

BORUSAN MANNESMANN BORU SANAYİ VE TİCARET ANONİM ŞİRKETİ

ARTICLES OF ASSOCIATION

CHAPTER I **GENERAL PROVISIONS**

FORMATION

Article 1:

In accordance with the provisions of the Turkish Commercial Code that concern the instantaneous formation of joint-stock companies, a joint-stock company has been formed among the founders whose names and domiciles are written below.

Names and addresses

1. Asım Emrem : Etiler Kooperatifi Evleri No: 11 / 6 Bahçelievler / Ankara.
2. Barık Uluğ : Halaskargazi Caddesi No: 225 / 2 Şişli / İstanbul.
3. İhsan Altunel : Hocaüveyz Balipaşa Caddesi No:94 Fatih / İstanbul.
4. Ziya Umay : Serbesti Sokak No:20 Yeşilköy / İstanbul.
5. Asım Kocabıyık : İstanbul Caddesi No: 29 Yeşilköy / İstanbul.
6. Safa Batıbayı : Gazi Evranoz Sokak No: 29 Yeşilköy / İstanbul.

TRADE NAME

Article 2:

The name of the company is BORUSAN MANNESMANN BORU SANAYİ VE TİCARET ANONİM ŞİRKETİ.

SCOPE AND OBJECTIVES

Article 3:

The company's scope of activity and objectives are mainly the following:

- A) To establish and operate all types of industrial enterprises and in particular to manufacture all types of pipes and metal goods;
- B) To perform exports, imports, representation, commission business, contracting and business transactions in the widest sense of the term.

To achieve these objectives, the company may:

- a) Purchase, import or otherwise procure all types of raw materials, finished products and semi-finished products in connection with the manufacturing activity referred to above, process them partially or completely, and subject them to all types of business transactions;
- b) Establish industrial facilities, factories, workshops and manufacturing houses across the country with the aim of performing the said manufacturing and operations, take over, transfer or lease those already established, and purchase at home or abroad the necessary equipment, machinery and materials for the establishment and extension of such facilities, on condition that this is not in the nature of intermediation business or securities portfolio management; establish or

- take over other companies and facilities engaged in the same type of activity, participate in those already established; take on or grant representations;
- c) Enter into cooperation or partnership with other enterprises, companies and establishments, local or foreign, in connection with the subjects mentioned above; acquire, use, sell and lease patents, trademarks, licences, concessions, know-how, industrial designs and models; accept and furnish security;
 - d) In connection with its scope of activity and objectives, acquire, sell and lease all types of immovable property (including ships), encumber the same with usufructs, easements or other real or personal rights, create mortgages on the same, lift such mortgages, and perform all types of transactions in this regard at land registration offices such as division, unification, partition, etc.;
 - e) Undertake all types of financing for capital companies related with its subject of activity on condition that this is in accordance with the laws and other legislation governing the business of borrowing and lending money; in particular, carry out with such companies borrowing and lending transactions with or without security; accept and furnish all types of real or personal security (mortgages) in favour of them;
 - f) The principles determined within the frame of Capital Market Regulations shall be obeyed regarding the matters of establishing by the company the lien including granting of guarantees, bailment, security or mortgage for itself and in the favor of 3rd parties.
 - g) Establishment and commissioning of laboratory regarding the implementation and carrying out of tests and inspections within the activity field.
 - h) Perform all types of business transactions concerning subjects included within its scope of activity and objectives; establish assistance funds and other social organisations with legal status for its officers, employees and workers; establish foundations and join those already established; allocate part of its profit for the foundations it has established or joined or for such persons and/or institutions, in accordance with the legislation of the Capital Market Board and on condition that the first dividends are not prejudiced.

HEAD OFFICE OF THE COMPANY

Article 4:

The head office of the company is located in İstanbul, at the address Beyoğlu, Salıpaazarı, Pürtelaş Hasan Mahallesi Meclisi Mebusan Caddesi No.103. In the event of a change of address, the new address shall be recorded in the Trade Register, published in the Trade Registration Gazette of Turkey, and notified to the Capital Market Board and the Ministry of Industry and Trade. Notices served at the registered and published address shall be deemed to have been made on the Company. If the Company has left its registered and published address but failed to register its new address within the required period of time, this shall be a ground for dissolution.

DURATION

Article 5:

The duration of the Company shall be indefinite.

CHAPTER II **CAPITAL – VALUABLE PAPERS**

CAPITAL

Article 6:

The capital of the Company is YTL 28.350.000 (twenty-eight million and three hundred and fifty thousand New Turkish Liras). This capital is divided into 2.835.000.000 shares of Group A and Group B, each with a nominal value of NEW KURUŞ 1 (one).

The breakdown of the shares is as follows:

SHARE CERTIFICATES

<u>Number</u>	<u>Group</u>	<u>Type</u>	<u>Nominal Value (NEW KURUŞ)</u>	<u>Total (YTL)</u>
283.500.000	A	Registered	1	2.835.000
1.143.484.789	B	Registered	1	11.434.847.89
1.408.015.211	B	Bearer	1	14.080.152.11

The capital of YTL 28.350.000 (twenty eight million and three hundred and fifty thousand New Turkish Liras) has been fully paid.

Of the registered shares of Group B worth TL 11.434.847.89 shown in the table above, the portion of YTL 1.890.000 (one million eight hundred and ninety thousand New Turkish Liras) is held by the foreign shareholder.

The breakdown of shares between the local and foreign shareholders is as follows:

	CURRENT STATUS (Capital: 28.350.000 YTL)	
	Share (%)	Nominal Amount (YTL)
Local Shareholders	93,33	26.460.000
Foreign Shareholder	6,67	1.890.000
	100,00	28.350.000

While the nominal value of shares is 1.000 TL, this said value was amended as 1 NEW KURUŞ in accordance with 5274 numbered Turkish Commercial Code as amended. Due to this amendment, total number of shares decreased and 1 share shall be given, each with a nominal value of 1 NEW KURUŞ, against 10 shares each with a nominal value of 1.000 TL. The rights owned by shareholders arising from shares are reserved with regard to this said amendment.

Shares representing capital are registered within the framework of share registering principles.

DIVIDEND RIGHT CERTIFICATES

Article 7:

By reason of increasing the capital by TL 40.000.000 (forty million Turkish Liras), 100 free dividend right certificates to bearer have been issued to be distributed among the persons who undertake the increased capital and who have served in the foundation and development of the company. The bearers of the dividend right certificates shall have no voting rights and shall participate in the profit as shown in Article 26 hereof and in the liquidation surplus at the same proportion.

ISSUE OF SECURITIES

Article 8:

In accordance with the provisions of legislation and the present Articles of Association, the Company may issue all types of bonds, commercial paper, profit- and loss- sharing certificates and other securities which joint-stock companies may issue under the Capital Market Law and other relevant legislation.

CHAPTER III **ORGANIZATION OF THE COMPANY**

A) THE BOARD OF DIRECTORS

ELECTION OF THE DIRECTORS

Article 9:

The Board of Directors shall consist of 5 to 9 members. Half the number of Directors plus one shall be elected from among the candidates nominated by the shareholders of Group A.

TERM OF THE DIRECTORS

Article 10:

The Directors shall be elected for a term of up to three years and serve until they are replaced by new Directors. They may be re-elected. At its discretion, the General Assembly may replace the Directors at any time.

MEETINGS OF THE BOARD OF DIRECTORS

Article 11:

The Board of Directors shall meet as required for the company's business and transactions. The provisions of Article 330/2 of the Turkish Commercial Code are reserved.

REMUNERATION FOR THE DIRECTORS

Article 12:

Regardless the number of meetings, the President and other Directors shall be paid a monthly remuneration. The amount of such remuneration shall be fixed by General Assembly resolution.

FUNCTIONS OF THE DIRECTORS

Article 13:

The Directors shall adopt and execute all decisions to achieve the objectives of the Company set out herein. The responsibility of the Directors on account of their powers shall be determined under Article 336 and the following articles of the Turkish Commercial Code.

REPRESENTATION AND COMMITMENT OF THE COMPANY

Article 14:

The Board of Directors shall be in charge of administering the Company and representing it before others. All documents to be issued and contracts to be made, with or without a consideration, by the Company shall only be effective if they are signed below the Company's seal by two persons authorised to commit the Company. Just as an executive director may be authorised to commit the Company by his sole signature, an authority to sign may also be granted under Article 319 of the Turkish Commercial Code to managers who need not be shareholders. In any event, the Board of Directors shall duly register and publish the names of those who are authorised to sign in the name of the Company. If they consider it necessary, the Board of Directors may create Advisory Committees composed of shareholders or experts.

B) AUDITORS

AUDITORS

Article 15:

The General Assembly shall elect one or three auditors for a term of up to three years from among the shareholders or others.

FUNCTIONS OF THE AUDITORS

Article 16:

The auditors shall perform the duties stated in Article 353 of the Turkish Commercial Code and also have the authority and duty to make proposals to the Board of Directors for the taking of any measures they may consider necessary for the purpose of ensuring the proper management of the Company and protecting its interests, to invite the General Assembly to a meeting if required and determine the agenda of the meeting, and to draw up the report specified in Article 354 of the Code. Where important and urgent reasons emerge, the auditors must immediately exercise this authority. The auditors shall be jointly responsible for failure to carry out properly the duties entrusted to them by the Code and the present Articles of Association.

C) THE GENERAL ASSEMBLY

MEETINGS OF THE GENERAL ASSEMBLY

Article 17:

The General Assembly shall meet in the ordinary or extraordinary fashion. The ordinary meeting of the General Assembly shall be held within three months from the end of the company's accounting period and at least once a year. In this meeting, the matters specified in Article 369 of the Turkish Commercial Code shall be discussed and the necessary resolutions adopted. The General Assembly shall hold an extraordinary meeting where and when required by the company's affairs, in accordance with the provisions of the Code and the present Articles of Association, and adopt the necessary resolutions.

PLACE OF MEETING

Article 18:

The General Assembly shall meet in the head office of the company or in a suitable place in Bursa, İzmit-Kocaeli or İstanbul where the facilities are located.

PRESENCE OF MINISTRY OFFICER IN MEETINGS

Article 19:

The authorised officer from the Ministry of Industry and Trade must be present in every meeting of the General Assembly and sign the minutes. Resolutions adopted in a General Assembly meeting held in the absence of such officer, and minutes not signed by such officer, shall not be effective.

QUORUM FOR MEETINGS AND RESOLUTIONS

Article 20:

The quorums for General Assembly meetings and resolutions shall be subject to the provisions of the Turkish Commercial Code. However, in accordance with Article 11/7 of the Capital Market Law, the quorum for meetings that is specified in Article 372 of the Turkish Commercial Code shall apply to General Assembly meetings to be held for the

matters specified in the second and third paragraphs of Article 388 of the Turkish Commercial Code.

ANNOUNCEMENTS

Article 21:

The announcements of the company shall be made in a newspaper published in the place where the company's head office is located, at least fifteen days in advance, without prejudice to the provisions of Article 37/4 of the Turkish Commercial Code. If no newspaper is published in that place, the announcement shall be made in a newspaper in the nearest place. However, an announcement inviting the General Assembly to meet shall be made at least two weeks in advance, excluding the days of announcement and meeting, under the provisions of the Turkish Commercial Code. Announcements concerning a capital reduction or the liquidation of the company shall be subject to the provisions of Articles 397 or 438 of the Code. Announcements shall also comply with the regulations of the Capital Market Board.

VOTING RIGHTS

Article 22:

In General Assembly meetings, voting shall take place by a show of hands. Secret voting shall be held if requested by shareholders present in the General Assembly meeting who represent at least one tenth of the capital or by their representatives. Each share of Group A shall give its holder the right to use 5 votes in ordinary and extraordinary meetings. The provision of Article 387 of the Turkish Commercial Code shall be reserved.

APPOINTMENT OF PROXIES

Article 23:

Shareholders may have themselves represented in General Assembly meetings by proxies they appoint from among other shareholders or from outside. Proxies who are shareholders in the company shall be entitled to use the votes of the shareholders they represent as well as their own votes. The form of the Certificates of Representation/Proxy shall be determined and announced in accordance with the Turkish Commercial Code and the circulars and regulations of the Capital Market Board.

ANNUAL REPORTS

Article 24:

One copy each of the reports from the Board of Directors and the Auditors, of the annual balance-sheet, of the General Assembly minutes, and of the list showing the names and shares of the shareholders present in the General Assembly meeting, shall be furnished to the Ministry's officer present in the meeting. The financial statements and reports required by the Capital Market Board and, if the company is subject to external auditing, the report of the external auditor shall be communicated to the Board and announced to the public in accordance with the procedures and principles determined by the Board.

CHAPTER IV **FINANCIAL PROVISIONS**

THE ACCOUNTING YEAR

Article 25:

The accounting year of the company shall begin on the first day of January and terminate on the last day of December. However, as an exception, the first accounting year shall begin on the date of definitive formation of the company and terminate on the last day of December in that year.

DIVISION OF THE PROFIT

Article 26:

The net profit, which is the amount that remains after deducting from the revenues determined at the end of the accounting year the general expenses of the company, the various amounts which the company is required to pay or to set aside provisions for, such as depreciation, and the taxes which the company is required to pay, and that is shown in the annual balance-sheet, shall, after deducting the losses of previous years if any, be distributed in the following way.

Legal Reserves of the First Series:

- a) Legal reserves shall be set aside at the rate of 5 %.

First Dividends:

- b) From the balance, first dividends shall be set aside at the rate and in the amount determined by the Capital Market Board.

Without prejudice to the first dividends, the following profit items shall be set aside from the balance of the net profit available for distribution.

- c) 10 % for the holders of dividend right certificates;
- d) Up to 5 % at the discretion of the General Assembly for the Directors and for the managers and officers of the company;
- e) Up to 5 % for the foundations established or joined by the company or for such persons and/or institutions.

Second Dividends:

- f) The portion that remains after deducting the amounts in a, b, c, d and e above from the net profit may be distributed by the General Assembly partly or fully as second dividends to the shareholders in proportion to their shares or set aside partly or fully as extraordinary reserves.

Legal Reserves of the Second Series:

- g) One tenth of the amount that is found after deducting a profit share at 5 % of the paid capital from the portion decided to be distributed to the shareholders and other persons sharing in the profit shall be set aside as legal reserves of the second series under Article 466/2/3 of the Turkish Commercial Code.
- h) Unless the legally required reserves are set aside and the first dividends required hereunder for the shareholders are distributed in cash and/or in the form of share certificates, no resolution may be adopted to set aside any other reserves, to carry over the profit to the following year or to distribute any profit share to the shareholders with preference in dividend distribution, to the holders of participation, founder or ordinary dividend right certificates, to the

Directors or the officers, employees and workers, to foundations established for various purposes and to such persons and/or institutions.

Dividend advances may be distributed in accordance with the provisions of the Capital Market Law.

DATE AND MANNER OF PROFIT DISTRIBUTION

Article 27:

The date on which and the manner in which the annual profit is to be distributed to the shareholders shall be decided by the General Assembly at the proposal of the Board of Directors in accordance with the provisions of the Capital Market Law and other relevant legislation. Profits distributed in accordance with the provisions hereof shall not be reclaimed.

RESERVES

Article 28:

Reserves set aside by the company shall be subject to the provisions of Articles 466 and 467 of the Turkish Commercial Code.

CHAPTER V **MISCELLANEOUS PROVISIONS**

ARTICLES OF ASSOCIATION TO BE SENT TO THE MINISTRY

Article 29:

The company shall have copies of the present Articles of Association printed, furnish the shareholders with such copies, and send ten copies to the Ministry of Industry and Trade and one copy to the Capital Market Board.

LEGAL PROVISIONS

Article 30:

Any matters not provided for herein shall be governed by the applicable provisions of the Turkish Commercial Code, the Capital Market Law and other relevant legislation.

Article 31:

This Article has been removed.

AMENDMENTS

Article 32:

Any amendments hereto shall be subject to the permission of the Ministry of Industry and Trade and the Capital Market Board. Such amendments shall be duly approved and be registered in the Trade Register and shall become effective on the date of their publication.

NOTE:

The present Articles of Association were published in the Trade Registration Gazette on 18 July 1958 in its issue 413. However, since the articles below have later been amended, the current text has been drafted according to their latest versions.

The amendments in question were published in the Trade Registration Gazette on the dates and in the issues shown below.

Article 2	-	30.06.1970	Issue 3988
	-	27.12.1989	Issue 2431
	-	16.12.2004	Issue 6199
Article 3	-	16.03.1981	Issue 207
	-	16.06.1995	Issue 3808
	-	16.12.2004	Issue 6199
Article 4	-	13.07.1963	Issue 1909
	-	16.12.2004	Issue 6199
Article 5	-	19.08.1974	Issue 5222
	-	16.12.2004	Issue 6199
Article 6	-	28.11.1959	Issue 822
	-	18.04.1961	Issue 1241
	-	13.07.1963	Issue 1909
	-	30.06.1970	Issue 3988
	-	19.08.1974	Issue 5222
	-	20.09.1976	Issue 0057
	-	24.06.1983	Issue 0785
	-	26.06.1985	Issue 1292
	-	25.02.1987	Issue 1711
	-	21.10.1987	Issue 1875
	-	04.01.1989	Issue 2181
	-	16.11.1989	Issue 2402
	-	27.12.1989	Issue 2431
	-	23.05.1990	Issue 2532
	-	01.04.1991	Issue 2748
	-	09.10.1991	Issue 2877
	-	13.09.1993	Issue 3361
	-	27.01.1994	Issue 3458
	-	16.06.1995	Issue 3808
	-	22.05.1996	Issue 4042
-	11.04.2000	Issue 5021	
-	26.04.2002	Issue 5535	
-	16.12.2004	Issue 6199	
Article 7	-	27.12.1989	Issue 2431
	-	22.05.1996	Issue 4042
	-	16.12.2004	Issue 6199
Article 8	-	16.12.2004	Issue 6199
Article 9	-	16.12.2004	Issue 6199
Article 10	-	13.07.1963	Issue 1909
	-	27.12.1989	Issue 2431
	-	16.12.2004	Issue 6199

Article 11	-	27.12.1989	Issue 2431
	-	16.12.2004	Issue 6199
Article 12	-	16.12.2004	Issue 6199
Article 13	-	27.12.1989	Issue 2431
	-	22.05.1996	Issue 4042
	-	16.12.2004	Issue 6199
Article 14	-	16.12.2004	Issue 6199
Article 15	-	16.12.2004	Issue 6199
Article 16	-	27.12.1989	Issue 2431
	-	16.12.2004	Issue 6199
Article 17	-	16.12.2004	Issue 6199
Article 18	-	27.12.1989	Issue 2431
	-	16.12.2004	Issue 6199
Article 19	-	27.12.1989	Issue 2431
	-	16.12.2004	Issue 6199
Article 20	-	16.06.1995	Issue 3808
	-	16.12.2004	Issue 6199
Article 21	-	16.06.1995	Issue 3808
	-	16.12.2004	Issue 6199
Article 22	-	16.12.2004	Issue 6199
Article 23	-	27.12.1989	Issue 2431
	-	16.12.1995	Issue 3808
	-	16.12.2004	Issue 6199
Article 24	-	16.06.1995	Issue 3808
	-	16.12.2004	Issue 6199
Article 26	-	17.06.1969	Issue 3681
	-	19.08.1974	Issue 5222
	-	27.12.1989	Issue 2431
	-	16.06.1995	Issue 3808
	-	22.06.1999	Issue 4817
	-	16.12.2004	Issue 6199
Article 27	-	16.06.1995	Issue 3808
	-	16.12.2004	Issue 6199
Article 28	-	16.06.1995	Issue 3808
	-	16.12.2004	Issue 6199
Article 29	-	16.06.1995	Issue 3808
Article 30	-	16.06.1995	Issue 3808
Article 31	-	13.07.1963	Issue 1909
	-	16.06.1995	Issue 3808

Article 32	-	19.08.1974	Issue 5222
	-	16.12.2004	Issue 6199
Article 33	-	24.07.1978	Issue 0522
	-	16.06.1995	Issue 3808
	-	16.12.2004	Issue 6199

We hereby certify that the Articles of Association pertaining to our Company was in conformity with its last version after amendments were performed on it.

BORUSAN MANNESMANN
BORU SANAYİ VE TİCARET ANONİM ŞİRKETİ
(signature)

I hereby certify that this document is true to its original

T.R.
Beyoğlu 5th Notary
Head Clerk, Soner Ayçiçek
(official seal and authorized signature)

Date: 21st of August, 2006