

ARTICLES OF ASSOCIATION

FOUNDATION

Article 1:

A joint stock company is incorporated in accordance with the provisions of the Turkish Commercial Code governing immediate incorporation of joint stock companies, by the founders whose names, nationalities and addresses are given below.

1) KAZANCI HOLDİNG A.Ş.

Turkish Nationality

Address: Beşiktaş, Barbaros Bulvarı No:91, İstanbul

2) ALİ METİN KAZANCI

Turkish Nationality

Address: Beşiktaş Barbaros Bulvarı No: 97/3, İstanbul

3) MEHMET KAZANCI

Turkish Nationality

Address: Beşiktaş, Barbaros Bulvarı No:91, İstanbul

4) ŞABAN CEMİL KAZANCI

Turkish Nationality

Address: Beşiktaş, Barbaros Bulvarı No:91, İstanbul

5) NECATİ BAYKAL

Turkish Nationality

Address: Beşiktaş, Barbaros Bulvarı No:91, İstanbul

TRADE NAME

Article 2:

The trade name of the Company is “AKSA ENERJİ ÜRETİM ANONİM ŞİRKETİ”.

SCOPE AND PURPOSE

Article 3:

The primary scope and purpose of the Company are the following:

A. The Company is engaged in the establishment, operation, purchase, lease of electrical energy production facility, production of electrical energy and sale of the produced electrical energy and/or capacity to the customers.

B. The Company may perform exploration, examination, extraction studies and mining activities for all kinds of petroleum, gas, mine and underground resources by obtaining the necessary permits. It may operate such mines and underground resources. It may purchase, sell, lease, rent out these mines. It may process the extracted mines, sell, import and export as raw, ore or finished product. It may establish facilities to process such mines, purchase, sell, import and export machinery and the necessary equipment.

It may participate in the tenders to be organized by the government for all kinds of mine exploration and extraction privileges. It may apply for all kinds of mining site licenses, acquire or transfer such licenses.

In order to realize the purpose set out in (A) and (B) above, the Company shall perform the below activities, in accordance with the energy legislation, including the electricity market, natural gas market, petroleum market and mining legislation.

1. to obtain the necessary permits and licenses from the Energy Market Regulation Authority to produce electrical energy, to establish, operate, purchase, acquire, lease and rent out all kinds of facilities;
2. to sell, purchase, process, store, transfer, import, export, trade all kinds of mines and gases, petroleum, natural gas and their derivatives, geothermal, water resources, natural resources and other kinds of energy resources and all kinds of raw materials and auxiliary products necessary for the production of electricity and to participate in all kinds of official and private tenders and execute contracts, in order to produce electricity based on all kinds of energy and renewable energy resources;
3. to sell, store, make use of steam, hot water, gas, waste and other side products to occur during the electricity production activity;
4. to explore, extract, process, purchase, sell, lease, rent out underground and aboveground mines and natural resources, geothermal and natural mineral water resources and geothermal gases in accordance with the existing laws, obtain exploration and processing license for geothermal resources and natural mineral water, obtain mine exploration license, explore mines, request operating right, obtain operating license and privilege, establish mortgage and pledge on mine licenses, acquire the rights of negotiable mines, open and operate all kinds of mine and coal mines by complying with the relevant legislation, establish mining enterprises and mine industry facilities, produce, purchase, sell, market, import and export machinery, spare parts, tools and equipment regarding mining activities, purchase, process, enrich, sell ore, establish pledge on ore;
5. to sell the produced electrical energy and/or capacity to legal entities holding wholesale license, legal entities holding retail license and free consumers, by way of bilateral agreements;
6. to participate in distribution companies that are incorporated or to be incorporated, without establishing control, provided that the regulations of the Capital Markets Board regarding transfer of hidden income are reserved;
7. to participate in electrical energy production companies that are incorporated or to be incorporated, without establishing control, provided that the regulations of the Capital Markets Board regarding transfer of hidden income are reserved.

On the other hand, in order to realize its scope and purpose the Company may engage in activities, including but not limited with the following by complying with the principles determined within the framework of the capital markets legislation:

1. to open agencies, distributorships, branches and perform marketing activities, in accordance with its field of activity,

2. to lease, purchase and sell machinery and equipment from inland and abroad in accordance with its field of activity,

3. to lease, purchase, sell and operate facilities in accordance with its field of activity,

4. to acquire, operate, purchase and sell all kinds of movable and immovable goods and instruments in accordance with its field of activity, provided that it does not provide investment services and activities as regulated under the capital markets legislation;

5. to establish all kinds of right in rem, including mortgage, on real properties owned by itself or third parties, as collateral of debts owed by the Company or third persons, to increase, decrease, change, transfer and remove the scope of these established rights, to provide surety and guarantee, to act as joint debtor and several surety or to act as surety, to establish pledge, usage right and rights in rem on the movable assets owned by the Company and release such pledge, usage right and rights in rem, by complying with the principles and restrictions set out in the capital markets legislation;

6. to obtain mortgage in favor of the Company on real properties of third persons, as collateral of the receivables of the Company and release such mortgage, to establish rights in rem in favor of the Company, to increase, decrease, change, transfer and remove the scope of the established rights in rem, by complying with the principles and restrictions set out in the capital markets legislation;

7. establish amalgamation, allotment, abandonment, easement right and conduct type classification transactions on real properties owned by it, execute real estate promise to sell agreements or accept these rights, to establish condominium ownership, to abandon and donate for the public benefit the parts of lands corresponding to green area and road, to transfer and assign the acquired real properties and their appurtenances, by complying with the principles and restrictions set out in the capital markets legislation;

8. to obtain short, middle and long term cash and non-cash loan from domestic and foreign banks, financial institutions, financial markets, commodity exchanges and other similar enterprises, corporations, stock exchanges and markets, to conclude financing and connections for goods, agreements, to provide resources, to provide all kinds of consultancy management and organization services to its affiliates, subsidiaries, corporations (where it participates in the management of), and business partnerships and business alliances formed by it, provided that such activities does not constitute investment consultancy activities, to establish all kinds of encumbrances, including but not limited to pledge, commercial enterprise pledge, usage right, right in rem in favor of creditors or other third persons on all kinds of movable goods owned or to be acquired by the Company, by complying with the principles and restrictions set out in the capital markets legislation;

9. to participate in tenders to be organized by the relevant official entities, public corporations and entities and municipalities, to prepare projects regarding drinking, utility and industry water needs from underground and over ground resources or have such project prepared, and in accordance with such projects to establish facilities or have them established, to operate, lease, rent out such facilities or acquire and operate those that are already established;

10. to execute agreements with domestic and/or foreign companies, to participate in the tenders in inland and abroad and give undertakings, in accordance with its field of activity;

11. to procure administrative and technical organization of the companies that are established or to be established, to which it is the founder of or participates in;

12. in relation to the activities of the Company or for other reasons, to establish companies with domestic and/or foreign real persons and/or legal entities, participate in partnerships, participate in existing companies or companies to be established to purchase share certificates or shares of existing companies or companies to be established, to obtain bonds, to dispose of the values acquired by it, in accordance with its purpose and when necessary, provided that the regulations of the Capital Markets Board regarding the transfer of hidden income are reserved and these activities are not investment services and activities regulated under the capital markets legislation and provided that all the required legal permits are obtained including the permit of the Capital Markets Board;

13. to make industrial and commercial investments in accordance with its field of activity, to acquire, transfer brand, patent, know-how and other intellectual property rights and execute license agreements regarding such rights.

The Company shall comply with the principles and restrictions determined under the capital markets legislation for provision of guarantee, surety and other collaterals and establishment of pledge including mortgage in its own name and in favor of third persons. In addition to those set out above, the Company may perform any other activities that are beneficial or necessary for the Company, with the decision of the Board of Directors. Circumstances which require under the relevant legislation a decision of the General Assembly or an amendment of the Articles of Association of the Company and the consent of the Ministry of Customs and Trade and the Capital Markets

Board and if necessary, other public entities within this respect, are reserved.

With respect to businesses, operations and activities that may affect the investment decision of the investors within the scope of this article, disclosures required under the capital market legislation shall be made in order to inform the investors under the capital markets legislation.

Furthermore, the Company shall comply with the regulations of the Capital Markets Law on the transfer of hidden income, on material transactions, and the regulations of the Capital Markets Board on the determination and implementation of corporate governance principles, with respect to such businesses, operations and activities.

HEAD OFFICE AND BRANCHES OF THE COMPANY

Article 4:

The Company's head office is located at Rüzgarlıbahçe Mahallesi, Selvi Çıkmazı, No: 10, Kavacık, Beykoz, İstanbul. In the event of a change in the address, the new address shall be registered with the trade registry and announced in the Turkish Trade Registry Gazette and also shall be notified to the Capital Markets Board, Energy Market Regulation Authority and the Republic of Turkey Ministry of Customs and Trade. Notices served to the registered and announced address shall be deemed to be served to the Company. If the head office is moved to another address and the new address is not registered within the due term, this shall be deemed as a liquidation reason for the Company. The Company may open branches, liaison offices, sale stores, factories, warehouses, correspondence offices and agencies in inland and abroad, by notifying the Energy Market Regulation Authority, Capital Markets Board and the Republic of Turkey Ministry of Customs and Trade.

DURATION

Article 5:

The Company is incorporated for an indefinite term.

CAPITAL AND TYPES OF SHARES

Article 6:

The Company has adopted the registered capital system in accordance with the provisions of the Capital Markets Law and has acceded to the registered capital system upon the approval of the Capital Markets Board dated April 16, 2010, numbered 10/330.

The registered capital of the Company is TL 4,750,000,000.00 (four billion seven hundred and fifty million TL), which is divided into 4,750,000,000 shares each with a nominal value of TL 1.

The authorization given by the Capital Markets Board for the registered capital ceiling is valid between 2021-2025 (for 5 years). Even though the authorized registered capital ceiling is not reached at the end of 2025, following 2025, the Board of Directors may only adopt a decision for a capital increase if an authorization is obtained from the General Assembly for a new term, provided that the Capital Markets Board's authorization for the previously authorized ceiling or a new ceiling is obtained.

The paid capital of the Company is TL 613,169,118.00. The capital is divided into 613,169,118 shares each with a nominal value of TL 1. The paid capital of the Company is fully paid and is free from any encumbrances.

All of the shares of the Company are registered, other than the B Group shares that are listed in the stock exchange pursuant to the capital markets legislation. The Company may not issue bearer share certificates other than the B Group shares that are listed in the stock exchange. The shares of the Company are divided as A and B Group shares. The paid capital of the Company is divided into 613,169,118 shares consisting of 293,896,220 A Group registered shares and 319,272,898 B Group bearer shares, each with a nominal value of TL 1.

Share Group	Bearer/Registered	Nominal Value (million TL)
A	Registered	293.896.220
B	Bearer	319.272.898
Total		613.169.118

The Board of Directors shall be authorized to increase the paid capital by issuing new shares up to the registered capital ceiling, issue privileged shares or shares above or below the nominal value, restrict the rights of the shareholders to acquire new shares, or render decisions restricting

the rights of the privileged shareholders, if and when it deems necessary, between 2021-2025, in accordance with the provisions of the Capital Markets Legislation.

In the capital increases, A Group shares shall be issued in return for A Group shares and B Group shares shall be issued in return for B Group shares.

The shares representing the capital shall be monitored in dematerialized form, within the framework of the dematerialization principles.

The regulations of the Capital Markets Board and the other relevant authorities regarding the dematerialization of the shares are reserved.

INCREASE AND DECREASE OF THE SHARE CAPITAL

Article 7:

The share capital of the Company can be increased or decreased within the framework of the provisions of the Turkish Commercial Code and the capital markets law.

In capital increases through issuance of new shares in return for cash, shareholders are entitled to a pre-emption right pro rata to their existing shares within the framework of Article 461 of the Turkish Commercial Code, unless there is a board decision restricting the pre-emption rights or a contrary general assembly decision. The pre-emption rights of the shareholders shall be exercised within the relevant share group. A Group shares remaining after the exercise of the pre-emption rights shall be offered to the other A Group shareholders by the Board of Directors. If there are any unsubscribed shares, the remaining shares may be subscribed by shareholders other than the A Group shareholders or by real persons and legal entities that will become a shareholder. In the event that the shares remaining after the exercise of the pre-emption rights are offered to public, the relevant transactions shall be performed within the framework of the capital markets legislation.

Following the realization of the capital increase in accordance with the provisions of this Articles of Association, the new article of the Articles of Association regarding share capital shall be registered with the Trade Registry and published in the Turkish Trade Registry Gazette by the Board of Directors.

ISSUANCE OF CAPITAL MARKET INSTRUMENTS

Article 8:

The Board of Directors is authorized to adopt decisions to issue all kinds of debt instruments and other securities that are accepted as capital market instruments, in order to be sold to real persons and legal entities in inland or abroad, in accordance with the Turkish Commercial Code, Capital Markets Law and other relevant legislation. The Company shall comply with the provisions of the Capital Markets Board and other relevant legislation in terms of the issuance limits of the debt instruments to be issued.

The Board of Directors is authorized to determine conditions such as interest, term, type and amount of the abovementioned capital market instruments.

BOARD OF DIRECTORS AND ITS TERM

Article 9:

The Board of Directors shall consist of 8 members. Half of the members of the Board of Directors shall be elected by the General Assembly, among the persons to be nominated by the majority of the (A) Group registered shareholders.

The Board of Directors shall consist of members with or without an execution duty. The majority of the members to serve in the Board of Directors shall consist of the members who do not have any other administrative duty in the Company and who do not have an execution duty and do not intervene in the daily workflow and ordinary activities of the Company. The members without an execution duty shall include independent members to be elected by the General Assembly, in the number and qualifications set out in the regulations published by the Capital Markets Board regarding corporate governance.

If a legal entity is elected as the member of the Board of Directors, a real person nominated by such legal entity shall also be registered and announced in the name of such legal entity. The legal entity that is elected as the member of the Board of Directors may change the person who is registered in its name, at any time.

The board of directors shall elect a chairman and a deputy chairman among the members representing the (A) Group registered shareholders, at the meeting following the Ordinary General Assembly meeting or the general assembly meeting where the members are elected.

Regulations regarding the corporate governance principles published by the Capital Markets Board shall apply to the nomination and election procedure of the independent members.

Whenever a vacancy occurs in the board of directors due to the resignation, death or other reasons of a member, the board of directors shall appoint a member among the group of shareholders who have elected the previous member and the circumstance shall be submitted to the approval of the first General Assembly to convene. The members so elected shall serve until the first General Assembly and shall serve during the remaining term of their predecessors upon the approval of their election by the General Assembly.

In cases where the independent members cease to be independent, resign or become incapable of performing their duties, the circumstance shall be notified to the Board of Directors to be disclosed to the public and the member shall resign as a principle. The appointment of the new member shall be made in accordance with the regulations on the determination and implementation of the corporate governance principles published by the Capital Markets Board.

The members of the Board of Directors shall be elected for 3 years at the most. Members whose term of office has expired may be re-elected.

The Board of Directors may replace its members if and when it deems necessary.

REPRESENTATION AND BINDING OF THE COMPANY

Article 10:

The Board of Directors is authorized to manage and represent the company before the third persons. The Board of Directors is authorized to execute the duties that are assigned to it under the Turkish Commercial Code, Capital Markets Law, this Articles of Association and other relevant legislation, and the duties delegated to it by the General Assembly, other than the duties and authorities of the General Assembly, and to manage the Company. Any and all kinds of documents to be provided and contracts to be executed by the Company shall be valid if they are signed by the authorized signatories of the Company under the Company's title.

The authorized signatories of the Company and their signing degrees shall be determined by the Board of Directors and then shall be duly registered and announced. The Board of Directors may delegate its representation authority and all or part of its administrative affairs to one or more executive directors who are members of the Board of Directors or to managers who are not required to be shareholders in accordance with Articles 367 and 370 of the Turkish

Commercial Code. In such case, the Board of Directors shall issue an internal directive according to the provisions of Article 367, paragraph 1 of the Turkish Commercial Code. At least one member of the Board of Directors should hold the representation authority.

The Board of Directors shall determine the methods and principles for allocating the administrative works and affairs among its members, if and when it deems necessary upon the development of the Company's businesses and activities. The Board of Directors may also establish committees and commissions including the members of the Board of Directors, in accordance with the business' needs.

MEETINGS AND DECISIONS OF THE BOARD OF DIRECTORS

Article 11:

The Board of Directors shall convene whenever the Company's business and affairs require; provided that the Board of Directors meet at least once in a month. The Board of Directors shall also convene if required by the Chairman, or five of its members. Meetings of the Board of Directors may be held at the head office or in the city where the head office is located as well as any other location/city determined by the Board of Directors by a resolution. The members of the Board of Directors shall determine whether they will allocate the duties by a resolution passed amongst them.

An invitation is required to be made at least 7 days prior to the meeting date and such invitation is required to include the agenda and the relevant documents regarding the agenda. If all members of the Board of Directors are present at the meeting, an invitation is not required. The Board of Directors may also be convened in good faith without making an invitation 7 (seven) days in advance, if required by a risky matter. In such case, a sufficient term shall be granted to the members of the Board of Directors to get prepared for and be present at the meeting. Presence of a member at a meeting of the Board of Directors shall constitute waiver of the invitation requirement for such meeting by the relevant member.

Those that are entitled to attend meetings of the Board of Directors of the Company may attend such meeting electronically under Article 1527 of the Turkish Commercial Code. The Company, in accordance with Communiqué regarding Electronic Non-Shareholder Meetings in Joint Stock Companies, may establish the Electronic Meeting System allowing the entitled persons to attend and vote electronically at such meetings or procure services from the systems that are established for such purpose. At the meetings to be held, it shall be ensured that the system established under the abovementioned provision, or the system procured, allows the entitled persons to exercise their rights determined in the relevant legislation, within the framework set out in the provisions of the Communiqué.

The Board of Directors shall convene at the presence of simple majority of its members. The decisions shall be adopted with the affirmative votes of the simple majority of those that are present at the meeting. In case of an equality of votes, the relevant issue shall be brought to the agenda of the subsequent meeting. If there is no majority of votes at such meeting as well, the proposal shall be deemed to be rejected. A resolution may be adopted if a written proposal made by a member of the Board of Directors in the form of a resolution is approved in writing by the majority of the total number of members, unless any member of the Board of Directors requests that a meeting is convened. Delivery of the proposal to all members of the Board of Directors is a condition for the validity of decisions adopted by such method.

The Board of Directors shall comply with the relevant regulations of the Capital Market Boards for transactions which are considered material for the application of corporate government

principles designated by Capital Markets Board and all kinds of related party transactions and provision of security, pledge and mortgage in favor of third persons.

Each member of the Board of Directors shall have one vote, regardless of its position and field of duty.

COMMITTEES

Article 12:

To ensure that its duties and liabilities are duly fulfilled, the Board of Directors shall, by also taking into account the Company's necessities, form an Audit Committee, a Corporate Governance Committee and sufficient number of committees deemed necessary by it. The duties, working fields and the members of the committees shall be determined by the board of directors taking into account the provisions of these articles of associations, the corporate governance principles published by the Capital Markets Board and the relevant legislation and shall be disclosed to the public. The board of directors shall always be entitled to re-determine the duties and working fields of the committees and it shall make the necessary changes in the memberships.

The committees shall execute their duties independently and make suggestions to the Board of Directors. The committees shall not be authorized to render executive decisions regarding the affairs of the Company; the authority to render decisions regarding the issues suggested by the committees is vested with the Board of Directors.

AUDIT

Article 13:

The provisions of the Turkish Commercial Code and the Capital Markets legislation and related regulations in this respect shall apply to the audit of the Company and the other issues prescribed in the relevant legislation.

GENERAL ASSEMBLY

Article 14:

Invitation method: The following principles shall apply in the general assembly meetings:

Time of Meeting: General Assembly meetings convene ordinarily or extraordinarily in accordance with the mandatory provisions of the Turkish Commercial Code and capital markets legislation and the provisions of the General Assembly Internal Directive prepared by the board of directors and approved by the general assembly. The ordinary General Assembly meetings shall be held at least once within three months following the end of each financial year. The extraordinary meetings of the General Assembly shall be held whenever the Company's business requires.

Invitation to the Meeting: The provisions of the Turkish Commercial Code and the Capital Markets Law and the relevant regulations in effect shall apply to the invitations to these meetings. The invitation to the General Assembly meeting shall be announced in the Company's website, Public Disclosure Platform and other places determined by the Capital Markets Board, at least three weeks (excluding the announcement and meeting days) prior to the meeting date.

Meeting Venue: The General Assembly meetings shall be convened at the head office of the Company or at a convenient place in the city where the head office is located, as determined by the Board of Directors.

Meeting and Decision Quorums: Meeting and decision quorums of the General Assembly shall be determined in accordance with the Turkish Commercial Code, capital markets legislation and the corporate governance regulations published by the Capital Markets Board.

Voting and Appointment of Proxies: At the General Assembly meetings, the voting right of each shareholder shall be calculated by proportioning the total nominal value of the shares held by such shareholder to the total nominal value of the capital of the Company. A shareholder may attend the general assembly meetings in person or may be represented by a proxy who is or who is not a shareholder. The Board of Directors shall determine and announce the type of the authority certificates, taking into account the regulations of the Capital Markets Board. The regulations of the Capital Markets Board shall apply regarding voting by proxy and negotiation of the material transactions. If a share is held by more than one shareholder, the voting right attached to such share may be exercised through only one representative.

Attendance to the general assembly meetings in the electronic environment: The shareholders holding the right to attend the Company's General Assembly meetings may attend such meetings electronically in accordance with Article 1527 of the Turkish Commercial Code. The Company may establish the electronic General Assembly system, allowing persons entitled to attend, express opinion, make suggestions and vote electronically at such meetings; or procure services from the systems that are established for such purpose, under the provisions of the Regulation regarding Electronic General Assembly Meetings in Joint Stock Companies. In accordance with this provision of the Articles of Associations, it shall be ensured at all General Assembly meetings to be convened, that entitled persons and their representatives exercise their rights set out in the abovementioned Regulation through the established system. Capital markets regulations regarding the issue are reserved.

Ministry Representative: A representative appointed by the Republic of Turkey Ministry of Customs and Trade must be present at all ordinary and extraordinary general assembly meetings and must sign the minutes together with the other relevant authorities. Decisions taken at General Assembly meetings held in the absence of the Ministry representative and minutes lacking the Ministry representative's signature shall be null and void.

General Assembly meetings shall be duly announced to the Republic of Turkey Ministry of Customs and Trade, Energy Market Regulation Authority, Capital Markets Board, Borsa İstanbul A.Ş. and other relevant authorities.

The internal directive including the working principles and procedures of the General Assembly, to be prepared by the Board of Directors pursuant to Article 419 of the Turkish Commercial Code shall take effect after it is approved by the General Assembly. Such directive shall be registered with the Trade Registry and announced in the Turkish Trade Registry Gazette.

All matters regarding the General Assembly shall be realized in accordance with the Turkish Commercial Code, Capital Markets Law and the regulations that are in effect within the framework of the legal legislation, including the regulations of the Capital Markets Board regarding the Determination and Implementation of Corporate Governance Principles.

ANNOUNCEMENTS

Article 15:

Announcements regarding the Company shall be made in accordance with the provisions of the Turkish Commercial Code and capital markets legislation.

However announcements relating to the invitation of the General Assembly to a meeting shall be made in accordance with the relevant provisions of the Turkish Commercial Code and the capital markets legislation including the Corporate Governance Communiqué published by the Capital Markets Board. Announcements related to liquidation and capital decrease shall be made in accordance with Article 532 of the Turkish Commercial Code.

All issues prescribed to be included in the announcements under the capital markets legislation shall be included in the announcement and these announcements shall be made in accordance with the regulations of the Capital Markets Board and the provisions of the other relevant legislation.

ACCOUNTING PERIOD

Article 16:

The accounting year of the Company shall commence on the first day of January and end on the last day of December. However, the first accounting year shall commence on the incorporation date of the company and end on the last date of December in the relevant year.

DETERMINATION AND DISTRIBUTION OF PROFIT

Article 17:

The profit of the Company shall be determined in accordance with the Turkish Commercial Code, capital markets legislation and generally accepted accounting principles. The net profit set out in the annual balance sheet, remaining after the deduction of the amounts that are required to be paid or set aside by the Company such as overhead expenses and various amortization fees, and the taxes that are required to be paid by the Company from revenues determined at the end of activity period shall be distributed as follows, following the deduction of the loss of the previous year, if any:

A) General Legal Reserves

5% of the annual net profit shall be set aside as general legal reserve, until 1/5 of the paid capital is reached.

B) First Dividend

First dividend shall be set aside from the remaining amount in accordance with the Turkish Commercial Code and capital markets legislation, within the framework of the profit distribution policy of the Company.

Following the above mentioned deductions, General Assembly shall be entitled to resolve to distribute the remaining amount to the members of the board of directors, officers and persons other than the shareholders.

C) Second Dividend

The General Assembly shall be entitled to distribute the amount remaining after the deduction of the amounts set out above partially or completely as the second dividend or set aside as part of non-mandatory reserves as per Article 521 of the Turkish Commercial Code.

D) General Statutory Reserves:

One tenth of the amount remaining after the deduction of 5% as dividend from the part that is decided to be distributed to the shareholders and other persons participating in the profit shall

be added to the statutory reserves pursuant to Article 519, paragraph 2 of the Turkish Commercial Code.

The Company is not authorized to set aside any other legal reserves, transfer profit to the next year and distribute dividend to the members of the board of directors and officers and other relevant persons who are not shareholders, unless the legal reserves that are required to be set aside under the Turkish Commercial Code and the dividend determined for the shareholders in the articles of association or in the profit distribution policy are set aside and profit shall not be distributed to these persons unless the dividend determined for the shareholders is paid in cash.

Dividends and donations provided to the members of the board of directors and officers, employees and workers, foundations established for several purposes and other relevant persons and/or entities, if any, are set aside. These payments shall be made provided that they are not in breach of the regulations of the Capital Markets Law regarding transfer of hidden income and the necessary disclosures are made within the framework of the capital market legislation and no donation is made above the ceiling determined by the General Assembly and the donations are added to the distributable profit base.

The dividend shall be distributed to all of the existing shares equally, as of the distribution date, regardless of their issuance and acquisition dates.

The distribution method and time of the distributable profit shall be resolved by the General Assembly, upon the proposal of the Board of Directors.

Any profit distribution decision rendered by the general assembly in accordance with the provisions of these articles of association shall not be withdrawn.

STATUTORY PROVISIONS

Article 18:

Financial statements and reports that are prescribed to be prepared by the Capital Markets Board and the independent audit report, if the Company is subject to independent audit, shall be sent to the Board within the framework of the principles and procedures determined under the capital markets legislation and announced to the public.

The provisions of the Turkish Commercial Code, Capital Markets Law and the other relevant legislation shall apply to any and all matters that are not governed by these articles of association.

The Company shall comply with the Corporate Governance Principles which the Capital Markets Board deems mandatory to be complied with. Any transactions performed and Board of Directors' decisions adopted that do not comply with the mandatory principles shall be null and void and shall be deemed to be in breach of the articles of association.

The Company shall comply with the relevant regulations of the Capital Market Boards regarding corporate governance, for transactions which are considered to be significant for the implementation of corporate government principles and all kinds of related party transactions and provision of security, pledge and mortgage in favor of the third persons.

TRANSFER OF SHARES

Article 19:

Company's shares may be freely transferred provided that the provisions of the Turkish Commercial Code, capital markets legislation and electricity market legislation are reserved.

Approval of the Energy Market Regulation Authority shall be obtained each time, before the performance of the relevant transaction, for the direct or indirect acquisition of the shares representing five percent or more of the share capital of the Company by a real person or legal entity and transfer of the shares or share certificates which results with the change of control in the shareholding structure of the Company, notwithstanding the abovementioned ratios.

MERGER AND SPIN-OFF PROVISIONS

Article 20:

The Company may merge with other companies together with all of its assets and liabilities. Merger and spin-off transactions shall be carried out pursuant to the provisions of the capital markets legislation, electricity market legislation and the Turkish Commercial Code.

In the event that the Company intends to merge with (i) another license holder; (ii) a legal entity which is not a license holder within its or another license holder legal entity's structure together with all of its assets and liabilities or intends to spin-off completely or partially after obtaining the production license, the approval of the Energy Market Regulation Authority and the Capital Markets Board shall be obtained – prior to the merger or spin-off – provided that the provisions of the Law no. 4054 on the Protection of Competition regarding mergers and acquisitions are reserved.

In the event that the merger or spin-off cannot be completed within six months following its approval date, the approval shall be deemed to be null and void. In such case, merger transactions cannot be sustained without obtaining a new approval with the resolution of the Energy Market Regulation Authority. Such merger or spin-off agreements shall not include any provisions that may violate the rights and receivables of the consumers or release the obligations of the company and shall include the conditions required under the electricity market legislation.

AMENDMENT OF THE ARTICLES OF ASSOCIATION

Article 21:

Approval of the Capital Markets Board and the Republic of Turkey Ministry of Customs and Trade and any other approvals within the framework of the provisions of the Turkish Commercial Code shall be obtained for the amendment of the articles of association of the Company. The General Assembly to be convened in accordance with the provisions of the articles of association following the obtainment of the necessary approvals from the Capital Markets Board, Ministry and other authorities shall resolve for the amendment of the articles of association, within the framework of the provisions of the Law and the articles of association.

Approval of the Energy Market Regulation Authority shall be obtained for the amendment of the articles of association in terms of types of the share certificates of the Company, share transfers, mergers and spin-offs, provision regulating that no change will be made in the shareholding structure and the provision regarding the decrease of the capital of the Company.

PRELIMINARY LICENSE PROVISIONS

Article 22:

During the preliminary license period and until the production license is obtained, no businesses or transactions that will result in a change in the Company's shareholding structure directly or

indirectly, transfer of the shares or share certificates or any transfer shall be performed, except for heritage and bankruptcy reasons and other exceptions set out under Article 57 of the Electricity Market License Legislation. The provisions of the capital markets legislation are reserved.

The approvals of the Energy Market Regulation Authority, Capital Markets Board and the Republic of Turkey Ministry of Customs and Trade and any other approvals within the framework of the Turkish Commercial Code shall be obtained for an amendment of the articles of association regarding a decrease of the Company's capital amount, and the provision stating the type of share certificates and shareholding structure shall not be changed during the preliminary license period and until the production license is obtained.