires. The Board of Directors shall convene, when deemed necessary, upon the request of the chairman or in his/her absence the vice chairman of the board of directors and/or the majority of the members of the board of directors.

Reserving the regulations of the Capital Markets Board related to the voting rights of Independent members of the Board of Directors, the Board of Directors convene with the majority of the members and the decisions are taken with the majority of the attendants.

As per Article 390/4 of Turkish Commercial Code, resolutions of the Board of Directors may be taken without actual meeting, if and when a written proposal made by one of the board members is approved in writing by the majority of the members of the board of directors, provided that none of the members of the board of directors has insisted on convening of the Board. Communication of the same proposal to all of the directors is required for the validity of resolutions taken in such way.

In order the shareholders who have control of the management,, members of Board of Directors, senior executives holding the managing powers and the spouses and blood and affinity relatives up to second degree of these, to compete with and to proceed with actions that consist a conflict of interest with the company or its subsidiaries, an advance approval from the General

Assembly and giving information on such actions during the General Assembly Meeting are required.

In respect to the implementation of Corporate Governance Principles, regulations and announcements of Capital Markets Board's Corporate Governance Principles are applied during the transactions which can be considered as important and in any kind of related party transactions and transactions related to indemnifications, collateral and securities which will be granted in favor of 3rd parties

DUTIES OF THE BOARD OF DIRECTORS AND REPRESENTATION AND BINDING OF THE COMPANY

ARTICLE 11

The company shall be managed and represented towards third parties by the board of directors. The board of directors is empowered to take decisions concerning all matters and transactions, which are not exclusively preserved to the general assembly by law or this Articles of Association. The board of directors shall appoint a chairman and a vice-chairman at its first meeting.

The board of directors may delegate all or part of its' representation and binding powers that are non delegated liabilities and powers under the article 367 of Turkish Commercial Code to managing director(s) or to managers from non-independent members of Board of Directors in accordance with internal directive set forth by the company management. As per Article 370/2, of Turkish Commercial Code, it's required that at least one member of the board of directors must have the representative authority. The Board of Directors may appoint such managers with a term exceeding its own term.

In order to be valid and binding over the company, any and all the documents and contracts issued or executed on behalf of the company, must be signed under the Company's title, solely or jointly by the managing directors, directors or managers or by any person or persons appointed by the board of directors of the company. These authorized signatures of whom the degree, place, form and the representation powers to be determined and defined by the board of directors shall be duly registered with and published by the Trade Registry Office.

COMMITTEES AND EXECUTIVE COMMITTEE

ARTICLE 12

For the safe fulfillment of the duties and responsibilities of the Board of Directors; Constituting an Audit Committee, Corporate Governance Committee and Early Risk Detection Committee are compulsory; Nomination Committee and Remuneration Committee are constituted if required in accordance with the company needs and working principles.

The working principles, extent of tasks and the members who will consist the committees are determined and announced to the public by the Board of Directors in accordance with the regulations of the Capital Markets Board on corporate governance.

All the members of the Audit Committee and the chairman of the other committees are selected among the independent members of the Board of Directors. Chief Executive Officer and General Manager can not take part in the committees.

According to the needs of the company, as is due of the structuring of the Board of Directors in case constituting a separate Nomination Committee and/or Remuneration Committee is not deemed necessary, Corporate Governance Committee fulfills the duties of these committees in accordance with the framework of the regulations of the Capital Markets Board on corporate governance.

The Board of Directors may establish an Executive Committee which discusses and resolves the business and transactions of the Company constituting of the members of the Board of Directors that will be presided by the chairman of the board of directors or a managing director and consist of sufficient number of members appointed by the board of directors among its board members. Duties, responsibilities, meeting and decision quorums and working principles of the Executive Committee will be determined by the board of directors. The Executive Committee will be directly responsible to the board of directors.

The Board of Directors is authorised to decide on the remuneration of the members who are in charge of the Committees and the Board of Directors.

ATTENDANCE FEE OF THE BOARD OF DIRECTORS

ARTICLE 13

The General Assembly may decide to pay attendance fees to the members of the Board of Directors per meeting they attend.

AUDITOR

ARTICLE 14

The relevant articles stipulated in the Turkish Commercial Code, the capital markets legislation and other legislation shall apply to the appointment of the auditor.

DUTIES OF THE AUDITOR

ARTICLE 15

Auditing of the company and other matters stipulated in the Turkish Commercial Code, capital markets legislation, and other applicable regulations shall be carried out in accordance with the relevant provisions of the Turkish Commercial Code and capital markets legislation.

The auditors shall perform duties and responsibilities in accordance with the provisions set forth in Turkish Commercial Code, related regulations and other law in force.

GENERAL ASSEMBLY

ARTICLE 16

General assemblies shall convene either extraordinarily or ordinarily. Ordinary general assembly meeting shall convene at least once a year and within three months from the end of the company's fiscal year. The issues set out in Article 409 of Turkish Commercial Code and the subjects that the shareholders wish to put on the agenda duly and lawfully in accordance with the Capital Market Board and Public institutions and organizations that the company is related to and the subjects that are put on the agenda by the Board of Directors, are to be reviewed and considered in this meeting and subsequently necessary resolutions shall be adopted. Extraordinary general assembly meeting shall convene according to the provisions set out in the law and in this articles of association whenever required by the company's affairs.

The general assembly meetings shall be presided by the chairman, the vice chairman or the oldest member of the board of directors, or a person appointed by the general assembly upon the proposal of the chairman, or vice chairman or in their absence upon the proposal of one of the directors.

Chairman shall appoint the reporter and if necessary a vote collector to form the presidency.

Any resolution adopted by the general assembly shall be valid only when a minutes of meeting revealing the contents and results, of the resolution, and reasons of the objecting parties to the

resolution is drawn and executed. The president, vote collectors, reporter and the representative of the Ministry shall undersign such minutes of the meeting.

General Assembly In An Electronic Environment;

The entitled parties having the right to attend the general assembly, may attend the general assembly in an electronic environment as well as per article 1527 of Turkish Commercial Code. Company may either set up a system to provide the entitled parties to attend, give proposals, declare opinions and vote at general assembly in an electronic environment or procure such services from systems set up for this aim in accordance with the provisions of Regulation related to General Assembly In An Electronic Environment of Joint Stock Companies. As per this article of Articles of Association, the entitled parties and their representatives are provided to exercise their rights set forth in the above mentioned Regulation through the system set up.

MEETING PLACE

ARTICLE 17

General assemblies shall convene at the head office of the company or at a favourable other place in the province where the head office is located.

PRESENCE OF REPRESENTATIVE OF THE MINISTRY IN THE MEETINGS

ARTICLE 18

Pursuant to the Turkish Commercial Code and capital markets legislation, if required, a representative from the relevant Ministry shall be present in the general assembly meetings. Resolutions to be adopted in the general assembly meetings to be held in the absence of the representative as well as minutes of the meeting not undersigned by such representative shall not be valid.

MEETING AND RESOLUTION QUORUM

ARTICLE 19

General Assembly meetings shall convene with the attendance and presence of shareholders representing minimum one-fourth of the company's capital except any contrary provisions is set out in the articles of association or Turkish Commercial Code. In case such quorum is not achieved in the first meeting, shareholders shall be invited to the meeting for a second time. Shareholders who are present in the second meeting shall be authorized to make discussions and to adopt resolutions regardless of the amount of the shares they represent. The resolutions shall be adopted with the majority of the present shareholders. Provisions set forth in the article 29 of Capital Markets Code and 421 of Turkish Commercial Code are preserved.

VOTING

ARTICLE 20

Each shareholder or his proxy who is present in the ordinary or extraordinary general assembly meetings shall have one voting right for each share. Voting in the general assembly is performed by raising hands and vote by open ballot. Voting provisions for general assemblies in an electronic environment are preserved.

APPOINTMENT OF PROXIES

ARTICLE 21

In general assembly meetings, shareholders may have themselves represented through a proxy who may be a shareholder or any other person outside the company. Board of directors shall determine and declare the form of the proxy, which shall be in line with the Capital Markets Law, the communiqués issued by the Capital Markets Board and Regulations of Joint Stock

Companies' General Assemblies' Procedures and The Ministry Representatives to be Present at Those Latter Meetings regarding the procedure to vote through the proxy.

ANNOUNCEMENTS OF THE COMPANY

ARTICLE 22

In the announcements to be made by the Company, the Turkish Commercial Code, Capital Markets Board regulations and the provisions of the relevant legislation shall be applied.

General Assembly meetings are announced by taking into consideration the minimum periods specified in the provisions of the Turkish Commercial Code, Capital Markets Law and other relevant legislation.

Announcements regarding the financial tables and reports and independent audit reports as provided per Capital Markets Board resolutions shall be made in accordance with the provisions determined by the Board.

AMENDMENTS ON ARTICLES OF ASSOCIATION

ARTICLE 23

The amendment of the articles of association shall be decided at the general assembly to be invited in accordance with the provisions of the Turkish Commercial Code and the articles of association, after obtaining the approval of the Capital Markets Board and the approval of the Ministry of Trade, within the framework of the provisions of the Turkish Commercial Code and capital markets legislation and the provisions set forth in the articles of association.

ANNUAL REPORTS

ARTICLE 24

ANNULED

FISCAL YEAR

ARTICLE 25

The company's fiscal year shall commence on the first day of January and end on the last day of December.

CALCULATION AND DISTRIBUTION OF NET PROFIT

ARTICLE 26

After all expenses, amortizations, taxes, losses from the previous year and all provisions are deducted from the revenues obtained by the end of a fiscal year of the Company, the remaining sum shall constitute the net profit of the fiscal year of the Company. The following amounts shall be deducted and reserved from the net profit of the fiscal year:

General Statutory Reserve:

a) A 5% general statutory reserve fund shall be reserved pursuant to Article 519 of Turkish Commercial Code.

First Dividend:

b) A first dividend of 50% shall be distributed to shareholders from the remaining amount, in accordance with the provisions of the Capital Market Law and communiqués issued by the Capital Market Board.

Founder Dividend:

c) The 10% of the remaining sum shall be distributed equally to the holders of the incorporator certificates.

Second Dividend:

d) The remaining net profit,

May be fully or partially distributed or reserved as an extraordinary reserve fund according to the resolution by the General Assembly upon the proposal of the Board of Directors.

e) Subparagraph 2/c of the Article 519 of Turkish Commercial Code is reserved.

As of the accounting period, profits to the entire shares are distributed equally without regard to the dates of issuance and acquisition.

No decision shall be adopted (i) to set aside a further reserve fund, (ii) to carry over profits to the following year, (iii) to distribute a share from the profits to the members of the board of directors, officials, employees, or workers, (iv) to give dividend to incorporator shareholders or (v) to foundations and institutions or persons established for various aims , unless the first dividend is distributed in cash or as shares as provided herein and the reserves are set aside as required by the laws.

The method and time of distribution of the profit decided to be distributed shall be decided by the General Assembly upon the proposal of the Board of Directors. The profit distribution decision made by the General Assembly in accordance with the provisions of these Articles of Association cannot be revoked.

ADVANCE PROFIT DISTRIBUTION

ARTICLE 27

Profits may be distributed in advance by the board of directors pursuant to the authorization of the general assembly in that respect, and in accordance with the principals stated under Article 20 of Capital Markets Board and communiqués issued by the Capital Market Board. The authority granted by the general assembly to the board of directors to distribute advance profit will be limited to the year it has been granted. No decision shall be adopted for the distribution of dividend and further advance profits, if the accounts for the advance profits paid in the previous year are not fully set off.

PROFIT DISTRIBUTION DATE

ARTICLE 28

The profit distribution date and how to distribute it to the shareholders shall be resolved upon the proposal of the board of directors and in accordance with the communiqués of the Capital Market Board. The distribution of profits shall be completed within five months following the end of the financial year. Profits distributed under this Articles of Association cannot be recovered.

RESERVE FUND

ARTICLE 29

Ordinary reserve fund reserved by the company shall be set aside until it reaches to 20% of the company's share capital. In case the sum of the reserve fund already equal to 20% of the capital decreases due to any reason whatsoever, setting aside the reserve fund shall resume until it reaches it's previous level. Unless general reserve fund do not exceed half of the share capital, it shall be used exclusively to cover the losses, to maintain the business at its routine level, to prevent the unemployment and lessen consequences of the unemployment.

LEGAL PROVISIONS
ARTICLE 30

Any issue or item not mentioned or covered herein shall be subject to the provisions of Turkish Commercial Code and Capital Market Law as well as the Communiqués of the Capital Market Board.

PROVISIONAL ARTICLE

While the nominal value of the shares representing the capital was TRL-500, it has been amended as Ykr-1 (One New Kuruş) in accordance with the Law No. 5274, which amends the Turkish Commercial Code. Due to such amendment the total number of shares have been decreased and in return of 20 shares with the nominal value of TRL-500, it shall be given 1 share with the nominal value of Ykr-1. For the shares not corresponding YKR-1, fractional certificates shall be given. All rights of the shareholders arising from their existing shares are reserved with regard to the mentioned change.

The shares representing the capital shall be pursued as record under dematerialization.

ARTICLE 31
CONFIRMITY WITH THE CORPORATE GOVERNANCE PRINCIPLES

Corporate Governance Principles which are made obligatory to be implemented by Capital Markets Board shall be complied with.

The transactions carried out and the decisions taken by the Board of Directors without implementing the Corporate Governance Principles which are obligatory, are deemed invalid and contrary to the articles of association.