

CIMBETON
HAZIRBETON VE PREFABRIK
YAPI ELEMANLARI SANAYI VE TICARET A.Ş.
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 immediate incorporation of joint-stock companies.

1.Çimentaş, İzmir Çimento Fabrikası Türk Anonim Şirketi, T.C. nationality.

Kemalpaşa Cad. Işıkkent Girişi İZMİR

2. Kimtaş Kimyevi Kireç Sanayii Anonim Şirketi, T.C. nationality.

1377 Sokak No:8/3 Kut Apt. İZMİR

3. Rasih Somer, T.C. citizen

Atatürk Cad. 204/8 Alsancak/İZMİR

4. Öner Akgerman, T.C. citizen

Atatürk Cad. 204/6 Alsancak/İZMİR

5. Erol Kadioğlu, T.C. citizen

Cemal Gürsel Cad. 462/16 Karşıyaka/İZMİR

COMPANY'S TITLE
ARTICLE 2

Company's Title is ÇİMBETON Hazırbeton ve Prefabrik Yapı Elemanları Sanayi ve Ticaret Anonim Şirketi.

PURPOSE AND SCOPE OF BUSINESS
ARTICLE 3

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

1. To manufacture, trade, assemble, import and export concrete, ready mixed concrete, light concrete, light aggregates 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, trade of sand and crushedstone,
3. To carry out the manufacturing, trade, transport, import and export bulk and bagged cement and lime.

4. To carry out all kinds of construction, and mass housing projects, contracting and technical consultancy works, to participate to the tenders to be announced by public or private persons inside and outside Turkey.
5. To carry out foreign and local transportation via any kind of in-land, marine and air vehicles,
6. To carry out the production, importation, exportation of any kind of chemical substance and material.
7. 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,
8. To carry out the production, trade, importation and exportation of any kind of electric and electronic equipment,
9. To carry out project, R&D, control services and similar services on the above-stated subjects,
10. To establish and operate power generation plants and distribution companies founded for this aim, and to join such companies in accordance with the special legal regulations.
11. To carry out the production, trade, importation and export of any kind of iron and steel productions like iron, steel, iron and steel compositions and ferroalloys, base metal, pellets, scrap, cast iron, ingot, bloom, billet, slab, smooth and ribbed round iron made of platina plate, wire rods, profiles, construction elements, special profiles, coated black galvanized roll and flat sheets which are hot and cold drawn, pipes and profiles, round and flat wires, barbed wires, wedges.
12. To carry out the manufacturing, trade, import and export of bags and packaging materials made of paper or other materials
13. To carry out manufacturing, trading, importing and exporting of all kinds of petrol products, LPG and derivatives, and any kind of oils, and to found, rent and run loading, unloading, distribution, sale and marketing plants relating to the foregoing.
14. Provided that special legal regulations are reserved, to found and run all kinds of ports,

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.

The company either independently or together with other real and legal parties, may raise and manage a foundation. 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.

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 herein

above; it may merge with or acquire Turkish and foreign companies that are engaging in similar activities with the company. The Company, in 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 favour and against, in rem and personnel rights, movable and immovable liabilities.

Company is obliged to obey the principles introduced by capital market legislation, in order to establish guarantee, indemnity, warranty, pledge right including mortgage in favour of 3rd parties to ensure 3rd Parties debts.

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.

COMPANY'S HEAD OFFICE AND BRANCHES

ARTICLE 4

The registered head office of the Company is in Izmir. The address of the Company is Işıklar Mah. Eski Kemal Paşa Cad. No: 5 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 or 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 747.000TL corresponding to 74.700.000 of group A bearer shares, each of which the nominal value is 1Kr(One Kuruş) and1.023.000TL corresponding to 102.300.000 of group B bearer shares, totaly equal to -1.770.000TL (One Million Seven Hundred Seventy Thousand New Turkish Liras).

All the shares are issued to the bearers.

All Group A stock shares in the paid capital of 250.000TL are allocated to Çimentaş İzmir Çimento Fabrikası Türk A.Ş.

Such portion of the capital equal to 35.100TL was paid in kind due to merger and such portion of the capital equal to 304.900TL was paid in cash and such portion of the capital equal to 1.430.000TL was covered by adding this amount to the share capital from Revaluation Increase Fund..

In capital increases covered by the internal resource, the newly-issued shares shall be distributed to shareholders as bonus shares pro rata with their respective shareholding.

The General Assembly shall be authorised to issue stock shares of group A or B and stock shares with a value exceeding its nominal value and to adopt resolutions, which will restrict the shareholders' rights to acquire new shares in capital increases.

ISSUANCE OF CAPITAL MARKET INSTRUMENTS

ARTICLE 7

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 has been transferred to board of directors in accordance with Article 31 of Capital Market Law.

BOARD OF DIRECTORS

ARTICLE 8

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 shareholders 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. Members of the board of directors may be re-elected by the general assembly. If general assembly deems it necessary, it may replace members of 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 9

Board of directors shall convene whenever company's business require. 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 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 In case the majority of the independent members do not approve the action, the situation is announced to the public with providing sufficient information on the action and the action is submitted to the General Assembly's approval. Related parties cannot vote in the subject decisions which will be taken in the general assembly meetings, Meeting quorum is not required in such meetings, decisions are taken by majority.

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

ARTICLE 10

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. The board of directors shall appoint a chairman and a vice-chairman.

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 . It's required that at least one member of the board of directors must have the representative authority. As per Article 370/2 of Turkish Commercial Code 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 director (s) by the members of the board of directors or by managers or by any person or persons appointed by the board of directors of the company. These authorised 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.

ATTENDANCE FEE OF THE BOARD OF DIRECTORS

ARTICLE 11

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

COMMITTEES AND EXECUTIVE COMMITTEE

ARTICLE 12

For the safe fulfillment of the duties and responsibilities of the Board of Directors within 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.

In determining the remuneration of the independent members of the Board of Directors, the regulations of the Capital Markets Board on corporate governance shall apply.

AUDITOR

ARTICLE 13

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

DUTIES OF THE AUDITOR

ARTICLE 14

Auditing of the company and the election of the auditors shall be carried out in accordance with the provisions set forth in the article 397 et seq. of Turkish Commercial Code, capital markets legislation and other related law.

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

GENERAL ASSEMBLY

ARTICLE 15

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, are to be reviewed and considered in this meeting and subsequently necessary resolutions shall be adopted. Extraordinary general assembly meeting shall convene and adopt the necessary resolutions 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, or in his absence, the vice chairman or the oldest member of 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 the minutes of the meeting revealing the contents and results of the resolution, and the reasons of the objecting parties to the resolution are drawn up 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 general assembly 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, in all General Assembly meetings to be held, the entitled parties and their representatives are provided to exercise their rights set forth in the above mentioned Regulation through the system set up.

PRESENCE OF REPRESENTATIVE OF THE MINISTRY IN THE MEETINGS

ARTICLE 16

Pursuant to the Turkish Commercial Code and Capital Markets legislation, if required, a representative from the relevant Ministry shall be present in 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 PLACE

ARTICLE 17

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

APPOINTMENT OF PROXIES

ARTICLE 18

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 Market Law and the communiqués issued by the Capital Market 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.

VOTING PROCEDURES IN THE GENERAL ASSEMBLY

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, capital markets legislation 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. Article 421 of Turkish Commercial Code and article 29 of the Capital Markets Code is reserved. Each stock share of group A grants 15, and each stock share of group B grants 1 vote to the holder or to his proxy in the ordinary and extraordinary general assembly meetings. 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.

ANNUAL REPORTS

ARTICLE 20

ANNULLED

FISCAL YEAR

ARTICLE 21

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 22

After all expenses, amortisation, 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 fiscal year:

- a) A 5% general statutory reserve fund shall be reserved pursuant to article 519 of Turkish Commercial Code.
- b) A first dividend of 50 % at least shall be distributed to shareholders from the remaining amount, in accordance with the provisions determined by the Capital Market Law and communiqués issued by the Capital Market Board and distributed in cash or as shares.
- c) The remaining profit may be partially or completely distributed, or may be reserved as extraordinary reserve fund upon the recommendation of the board of directors and the adoption of the resolution by general assembly.
- d) Subparagraph 2/c of Article 519 of Turkish Commercial Code is reserved.
- e) 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.

ADVANCE PROFIT DISTRIBUTION

ARTICLE 23

Profits may be distributed in advance by the board of directors pursuant to the resolution adopted by the general assembly in that respect, and in accordance with the principals stated under Article 20 of Capital Market 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 24

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 25

Ordinary legal reserve fund reserved by the company shall be set aside until it reaches to %20 of the company's share capital. Articles 519 and 521 of Turkish Commercial Code are reserved.

ANNOUNCEMENTS OF THE COMPANY

ARTICLE 26

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 OF ARTICLES OF ASSOCIATION

ARTICLE 27

The amendments to be made in the Articles 19 and 27 of this articles of association can be performed upon the approval of the shareholders holding Group A bearer shares, given at the Privileged Shares General Assembly meeting, in compliance with the article 454 of Turkish Commercial Code. The decision quorum of this private general assembly meeting is affirmative votes of three forth (3/4) of group "A" bearer shareholders , not only for the first but also for the second meeting.

In addition, completion and application of the various amendments to this "articles of association" shall be subject to the consent of the Ministry of Customs and Trade and of the Capital Market Board. Amendments in this respect shall be valid and applicable from its publication date after they are registered with Trade Registration Office and duly approved.

As per article 1524/5 of Turkish Commercial Code; the documents about the amendments on Articles of Association shall be published on the company's web-site for a period of 6 months.

LEGAL PROVISIONS

ARTICLE 28

Any issue or item not mentioned or covered herein shall be governed by the provisions of the Turkish Commercial Code and capital markets legislation.

PROVISIONAL ARTICLE 1

Stamp duty related to this Article of Associations, shall be paid to concerned Public Notary in response to receipt during approval of the Articles of Associations.

PROVISIONAL ARTICLE

While the nominal value of the shares representing the capital was TRL-1.000, 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 10 shares with the nominal value of TRL-1.000, it shall be given 1 share with the nominal value of Ykr-1. 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 29

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 article of association.