

TELEGRAM AND TELEPHONE LAW

Law No : 406

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CHAPTER: 1

Basic Rules, Principles and Definitions

Article 1 - (Amended: 10/6/1994 - 4000/1 art.)

(Paragraph one amended: 5/11/2008-5809/67 art.) Services related to post and telegram facilities and operation shall be carried out by the General Directorate of Postal Administration of the Republic of Turkey (P.I.) and telecommunications services are carried out by the authorized operators .Principles and procedures concerning the provision of post and telegraphy services are determined by the Board of Directors of PTT

(Paragraph two repealed: 5/11/2008-5809/ 66 art.)

(Paragraph three repealed: 27/1/2000 - 4502/1 art.)

(Paragraph four repealed: 27/1/2000 - 4502/1 art.)

(Paragraph five repealed: 5/11/2008-5809/66 art.)

(Supplementary paragraph: 27/1/2000-4502/1 art. ; Repealed: 5/11/2008-5809/66 art.)

(Supplementary paragraph: 27/1/2000 - 4502/1 art.) Türk Telekom shall be authorized within the framework of this Law to provide all kinds of telecommunication services and to operate telecommunication infrastructure.

(Supplementary paragraph: 27/1/2000-4502/1 art. ; Repealed: 5/11/2008-5809/66 art.)

(Supplementary paragraph: 27/1/2000 - 4502/1 art.; Amended: 12/5/2001 - 4673/1 art.)Türk Telekom is a joint stock company subject to the provisions of this Law and private law. **(Repealed sentences: 5/11/2008-5809/66 art.)**

(Supplementary paragraph: 27/1/2000-4502/1 art. ; Repealed: 5/11/2008-5809/66 art.)

(Supplementary paragraph: 27/1/2000-4502/1 art. ; Repealed: 5/11/2008-5809/66 art.)

Article 2 and 4 – (Repealed: 5/11/2008-5809/66 art.)

CHAPTER: 2

Power

Article 5 and 16 – (Repealed: 5/11/2008-5809/66 art.)

CHAPTER: 3

Penal provisions

Article 17 and 28 – (Repealed: 5/11/2008-5809/66 art.)

CHAPTER: 4

Principles for Telecommunication Service Tariffs

Article 29 and 32 – (Repealed: 5/11/2008-5809/66 art.)

Article 33 - (Repealed: 18/5/1935 - 2722/8 art.)

Supplementary Article 1 - (Article 1 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 2 - (Article 2 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 3 - (Article 3 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 4 - (Article 4 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 5 - (Article 5 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 6 - (Article 6 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 7 - (Article 7 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 8 - (Article 8 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 9 - (Article 9 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 10 - (Article 10 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 11 - (Article 11 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 12 - (Article 12 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 13 - (Article 13 of supplementary Law 21/12/1931 - 1900, formed into supplementary article.)

Supplementary Article 14 - (Article 1 of supplementary Law 18/5/1935 - 2722, formed into supplementary article.)

Supplementary Article 15 - (Article 2 of supplementary Law 18/5/1935 - 2722, formed into supplementary article. Amended: 17/2/1947 - 5009/1 art.)

Supplementary Article 16 - (Article 6 of supplementary Law 18/5/1935 - 2722, formed into supplementary article.)

Supplementary Article 17 - (Supplement: 10/6/1994 - 4000/2 art.; Repealed: with the decision of the Constitutional Court dated 22/12/1994 and numbered E. 1994/70, K. 1994/65-2; Rephrased: 3/5/1995 - 4107/1 art.; Amended paragraph one: 12/5/2001 - 4673/3 art.)

All the shares of Türk Telekom can be sold except for a preference (golden) share providing voice and approval rights to the State during decision making process in authorized boards of the company in order to protect national interests concerning economy and security. For protection of national interest , the golden share has the right to vote and approve on issues like amendments in the articles of association , transfer of vinculated registered shares that have the total rate which may have an impact on control of management and record of transfer of vinculated registered shares in the shareholder's stock register.

(Amended second paragraph: 21/1/2004 - 5071/1 art.) There shall be a member representing the golden share in the Board of Directors of Türk Telekom. This member shall be appointed by the Ministry of Transport. The possessor of golden share has the right to participate in and talk at the General Assembly. The possessor of golden share shall not be involved in capital increases and shall not have profit share.

(Repealed paragraph three: 16/6/2004 - 5189/2 art.)

(Paragraphs four and five repealed: with the decision of the Constitutional Court dated 28/2/1996 and numbered E. 1995/38, K. 1996/7)

(Supplement: 1/8/1996 - 4161/1 art.) Procedural transactions related to the sale of shares shall be executed by the Presidency of Privatization Administration pursuant to the provisions of Law No. 4046 dated 24.11.1994. Values of the shares shall be determined by valuation commissions using generally recognized evaluation methods in international finance and capital markets, taking into consideration the actual economical conditions. Sale of shares shall be performed through public offering, block sale, sale in local and/or foreign capital markets, sale in the stock exchange based on stock exchange principles and procedures, sale to marketable securities investment funds and/or marketable securities partnerships.

(Amended: 12/5/2001 - 4673/3 art.) In sale of shares of Türk Telekom, 5 % of the shares shall be kept for employees of Türk Telekom and the Turkish General Directorate of Post and Telegraph Organization and for small-scale investors. These shares shall be sold through public offering in accordance with the pertinent legislation of capital markets legislation. The amount of the shares to be offered to public and their sales method, the ratio of the 5 % share reserved for employees and small-scale investors and valuation results shall be decided by the Council of Ministers upon the opinion of Presidency of Privatization Administration with the proposal of the Ministry of Transport. **(Supplementary sentence: 1/8/2003 - 49/14 art.)** Provided that the procedures and principles are determined by the Council of Ministers, marketable securities exchangeable to share certificates or convertible to share certificates may be issued or Türk Telekom can get loans or credits. In block sales, the bidding terms shall be published at least 45 days before the bidding date and finalized bidding results shall be published within 15 days in the Official Gazette and in two leading newspapers in Turkey and at least once in the approved press and media abroad. Closed

bidding shall be done in block sales of shares in accordance with Law No. 4046 Final transfer transactions shall be approved by the Council of Ministers.

(Supplement: 27/1/2000 - 4502/11 art.) The Minister to which the Presidency of Privatization Administration is associated or such other authorized representative to be designated by the Minister is authorized to execute the agreements for the transfer of ownership of the shares to be sold and other agreements and other necessary documents in all kinds of sale transactions within the terms and conditions set out in the Decisions of Council of Ministers referred to above.

Supplementary Article 18 - (Supplement: 10/6/1994 - 4000/2 art.; Repealed: 5/11/2008-5809/66 art.)

Supplementary Article 19 - (Supplement: 3/5/1995 - 4107/3 art.; Amended: 12/5/2001 -4673/4 art.) The incomes derived from sale of public shares and securities exchangeable to share certificates or convertible to share certificates in Türk Telekom and incomes derived from GSM authorization and concession agreements and telecommunication licenses and general authorizations shall be fully transferred to the Treasury.

Supplementary Article 20 – (Supplement: 3/5/1995 - 4107/3 art.; Repealed: 5/11/2008-5809/66 art.)

Supplementary Article 21 - (Supplement: 1/8/1996 - 4161/3 art.; Amended: 12/5/2001 - 4673/5 art.)

In order to determine the value of shares and license fees, an evaluation commission and in order to undertake the bidding and sale transactions upon the share value determined by the evaluation commissions and approved by the Council of Ministers, a bidding commission shall be established according to this Law. The commissions shall comprise of 5 members being two representatives of Ministry of Transport, two representatives of Presidency of Privatization Administration and one representative of Undersecretariat of Treasury. Alternate members shall be selected for each representative from the pertinent institution. One of the representatives of Presidency of Privatization Administration shall be the chairman of these commissions. One of the representatives of Presidency of Privatization Administration shall be the chairman of these commissions. The members of the commission shall be graduates of universities with majors on economics, management, public administration, international relations, law, statistics or engineering. However, pursuant to undergraduate education, individuals who obtained master's degree on the above mentioned majors may also be members of the commission.

The term of duty for commission members is one year. The member whose term has ended may be appointed again. Alternate member shall be called instead of the principal member who can not participate in the commission due to legal or de facto reasons. The commissions shall meet with the participation of all members. Commissions shall make their decisions with the consensus of at least three members. National and foreign consultants may be appointed to assist the evaluation and bidding commissions with the condition that they do not participate in the decision making processes. Selection of consultants shall be realized by the Presidency of Privatization Administration upon the proposal of the commissions.

The secretarial services of the commissions shall be undertaken by the Presidency of Privatization Administration. The monthly allowances, increases, compensations and other financial social rights and supports of members shall be paid by their institutions to commission members and they shall be excused from their main duties during the term they serve in the commissions.

All the expenses regarding the works of evaluation and bidding commissions shall be covered from the Privatization Fund of the Presidency of Privatization Administration. **(Supplementary sentence: 1/8/2003- 49/16 art.)** All expenses, related to sale of shares and covered from the Privatization Fund, shall be deducted from the revenues to be obtained from the sale and be paid by the Treasury to the Privatization Fund.

Presidency of Privatization Administration is authorized to conclude the consultancy service agreement with the consultants and underwriting agreement necessary at the stage of public offering upon the proposal of the bidding commission.

Supplementary Article 22 - (Supplement: 27/1/2000 - 4502/13 art.)

Status, salary regime and retirement of the Türk Telekom personnel shall be as follows:

a) Status of the Personnel: **(Supplementary phrase: 12/5/2001 - 4673/6 art.)** Until the public share in Türk Telekom falls below 50 %, members of the Board of Directors of Türk Telekom shall fulfill the general conditions necessary to be appointed as government officials and be graduates of universities with at least four-year education. **(Repealed sentences two and three: 16/6/2004 -5189/12 art.)** Other personnel shall be employed under the general labor legislation. Terms and conditions applicable to those who are employed under the general labor legislation shall be determined by the Board of Directors.

Investigation for security purposes shall be carried out pursuant to the provisions of the current legislation for the recruitment of the Türk Telekom personnel.

Türk Telekom may employ local and foreign managers and experts under private contracts upon a resolution adopted by the Board of Directors.

b) (Repealed paragraph one: 16/6/2004 - 5189/12 art.)

The monthly salaries of other employees of Türk Telekom, who are subject to labor legislation, shall be determined by the Board of Directors authorized to appoint them.

Per diem allowances of Türk Telekom employees and principles and procedures applicable to the payment of per diem allowances shall be determined by the Board of Directors of Türk Telekom.

c) Retirement of the personnel: In the event that the personnel working subject to the Turkish Pension Fund on the date of the entry into force of this Law prefers to be employed under the Labor Code, their relationship with the Pension Fund shall continue if they so prefer. In this case, term of employment of such personnel shall be evaluated as per the Civil Servants Law No. 657 and the Turkish Pension Fund Law No. 5434. In the retirement proceedings of such personnel, additional charts and specified office compensations

applicable to the same cadres, titles and degrees of positions similar to classes of those which they may fit in considering the tasks they are performing, as per the Civil Servants Law numbered 657 shall be applicable to such personnel, provided that it shall not exceed the additional chart amount applicable to general managers under the General Administrative Services class.

Supplementary Article 23 - (Supplement: 27/1/2000 - 4502/13 art.) A Türk Telekom Health Aid Fund, which is a successor to the existing Health Aid Fund, is established to deal with the medical treatment of Türk Telekom employees and their families pursuant to the terms to be determined by the board of directors of Türk Telekom. Sources of this Fund are:

- a) Money to be paid every year to the budget of Türk Telekom corresponding to the salaries of the personnel up to the 1 % portion of the appropriation amount,
- b) Withholdings from the salaries of the personnel which shall not exceed 1 % of their salaries,
- c) Interests and other revenues arising from investments made with the capital of the fund and its activities,
- d) Donations, and
- e) Other incomes.

Principles and procedures applicable to the organization, duties, authorities, responsibilities and implementations; liquidation of the fund, conversion of it into private health insurance system or carrying out other necessary arrangements shall be determined by the Board of Directors of Türk Telekom until 31.12.2003.

Supplementary Article 24 - (Supplement: 27/1/2000 - 4502/13 art.) PTT Members Joint Bail Fund which is established pursuant to Article 17 of the Law dated 13.7.1953 and numbered 17 and determined to be in effect until a new regulation, is hereby terminated with this Law. All the assets, goods, debts and obligations of PTT Civil Servants Bail Fund shall be divided with a protocol to be executed between the General Directorate of Post and Telegraph Organisation of the Republic of Turkey and Türk Telekom and thereupon such fund shall be dissolved. Such protocol shall be executed within maximum three months after the entry into force of this Law.

Two separate funds named as "PTT Personnel Joint Bail Fund" and "Türk Telekom Personnel Joint Bail Fund" shall be established to provide the continuity of the rights and obligations of the fund which shall be dissolved and divided between the Turkish General Directorate of Post and Telegraph Organisation and Türk Telekom. PTT Personnel Joint Bail Fund shall not be subject to the provisions of the Bail Law No. 2489 dated 2.6.1934. The personnel who shall be related with this fund shall be determined pursuant to the principles specified by the Board of Directors of Türk Telekom.

The Board of Directors of Türk Telekom shall be authorized for the liquidation of the fund and to carry out necessary arrangements it deems necessary.

The personnel currently working in the PTT Civil Servants Bail Fund shall be transferred with their current status and rights to Turkish General Directorate of Post and Telegraph Organisation and Türk Telekom according to the ratios applied in the division of the assets of the fund and as agreed in the relevant protocol.

Provisional Article 4 shall be applicable to the personnel transferred to Türk Telekom.

Procedures regarding the dissolution of the fund and transfer of the personnel shall be finalized within one month after the execution of the relevant protocol.

Supplementary Article 25 – (Supplement:27/1/2000-4502/13 art.; Repealed: 5/11/2008-5809/66 art.)

Supplementary Article 26 – (Supplement:27/1/2000-4502/13 art.; Repelaed: 5/11/2008-5809/66 art.)

Supplementary Article 27 – (Supplement : 12/5/2001 - 4673/7 art.; Repelaed: 5/11/2008-5809/66 art.)

Supplementary Article 28 - (Supplement: 12/5/2001 - 4673/7 art.)All the protocols and contracts concluded by Türk Telekom with Turkish Armed Forces, Ministry of National Defence and other public authorities and institutions related to the national security, safety and order regarding the undertaking of telecommunication services shall keep validity.

Supplementary Article 29 - (Supplement: 12/5/2001 - 4673/7 art.; Amended: 16/6/2004 -

5189/4 art.) (Amended paragraph one: 3/7/2005 - 5398/14 art.) In case of fall of the public share below fifty percent due to transfer of Türk Telekom shares; the personnel working in Türk Telekom in essential and permanent positions as determined by the provisions of paragraph (a) of supplementary article 22, as repealed by this Law, and the personnel working with cadres or as contractual personnel subject to the Decree Law No. 399 dated 22.1.1990 and the personnel out of scope shall be considered on unpaid leave from government duties for one hundred and eighty days. These personnel shall continue working in Türk Telekom for the determined period, and their monthly salaries, travel allowances, health expenses, funeral expenses and death allowances and other financial and personnel rights shall be paid by Türk Telekom from the date of share transfer to the date of notification to the State Personnel Department. Among the personnel who are subject to transfer within the period specified in this paragraph, the ones whose service is determined to be no more needed by Türk Telekom shall be notified to the State Personnel Department within at the latest ninety (on the condition that one hundred eight days of unpaid leave is not exceeded and with their salaries calculated in line with the paragraph three on January 15, 2006). The period for determination of the personnel whose service is not required and the period for request of transfer voluntarily shall not exceed one hundred and fifty days as of the date of share transfer. **(Amended last sentence: 9/2/2006 - 5457/1 art.)** Among the personnel who continue to be employed on the basis of the legislation to which the Türk Telekom is subject to and the contract signed by the Parties following the expiration of the unpaid leave period, who are covered by the first sentence of this Article hereby, those whose five-year contract expires for any reason within five years as of the date of transfer of shares shall be notified to the State Personnel Department, within thirty days as of the expiration date of the contract, along with their salaries that are calculated in accordance with the Paragraph three on January 15 of the year in which the contract expires on the condition that any transaction shall be conducted in full accordance with this Article hereby and their monthly salaries, travel allowances, health expenses, funeral expenses and death allowances and other financial and personnel rights shall be paid by Türk Telekom from the date of share transfer to the date of notification to the State Personnel Department. **(Supplementary sentences: 9/2/2006 - 5457/1 art.)** In applying the provisions of the Paragraph three on the concerned personnel, their cadre and position titles at the date of the transfer of shares are taken as a basis. As for the personnel who continue to work in Türk Telekom with unpaid leave from public service for a maximum period of one hundred and eighty days he provisions set out in this Article hereby and those who prefers not to use their rights of being transferred to another public institution

and continue to work in Türk Telekom under a new contract that is subject to in line with the Labor and Employment Law will remain under the same social security scheme on the basis of the premiums cut from their salaries and the institution contributions paid by the Türk Telekom, unless they request otherwise. A joint statement that is based on reciprocity is submitted to the State Personnel Department for the personnel who have renounced their rights of being transferred to another public institution. In determining the retirement rights and liabilities of those whose coverage under the social security scheme (by which they used to be covered previously) is maintained, their cadres, duties or positions (which were taken as a basis for the retirement rights and liabilities at the date of the transfer) shall be taken as a basis as well. For the personnel whose coverage under the same social security scheme is maintained under the above-mentioned provisions, the period in which they are entitled to claim a transfer to another public institution or the period in which their transfer procedure continues shall be considered to have passed in their status at the date of the transfer of share and this period is included in the calculation of monthly enhancements; and their deserved rights, monthly degrees and classes continue to rise under the framework of the general conditions. During the calculation of the rights, monthly degrees and classes deserved by those severance pay of those whose employment contract expires within five years as stated in this paragraph are paid in line with the Paragraph four of the Supplementary Article 32 of this Law. In case the personnel, who requested that their coverage under the social security scheme (by which they used to be covered in the past) were maintained, continue to work in Türk Telekom after the expiration of five years, actions is taken concerning their retirement rights and liabilities in line with the principles and procedures set out above.

The personnel, notified in a list, shall be transferred by the State Personnel Department to other public institutions and organizations pursuant to the procedures and principles mentioned in article 22 of Law No. 4046 dated 24.11.1994, and the provisions of the mentioned article shall be applied for such personnel. However, pursuant to Article 22 of Law No. 4046 payments which provided to be made from the Privatization Fund shall be made by the Treasury and for the personnel out of scope, who renounced their right of transfer, the periods for implementation of paragraph four, article 22 of Law No. 4046 shall be considered ten days to commence from the date of declaration for those who submitted a declaration in writing, and to commence from the date of notification of the decision for those whose service is not required.

In implementation of the provisions of paragraph four and five, article 22 of the Law No. 4046 for the personnel working in the status of contractual personnel and those working in the status of personnel out of scope, among the personnel included within the scope of paragraph one, the amount to found through application of increments to be made to public servants within the period to pass following determination of their titles as of the date of notification to the State Personnel Department shall be taken into consideration and the Board of Directors shall determine the salaries and other financial rights based on these titles as of 15.4.2004. In the case that title based salaries of the personnel out of scope, who were notified to the State Personnel Department, were not determined until 15.4.2004, then the Board of Directors shall be authorized to determine the salary and other financial rights of these personnel as of this date, taking into consideration the salaries of other personnel at similar positions. In implementation of the provisions of paragraph four and five, article 22 of the Law No. 4046 for the personnel working in the status of essential and permanent positions, the amount to found through application of increments to be made to public servants within the period to pass following determination of their titles as of the date of notification to the

State Personnel Department shall be taken into consideration and the Board of Directors shall determine the salaries and other financial rights based on these titles as of 15.4.2004, and in implementation of the provisions of paragraph six of the mentioned article, salaries and other financial rights determined for the personnel subject to the table (I), annex of the Decree Law numbered 399 shall be considered.

Pursuant to the provisions of labor legislation, no compensation shall be paid to the personnel out of scope subject to Labor Law No. 4857, who were transferred to other public institutions and establishments. Previous service terms of the transferred personnel basis to severance pay, excluding the periods for which severance pay was paid, shall be taken into consideration in calculation of the retirement benefits pursuant to the provisions of the Turkish Pension Fund Law No. 5434.

In one year following the fall of public share below 50 % due to transfer of Türk Telekom shares, those who lost their jobs due to abrogation of the service contracts of employees working according to Labor Law No. 4857 by the employer without a just cause or who are out of work due to the employees' abrogating the service contract with just causes excluding retirement according to Labor Law No. 4857 shall benefit from the loss of job compensation and other services mentioned in Article 21 of Law No. 4046. Turkish Employment Organization shall be authorized, responsible and in charge of undertaking transactions in this regard. However, the payments which should be made by the Presidency of Privatization Administration pursuant to Article 21 of Law No. 4046 shall be made by the Treasury.

Supplementary Article 30 - (Supplement: 21/1/2004 - 5071/2 art.) Provided that privatization price is transferred to the Undersecretariat of Treasury, and no prejudice is found against the ownership and dividend rights of the Undersecretariat of Treasury, and provided that all financial rights arising from the public shares shall be reserved by the Undersecretariat of Treasury; the rights and powers including voting, management, representation or auditing rights that are granted to the Undersecretariat of Treasury against its shares in Türk Telekom shall be exercised by the Ministry of Transport.

Supplementary Article 31- (Supplement:16/6/2004-5189/5 Repealed: 5/11/2008-5809/66 art.)

Supplementary Article 32 - (Supplement: 16/6/2004 - 5189/5 art.)

(Paragraph one to three repealed: 5/11/2008-5809/66 art.)

The amount of severance benefit to be paid to the permanent and contracted personnel subject to the labor legislation for their service term under the Law No. 5434 shall be calculated, after the decrease of public share in Türk Telekom below 50 %, based on the provisions of labor legislation by considering that this service is provided under laborer position.

(Paragraph five repealed: 5/11/2008-5809/66 art.)

In the case that personnel, who are the members to the relief funds, quit their positions in Türk Telekom and its affiliates, their membership shall continue based on the provision of continuity.

Supplementary Article 33 - (Supplement: 16/6/2004 - 5189/5 art.)

A joint stock company has been established under the commercial title of Türksat Uydu Haberleşme Kablo TV ve İşletme Anonim Şirketi (Türksat Satellite Communication Radio TV and Operation Joint Stock Company-Türksat A.Ş.) in order to possess the rights for management and operation of satellite orbit positions; to fulfill relevant obligations thereon; to rent or request the rent of satellites of other operators; to operate these satellites; to establish communication and transmission infrastructure over satellites of national and foreign operators; to provide any technical services through cable TV infrastructure; to carry out TV broadcasting and satellite platform operation activities; to carry out and operate all kinds of activities in the field of information and communication technologies and e-government portal services that provide public services to be carried out through electronic means and to carry out commercial activities in accordance with the provisions of the Turkish Code of Commerce No. 6762 and private law excluding the provisions of this law concerning the establishment and registration thereof.

Türksat A.Ş. shall commence its commercial activities upon its registration and announcement to be made following the execution of the articles of association, which shall be prepared in accordance with the provisions of this law and appropriate provisions of the Turkish Code of Commerce. The provisions of the Turkish Code of Commerce concerning immediate and gradual establishment and the provision of capital in kind and in cash as well as the provisions of articles 277, 329, 368 and 422 shall not be applied to Türksat A.Ş.

Shares of Türksat A.Ş. shall be completely held by the Undersecretariat of Treasury. Without prejudice to the ownership and dividend rights of the Undersecretariat of Treasury; the rights and powers including voting, management, representation or auditing rights that are granted to the Undersecretariat of Treasury against its shares in Türksat A.Ş. shall be exercised by the Ministry of Transport, provided that all financial rights arising from the public shares shall be reserved by the Undersecretariat of Treasury.

Any satellites, satellite ground control stations, satellite ground stations of communication, satellite orbit positions, any movable and immovable properties, equipment, tools, material, software, hardware used in satellite communication, any intellectual and industrial rights, any similar rights and receivables, all shares in Eurasiasat SAM, having its registered office in Monaco, allocations, coordinations and registrations of frequency for orbit positions, any contracts and loan agreements on satellite services, all rights, receivables and payables, any lawsuits that are already or will be brought for or against, executive proceedings, all shares in Intelsat, Eutelsat, ICO and Inmarsat companies, any rights, liabilities and powers of Türk Telekom shall be transferred to Türksat A.Ş. upon the execution of protocols within two months following its startup. All transfer and assignment transactions related to these transfers and any agreements, protocols and instruments to be issued for these transactions shall be exempt from any taxes, dues, charges and similar financial obligations including value added tax and stamp duty.

Türksat A.Ş. shall employ personnel subject to the labor legislation. Voluntary personnel of Türk Telekom, who is subject to the labor legislation, shall be transferred to Türksat A.Ş., subject to the approval of the Board of Directors of Türksat A.Ş., within three months following the date on which Türksat A.Ş. starts its commercial activities. Number of personnel to be transferred in this way can not exceed two hundred and fifty persons. Relations of the personnel with the social security which they are affiliated to, and the implementation of severance benefit shall continue in Türksat A.Ş. subject to the same procedures and principles.

An authorization agreement shall be signed between Türksat A.Ş. and the Authority regulating the rights, authorities and obligations on performance of the services mentioned in this article and operation of the infrastructure. Authorization agreement shall be sent to the Council of State for its opinion, within two months at the latest following entry into force of this article, and following notification of the opinion of the Council of State within two months, the agreement signed between Türksat A.Ş. and the Authority shall become effective.

Türksat A.Ş. shall not be subject to the provisions of Public Procurement Law No. 4734, Public Procurement Contracts Law No. 4735, Allowances Law No. 6245 and Law on Court of Accounts No. 832 irrespective of the amount of public share in its capital. However, the provisions of Article 9 of Law No. 3346 dated 2.4.1987 on the auditing of Turkish Grand National Assembly shall be applicable.

References made to Türk Telekom in other laws on satellite communication and cable TV services shall be considered as made to Türksat A.Ş. Provisions of the relevant legislation which are not in breach of this Law shall continue to be in effect until the necessary arrangements required under this article enters into force.

The Council of Ministers shall be authorized to determine the procedures and principles on communication through satellites, transmission from satellites, satellite operation, orbit and satellite management, planning and designing of new satellites and performance of other administrative and commercial services related to the same by Türksat A.Ş. and to make regulations concerning establishment of new companies or becoming partners to existing companies.

Initial capital of Türksat A.Ş. is one hundred and twenty five trillion Turkish Liras, and this amount shall be provided by Türk Telekom. Türk Telekom shall debit, in the name of the Undersecretariat of Treasury, the difference between assets and liabilities including income, expenditure, payables and receivables, which will be assigned to Türksat A.Ş. by Türk Telekom. This amount shall be liquidated against the first dividend receivable of the Türk Telekom, without prejudice to the dividend to be transferred to the Treasury in 2004 out of Türk Telekom's incomes received in 2003. The positive difference between assets and liabilities taken over by Türksat A.Ş. shall be incorporated into Türksat's capital as a share of the Undersecretariat of Treasury.

(Supplementary paragraph eleven: 21/4/2005 - 5335/1 art.) The ownership right of Türksat A.Ş. to the satellite communication and cable TV infrastructure shall continue after the expiration of authorization agreement. **(Amended sentence: 5/11/2008-5809/67 art.)** Public authorities and institutions and Kızılay (Turkish Red Crescent Society) may procure any satellite-based services from any enterprise, on condition that they employ a satellite that is managed by Türksat A.Ş. (Türksat Satellite Communication Radio TV and Operation Joint Stock Company). Under the scope of Law no 5369, public authorities and institutions are not subject to the provisions of Public Procurement Law No. 4734 and dated 4/1/2002 in terms of the services they would directly buy from Türksat A.Ş. **(Supplementary sentence: 5/11/2008-5809/67 art.)** Public authorities and institutions which are subject to Public Procurement Law No. 4734 and dated 4/1/2002, are not subject to Public Procurement Law No. 4734 and dated 4/1/2002 in terms of the services they would directly buy from Türksat A.Ş., under the scope of the information and communication services concerning the e-government applications.

Supplementary Article 34- (Supplement:16/6/2004-5189/5 art.; Repealed: 5/11/2008-5809/66 art.)

Supplementary Article 35 - (Supplement: 16/6/2004 - 5189/5 art.)

(Paragraph one repealed: 5/11/2008-5809/66 art.)

Any movable and immovable properties and equipment including poles, towers, booths, containers, antennae, waveguide, power transmission lines and other similar infrastructural facilities used in the electronic communication shall not be subject to building license and permission for the use of building stipulated in the Physical Development Planning Law No. 3194 and relevant regulations, provided that they are established pursuant to the provisions of the law and by-laws issued by the Authority and that necessary licenses and permits are obtained from the competent Authority.

Supplementary Article 36 - (Supplement: 3/7/2005 - 5398/15 art.)

The following provisions are taken into consideration in respect to the payments of contribution to the expenses of the Authority and payment of Treasury share in the scope of the concession agreements between the Authority and the GSM operators

Operators; pays 15% of the monthly gross sales, excluding the delay interest rates for the non-paid invoices, indirect duty, duty and stamp tax liabilities that they assign to their subscribers and accrual amounts registered for reporting purposes, as the Treasury Share, until the evening of the 20th day of the month following the concerned month.

Gross sales means the total values which are received or invoiced in return for the goods sold or services rendered as part of the activities of the Operator and recorded to the account "60. Gross Sales" among the income table accounts.

Supplementary Article 37 - (Supplement: 24/7/2008-5793/1 art.)

a) The Operators who have been authorized to render mobile telecommunication services that are open to the public, at national level and whose number is limited by the Authority shall pay the 15% of the monthly gross sales, excluding default interests accrued to the subscribers for overdue costs and other financial liabilities such as indirect taxes, dues and charges and any accrued liabilities for reporting purposes as Treasury Share.

b) The other operators who render telecommunication services through the networks of the authorized operators who have been authorized to render mobile telecommunication services that are open to the public, at national level and whose number is limited by the Authority shall pay 15% of the monthly gross sales made by, excluding default interests accrued to the subscribers for overdue costs and other financial liabilities such as indirect taxes, dues and charges and any accrued liabilities for reporting purposes as Treasury Share.

The shares which are calculated as monthly periods are paid to the account of the Undersecretariat of Treasury not later than the evening of the twentieth day of the month following the month in which the concerned amount has accrued. The Treasury Shares which are not paid within this given period shall be followed and collected in line with the provisions set out in the Law Concerning the Public Receivables No.6183. Default interest is applied on the Treasury Shares which have not been paid within the given time for the period between the due date and the date of payment in line with the Article 51 of the Law No.6183.

Gross Sales denote the amounts which comprise the total values received or charged by the operators in the course of their activities as consideration for goods sold and services

rendered and which are entered, among the accounts on the revenue table, in the account designated as '60 Gross Sales'."

Undersecretariat of Treasury shall reserve its right to demand explanation, any kind of information and document from the Operators who are liable for paying Treasury Share, in addition to request them to fulfill their obligations under the license and the concerned laws. Undersecretariat of Treasury is entitled to conduct any kind of investigation or inspection including the concerned operators, their distributors, vendors and their information system.

In the event that the other operators who render telecommunication services through the networks of the operators who have been authorized to render mobile telecommunication services that are open to the public, at national level and whose number is limited by the Authority to pay the Treasury Share in three subsequent periods within each one year as of the date of authorization, the relevant authorization shall be terminated in one month upon the notification of the Undersecretary of Treasury, at the end of the term of the third undue payment.

Provisional Article 1 – (Supplement: 10/6/1994 - 4000/3 art.; Repealed: 5/11/2008-5809/66 art.)

Provisional Article 2 – (Supplement:10/6/1994-4000/3 art.; Repealed: 5/11/2008-5809/66 art.)

Provisional Article 3 - (Supplement:10/6/1994-4000/3 art.)

Any references made to the Turkish General Directorate of Postage, Telegram and Telephone Enterprise in the Law No. 406 and other laws shall be considered, in terms of service areas, as a reference to Türk Telekomünikasyon Anonim Şirketi or the General Directorate of Postal Administration of the Republic of Turkey (P.İ.).

Provisional Article 4 – (Supplement:10/6/1994 - 4000/3 md.; Repealed: 5/11/2008-5809/66 art.)

Provisional Article 5 – (Supplement:3/5/1995 - 4107/4 md.; Repealed: 5/11/2008-5809/66 art.)

Provisional Article 6 – (Supplement: 1/8/1996 - 4161/4 md.; Repealed: 5/11/2008-5809/66 art.)

Provisional Article 7- (Supplement: 1/8/2003-4971/17 md.; Repealed: 5/11/2008-5809/66 art.)

Provisional Article 8- (Supplement: 16/6/2004-5189/6 md.; Repealed: 5/11/2008-5809/66 art.)

Provisional Article 9- (Supplement: 17/9/2004-5234/18 md.; Repealed: 5/11/2008-5809/66 art.)

Provisional Article 10- (Supplement: 21/4/2005 - 5335/1 md.; Repealed: 5/11/2008-5809/66 art.)

Provisional Article 11- (Supplement: 16/6/2005-5369/11 md.; Repealed: 5/11/2008-5809/66 art.)

Provisional Article 12 -(Supplement: 3/7/2005 - 5398/16 md.; Repealed: 5/11/2008-5809/66 art.)

Article 34 – (Repealed: 5/11/2008-5809/66 art.)

Article 35 - This Law shall be effective as of the date of its publication.

Article 36 - Ministry of Interior and Ministry of Justice are authorised for execution of this Law.