

COMMUNIQUÉ ON PRINCIPLES REGARDING INFRASTRUCTURE INVESTMENT TRUSTS

Purpose

ARTICLE 1 – The purpose of this Communiqué is to regulate the principles and procedures with regard to founders and establishment procedures, licensing of portfolio management activity, organizational structure, registration of their securities with the Board, investment activities, obligations concerning public disclosure and information policy of infrastructure investment Trusts.

Legal Basis

ARTICLE 2 – This Communiqué is based on Article 22/(o), Article 35, and Article 36 of the Capital Market Law numbered 2499.

Definitions and Abbreviations

ARTICLE 3– For the purpose of this Communiqué, the following definitions shall apply:

Infrastructure Investment and Services: Aggricultural, irrigational, mining, manufacturing, energy, transport, communication, information technology, tourism, housing, cultural, rural and urban infrastructure investment and services conducted by public administrations affiliated to central government, social security institutions, local administrations and state economic enterprises, as well as municipal services, urbanization, environment, research&development services, education, health, justice, security and general administration infrastructure investment and services,

Infrastructure Investment Trust: The corporations whose scope is to manage portfolios consist of assets invested within the article 19 of this Communiqué,

Infrastructure Company: The capital stock company or foreign company or company established to operate in infrastructure investment and services conducted by municipals, as defined in “The Law regarding the Realization of Certain Investments and Services within the Framework of Build-Operate-Transfer Model” numbered 3996 which is published in Official Gazette dated 13.6.1994 and numbered 21959,

Ministry: Ministry of Industry and Trade,

Exchange: Exchanges that capital market instruments are traded, precious metal exchanges and exchanges in foreign countries of the same nature and other organized markets,

SPO: State Planning Organization,

Administration: The administration defined in “The Law regarding the Realization of Certain Investments and Services within the Framework of Build-operate-transfer Model” numbered 3996,

ISE: İstanbul Stock Exchange,

Operation Period: The operation period of the facility with revenue generation following the completion of investment period unless it is specified in the contract signed with administration,

Operating Company: The companies which operate the facilities established for infrastructure investment and services under the contract made with the corporation ,

Law : Capital Market Law numbered 2499,

Board : Capital Markets Board,

Leading shareholder: The shareholders who individually own at least %25 of 's shares,

CRA: Central Registry Agency Inc. of Turkey,

Net Asset Value: The amount calculated by adding the receivables, other assets and liquid assets to and deducting the total debts from the portfolio value of the .

Qualified investor: Local and foreign mutual funds, pension funds, investment Corporations, intermediary institutions, banks, insurance companies, portfolio management companies, mortgage finance s, pension and relief funds, foundations, funds established according to Temporary Article 20 of Social Securities Law, no. 506, benevolent societies and other investors to be accepted as similar to these organizations by the Board and real and legal entities that have total asset amount equal to at least 1 million TRY in terms of cash in Turkish and/or foreign currencies and in terms of capital market instruments, by the date of public offering.

Corporation: Infrastructure investment trust,

Portfolio: Assets specified in article 19 of this Communiqué,

Portfolio value: The total market value of assets in portfolio,

Project Cost: Construction cost, transfer cost or nominal rental cost,

Takasbank: ISE Clearing and Custody Bank Inc.,

TCC: Turkish Commercial Code dated 29.06.1956 and numbered 6762,

TTRG: Turkish Trade Registry Gazete,

Build-Operate-Transfer Model: The administration defined in “the Law regarding the Realization of Certain Investments and Services within the Framework of Build-operate-transfer Model” numbered 3996,

Investment period: The time period for the partially or totally completion of any construction, procurement, manufacturing, installing, drilling, assembling and any similar work unless it is specified in the contract signed with administration.

Principles Regarding Establishment and Transformation

ARTICLE 4 – (1) Corporations can be established instantaneously; or within limitations of last paragraph of this article, existing s can transform into infrastructure investment s by amending their Articles of Association in accordance with the procedures of this Communiqué and the Law.

(2) In instantaneous establishment procedure;

a) Corporations must be established as joint stock s with registered capital,

b) The initial capital must not be less than YTL 100.000.000, and at least 10% of initial capital must be issued for cash,

c) The phrase “Infrastructure Investment Corporation” must be included in the commercial title,

d) The Articles of Association must be in conformity with the provisions of the Law and this Communiqué,

j) One of founders must be leading shareholder.

(3) If at least one of the shareholders is legal entity having the capacity of public entity and owns at least 25% of the Corporation’s shares, the requirement that at least 10% of initial capital shall be issued for cash specified in paragraph (b) and also paragraph (d) of this article shall not be applied.

(4) If at least one of the shareholders is legal entity having the capacity of public entity and owns at least 75% of the corporation's shares, initial capital specified in paragraph (b) shall be applied as YTL 5.000.000. However, in case that share offering under the article 10 of this communiqué is done through the increase of the issued capital, issued capital must be at least YTL 100.000.000.

(5) Infrastructure companies and joint stock corporations, whose scope of business is limited to only investing in infrastructure companies, are able to transform into infrastructure investment ts by amending their Articles of Association in accordance with the procedures of this Communiqué and the Law.

Qualifications of Shareholders

ARTICLE 5 – (1) Regarding the establishment applications of corporations,

- a) Real or legal person founders shall not have any overdue tax and insurance premium debt,
- b) Real or legal person founders who possess 10% or more of the corporation's shares shall provide the required sources obtained from their own commercial, industrial, and other legal activities as free from any debt and must have financial adequacy that is able to meet amount of capital committed.
- c) Real or legal person founders who possess 10% or more of 's shares shall have reputation required to be shareholder of capital market establishment.
- ç) For natural person founders;

1) Shall not have been sentenced for property holdings laundering based on the crime specified in provision 282 of Turkish Penal Code No: 5237 and financing terror crime specified in first paragraph of provision 8 of Turkish Anti Terrorism Law numbered 3713,

2) Shall not have been sentenced for the violation of Capital Market legislation, Banking Law dated 19.10.2005, No: 5411, legislation about money borrowing and/or excluding negligent offenses, even if pardoned, sanctioned with heavy imprisonment or imprisonment for over five years or for the offenses of infamous crimes such as embezzlement, peculation, extortion, bribery, theft, cheating, forgery, breach of Corporation, fraudulent bankruptcy, smuggling

excluding smuggling for consumption purposes, for involvement in fraudulent activities in official award of contracts and sale contracts or revealing secrets of the State, tax evasion or attempt for tax evasion,

3) Shall not be among the responsible persons at the institutions of which at least one of the authorization licenses has been cancelled by the Board or which have been permanently dismissed from the Stock Exchange membership,

4) Shall not have any liquidation decision based on the “Decree by Law No. 35 Regarding the Transactions of Bankers in Financial Difficulty” and its Annexes must have been taken for themselves or for the establishments, of which they are partners,

5) Shall not have a restriction on trading based on Article 46 paragraph (i) of the Law,

6) Shall not have any bankruptcy decision or any composition of debts announcement regarding themselves or the institutions of which they are an unlimited partner.

(2) Regarding transformation applications, existing shareholders of to be transformed must conform with conditions in subparagraph (a), (c) and (ç) of first paragraph of this article.

(3) Regarding establishment and transformation applications, real persons who possess indirectly at least %10 of corporation’s shares must conform with conditions in subparagraph (c) and (ç) of first paragraph of this article. Real persons who control management of leader shareholder shall conform with conditions in subparagraph (c) and (ç) of first paragraph of this article.

(4) In period after the share offering of corporation, shareholders who possess preferred shares and/or individually or jointly, directly or indirectly at least 25% of corporation’s shares shall conform with conditions in subparagraph (c) and (d) of first paragraph of this article. Regarding share transfer apart from preferred shares, related shareholders are obliged to send documents verified above requirements to the Board within 10 days following the share transfer.

(5) If the founder is a bank, for the evaluation purpose within the context of this article, bank and that founder and direct, indirect shareholders of that founder shall submit the information and documents verified their conformation with the requirements specified in only subparagraph (a) and number 2, 3 and 5 of subparagraph (ç) of first paragraph of this article.

Special Requirements for the Leading Shareholder

ARTICLE 6 – (1) Leading shareholders must have following requirements.

(a) Business record of minimum three years in fields such as construction, infrastructure, banking and finance which are directly concerning with the real estate investments

(b) Consolidated and nonconsolidated financial statements belonging to last accounting period must be audited by independent auditor.

(c) According to financial statements mentioned in paragraph (b) of this article;

i. issued capital/paid in capital shall at least be equal to the capital of corporation to be established, total asset shall at least be two times of capital of corporation to be established,

ii. equity shall at least be equal to the equity of corporation to be transformed, total asset shall be at least two times of equity of corporation to be transformed.

(2) Legal entities having the capacity of public entity and non-profit legal persons working for public interest might not be subject to financial adequacy requirements apart from their own legislation.

(3) Financial statements specified in this article shall be prepared in accordance with Board regulations.

Establishment and Transformation Applications

ARTICLE 7 –

(1) Corporations to be established shall apply to the Board with application form filled in accordance with Board standards fully and accurately, together with annexed documents.

(2) The Board shall examine the application when necessary application documents are fully completed, otherwise the application shall not be examined. Additional information and

document regarding the application must be submitted in due time. The Board may demand soft copy of application documents.

(3) The Board evaluates the application in terms of conformity to the provisions of the Law and this Communiqué.

(4) If the Board presents favorable opinion, reserving regulatory provisions regarding permissions and approvals from other authorities about infrastructure activities, application shall be made to the Ministry together with approval request of establishment of corporation and other documents requested by the Ministry.

(5) Following the establishment permission by the Ministry, s shall acquire legal identity upon registration of the corporation with the trade registry in accordance with the related provisions of the Turkish Commercial Code.

(6) Transformation applications are subject to same conditions specified in establishment applications.

Capital in Kind

ARTICLE 8 – (1) The corporations may have capital in kind at establishment and capital increases within the framework of TCC. For having capital in kind, the provisions in the regulations regarding real estate investment corporations shall apply.

(2) For the corporations established for undertaking a certain project, the Board can decide the tangible and intangible assets, excluding rights backed by real estates, to be put as capital in kind.

SECTION THREE

License for Portfolio Management Activity, Registration with the Board, Public Offering

License for Portfolio Management Activity and Registration with the Board

ARTICLE 9- (1) It is obligatory that corporations apply to the Board for the portfolio management activity license and registration of stocks, in two years following the registration of Articles of Association in establishment with the trade registry.

(2) The Board evaluates the applications of corporations for portfolio management activity license and registration of stocks simultaneously.

(3) In providing portfolio management activity license, the Board primarily evaluates whether the company has a suitable office, hardware, personnel, organization and managers for undertaking the activities. As a result, if the Board decides that the corporation can undertake portfolio management activities, it issues a license. These licenses are required to be registered at the trade registry and be announced at the Turkish Trade Registration Gazette within 15 days following the date they have been issued. Any kind of changes in this certificate are also registered and announced as mentioned herein.

(4) For registration, the Board evaluates the applications to decide whether the documents regarding registration and offering consist of the information required by and laid down in the related legislation on infrastructure investment companies and public offering of shares within the framework of public disclosure. Following the evaluation, if the explanations are not found to be sufficient and not reflecting the truth fairly and hence can mislead the public, the Board may refrain from registration of the shares by stating the reason. Shares approved by the Board shall be registered. Registration with the Board can not be interpreted as a warranty of the Board or the State provided for the issued shares or the related companies and can not be used for advertising purposes.

(5) For the portfolio management activity license and registration of stocks to be evaluated by the Board, corporations shall apply to the Board with the application form filled completely and the documents specified in this form. Documents regarding the application must be submitted fully to the Board in order to evaluate the application; otherwise applications could not be taken into the evaluation. Other documents and information to be requested must be submitted within the period determined by the Board. Board can request the applications to be done via internet.

(6) The Board evaluates the application in terms of conformity to the provisions of the Law and this Communiqué.

(7) Corporations that do not apply to the Board for the portfolio management activity license and registration of stocks in two years following the registration of Articles of Association in establishment with the trade registry or the corporations that do not apply to the Board by completing the public offering application form and the documents mentioned in this form within the time periods specified in first paragraph or whose application were found inappropriate due to failure to fulfill the necessary conditions shall lose the right to operate as infrastructure investment companies. Such corporations are obliged to amend the provisions of their Articles of Association so as not to cover infrastructure investment activities and apply to the Board to get out from the registered system in at most three months following the notification of the negative opinion or by the end of the relevant period. If the corporation does not fulfill these changes, they shall be discharged according to related provisions of TCC.

(8) For the corporations that do not apply for the portfolio management activity license and registration of stocks or companies that are discharged or whose Articles of Association is transformed due to the inappropriate operations regarding the provisions of this Communiqué, the provisions of legislation regarding tax and other legal liabilities that could be arose from the operations of the corporation are reserved starting from the registration of Articles of Association in establishment with the trade registry,

Public Offering

ARTICLE 10- (1) In public offering of the corporation's shares, the regulations of the Board on sales and public offering methods of shares are applied, provided that the issues regulated hereby are excluded.

(2) Should the issued capital of the corporation;

a) be less than 200 million YTL, in two years following the registration of portfolio management activity license with the trade registry,

b) be 200 million YTL or more, in four years following the registration of portfolio management activity license with the trade registry,

the shares representing at least 49% of the issued capital of the corporation shall be offered to the sophisticated investors or previously determined investors or to the public. It is possible that the corporations can reach to the ratio of minimum 49% as a result of one or more offering.

Principles Regarding the Sale of Shares to Sophisticated Investors

ARTICLE 11- (1) Under the conditions below, with the condition that such a provision exists in their Articles of Association, allotment offering of the shares of corporation to the qualified investors or previously determined investors can be performed by mentioning on the prospectus and circular:

- (a) Investing in a certain infrastructure company or a project before the operation period.
- (b) Infrastructure company and projects in operation period being less than the 60% of the portfolio value.

(2) In case of resale of offered shares within the context of the first paragraph of this article, first paragraph provisions apply. Public offering of corporation shares is possible provided that the conditions specified in the first paragraph fail to be fulfilled.

(3) Corporations have to obtain and keep regularly persuasive data and documents about the investors proving that they meet the qualified investor criteria within the framework of this Communiqué.

(4) In case of sale of shares to the qualified or previously determined investors, these shares must be written down on its behalf. Corporations must obtain persuasive data and documents about the

investors proving that they meet the qualified investor criteria. The sale of shares to the investors that do not meet the qualified investor criteria can not be registered to the share register.

(5) There is no need of auditing, notification to the Board and disclosure for the six-month results of the corporations. However, year end financial statements and audit report must be submitted to the Board and disclosed at TTSG within one month following the date of annual general assembly.

(6) Board can differentiate the public disclosure requirements of these corporations.

Quotation to the Stock Exchange Market

ARTICLE 12 – (1) The corporation shall apply to the Board in 15 days following the termination of the sales period to obtain the document necessary for stock exchange listing. It is obligatory to apply to the Stock Exchange with the request for listing of stocks in 15 days following the acquisition of this document.

(2) Listing of stocks is not obligatory in case of offering of shares to qualified or previously determined investors.

Transfer of Shares

ARTICLE 13- (1) In public offering of shares, the Board's general regulations on public offering and sale of shares shall be applied, where there is no relevant provision in this Communiqué.

(2) Provided that shares are transferred among the existing shareholders, excluding the transfer of shares of leading shareholder, written information shall be given to the Board. If it is foreseen on the related provisions of legislation, an approval should be received from the necessary agencies for the fulfillment of the transfer of shares.

(3) The shares representing the minimum capital ratio of the leading shareholder and the shares of legal entity having the capacity of public entities regarding the second paragraph of the fourth article can not be transferred during two years following the end of offering.

(4) Provided that provisions of the third paragraph are reserved, after the public offering, application to the Board for approval is obligatory only for the transfer of privileged shares.

Issuance of Privileged Shares

ARTICLE 14- (1) Corporations can issue shares permitting nomination of candidates in election of the majority of members of the Board of Directors. For the calculation of the majority, the fractions are rounded to the following integer.

(2) Corporations shall not issue any privileged securities other than shares permitting nomination of candidates in election of members of the Board of Directors. After the public offering, no privileges can be created, including nominations for membership to the Board of Directors. Privileged shares can be acquired only by the leading shareholder during the foundation and conversion and for two years following the public offering. Transfer of privileged shares is subject to the Board's approval.

SECTION FOUR

Organizational Structure of the

ARTICLE 15- (1) Infrastructure investment corporations are obliged to establish service units in accordance with the field of operation, have sufficient staff in quality and quantity, create accounting, registration, information and documenting system and an effective organizational structure that avails a regular workflow and communication, establish the technical background and define the duties and responsibilities of the employees.

Establishment of the Board of Directors

ARTICLE 16- (1) The members of Board of Directors are elected and serve in accordance with the related articles of TCC. The members of Board of Directors should fulfill the requirements mentioned in paragraphs (a) and (b) of Article 5.

(2) For the election of the members of Board of Directors below principles apply;

(a) Only the qualified individuals having high standard of attainments and a certain experience can be nominated as candidates or elected to the membership of Board of Directors. Articles of Association should include general principals regarding this issue.

(b)The majority of the members of Board of Directors shall have a university degree and have experience of minimum three years in fields such as law, construction, banking and finance which are directly concerning with the field of operation. For the calculation of the number of members of Board of Directors fulfilling these requirements, the fractions are taken into account as the following integer.

(c) The number of the members of the Board of Directors should be specified in a manner that would enable them to perform efficient and constructive activities, make rapid and rational decisions and organize the establishment of committees and their operations efficiently.

(ç) Among the members of the Board of Directors, there are independent members that have qualification and potential to perform duties without being under any effect. At least 1/3 of the members to be appointed to the Board consist of these independent members. For the calculation of the number of independent members the fractions are taken into account as the following integer. The members satisfying the below criteria are qualified as “independent members”.

1- In the last 2 years, having no direct or indirect relationships between the company, its participation, subsidiary, one of the companies of its group and himself and the individuals that have blood or marital relation up to third degree, including spouse, in terms of employment, capital and commerce.

2- Not to be elected to represent a specific group of shareholder.

3- Have not been employed by companies, including the audit and consultancy service providers of the, which execute the 's whole or a part of the operations and organization in line with the agreements made and not been employed as manager for these companies for the last two years.

4- Have not been employed by the independent audit companies and taken a place in the independent audit process for the last two years.

5- Have not been employed by any firms which significantly served and provided product for the company and not to have served as a manager in last two years.

6- Not to be manager in the company, not to own more than 5% of the total capital or in any case not to own shares controlling the management of the, not to be at any management position or be effective at the control of the among any of those who have a blood or marital relation up to third degree, including spouse.

7- Not to obtain any fees except from membership fee of Board of Directors and the attendance fee; in case of owning shares due to the Board of Directors membership, to have shares below 1%, which are not privileged.

(3) At appointment, the independent members of Board of Directors shall give a written document, stating the independence within the framework of legislation, Articles of Association, and above stated criteria, to the Board of Directors. It is obligatory that independent members of Board of Directors shall be determined at the first meeting of the general assembly, and the documents for independence be sent to the Board with the other documents of general assembly.

(4) In case of a situation that eliminates the independency, the change is immediately transmitted to the Board of Directors to announce it to the public by independent member. In such a case, the member of the Board of Directors who lost independency resigns in accordance with moral principles to guarantee again the minimum number of independent members. Under these

circumstances, the Board of Directors elects independent members for empty chairs that will serve until the first general assembly. However, in case problems arise due to the inadequacy of meeting and decision quorum, the member who lost his/her independency continues to serve. Operations done in this context are immediately announced to public by the Board of Directors.

(5) The member of the board of directors can be elected at most for two years but there are no barriers for being reelected.

(6) If the members of the board of directors are not independent from the individuals being a party to the decisions of the board of directors, they shall notify the board of directors stating the justification and have this recorded in the minutes of the meeting. The related provisions of TTC are reserved in this respect.

(7) The members of the board of directors should record the judicious and detailed negative vote justification regarding the opposing issues in the meetings to the meeting minutes and shall declare in written to the company's auditors.

General Manager

ARTICLE 17

(1) The general manager of the s shall have a university degree, meet the requirements stated in paragraph (a) and (b) of Article 5 and have experience of minimum five years in fields related with infrastructure investments. It is obligatory that the general manager is employed full time and exclusively for this post. It is obligatory for the general manager to be appointed within 6 months after the acquisition of the legal status of infrastructure investment and be employed full time and exclusively for this post.

Board of Auditors

ARTICLE 18

(1) The members of Board of Auditors are elected and serve in accordance with the related articles of TCC. The members of Board of Directors should fulfill the requirements mentioned in paragraphs (a) and (b) of Article 5, shall have a university degree and have experience of minimum three years in fields such as law, construction, banking and finance which are directly concerning with the field of operation.

SECTION FIVE

INVESTMENT ACTIVITIES

Portfolio of the

ARTICLE 19- (1) s;

- a) can invest on infrastructure investment and facilities,
- b) can invest on the project of the infrastructure investment and facilities,
- c) can invest on rights and capital market instruments based on (a) and (b) sub-paragraph
- d) can invest on infrastructure company by participating or buying debt instruments,
- e) can invest on other infrastructure investment s by participating or buying debt instruments,
- f) can invest on operating company by participation
- g) can invest on other capital and money market instruments,
- h) can invest on other instruments approved by Board,

(2) Corporations can be established for a limited or unlimited time. The corporations established with the purpose of operating in certain areas or investing in certain projects shall state these certain areas and projects clearly in their titles and/or Articles of Association.

(3) Corporations established solely with the aim of undertaking certain projects can not include an other project in their portfolios.

Principles on Infrastructure Investments

ARTICLE 20- (1) Regarding the infrastructure investments within the context of Article 19, the corporations are obliged to;

- a) transfer the constructional and operational risk to the contractor company within the framework of a contract signed with the contractor company,
- b) have portfolios that include infrastructure assets with certain cash flows,
- c) have infrastructures projects be appraised before the project is included into the portfolio,
- d) have authorization from the listed appraisal companies for infrastructure investments if all the necessary legal permissions are taken in accordance with related legislation, investment projects are ready to implement and authorized, all legal documents exist,

(2) Infrastructure investments included in to the portfolio is required to be managed with a long term investment purpose. It is evaluated carefully that the infrastructure investments included in the portfolio shall serve for the public interest and have long term and predictable cash flows.

Management of 's Portfolio

ARTICLE 21- (1) Corporations may manage their own portfolio by employing an adequate number of managers and personnel and may also solicit services of expert consultancy companies, which are independent from the company, for the development of the portfolio and exploration of alternative opportunities, including project development and control services.

(2) If the capital and money market instruments portion of their portfolio is more than 10% of the portfolio value, s may manage the capital and money market instruments portion of their portfolio either by themselves through employing sufficient number of portfolio managers having the required licenses in accordance with the relevant licensing regulations of the Board or by receiving a consultancy service under an investment consultancy contract to be signed with a company that has obtained an investment consultancy license from the Board. In addition to these, management of the capital and money market instruments portion of the portfolio can be

transferred to an enterprise, which has received the portfolio management license from the Board, under a portfolio management contract to be signed. It's obligatory for companies to use any of these three methods for managing the capital and money market instruments portion of their portfolio and to comply with the regulations of the Board regarding portfolio management and investment consultancy.

(3) Securities within the corporation's portfolio are required to be kept in Istanbul Stock Exchange Settlement and Custody Bank Inc. as per a custody contract to be signed.

(4) The contract between the corporation and the consultant company should be approved by the board of directors of the corporation and shall terminate automatically at the end of one year without prior notice. The contract can be renewed for a period of one year upon the written agreement of the parties. However, the contract may be terminated with 30 days prior notice upon the decision of the board of directors of the corporation, without waiting for the elapsing of the period.

(5) In the corporation , the natural or legal persons with capital share, voting right or nomination preference to a degree leading to direct or indirect control of the corporation's management cannot provide consultancy services to the . The operating and consultant companies can not be the same entities.

(6) The commissions to be paid for such services and the expenditures to be made must be documented and must not have a significant difference compared to the market rates.

Scope of Operations

ARTICLE 22: The corporations generally operate within the following scope:

a) To form the corporation's portfolio, to make changes in the portfolio when necessary, to minimize the investment risk through diversifying the corporation's portfolio, to monitor developments related to assets in the portfolio, take necessary precautions for portfolio

management, to conduct research for preserving and increasing the portfolio value and to have such research done,

b) To investigate if the necessary legal conditions mentioned in this Communiqué about the assets in corporation's portfolio or assets planned to be included in the portfolio are met, to provide necessary reports,

c) To provide related necessary reports for the determination of the value of assets in the portfolio,

ç) To establish the necessary organization in order to monitor the compliance of operations of the relevant companies with the provisions of the legislation and the contract, if the portfolio is being managed by receiving a consultancy and/or portfolio management service from outside,

d) To undertake other duties and permitted activities assigned by this Communiqué.

Prohibitions

ARTICLE 23 – Corporations;

a) Can not engage in deposit business, conduct business and operations resulting in deposit collection defined in Banking Law No: 4389,

b) Can not engage in commercial, industrial or agricultural activities other than the transactions permitted by this Communiqué,

c) Can not engage in capital market activities other than portfolio management for its own portfolio limited to the investment areas permitted by this Communiqué,

d) Can not in any way be involved in construction of real estates and can not recruit personel and equipment with this purpose. However, if the tasks for controlling the ongoing projects shall be undertaken internally, personnel recruited for this purpose does not fall under this scope.

e) (As amended by Communiqué Serial: VI, No: 17) Can not commercially operate any hotel, hospital, shopping center, business center, commercial parks, commercial warehouses, residential sites, supermarkets, and similar type of real estates and employ any personnel for this purpose.

However, operations that are in the scope of first paragraph of Article 32 of this Communiqué and the personnel employed for those purposes are outside the scope of this subparagraph.

f) Can not provide services by its personnel to individuals and institutions in project development, project control, financial feasibility and follow-up of legal permission except for the projects related to the portfolio or will be related to the portfolio.

Investment Principle

ARTICLE 24: While investing in infrastructure assets corporations;

a) Are required to invest at least %75 of their portfolio to assets as specified in paragraph (a),(b),(c),(ç) and (d) of article 25 of this Communiqué,

b) Under the scope of the as specified in paragraph (f) of article 19 of this Communiqué;

1- Shall not invest in more than 10% of their portfolio to the securities of a single corporation.

2- Shall not own more than %5 of capital or voting rights in any corporation.

c) The shareholders having 10% or more of the capital or voting rights in a corporation, Members of the Board of Directors or general manager with more than 10% of capital separately or together shall not invest %10 of the company portfolio. When a separate project company is financed by the corporation, infrastructure company or infrastructure investment s constructed by the are outside the scope of this subparagraph.

ç) Shall not invest in assets and rights that are subject to any kind of restrictions in transfer.

d) Shall issue securities, capital market instruments and other structured instrument that approved by the Board and invest in that kind of instruments.

e) Shall establish operating company in order to operate infrastructure investment or services, participate established companies.

f) Shall purchase and sell capital market instruments and can make inverse repurchasing and ISE Settlement and Custody Bank Inc. money market transactions, and time and demand deposit accounts in Turkish Liras or any foreign currency except more than %10 portfolio value,

g) May participate in a tender of privatization or Build-Operate-Transfer projects and invest infrastructure investment or services with this context, reserving the special regulations.

ğ) For hedging against the exchange, interest and market risks; may use portfolio management techniques capital and money market instruments appropriate with investment objectives, may undertake option contracts, forward, financial forward transactions and option transactions based on forward transactions, providing that a provision exists in their articles of in and prospectus and in accordance with the Board's conditions.

Insurance Obligation

ARTICLE 25 – The Project for infrastructure investment or services in corporation's portfolio whose construction has been completed or has not yet been completed shall be insured against all damages that may be incurred by taking their market values into consideration. Furthermore, it is possible to make insurance against incompleteness of the projects or value losses of assets within the portfolio.

Collateral

ARTICLE 26 –It is possible to pledge the infrastructure investment or services in the portfolio or to establish other real rights on them only for their financing. No other rights can in any way be exercised in the portfolio on behalf of third parties with purposes other than the above. The value of total liabilities mentioned above can not exceed the value of portfolio. Loans to be obtained under this article are also be evaluated under the borrowing limits.

Borrowing Limits

ARTICLE 27 – (As amended by Communiqué Serial: VI, No: 17) In order to meet short term fund demands or costs related to their portfolio, corporations can obtain credits three times as much as their net asset values included in their most recent quarterly portfolio table prepared and disclosed to the public at the end of the accounting period. In order to calculate the uppermost limit of such credits, obligations of the company arising out of financial leasing transactions and non-cash credits shall also be taken into account.

(2) Loans to be obtained under this article are also be evaluated as per Article 25 of the Communiqué for the issued debt securities, the credits mentioned in the above paragraph shall be deducted from the issue limit calculated according to the capital market legislation.

Building and Construction Services

ARTICLE 28 – (1) All kinds of construction, preparations, production, drilling, installation, alteration, betterment, modernization, development, maintenance, assemblage and other construction works regarding investment and services are independently performed from the corporation .

(2) The contract including the parties' rights and obligations shall be signed between the companies that undertake construction works and corporation. The selection of the companies and conditions of the contract has to be approved by the Board of Directors.

Establishing Ordinary Partnerships

ARTICLE 29 – In order to undertake construction works of a Project, the corporations can establish ordinary partnerships with one or more partners exclusively for accomplishment of the project. If the corporation participates in an ordinary partnership for this purpose, it shall not be evaluated as participation.

SECTION VI

Principles of Valuation

ARTICLE 30- (1) General regulations and principles defined by Board are exercised in the process of valuating money and capital market instruments which are present in the portfolio. The valuation principles of money and capital market instruments which are not defined by Board are shown in prospectus.

Valuation of Infrastructure s Which Are Not Listed On The Stock Market

ARTICLE 31- (1) Determination of current value of the infrastructure s which are not listed on the stock market is exercised by every end of the year. This process is optional for the assets that have been valuated somehow in the last three months.

Valuation of Infrastructure Investments and Projects Related to Infrastructure Investments

ARTICLE 32- (1) Valuation and determination of current value of infrastructure investments in the portfolio are exercised by every end of the year. The process of determination of current value by the end of the year is optional for the assets that have been valuated somehow in the last three months.

Regulation Related To Valuation

ARTICLE 33- (1) Valuation is exercised by the institutions whose features are determined in the context of Serial: VIII, No: 45 “Communiqué on International Valuation Standards in the Capital Market”.

Transactions Which Require Valuation

ARTICLE 34- (1) Valuation shall be made, with the exception of periodic valuation works, for the transactions listed below:

- a) Addition or removal of assets stated in Article 19, subparagraph (a), (b), (c) and (ç)
- b) In order to start the construction of infrastructure investments that are in the scope of the project, determination of necessary documents and alignment with legal procedures.
- c) Addition of capital in kind to the corporation.

d) Determination of values by the end of the year, in case assets are already in the corporation's portfolio and for any reason their current values haven't been determined,

Usage of Valuations

ARTICLE 35- (1) Transactions which include buying or selling from the portfolio and other portfolio transactions are carried out by considering their valuations. If another value other than the valuation is taken into account, an explanation shall be made addressing the investors and share holders must be informed in the first general assembly.

SECTION VII

Principles Regarding Public Disclosure and Informing the Investors, Periodical Tables Statements and Reports

ARTICLE 36- (1) Related to assets in their portfolios, corporations must prepare portfolio table and annual report in line with the principles defined by Board and also submit them to Board and Stock Exchange Market, in six weeks following the end of every six months. The report stated above must be present in the headquarter of the corporation and on the internet site for investors' examination. In addition, these documents should be sent to the share holders on their demand.

Information Policy

ARTICLE 37- (1) Board of directors must prepare an information policy related to public disclosure or informing the investors and present this to the associates and share holders in the general assembly. Any amendments in the information policy of the company and corresponding reasoning should be presented at the general assembly and disclosed to the public upon approval by the board of directors.

(2) Furthermore, all kinds of information and documents requested by the Board for monitoring and auditing of the company and effective clarification of the public must be sent to the Board within the period and principles foreseen by the Board and the issues required by the Board must be disclosed to the public.

(3) Information policy should at least include the following and disclosed in the prospectus:

a) Risks related to projects and investments.

- b) In projects where public and private sectors both participate, the rights, obligations, risks and benefits shared by both public and private sectors,
- c) Principles regarding the transfer of investment to the public sector.
- d) Basic principles of application contracts signed with administration.
- e) Source of financing related to the projects, the principles of public guaranties, supports, and payment plans where exists.
- f) The plans for realization of the projects, feasibility reports, cash flow evaluations
- g) Social and economic parts related to the Project
- h) Principles and basis of valuation,

Financial Statements And Reports

ARTICLE 38- (1) In the preparation of financial statements which should be in the context of Board's regulations, general regulations in accordance with accounting standarts determined by Board should be conformed.

Profit Distribution

ARTICLE 39- (1) Corporations must adopt a definite and consistent profit distribution policy and disclose this policy to public or investors. This policy is presented to the share holders in general assembly and takes part in annual reports, prospects and circulars.

(2) Profit distribution should include the following:

- a) Profit for the period and distributable profit and its source.
- b) Basis of proposal made by the board of directors
- c) Profit to be paid per share including different share groups
- d) Share of profit to be distributed to members of the board of directors, members of redeemed share holders and workers and its calculation
- e) Place, date and form of payment of the share of profit
- f) If distribution of debenture advance is being considered in the following accounting period, previsios and principles related to them.
- g) Considering indirect affiliate relations, real persons who received important amount of distributable profit and share of profit to be taken.

h) Information about, subscriptions that have been made during the year and subscriptions that are planned by the end of the year.

(3) On condition that obligations related to legal minimum profit distribution is concealed, if board of directors propose that the profit should not be distributed, information about the reasons for this proposal and usage of this profit should be explained to shareholders, annual report, prospectus and circular.

(4) When determining the profit distribution policy, Corporation should take necessary precautions to maintain a consistent policy between benefits of share holders and benefit of Corporation.

Announcement, Advertisement And Information To Be Explained

ARTICLE 40- (1) shall act in line with announcement, advertisements intended for publicly held shares during public offering or general presentation, marketing and selling facilities.

Written or visual materials related to announcement and advertisements are submitted to Board following their publication in two workdays. In addition to this, all the documents mentioned above should be archived and preserved in the headquarters of the Corporation for three years.

SECTION EIGHT

VARIOUS PROVISIONS

Removal of Right to Operate As Infrastructure

ARTICLE 41- (1) If Corporation;

a) Is not able to provide the requirement of minimum 75% percentage defined in article 24, first subparagraph (a) according to the last portfolio table prepared at the end of the accounting period, it applies to the Board. Board can decide to extend the time to a year only for once. However, if corporation is still unable to meet the required percentage,

b) Which is established for a limited time to realize a certain project, does not apply to Board to extend this period even though time stated in articles of association is completed,

c) Which is established to realize a certain project, in case its objective and field is affected such as; certificate of infrastructure investment activities is cancelled, and contracts with administration is cancelled or expired,

d) Whose shares are not offered to public in line with given period and principals stated in this Communiqué,

the right to to operate as an infrastructure corporation is taken from the corporation. In such cases, corporations are obliged to amend the provisions of their Articles of Association so as not to cover infrastructure investment activities and apply to the Board within three months. If the corporations do not fulfill these changes, they shall be discharged according to related articles of TCC.

Fee to be Paid to the Board's Special Fund

ARTICLE 42 – (1) Prior to registration of the shares of the corporation with the Board in accordance with the Law, the registration fee shall be deposited to the Board's account in cash.

Prohibition on Title

ARTICLE 43 – (1) No institution other than the corporations established and operating within the provisions of this Communiqué and Law can use phrase “Infrastructure Investment Corporation” or another phrase having the same meaning in its commercial title or ads and notices the.

Other Provisions

ARTICLE 44 – (1) In situations with no applicable provisions in this Communiqué concerning the companies, the provisions of related legislation, TCC and the Law shall apply.

Re-Assessment Of The Amounts Specified In This Communiqué

ARTICLE 45 – (1) Board can re-assess the amounts specified in this Communiqué every year.

Additional Periods To Be Given By Board

ARTICLE 46 – (1) In cases such as, occurrence of important complications in the market, unexpected developments related to infrastructure assets and force majeure, Board can extend the period for public offering or for fulfillment of various obligations stated in this Communiqué.

Entry Into Force

ARTICLE 47 – This Communiqué shall enter into force at the date of its publication.

Execution

ARTICLE 48 – The provisions of this Communiqué shall be executed by the Capital Markets Board.