

**Law Amending Certain Articles of the Telegram and Telephone Law, Law on Organisation and Responsibilities of the Ministry of Transport and Wireless Law, Law on Savings and Aid Fund of the Posts Telegraphs and Telephone Administration and Organisational Charts attached to the Decree with the Force of Law on the General Cadrees and Procedures**

ARTICLE 1. – The section heading of the Telegram and Telephone Law dated 4.2.1924 and numbered 406 as "SECTION: 1 Monopoly" is amended to read as "SECTION 1 -: Basic Rules, Principles and Definitions", and the third and fourth paragraphs of amended Article 1 is deleted and the following paragraphs are added at the end of the Article.

"The provision of telecommunication services and establishment and operation of telecommunication infrastructure is subject to this Law.

Türk Telekom is authorised within the framework of this Law to provide all kinds of telecommunication services and operate telecommunication infrastructure.

The rights and obligations of Türk Telekom in relation to the foregoing authorisation shall be set out in the authorisation agreement and/or authorisation agreements which shall be executed with the Ministry. Türk Telekom is obliged to provide universal services set out in its authorisation agreements.

Türk Telekom is a joint stock company subject to the provisions of this Law and private law. Legislation regarding the establishment, organization and activities of State Economic Establishments shall not apply to Türk Telekom. Only the provisions of Article 9 of Law dated 2.4.1987 and numbered 3346 relating to auditing by the Turkish Grand National Assembly shall apply.

This Law shall not be applicable to any kind of telecommunication and command-control system, equipment, devices and networks of the Turkish Armed Forces, and to telecommunication and command-control facilities and services which are established or shall be established by operators as ordered and paid by the Turkish Armed Forces.

In this Law:

Ministry: shall mean the Ministry of Transport,

Authority:, shall mean the Telecommunication Authority established by the amended Article 5 of the Wireless Law dated 5.5.1983 and numbered 2813,

Türk Telekom: shall mean Türk Telekomünikasyon Anonim Şirketi,

Operator: shall mean a capital company including Türk Telekom providing telecommunication services and/or operating telecommunication infrastructure under an authorisation agreement, a concession agreement entered into with, and/or a telecommunication license or a general authorization obtained from, the Ministry,

Capital company: shall mean the capital company incorporated or to be incorporated in Turkey which satisfies the conditions determined by the Ministry,

Subscriber: shall mean an individual or a legal entity who executes an agreement with an operator providing telecommunication services to benefit from such services,

**Public Telecommunications Network:** shall mean the transmission system network including without limitation transmission infrastructure and switching equipment which provides telecommunication between certain points through which publicly available telephone services are provided,

**Minimum service:** shall mean the minimum set of universal services types of special quality whose subject and scope is defined by the Ministry upon receipt of affirmative opinion of the Authority and the operators, which is accessible to everyone independent of their geographical location and at a reasonably affordable price, including public pay-phone, emergency telecommunication services and telephone directory services,

**General authorisation:** shall mean the general regulatory act of the Ministry which authorizes the operators to provide telecommunication services subject to certain general conditions and registration before the Ministry,

**Authorization agreement:** shall mean a contract between Türk Telekom and the Ministry the term of which shall be determined by the Ministry pursuant to its terms and which sets out all the relevant authorities, rights and obligations for the provision of all kinds of telecommunication services including the value added services and operation of telecommunication infrastructure,

**GSM authorization agreement:** shall mean a contract between Türk Telekom and the Ministry which is executed to set out such authorities, rights and obligations to provide GSM 1800 mobile telecommunication services and to operate relevant telecommunication infrastructure,

**Concession agreement:** shall mean a contract between the Ministry and an operator pursuant to which such operator may provide telecommunication services and/or operate infrastructure as set out in that concession agreement,

**Value added telecommunication services:** shall mean the telecommunication services which employ computer processing applications that act on the format, content, code, protocol or similar aspects of the subscriber's transmitted voice, data and all other types of messages; provide the subscriber or the user additional, different or restructured messages; or involve subscriber interaction with stored message,

**Private telecommunication network:** shall mean the telecommunication networks set out in the paragraph (a) of Article 2,

**User** shall mean an individual or a legal entity who uses telecommunication services regardless of same having a subscription,

**Mobile telecommunication services:** shall mean telecommunication services between land mobile stations and satellite and land stations or between land mobile stations themselves,

**Roaming:** shall mean inter-systems conveyance which provides operation of services of an operator through the equipment of clients of another operator or which provides interconnection to another system, provided that certain technical compatibility exists,

**Network:** shall mean all kinds of transmission system including switching equipment and lines between one or more termination points to provide telecommunication between such points,

Telecommunications: shall mean the transmission, emission and reception through cable, wireless, optical, electric, magnetic, electro magnetic, electro chemical, electro mechanic and other transmission systems of all kinds of sign, symbol, voice and image and all kinds of data which can be converted into electric signals,

Telecommunication infrastructure: shall mean all types of network units including without limitation switching equipment, hardware and softwares, terminals and lines on or through which telecommunication is conveyed,

Operating (to operate) telecommunication infrastructure: shall mean to establish, cause others to establish and to lease or to procure in such other ways the necessary telecommunication facilities for the relevant infrastructure and to provide that facility to the use of other operators or to other requesting individuals and legal entities,

Telecommunication service: shall mean the provision of all or some of the activities which fall within the definition of telecommunication, as a service,

Telecommunication license: shall mean the license issued by the Ministry for the provision of telecommunication services and/or operation of infrastructure as set out in such license."

Interconnection: shall mean the connection of two networks for the provision of telecommunication traffic between two different telecommunication networks,

Interconnection provider: shall mean the individual or legal entity (owning the) network upon which interconnection will be provided.

ARTICLE 2. – Article 2 of Telegram and Telephone Law dated 4.2.1924 and numbered 406 is amended as follows.

"Article 2 - a) No person may provide a telecommunication service and/or establish and operate an infrastructure except under an authorisation agreement, a concession agreement entered into with, or a telecommunication license or a general authorization obtained from, the Ministry. However, the following activities are not subject to a concession agreement, a telecommunication license or a general authorization:

1) Personal telecommunication networks of an individual or a legal entity which are within immovables in its use and do not exceed the borders of each of these immovables, and which are used exclusively for personal or institutional needs and which do not involve the provision to third parties of any telecommunication services.

2) telecommunication facilities established exclusively for the purposes of the services entrusted to public entities and organisations pursuant to special laws relating to such entities and organisations.

The Authority is empowered to inspect such facilities in respect of them being compliant with the principles under this article to determine the applicable terms and procedures and to detect the compatibility of the equipment to the standards if and when interconnection is requested, the equipment used in respect of compliance with the standards, and to cause the removal of non-compliant facilities and equipment.

b) The authorization agreement and/or agreements which sets out the authorities, rights and obligations of Türk Telekom in respect of the provision of telecommunication services and the operation of telecommunication infrastructure shall be executed after such agreement is submitted to Danıştay for its opinion and the period mentioned in the

Constitution has elapsed. After the expiration of their terms such agreements may be renewed under the same terms and conditions with other concession agreements applicable to similar fields. The ownership right of Türk Telekom on the public telecommunications network shall continue after the expiration of the term of the authorization agreement. The conditions applicable to certain telecommunication services which may be carried out by or through companies that are established by Türk Telekom or to which Türk Telekom is a shareholder; are regulated under the authorization agreements.

c) Türk Telekom shall carry out telephone services which are provided through telecommunication networks and including national and international voice telephony as a monopoly, until 31.12.2003, within the framework of this Law and the authorisation agreement. Establishment and operation of all telecommunications infrastructure, other than private telecommunication networks and telecommunication infrastructure which is contemplated to be established by the relevant operator pursuant to their concession agreements or telecommunication licenses or general authorizations, are included in the monopoly scope.

Requests of other operators and individuals using private telecommunication networks to interconnect to the public telecommunications network and their requirements to benefit from telecommunication infrastructure facilities shall be initially met by Turk Telekom during the monopoly period specified above. If Turk Telekom will not be able to meet the need of an operator or an owner of a private telecommunication network then, such operator or the owner of a private telecommunication network may establish the necessary infrastructure facility himself pursuant to terms of its concession agreement or telecommunication license or the Ministry may grant a concession or a telecommunication licence for the establishment of such infrastructure.

d) After the expiration of the monopoly rights of Turk Telekom, capital companies other than Türk Telekom shall also be authorized to provide telecommunication services and to operate infrastructure which are within the scope of paragraph (c) above within the framework of article 3 provisions, if such authorization is considered as appropriate by the Authority. Provisions of the authorization agreement of Turk Telekom shall continue to be in effect after the expiration of the monopoly period. Unless stated otherwise in the authorization agreement and GSM authorization agreement, authorization agreement and GSM authorization agreement shall be subject to the provisions determined for concession agreements. No discrimination shall be made between Turk Telekom and other operators for the provision of new generation telecommunication services.

e) In the authorisation agreement to be executed between the Ministry and Turk Telekom and in concession agreements to be executed between the Ministry and other capital companies and if deemed necessary, in licenses and general authorizations granted by the Ministry, provisions addressing, among others, the following matters shall be included under reasonable and non-discriminatory terms and conditions:

1) A clear definition of the telecommunication service and infrastructure, and its geographical and qualitative coverage,

2) The term of rights and obligations under the concession agreement, and the principles for renewal,

3) Investments to be made in accordance with plans and programs, and targets, if any, to be achieved through those investments,

4) General conditions to be applied to, and principles to be observed in the relations with, subscribers, users, users of private telecommunication networks and other operators, including conditions for interconnection,

5) The basis on which tariffs to be applied for telecommunication works and services are to be calculated, and principles on which those tariffs are modified,

6) Conditions with respect to quality of service,

7) Whether or not a certain fee, shall be paid under the concession agreement and if payable its amount,

8) The manner in which the Ministry shall require other issues and investments in infrastructure, and undertakings, which are not determined in the concession agreement, license and general authorization,

9) The basis of the implementation of the principles set out in article 4 in respect of types of telecommunication services and infrastructure,

10) Principles for using public property including; (frequencies and limited orbit positions allocated to the Republic of Turkey and immovables owned by third parties, and transactions to be carried out by the Ministry in this respect,

11) Conditions relating to the preparation of accounts and provision of all kind of information to the Authority,

12) Provisions relating to numbering and number portability,

13) Rights and obligations of the parties in the event of force majeure and unforeseen circumstances,

14) Sanctions which may be imposed for breaches of the concession agreement,

15) Implementation principles relating to widespread and efficient provision of services, solution ventures, service distribution and provision of other similar subcontracting services.

f) The Authority is empowered to take the necessary measures to ensure compliance with the terms of the concession agreement it has executed with and telecommunication licenses it has issued to operators including Turk Telekom, to supervise and inspect the carrying out of the activities in accordance with the applicable legislation and the concession agreement, telecommunication license, general authorization, and if there exists a breach, to impose, an administrative fine up to 3 % of the turnover of the operator concerned for the previous calendar year. The Ministry is authorised to take the necessary measures for purposes of national security, public order, or orderly provision of public services, and where necessary, to take over the facilities against compensation, or in the event of a gross default, to cancel the concession agreement, the telecommunication license or the general authorization.

g) Regulations setting out the principles for the implementation of the foregoing provisions, penalties and the principles set out in article 4 shall be enacted."

ARTICLE 3- Article 3 of Telegram and Telephone Law dated 4.2.1924 and numbered 406 is amended as follows.

"Article 3 - a) All telecommunication services, including the value added telecommunication services, services within the scope of additional article 18, and telecommunication services within the scope of monopoly rights after the expiration of such monopoly period set out in paragraph (c) of article 2 may only be provided through an authorization agreement, a concession agreement, telecommunication license or general authorization as the relevant service requires. Services within the scope of additional article 18 may only be provided with a concession agreement or a telecommunication licence.

b) The Ministry, upon receipt of the opinion of the Authority within the framework of this Law, shall determine whether the authorization shall be made through a concession agreement, telecommunication license or a general authorization and under which conditions, and how such authorization shall be made, and the procedures and principles applicable to such authorization.

Operators or individuals who wish to provide a certain telecommunication service shall request from the Ministry the determination of the above mentioned conditions if such conditions are not specified. Upon such request, the Ministry shall decide whether such determination is necessary or not. If the Ministry deems such determination is necessary, then it shall set out such terms under supplementary regulations within maximum four months following the receipt of the advisory opinion of the Authority.

The Authority shall also prepare a report each year which sets out the executed concession agreements, granted licenses and general authorizations and specifies relevant service types which such agreements, telecommunication licenses and authorizations relates to with the information provided by the Ministry.

c) Telecommunication services or infrastructure which involve the allocation of scarce resources such as frequency, satellite position and numbering and require the granting of particular special rights and obligations to each operator, or which shall be provided by a limited number of operators shall only be carried out pursuant to a concession agreement to be entered into with the Ministry. Notwithstanding the paragraph (d) of this article, value added telecommunication services may be provided by a capital company through a telecommunication license or general authorization obtained from the Ministry.

d) Without prejudice to the other provisions of this article, the relevant provisions of additional articles 19 and 21 shall apply where any kind of payment other than a fixed fee is envisaged for the authorisation of a limited number of capital companies through a concession agreement or a telecommunication license for a particular telecommunication service.

e) The terms and conditions relating to the implementation of this article, the conditions to be required from the operators and the conditions applicable to execution of concession agreements, awarding of telecommunication license or granting of general authorizations and registration for a particular type of a telecommunication service and terms and procedures applicable to the foregoing shall be set out in the regulations to be issued by the Ministry pursuant to this Law after obtaining the opinion of the Authority."

ARTICLE 4. -Article 4 of the Telegram and Telephone Law dated 4.2.1924 and numbered 406, which is repealed by the Law dated 9.6.1937 and numbered 3222 is amended as follows.

"Article 4 - The following guidelines shall be taken into consideration both in qualitative and quantitative aspects in relation to the provision of telecommunication services and/or operation of infrastructure and to rulings to be made to this effect:

a) Promotion of practices which shall provide access by every person to telecommunication services and infrastructure at affordable prices.

b) Unless otherwise required on the basis of objective reasons, equal and non-discriminatory treatment of subscribers, users and telecommunication service providers under similar conditions, and accessibility of services by everyone similarly situated under equal conditions.

c) Unless otherwise provided by this Law or required on the basis of objective reasons, observation of the principles of qualitative and quantitative continuity, reliability, productivity, clarity, transparency and efficient use of resources.

d) Provision of minimum services within the framework of specific technical and economic conditions, at a reasonably affordable price.

e) Mutual compatibility of telecommunication systems in accordance with international norms.

f) Taking into account targets set out in development plans and programs.

g) Use of advanced technology and supporting of research/development investments.

h) Compliance with clearly articulated service quality standards.

i) Attaining and maintaining a competitive environment in authorising through concession agreements or telecommunication licenses relating to telecommunication services and/or infrastructure and generally in all telecommunication fields, provided that the provisions of Law dated 7.12.1994 and numbered 4054 on the Protection of Competition are reserved and without prejudice to Türk Telekom's monopoly rights as set out herein.

i) Priority to be given to the necessities of national security and public order and needs arising in emergency situations.

j) Taking into account the special needs of the disabled and elderly, and protection of social groups who are in need, and including offering special subscriber schemes principles, terms and conditions of which are specified by the Authority, which contains economic advantages to users.

k) Except in cases where it is otherwise clearly specified in the relevant legislation, concession agreement or the telecommunication licence, reflection, to the extent possible, in the tariffs to be charged for telecommunications services provided, including tariffs for interconnection and line rentals and circuits, the costs of investments and operations and a relevant share of overheads, depreciation and a reasonable profit."

ARTICLE 5. – The words "and telephone" in article 6 of the Telegram and Telephone Law dated 4.2.1924 and numbered 406 are deleted and the following paragraphs are added to article 6 of the Law.

"Operators and other real or legal persons, in the telecommunication sector may execute all kinds of commercial agreements with local and multinational companies on any field of telecommunication including cross-border telecommunication services; provided that they shall comply with the telecommunication legislation.

Principles regarding the membership to international telecommunication organizations or becoming party to international treaties which require the representation of the Republic of Turkey or Turkish telecommunication sector before such organizations or the principles to benefit from the rights, authorities and obligations arising from such treaties shall be determined by the Council of Ministers. In order for an operator, or a real or a legal person in the telecommunication sector to become a party to such a treaty, such operator or person should apply to the Ministry with the necessary information about the treaty. The Ministry, upon receiving the opinion of the relevant ministries and the Authority, shall decide on the application as soon as possible pursuant to the principles determined by the Council of Ministers. The Ministry may request from the relevant persons the information related to such treaties and may take the necessary measures, as it seems necessary.

ARTICLE 6. - Article 10 of Telegram and Telephone Law dated 4.2.1924 and numbered 406 is amended as follows.

***“Article 10 – Interconnection requests of all the operators and users of private telecommunication networks shall be provided by the operators who are responsible to provide interconnection, save that the provisions of the relevant legislation are reserved. The operators which are responsible to interconnect shall be determined by the Authority, pursuant to regulations to be enacted upon the legal base produced in this Article. However, Turk Telekom is under the obligation and duty to provide interconnection in all circumstances. Turk Telekom and operators, which are responsible to provide interconnection as determined by the Authority, are defined as “interconnection providers”.***

***Interconnection providers are required to satisfy the interconnection requests, subject to the provisions of this Article, and based on the principles of equality, non-discrimination, transparency, cost-orientation, reasonable profit and under the same conditions and quality as interconnection providers or their shareholders, affiliates or partnerships provide for their own services. Requests which are technically feasible and which does not include disproportionate costs for interconnection are be accepted except for a reasonable and just cause.***

***Agreements to be concluded for interconnection between networks, including the necessary technical and financial provisions, shall be executed between the operators pursuant to this Law and other relevant legislation and shall include the necessary technical provisions, conditions and tariffs. A certified copy of all of such agreements, their annexes and amendments shall be submitted to the Authority. All interconnection agreements executed and maintained at the Authority shall be publicly available provided that the Authority shall take various precautions to protect commercial secrets of the parties.***

***If an interconnection agreement cannot be agreed within maximum three months from the date of the initial request, the Authority, upon an application by the requesting party, shall initiate mediation procedures between the parties on the basis of principles it shall determine in the public interest and may take such other measures as it deems reasonable and necessary in the public interest. If the parties fail to reach an agreement within a period of six weeks, extendable by the Authority by a further four weeks, of such initiation by the Authority, the Authority shall be authorized to set such terms, conditions and tariffs of such interconnection agreement as it thinks fit. Such terms, conditions and tariffs shall remain in effect unless and until the parties agree otherwise.***



***Within the content of this Article, mobile telecommunication, data operators or operators of other services and infrastructure as determined by the Authority are also required to satisfy reasonable, economically proportionate and technically feasible roaming requests of other operators working in the same field for permitting the use of the customer equipment of the requesting operator on their telecommunication system.***

***The Authority shall publish and amend from time to time standard reference interconnection tariffs which relevant operators may, as appropriate, incorporate in their standard terms and conditions. The Authority shall issue regulations setting out the principles of implementation of this provision and the details to which standard reference tariffs, interconnection and roaming agreements are subject, and, if needed, may apply to the Competition Board pursuant to provisions of Law dated 7.12.1994 and numbered 4054 in order to ensure that standard reference tariffs or the agreements for interconnection of networks and roaming do not impede free competition in provision of telecommunication services and operation of infrastructure.***

ARTICLE 7. - The following paragraphs are added at the end of article 12 of the Telegram and Telephone Law dated 4.2.1924 and numbered 406.

"The provisions of this Article are also applicable to other operators under the principles as determined by the Authority. Procedures and principles regarding the application of this article to Turk Telekom and other operators shall be stipulated under regulations to be issued by the Authority.

The relevant official authorities may, in reliance upon their authority and on the basis of just cause, request the courts to suspend such usage."

ARTICLE 8. - Article 18 of the Telegram and Telephone Law dated 4.2.1924 and numbered 406 is amended as follows.

"Article 18 - Telecommunication facilities of the persons who, by way of breaching the paragraph (a) of Article 2, establish and operate without a concession agreement or an authorization agreement shall be closed by the relevant administrative authority having jurisdiction in the relevant district, upon a request by the Authority and their operation shall be ceased. In addition perpetrators of such acts shall be subject to heavy fines between two billion liras to thirty billion liras. Such persons shall be subject to imprisonment of between six months to two years and to fines between four billion liras to sixty billion liras in recurrence of such breaches.

Facilities of the persons who, by way of breaching the paragraph (a) of Article 2, provide telecommunication services without obtaining a general authorization or a license shall be closed by the relevant administrative authority having jurisdiction in the relevant district, upon a request by the Authority and their operation shall be ceased. Such persons shall be subject to fines between two hundred million liras to three billion liras in recurrence of such breaches.

Individuals and legal entities who execute a subscription agreement with an operator providing telecommunication services may provide the services, which they are receiving for their own needs in their activities, to third parties with or without consideration. Subscribers cannot provide the service they use to third parties for commercial purposes. Subscription agreements of those who do not comply with this rule shall be cancelled.

ARTICLE 9. - The section heading "SECTION: 4 Tariffs" of the Telegram and Telephone Law dated 4.2.1924 and numbered 406 is amended to read as "SECTION: 4 – Principles of Tariffs for Telecommunication Services" and the article 29 of Telegram and Telephone Law dated 4.2.1924 and numbered 406, which is repealed by Law dated 18.5. 1935 and numbered 2722, is amended as follows.

"Article 29 - Operators may freely determine tariffs, which they shall receive in return for the provision of telecommunication services and/or for the operation of infrastructure, provided that they comply with the relevant legislation and their authorization or concession agreement, telecommunication license or general authorization and the instructions of the Authority. The Authority is empowered to determine and set the methods of calculation and caps of tariffs, including line and circuit rentals, under reasonable and non-discriminatory terms, through regulations, communiques and other administrative rules to be issued and by taking into consideration the terms and conditions of concession agreements and telecommunication licenses, and the guidelines set out in article 30 in the following instances:

- a) In cases where Türk Telekom or other operators need to meet the costs of certain services including the minimum services required to be provided within the framework of public services from the tariffs for other services,
- b) In cases where one operator enjoys a legal or practical dominant position in a relevant service or geographic market as determined by the Authority,
- c) In cases where the tariffs are determined through means or actions which are in breach of the regulations of the Authority,
- d) In such other cases as may be provided for by the Authority in the regulations to be enacted."

ARTICLE 10. – Article 30 of Telegram and Telephone Law dated 4.2.1924 and numbered 406 is amended as follows.

"Article 30 - The regulation of tariffs charged for provision of telecommunication services and operation of infrastructure shall be implemented by the Authority with a view to achieving the following principles:

- a) Tariffs should be fair and should not involve any undue discrimination without justified reasons against persons under the same circumstances. This principle, however, shall not prevent provision of favourable terms, within clear and specific limits, for social groups in need,
- b) In situations which fall under the scope of article 29 tariffs should be balanced and in principle and to the extent possible, be determined to reflect the costs of relevant services, including costs of investments and operations, and balancing of tariffs in providing the services, as set out in sub-paragraph (k) of article 4 and cross-subsidisation of the cost of a certain service from the tariff collected for another service should be avoided,
- c) Tariffs reflect all individual elements of the service for which there is an associated cost,
- d) The tariffs should, where appropriate, be approximated to international standards and levels in line with technological developments,

e) For different types and categories of services, tariffs should be determined at levels which are aimed at encouraging technological development and new investments,

f) International agreements to which Turkey is a party and the recommendations of international institutions should, where appropriate, be taken into consideration in the determination of tariffs,

g) In the event that there are justifiable reasons, a cap may be applied to tariffs on the condition that compensatory costs and a reasonable profit are recovered."

ARTICLE 11. - The following subsection is added at the end of the amended additional article 17 of Telegram and Telephone Law dated 4.2.1924 and numbered 406 which was added by Law dated 3.5.1995 and numbered 4107.

"The Minister to which the Undersecretariat of Treasury is associated or such other authorized representative to be designated by the Minister are authorised 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 Council of Ministers' decrees referred to above."

ARTICLE 12. - The following sentence is added to the end of the additional article 18 of Law numbered 406 and dated 4.2.1924 .

Tariffs charged in consideration for a work and service may be determined as a subscription fee, fixed line fee, telephony fee, line rental and similar rental payments, fees and as one or more of the several other different tariff headings.

ARTICLE 13. - The following articles are added to Law numbered 406 and dated 4.2.1924.

"Additional Article 22 – Status, salary regime and retirement of the Türk Telekom personnel is as follows:

a) Status of the Personnel: Primary and continuous duties shall be performed and executed by the general manager who has an experience of 8 years in the telecommunication field and has completed a higher education degree of at least 4 years, and the personnel whose cadres, titles, degrees and numbers are suggested by the Board of Directors and proposed by the Ministry and who are employed in the cadres determined by the Council of Ministers within 180 days after the entry into force of this Law. Without prejudice to the provisions of this Law, the provisions of the Decree with the Force of Law numbered 399 shall apply to such personnel. Other personnel shall be employed under the general labour legislation. Terms and conditions applicable to those who are employed under the general labour 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 Turk 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) Salary Regime: The monthly salaries of the personnel who perform the primary and continuous duties determined under this Law shall be determined by the General Assembly, provided that such salary shall not exceed twice as much of the net monthly salary of a highest ranking public servant including all other payments. Within the

framework of the principles, procedures and criteria to be determined by the Board of Directors, bonuses may be paid to such personnel in March, June, September and December equal to the amount of their monthly salary in proportion with the numbers of days they have worked. Furthermore, on the condition that it is resolved by the board of directors, two additional bonuses may also be paid to such personnel by taking work efficiency and similar matters into consideration. The amount of each bonus shall not exceed the monthly salary of the relevant employee to whom the payment is to be made.

The monthly salaries, of the Turk Telekom employees other than those whose cadres are determined by the Council of Ministers pursuant to this Law and who are subject to general labour legislation and are not the ones, shall be determined by the Board of Directors.

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 Turk Telekom.

c) Retirement of the personnel:

In the event that the personnel working subject to the T.R. Retirement Fund on the date of the entry into force of this Law prefers to be employed under the Labour Code, their relationship with the Retirement Fund shall continue if they so prefer. In this event, term of employment of such personnel shall be evaluated as per the Civil Servants Law numbered 657 and the T.R. Retirement Fund Law numbered 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. This provision shall not be applicable if 51% of Turk Telekom's shares is disposed of by the State.

Additional Article 23 - 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 Turk 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 Turk Telekom corresponding to the salaries of the personnel up to the 0.1% 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 revenues.

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 Turk Telekom until 31/12/2003.

Additional Article 24 – PTT Members Joint Bail Fund which is established pursuant to Article 17 of the Law dated 13.7.1953 and numbered 6145 and determined to be in effect until a new regulation is made 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 T.R. General Directorate of Posts and Telegraphs Administration and Turk 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 “Turk 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 T.R. General Directorate of Posts and Telegraphs Administration and Turk Telekom. PTT Personnel Joint Bail Fund is subject to the provisions of the Bail Law dated 02.06.1934 and numbered 2489. Turk Telekom Personnel Joint Bail Fund shall be operated and regulated within the framework of the principles to be determined by the board of directors of Turk Telekom. The personnel who shall be related with this fund shall be determined pursuant to the principles specified by the board of directors of Turk Telekom.

The board of directors of Turk Telekom is 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 T.R. General Directorate of Posts and Telegraphs Administration and Türk Telekom according to the ratios applied in the division of the assets of the fund and as agreed in the relevant protocol.

Temporary article 5 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.

Additional Article 25 – Usufruct and usage rights granted to subscribers and users in relation with telecommunication services such as number and line usage rights shall not be subject to attachment.

Additional Article 26 – Without prejudice to matters determined by the board of directors, the general manager shall represent Turk Telekom against third parties in administrative offices and in courts. The general manager may assign such authority to others if necessary.

ARTICLE 14.- Amended Article 5 of Wireless Law dated 5.4.1983 and numbered 2813, is amended as follows.

“Article 5.- The Communications High Board is established to implement the duties and responsibilities of the State within the framework of general principles determined under article 4 and to carry out other duties imposed by Law.

“The Telecommunication Authority which is an independent budget entity having public legal personality and administrative and financial autonomy is established in order to implement the powers and responsibilities set out by Laws in accordance with the general principles set out in this Law and Telegram and Telephone Law dated 4.2.1924 and numbered 406. The Authority is independent while performing its duties.

The Ministry with which the Authority shall be related is the Ministry of Transport.

For the provision of the services mentioned under subsection (g) of article 4, control of the operation of wireless systems in accordance with the determined techniques and procedures; identifying interferences and eliminating those interferences; cooperation with the state security organizations within the current legislation regarding wireless activities affecting the State and individual security and domestic and international technical monitoring services and activities shall be carried out by the Authority.

The decision making body of the Authority is the Telecommunication Board consisting of a president of the Authority and four members. The president of the Board is the highest authority of and is responsible for the general management and representation of the Authority. Upon the proposal of the President, the Board shall elect one of its members as the Second President, and the Second President shall represent the President in his absence due to vacation, illness, duty in and outside the country, dismissal and other situations when he is away from his office.

Monthly salaries of the president and the members of the Board shall be determined by the Council of Ministers upon the proposal of the relevant Minister, provided that such salaries shall not exceed twice as much of the net monthly salary of a highest ranking public servant, including all other payments. (Also another provision is added here to allow Authority's personnel to receive a special service indemnity for overtime working.)

Titles, numbers, qualifications, salaries, other financial and social rights of and applicable contract terms to the personnel who shall be employed under contract with cadres, and the amendments to the cadre titles and cadre degrees of such personnel attached to this Law shall be determined by the Council of Ministers upon the proposal of the Board and with the approval of the State Personnel Directorate.

Bonuses may be paid to the President and members of the Board and to the personnel to be employed under contract with cadres in March, June, September and December equal to the amount of their monthly salary in proportion with the number of days they have worked. Furthermore, two additional bonuses may also be paid to such personnel taking work efficiency and similar matters into consideration.

Without prejudice to the provisions of this Law, the personnel of the Authority are subject to the Law numbered 657, provided that.

The Board members and the personnel of the Authority shall not disclose the confidential information, trade secrets relating the relevant persons and third parties, they have learnt during their inspections and investigations to any person other than the competent authorities specified by the law or shall not use such information for their benefits and self interests. Such obligation shall survive the termination of their term of offices. All the funds, documentations, files and all kinds of properties of the Authority are to be considered as State properties. The Board members and the Authority personnel shall be deemed as public servants in respect of the crimes they have committed during or in connection with their duties or the crimes committed against them.

All references to the Wireless Works General Directorate and the Wireless General Directorate, in this law and other legislation shall be deemed to be references to the Telecommunication Authority and all references to the Wireless Works General Director and Wireless General Director shall be deemed to be references to the President of the Board.

The Authority shall not be subject to the State Procurement Law numbered 2886 and dated 8.9.1983, Allowances Law numbered 6245 and dated 10.2.1954, General Accounting Law numbered 1050 and dated 26.5.1927 in respect of visa and registration,

and the Law on Court of Audits numbered 832 and dated 21.2.1967, . The Authority shall be inspected by the Court of Audits. Revenues of the Authority are exempted from all kinds of taxes, duties and levies.

The Authority may establish the country organization in accordance with the legislation.

The revenues of the Authority are as follows:

\* Fees to be received in accordance with Article 27,

\* 0.05% of the fees to be received and other fees to be received as a contribution for the Authority's expenses, provided that these fees are determined in the relevant agreement or license, from the capital companies and operators which entered into a concession agreement or obtained a license under the Telegram and Telephone Law Numbered 406 and dated 21.2.1924 pursuant to additional article 19 of the same Law,

\* Test fees to be received from those who take examinations to be instituted by the Authority for granting a CB certificate and operator license,

d) Revenues to be obtained from all kinds of printed materials, forms and publications,

e) Revenues to be obtained from consultancy services,

f) Revenues to be obtained from courses, meetings, seminars and training activities,

g) Aids from the General Budget when required,

h) Attorneys' fees to be granted in favour of the Authority, except for the portion to be distributed,

i) Administrative fines to be imposed by the Authority,

j) All kind of contributions, donations and other revenues."

Principles and procedures applicable to the revenues and expenditures of the Authority shall be determined with regulations.

ARTICLE 15.- The first and the fifth paragraphs of Article 6 of the Wireless Law dated 5.5 1983 and numbered 2813 is amended as follows.

"The Communications High Board is a superior board consisting of the Minister of Internal Affairs, the Minister of Transport, the Secretary General of National Security Council, the Undersecretary of the National Intelligence Organization and the President of the General Staff Electronic Communication gathered under the presidency of the Prime Minister or a State Minister authorized by the Prime Minister.

Responsibilities of the Communications High Board is to make suggestions to the Ministry of Transport regarding wireless communication and to follow up the activities in this respect. Secretarial needs of the Communication High Board shall be met by the Communications General Directorate.

ARTICLE 16. - The section heading "The Establishment and Duties of Wireless General Directorate" of Article 7 of the Wireless Law dated 5.4. 1983 and numbered 2813 is amended to read as "The Responsibilities of the Telecommunication Authority" and

subsection (a), (f) (g) and (h) of the said Article 7 is amended as follows and the following subsections and paragraphs are added.

"a) to prepare and submit to the Ministry of Transport the necessary plans in the field of wireless communication and telecommunications within the framework of the general principles set out in this Law and Telegram and Telephone Law dated 5.4.1983 and numbered 406, and to supervise the activities of the other relevant public entities and establishments and individuals and private law legal entities in these fields,

f) to perform the duties set out in this Law, to keep all kinds records and to take the necessary technical and administrative measures against the persons violating the current provisions,

g) to present its views to the Ministry of Transport in connection with the concession agreements which have or are to be executed and telecommunication licenses to be issued by the Ministry of Transport in respect of telecommunication services and/or infrastructure to be operated by capital companies incorporated in Turkey, to make proposals to the Ministry for preparation of general authorizations, to monitor compliance with the terms and conditions of such concession agreements and telecommunication licenses, and to monitor compliance with general authorizations and to take the necessary measures to this effect,

h) to determine the general criteria and implementation procedures and principles relating to tariffs ,contractual conditions and technical matters applicable to users of telecommunications services and infrastructure and for interconnection between the telecommunication networks of other operators, and relating to other matters falling under its mandate, and to review and evaluate, and approve where necessary, tariffs and monitor their implementation,

i) to provide that the provision of telecommunication services and operation of telecommunication infrastructure by the operators and other individuals who are trading in such field pursuant to this Law and that the services and activities of the producers and traders of telecommunication apparatus and equipment are realized in Turkey in a completely competitive environment and to take the necessary promoting measures,

i) to determine and implement the performance standards applicable for the manufacture and utilisation of all kinds of systems and equipment to be used in the field of wireless communications and telecommunications in cooperation with the relevant entities in and outside Turkey and taking into account the latest developments,

j) to issue regulations and enact other administrative acts relating to wireless communication and telecommunications, operation of infrastructure and matters which fall under its field of responsibility, and to monitor the compliance of operators, subscribers, users, and all individuals and legal entities who have impacts on the Turkish telecommunication sector with the relevant legislation, and to impose sanctions contemplated by laws when necessary,

k) to determine the procedures and principles regarding the establishment of common antenna systems and facilities for ensuring the provision of all kinds of broadcast, including radio and television broadcast, from certain specified emission points,

l)to determine, amend, collect or cancel the tariffs set out in article 27 within the limits of re-evaluation rate determined by the Ministry of Finance and to set out procedures and principles applicable to same, to approve the annual budget, final income and expenditure account, annual work program of the Authority, to make transfers between



the account headings within the budget if necessary or to decide on the transfer of excessive income to the general budget if requested.

m) to fulfil other duties imposed by Laws.”

The Authority is empowered to investigate either at its own initiative (ex officio) or upon complaints relating to the provision of telecommunication services and operation of infrastructure and anti-competitive behaviours, plans and applications in both such services and in the telecommunications sector generally and to require provision of information and documents in relation to the matters coming under its mandate. Before issuing regulations and taking any other general administrative action in relation to telecommunication services and infrastructure, the Authority shall take such steps as may be necessary to allow interested parties to submit representations which shall be publicly disclosed and on which interested parties may comment. The Authority shall also take the necessary measures to protect the interests of consumers.

The Competition Authority shall initially take into consideration the Authority’s opinion in investigations and scrutinies it shall carry out within the telecommunications sector and before taking any decision in relation to the telecommunications sector including decisions about mergers and acquisitions.”

ARTICLE 17. - Amended Article 8 of the Wireless Law dated 5.4. 1983 and numbered 2813 is amended as follows.

“Article 8.- President and members of the Board shall be appointed by the Council of Ministers for a period of 5 years. The president and members whose term of office has expired may be re-elected. The president and members of the Board may only be dismissed by the Council of Ministers before the expiry of their terms of office for one’s inability to work due to a serious disease or illness, abuse of one’s duty or conviction of infamous crimes.

The persons to be appointed as Board members should have completed a higher education degree of at least four years in the field of law, economics, engineering, telecommunications, business administration or finance whether in Turkey or abroad and should have sufficient knowledge and experience both in the telecommunications field and in their own profession and should have worked for a minimum of 10 years in the public or the private sector, should have the general qualifications to be appointed as a public servant, and should have not worked for the management, supervision or other high commission of any political party or have departed from such a duty or commission.

The president, member representing wireless services and member representing telecommunication services of the Board shall be elected from among two candidates to be nominated to each post by the Ministry of Transport.

The member representing the telecommunications sector shall be appointed among one candidate to be nominated by each of the operators which manufacture telecommunication equipment and systems, provide telecommunication services or operates infrastructure in Turkey pursuant to this Law and which hold a minimum of 10% market share within the relevant telecommunication service market in Turkey. For the implementation of this article, the determination regarding the service market and the market share of each of the operators shall be made by the Authority decisively. Each operator can only nominate one candidate regardless of its market share.

The member representing the consumers shall be elected from among two candidates to be nominated by each the Ministry of Industry and Commerce and the Turkish Association of Chambers and Exchanges.

In the event that there occurs any vacancies at the positions of presidency, vice presidency or Board membership due to any reason, an election and appointment for the vacant positions shall be made within three months pursuant to the above mentioned principles. The persons so appointed shall complete the term of office of the persons they are replacing. If absence of the members renders the Board unable to resolve decisions, then the president of the Authority shall represent the absent Board member. If the president of the Board is unable to attend the meeting, then the second president shall represent the president. If a Board member does not attend the meetings of the Board for four consecutive meetings without any excuse, such Board member shall be deemed to resign from his duty and the procedures for the appointment of a new member shall be commenced.

The members of the Board are prohibited to have an additional public or private duty unless arising from a specific law, to involve with commercial transactions, to carry out their own independent business and in particular to be a shareholder or a manager in any telecommunication company. The member representing the telecommunication sector shall cease his connections with the operating company, which has nominated him, during his term of office and shall not have any employment, consultancy or shareholding relationship with such operating company for a period of at least two years after the expiry of his term of office.

The Board shall convene with the presence of minimum four members and resolve with the affirmative votes of minimum three members. The relevant Board member shall be banned to cast votes in votings relating to the his relatives specified in paragraph (3) of article 245 of the Turkish Civil Procedure Law or to a telecommunication company to which such a Board member or his relative is a shareholder, manager or high ranking employee.

With respect to the application of the provisions of T.R. Retirement Fund Law numbered 5434 for retirement purposes, additional chart and office compensation applicable to the undersecretary of the ministry, the deputy undersecretary, the general manager of the ministry, the deputy general manager of the ministry shall also apply to the President of the Board, the Board members, the vice presidents of the Authority, the independent department managers and the regional managers of the Authority respectively. Periods of employment under these offices shall be deemed to have passed under offices which require the payment of compensation. Additional charts of corresponding cadres under Civil Servants Law numbered 657 shall be applicable to the personnel with other titles. Relation of the persons appointed as President and members of the Board with their former duties shall cease during their terms of office at the Board. However, persons who are subject to Civil Servants Law numbered 657 or personnel regimes set forth under special legislations shall be appointed by the relevant Minister to a cadre suitable for their acquired rights, if they make an application after their term of office in the Board has expired.

ARTICLE 18. - The phrase "who are not at majority age and" in the second paragraph of article 12 of the Law dated 5.4.1983 and numbered 2813 is deleted.

ARTICLE 19.- The phrase "and, provided that the powers and responsibilities of the Telecommunication Authority are reserved and" is supplemented before the phrase "to follow up and inspect the application of" in subsection a) of Article 2 of Law on Organization and Responsibilities of the Ministry of Transport dated 9.4. 1987 and numbered 3348, and the phrase "without prejudice to the powers and responsibilities of the Telecommunication Authority" is supplemented before the phrase "communication" in subsections (g) and (h) of the same article, and a new subsection (j) is supplemented to the same article and the current subsection (j) is amended as subsection (k).

j) is authorised to determine the principles and procedures relating to arrangements which should be made in the communication systems of operators to prevent terminals falling out of service during and after the natural disasters and rule of emergency due to heavy communication traffic, to ensure the proper organization of communication traffic, and to prioritise natural disaster related communications.

ARTICLE 20. - The phrase "outside the scope of powers and responsibilities of the Telecommunication Authority given by the laws" are supplemented at the beginning of subsection (c) of amended article 13 of Law on organization and responsibilities of the Ministry of Transport dated 9.4. 1987 and numbered 3348 ,the words "and telecommunication" in subsection (e) of the said Article is deleted and subsection (g) of the said Article is amended as follows.

"g) to identify the types and scope of telecommunications services and infrastructure for which permission may be granted for setting up and operating telecommunication networks for general communication purposes, to determine the terms and conditions for their establishment and operation, to carry out the preparatory work regarding the concession agreements which have or are to be executed with , telecommunication licenses to be issued by and the general authorizations to be granted by the Ministry for telecommunication services, and to ensure the fulfilling of the duties entrusted by Law numbered 406 and dated 4.2.1924 and other laws to the Ministry of Transport, to arrange for coordination with the Telecommunication Authority in these matters."

ARTICLE 21. - The phrase "without prejudice to the powers and responsibilities of the Telecommunication Authority" is supplemented after the phrase "Transportation and" in subsection (b) of article 14 of Law on Organization and Responsibilities of the Ministry of Transport dated 9.4. 1987 and numbered 3348.

ARTICLE 22.- The following additional article is added to Law on Organization and Responsibilities of the Ministry of Transport dated 9.4.1987 and numbered 3348.

"Additional Article 1.- The Ministry may establish temporary council committees with the participation of experienced and skilled persons and representatives of entities who are not from the Ministry, for the determination of strategies to be developed regarding the new transportation and communication services introduced by technology. Travel and accommodation expenses of such committee members and disbursements arising from other activities of the committee shall be met from the budget of the Ministry of Transport.

ARTICLE 23. - The Law on the Receipt of Delivery and Operation Procedures of Telephone Installations of İstanbul numbered 3054 and dated 12.6.1936, the Law on Receipt of Delivery and Operation Procedures of Telephone Installations of İzmir numbered 3488 and dated 24.6.1938 and the Law on the Telephones in Cities and Towns other than the city of Ankara numbered 1379 and dated 1929 and Private Electricity Lines for Communication Exchanges Law dated 1331 and supplements and amendments to these laws and the provisions in the special laws of the public entities and establishments which provide such entities and establishments to benefit from free or discounted tariffs in telecommunication services are repealed.

ARTICLE 24. - The phrase ""T.R. General Directorate of Posts (GDP)" in Telegram and Telephone Law dated 4.2.1924 and numbered 406, in amendments of such Law and in other legislations is amended to read as General Directorate of Posts and Telegraphs Administration ("PTT").

ARTICLE 25.- Subsection (A) of Article 1 of the Law on Savings and Aid Fund of the Posts Telegraphs and Telephone Administration dated 22.12.1941 and numbered 4157 is amended as follows.

A) Membership fee to be collected from the employees of the General Directorate of the Posts and Telegraphs Administration and Türk Telekomünikasyon Anonim Tirketi who participate in the Fund and work subject to T.R. Retirement Fund and Labour Legislation.

ARTICLE 26. - The Additional Article 18 of Telegram and Telephone Law dated 4.2.1924 and numbered 406 as supplemented by Law dated 10.6.1994 and numbered 4000 shall be applicable to the extent that it does not conflict with the provisions of this Law and the Law dated 406 and the term "License" referred to in the additional article 18 shall mean authorization agreement, concession agreement or telecommunication license if the case so requires. The term "capital company" as referred to in the sixth paragraph of the Additional Article 18 shall mean "operator" and the term "the proposal of Türk Telekom" in the seventh paragraph of the same article shall not be necessary as of the date of the entry into force of this Law. Türk Telekom and other operators are entitled to carry out telephone directory publication services only to their subscribers.

TEMPORARY ARTICLE 1. - The cadres of the Wireless General Directorate determined under the list (1) attached hereto is deleted from relevant section of the chart (1) attached to the Decree with the Force of Law numbered 190. The cadres set out in list (2) attached hereto are created for the Telecommunication Authority.

Employees whose cadres and position titles do not change due to the arrangements to be made by the Council of Ministers as a result of the granted authorities and the amendments in the Wireless Law with this Law shall be deemed to be appointed to new cadres with the same title.

Employees whose cadres and position titles are changed or cancelled may be employed in posts corresponding to their situation until they are appointed to a new cadre. In the event that the sum of the monthly salary, additional chart, all kinds of salary increases and compensations is below the sum of salaries, additional charts, all kinds of salary increases and compensations they used to earn in their former cadre, then the difference shall be paid as compensation without any tax or withholding until this situation is corrected.

References to the Ministry of Transport in the Law numbered 2813 and dated 5.4.1983 shall deemed to be made to the Ministry or Authority, as the case may be, related with their field of activities.

TEMPORARY ARTICLE 2.- The personnel under contract status who are mentioned in the second sentence of the third subsection of article 8 of the Wireless Law numbered 5.4.1983 and numbered 2813 and are determined by the Council of Ministers shall be appointed to cadres suitable for their situation without the condition to pass any examination. Services of the personnel under contract status during their employment shall be evaluated as per Article 36 of the Civil Servants Law No. 657, by reference to their educational background and through increasing one degree for each three years and one level for each year over their degree and level recorded in their first recruitment.

TEMPORARY ARTICLE 3.- "Türk Telekomünikasyon A.T." is excluded from the list of establishments specified in the attachment entitled "B-State Economic Establishments (KIK)" to Decree with the Force of Law No. 233.

TEMPORARY ARTICLE 4. - Personnel working under personnel on contract status or employed with a cadre subject to the Decree with the Force of Law numbered 399 in

Türk Telekom on the date this Law enters into force shall be converted into the status of personnel subject to labour legislation if they wish so. The personnel who do not wish to be converted into the status of personnel subject to labour legislation shall be continued to be employed with their current status and fringe benefits.

Amendments may be made in these cadres and positions within the framework of the Decree with the Force of Law numbered 399. Cadres and positions of the personnel who are converted into the status of personnel subject to labour legislation and cadres and positions which become vacant due to retirement, resignation, death and similar reasons shall be deemed to be cancelled automatically.

Personnel who are employed under these cadres and positions shall be transferred to other public entities and institutions, if they require so, within the framework of the article 22 of the Law Concerning Arrangements For the Implementation of Privatisation and Amending Certain Laws and Decrees with the Force of Law dated 24.11.1994 and numbered 4046. Payments which should be made by the Privatisation Administration pursuant to article 22 of the Law numbered 4046 shall be paid by Türk Telekom with respect to the personnel mentioned in this Article.

TEMPORARY ARTICLE 5.- The authorisation agreement referred to in this Law shall be prepared within five months from the date of coming into force of this Law Until the execution of such agreement, Türk Telekom will continue to provide services and implement the investments contemplated in its budget, without any change.

TEMPORARY ARTICLE 6.- Initial Board members of the Telecommunication Authority shall be appointed as follows.

The Minister of Transport nominates two candidates for the member representing the telecommunications sector and the member representing the consumers. The relevant entities set forth in article 8 of the Wireless Law numbered 2813 shall nominate the requisite candidates for other board memberships within 30 days following the effective date of this Law. The entities which fail to nominate their candidates within the specified time is deemed to have waived their right to nominate the initial members of the board and the required appointments are made directly by the Council of Ministers. The persons to be appointed as board member shall comply with the eligibility criteria set forth in Article 8 of the Wireless Law numbered 2813. The Council of Ministers appoints the Board members within 2 months following the effective date of this Law. An announcement shall be made in the Official Gazette within 3 months after the establishment of the Board. The Wireless General Directorate shall continue to fulfil its duties and obligations under the Wireless Law numbered 2813 until all the members of the Board are appointed by the Council of Ministers and it is published in the Official Gazette that the Authority commenced its activities.

However, the term of office of the two initially appointed Board members shall be two years and the term of office of the remaining two members shall be four years commencing from the date of their appointment.

TEMPORARY ARTICLE 7.- Provisions of the current legislation which are not in breach of this Law shall continue to be in effect until the necessary arrangements required under this Law enters into force.

TEMPORARY ARTICLE 8.- Attachments, on usufruct rights over the telephones and all other kinds of telecommunication services granted to the subscribers, which are constituted before the entry into force of this Law, but not yet foreclosed should be released by the relevant parties within latest one month following the entry into force of this Law, or otherwise, the agreements of the relevant subscribers shall be terminated

and such usufruct rights be allocated to next persons on the list waiting for the provision of such service or equipment.

First line and number connected to the terminal of such equipment, which shall become free upon their sales by the execution office, shall be allocated to the purchasers.

ARTICLE 27. - This Law enters into force on the date of its publication.

ARTICLE 28. - The provisions of this Law is enforced by the Council of Ministers.