

**ALBARAKA TÜRK  
PARTICIPATION BANK**

**Articles Of Incorporation**

**29 MARCH 2013**



**CHAPTER ONE**  
**ORGANIZATION, OBJECTIVE, ACTIVITY, CAPITAL, SHARE**

**SECTION ONE**

**Organization, Objective and Activity**

**Organization**

**Article 1:**

(1) The Bank has been organized as a joint stock company by the founders the names and addresses of which are given below, in accordance with the relevant laws, regulations, decrees, and communiqués in effect in the Republic of Turkey, and under the Turkish Commercial Law's provisions of immediate incorporation, to operate as a private financial institution on the following terms and conditions, and it is currently functioning as a Participation Bank subject to the Banking Law No. 5411.

- a) Saleh Abdullah Kamel (Saudi Arabia Citizen), P.O. Box 1438 Jeddah / Saudi Arabia
- b) Hüseyin Mohsin Al Harthy (Saudi Arabia Citizen), P.O. Box 789, Riyadh / Saudi Arabia
- ç) Dr. Hassan Abdullah Kamel (Saudi Arabia Citizen), P.O. Box 1438 Jeddah / Saudi Arabia
- c) Mahmoud Jamil Hassoubah (Saudi Arabia Citizen) P.O. Box 12718, Jeddah / Saudi Arabia
- d) Al Baraka Investment and Development Co. (Saudi Arabistan) P.O. Box 6854 Jeddah/Saudi Arabia
- e) Hak Yatırım Sanayi ve Ticaret A.Ş. (R of T.) Aşirefendi Cad. Topbaş Han, Kat:5 Sultanhamam/İstanbul

**Trade Name**

**Article 2:**

Trade name of the Bank is "Albaraka Türk Katılım Bankası A.Ş." (Albaraka Turk Participation Bank, Inc.). Hereinafter referred to as the "Bank", in this Articles of Association.

**Objective and Activity**

**Article 3:**

(1) The main objectives and activities of the Bank are; to perform all kinds of banking activities under the Banking Law, Capital Market Law, and provisions of the other relevant legislation, and within the framework of the principles and procedures of the participation banking and interest-free banking operations, and to engage in all kinds of commercial activities to the extent that the legislation allows the banks to be involved in.

(2) In case of any change in the objectives and activities of the Bank, necessary permissions from the Ministry of Customs and Trade, the Banking Regulation and Supervision Agency, and Capital Markets Board shall be obtained.

**Activities**

**Article 4:**

(1) The followings are the main activities to be performed by the Bank in order to achieve its objectives;

- a) Receiving participation funds,
- b) Providing cash credits, and all types of finances/funds/credits as explained in Banking Law or the related legislations, being in the first place the circulation of loans and any such other non-cash credits as letters of guarantees, guarantees, counter guarantees, sureties, endorsements, bailments, avalizations (giros), acceptance loans, and commitments having the same qualities, purchasing capital market instruments, granting loans by depositing or in any other way, forward selling of assets, undertaking risks in connection with futures contracts and option contracts and similar other contracts, acquisition of partnership shares, and performing any other activities that are accepted as credit by Banking Regulation and Supervision Agency without prejudice to the provisions of the Article 21/1 of the Capital Market Law, and payment of the costs of movable or immovable commodities and services and remunerations, or making investments on the basis of profit and loss sharing, providing immovable, equipment or commodities or financial leasing, financing of documents against goods, joint investments, or in similar manners.
- c) In connection with the trade receivables or liabilities generated from financing or any similar activities performed within the framework of the Banking Law or any other relevant legislation, or just for the Bank's own requirements, procurement of, via preliminary sales contracts or final sales contracts, and/or acquisition of, via bartering/exchanging, donation, trade-off and in any other way, and/or construction of or operation of; any raw materials or finished products, machinery, equipment, accessories, airplane, vessel and any other types of movable properties, or land, terrain, building and any other immovable properties subject to personal

property, and performing any such activities as registration, declaration, annotation, remove/annul, alteration, amendment, or any other activity regarding these rights, either inside or outside of Turkey.

ç) Acquisition of any and all real rights, limited real rights, personal rights and other rights and receivables within the framework of the provisions of relevant legislations, and performing any such activities as registration, declaration, annotation, remove/annul, alteration, amendment, delivery, return or any other activity regarding these rights and receivables, either inside or outside of Turkey, including but not limited to the followings:

1. Property rights regarding movables, immovables, rights, receivables and any and all other property rights regarding any kind of goods/assets,
2. Servitude, usufruct, occupancy right, superficies, in favor of immovable properties, source water right and any other servitudes,
3. Right of incumbrance,
4. Right of hypothecation, mortgage certificate, annuity bond and any other immovable property liens,
5. Acquisition of possession with delivery, right of retention, pledges on receivables and other rights, acquisition of possession without delivery, and any other movable property liens,
6. Including but not limited to commercial enterprises, airplanes, vessels, mines, brands, patents, literary and artistic works, animals, and any other pledges on goods/assets, rights, receivables that may be subject to pledge,
7. Purchasing and repurchasing, pre-emption, passage, any other similar rights,
8. Ordinary leasing, product leasing or financial leasing or any leasings in any other way,
9. Construction against land share, preliminary agreement to sell or any other personal rights,
10. Sureties, avals, endorsements, guarantees, and other similar personal guarantees.

d) With regard to ownership or lawful possession of immovable properties and movable properties, rights and receivables and any or all other property ownerships; transferring the ownership or lawful possession through preliminary sale contracts or firm sale contracts, or bartering/exchanging, donation, trade-off and in any other way, limiting the ownership or lawful possession through usufruct, occupancy right, superficies, source water right, servitude, pledge, hypothecation and any and all other real rights and again purchasing and repurchasing, pre-emption, passage, construction against land share, preliminary agreement to sell or any other personal rights, leasing through ordinary leasing, product leasing or financial leasing or in any other way, and performing any such activities as registration, declaration, annotation, remove/annul, alteration, amendment, delivery, return or any and all other activities thereof.

e) Within the scope of the provisions and limitations of Banking Law and Capital Market Law, give and receive donations,

f) To perform cash and deposit payments and fund transfers, and any other similar payments and collection activities including correspondent banking activities and handling of checkable accounts,

g) To perform transactions regarding cheque and other negotiable instruments, and provide any and all types of safe custody services,

ğ) Issuing such payment instruments as credit cards, bank cards and travellers' cheques, and perform any and all activities thereof,

h) Perform foreign exchange transactions including cash foreign-exchange operations; purchasing and sale of money market instruments; purchasing and sale of precious metals and stones, and providing any and all types of safe custody services thereof.

i) Undertaking risks due to futures contracts, option contracts and other similar contracts, and perform purchasing and selling of and intermediary transactions of simple or complex financial instruments that are composed of more than one derivative instruments, and granting loans by depositing money or in any other form or manner, based on economic and financial indicators, capital market instruments, commodities, precious minerals and foreign exchange.

j) Within the frame of the provisions of the Banking Law, Capital Market Law and other relevant legislations, perform such activities as purchasing and sale of and repurchasing or resale commitments of capital market instruments, brokerage operations for the sale of capital market instruments by issuing or public offering thereof, and purchasing and sale of previously issued capital market instruments for brokerage purposes.

k) Perform such guarantee transactions as undertaking surety, guarantee, counter-guarantee and other liabilities in favor of other persons, provided that necessary announcements shall be done for the purpose of public disclosure

l) Within the framework of the provisions of the Banking Law, Capital Market Law and other relevant legislations; provide investment advisory services, portfolio management and administration services, function

as insurance agency and private pension plan intermediary, and perform activities with regard to real estate property and commodity contracts.

l) Perform market-making operations in relation to purchasing and selling activities within the framework of the commitments undertaken pursuant to the contracts concluded with the Undersecretariat for the Treasury and/or Central Bank of Turkey, and institutional unions.

m) Perform financial leasing transactions,

n) Perform international auditing activities, and obtain an international audit company status.

o) Within the framework of the provisions of the Banking Law, Capital Market Law and other relevant legislations; participate in or undertake the management and audit of any and all types of legal entities either public or private, in Turkey or abroad, including banks, credit institutions, financial institutions, companies and partnerships, in the capacity of a founder or by taking over shares or certificates of stock therein, and also, together with any and all natural persons or legal entities regardless of being a subsidiary or not, including banks, credit institutions, financial institutions, companies, partnerships, either public or private, in Turkey or abroad, establish partnerships and consortiums, make investments, participate in partnerships, consortiums and investments, acquire or transfer share certificates or other marketable securities, or limit all such certificates or securities by putting in pledge and/or by exercising any other rights,

ö) Acquire ownership of scientific, technical and any and all other intellectual and industrial property rights, including brand, patent, letters patent, license, know-how, design, trade name, company name, copyright, intellectual and artistic works, industrial property by developing, purchasing, trading in/exchanging, donation, interchanging and in any and all other ways; and in the same way, transferring ownership, and develop or use or execute or hire or rent, or limit all such rights by putting in pledge and/or by exercising any other rights.

p) Monetary funds, precious metals and negotiable instruments being in the first place, keep any kind of assets in local and foreign banks, financial institutions and other institutions by opening any and all types of accounts in any other way; and also, carry out transactions on or intermediations for, or deal in, any and all kinds of derivative products in national or international monetary, capital and commodity markets, either on its own behalf or on behalf of its customers

r) Borrowing loans, getting loans, accepting advances or procure money, either in Turkey or abroad, by providing as a guarantee via hypothecation, pledge or in any other way, or without guarantee or in any other way, of any movable and immovable properties owned by the Bank and rights, receivables and any and all other commodities/assets, partially or wholly, or by issuing capital market instruments, and in any other similar way within the framework of the provisions of the Banking Law, Capital Market Law and other relevant legislations.

s) Issue, or accept and endorse policies, bonds, cheques, bills of lading, ware receipts, warrants, way bills, manifests and any and all other negotiable instruments and bills, give chequebooks, collect bills, cheques, invoices and any and all other negotiable instruments, letters of credit, letters of guarantee and values of other documents belonging either to the Bank or its customers, perform remittances, transfers, and provide safe deposit boxes, credit cards and any and all other banking transactions and services,

ş) Within the framework of the provisions of the Banking Law, Capital Market Law and other relevant legislations, purchasing and selling of or safe custody of all types of foreign currency, gold and other valuable metals and precious stones, opening accounts thereof, providing loan facilities therefrom, deal in all kinds of derivative products on its behalf or on behalf of its customers, keep foreign exchange position, open L/C or confirm L/C, perform, in person, foreign exchange, import, export and all kinds of foreign trade transactions, or finance all such operations partially or wholly,

t) Operate in all kinds of domestic and foreign trade, industry, agriculture, public works and other financial and economic fields, monetary and trade markets or participate in existing activities in compliance with the provisions of the legislation,

u) Carry out all kinds of services in the capacity of a proxy, representative, agent, sequester, liquidator, executor and other titles, and also, prepare feasibility studies, perform consultancy services on investment, management, technical, financial and other subjects,

ü) Conduct all kinds of legal and actual transactions, activities and actions which bind the Bank, in all ways under whatsoever type and title, and including but not limited to, convention, contract, protocol, commitment, or agreement, in order to realize objectives of and activities of the Bank in Turkey or abroad.

v) Carry out all kinds of transactions, to the extent they are allowed within the framework of the provisions of the Banking Law, Capital Market Law and other legislations,

y) Perform other transactions to be determined by the Banking Regulation and Supervision Agency.

(2) The Bank shall perform all kinds of activities, including but not limited to the above mentioned issues, enabling the Bank to acquire its objectives and fields of activities, by operating within the framework of provisions of the Banking Law, Capital Market Law, Turkish Commercial Code and other relevant legislations.

#### **Head Office and Branches**

##### **Article 5:**

(1) The Head Office of the Bank is located in the Ümraniye district of Istanbul city. Its address is registered in Istanbul, at Saray Mah, Dr. Adnan Büyükdeniz Street, No:6, 34768 Ümraniye.

(2) If the registered address changes, the new address shall be registered and announced via Turkish Trade Registry Gazette, be notified to the Ministry of Customs and Trade, and Capital Markets Board. Failure of the Bank in registering and announcing its new address in time when it moves from the address already registered and announced, shall constitute a reason for dissolution.

(3) Based on the resolution of the Board of Directors and within the framework of relevant legislation, the Bank may open or close such units as branches, offices, agents, or establish correspondent units or terminate correspondent banking relationships, either in Turkey or abroad. All such transactions shall be announced to the public pursuant to the provisions of the Capital Market Legislations.

#### **Term**

##### **Article 6:**

(1) The Bank has been established for an indefinite time.

(2) The General Assembly is authorized to determine, change, extend, and/or reduce the term of the Bank.

## **SECTION TWO**

### **Capital and Share**

#### **Bank's Capital**

##### **Article 7:**

(1) The Bank has accepted the registered capital system pursuant to the provisions of the Capital Market Law, and switched to the registered capital system with the permission of the Capital Markets Board dated 06/03/2013 and numbered 7/259.

(2) The upper limit of the registered capital of the Bank is TL 2,500,000,000 TL (two billion and five hundred million Turkish Liras), divided into 2,500,000,000 registered nominative shares with a value of TL 1 (One) Turkish Lira each.

(3) The permission given by the Capital Markets Board in relation to the upper limit of the registered capital shall be in effect for a 5-year period between 2013-2017. Even if the upper limit of the registered capital is not reached until the end of 2017, in order to make a decision by the Board of Directors to increase the share capital after 2017, it is obligatory to obtain authorization for a new time period not to exceed 5 (five) years from the General Assembly for the previously permitted or a newly determined upper limit of the registered capital, after having been received the permission of Capital Markets Board. In case of failure in obtaining the said authorization, the Bank shall be deemed to be logged off from the registered capital system.

(4) The Bank's issued share capital is 900,000,000 TL, and this amount has been fully paid in cash being free of collusion.

(5) The shares representing the Bank's Capital shall be traced on the basis of the records within the framework of the principles of dematerialization (registration).

#### **Increase and Decrease of Capital**

##### **Article 8:**

(1) The Bank's capital, whenever necessary, can be increased or decreased within the framework of the provisions of the Turkish Commercial Code, Banking Law, Capital Market Law, and other relevant legislations.

(2) The Board of Directors, whenever deemed to be appropriate, shall have the right to increase the issued capital by issuing new shares up to the upper limit of the registered capital pursuant to the provisions of the Capital Market Law, and shall have the power to take decisions on limiting the right of the shareholders to get new shares, and on issuing shares with values under or above their nominal values. The right of limiting the right of the shareholders to get new shares, however, shall not be used so as to cause any inequality among the shareholders. Payment of the share values shall be realized within the framework of the provisions of the

Banking Law, Capital Market Law and other relevant legislations, and in accordance with the provisions of the Articles of Association.

(3) In the registered capital system, it is not allowed to issue any new share unless all of the issued shares are sold and paid for in full, or unless the unsold shares are cancelled.

(4) Unless there is any contrary provision in the General Assembly's resolution with regard to increasing of the capital stock, each of the shareholders can buy new shares that are subject to increase by making use of their pre-emptive right, in proportion to their shares in the Bank's capital, within the framework Capital Market Law and other relevant legislations,

(5) In the use of pre-emptive rights, the capital market legislations shall be considered.

(6) All the shares with the exception of those that are given to the shareholders free of charge as a result of the capital increase realized from the sources that are allowed to be added to the capital under the relevant legislations, shall be issued against cash money, and all such shares shall be issued to the name of the holders.

## **Share**

### **Article 9:**

(1) All the share certificates shall be issued to the name of the holders, and in accordance with the related provisions of the Turkish Commercial Code, Banking Law, Capital Market Law and the other relevant legislation. The Bank is obliged to follow the provisions of the related legislations.

## **Transfer of Shares**

### **Article 10:**

(1) The shares, all of which are issued to the names of the holders, can be transferred without any requirement of approval of the Board of Directors pursuant to the provisions of the Capital Market Law, Banking Law, Turkish Commercial Code and other relevant legislations, and as per the arrangements of the Central Registry Agency.

(2) Transfer of those shares that require obtaining permission form Banking Regulation and Supervision Agency as per the Banking Law shall only be realized after getting the said permission. The shares transferred without obtaining the necessary permissions, shall not be recorded in the Stock Ledger. This condition shall be applicable in acquiring the voting right, and establishing usufruct in the shares. Such shareholders who acquire shares without obtaining the necessary permissions from the said Agency shall not benefit from the shareholders' rights other than dividends.

(3) The Bank, within the framework of the provisions of the Capital Market Law, Turkish Commercial Code, and other relevant legislations, shall have the right to acquire its shares, and accept them as pledge.

(4) The shares of the Bank can be freely traded in the stock exchange markets either in Turkey or abroad, within the framework of the provisions of the Banking Law, Capital Market Law, and other relevant legislations, and in accordance with the Articles of Association.

## **Rights of Shareholders**

### **Article 11:**

(1) Each of the shares is equal in terms of their holders' rights. The legal rights of the shareholders protected by the mandatory provisions of the Banking Law, Capital Market Law, Turkish Commercial Code, and other prevailing laws, are reserved.

## **Liabilities of Shareholders**

### **Article 12:**

(1) Liability of each of the shareholders shall be limited to the nominal value of the share certificates that have been committed by each of the shareholders, and their liability shall not exceed these values.

(2) All the shares are subject to equal liabilities. Provisions of the related laws are reserved.

## **Indivisibility of Shares**

### **Article 13:**

(1) A share can not be divided against the Bank. If a share certificate is owned by more than one person, such persons can make use of their rights in the Bank solely by means of a co-agent. In the case of failure in appointing such a co-agent, any notice to be made by the Bank to any one of them shall be valid for all of them. A voting right arising from a share certificate over which a usufruct is established, shall only be used by the holder of the right of usufruct. If the right of usufruct is held by more than one person, this right shall be

used by a co-agent they shall appoint. In case of failure by the owners of the usufruct right, to appoint a co-agent, the aforementioned provision shall be applied.

## **CHAPTER TWO BANK MANAGEMENT**

### **SECTION ONE Board of Directors**

#### **Number and Qualifications of the Members of The Board of Directors**

##### **Article 14:**

(1) The Board of Directors shall consist of minimum 5 and maximum 13 members including the General Manager. General Manager, in case of absence of the General Manager, Deputy General Manager, is a natural member of the Board of Directors.

(2) The Board of Directors shall consist of such members having the qualifications as indicated in the Banking Law, Turkish Commercial Code, Capital Market Law and other relevant legislations.

(3) Number and qualifications of independent members of the Board of Directors shall be determined in accordance with the principles of corporate governance declared by the Capital Markets Board.

#### **Election of Members of the Board of Directors**

##### **Article 15:**

(1) Members of the Board of Directors other than the General Manager, shall be elected by the General Assembly.

(2) In the case of election of a legal entity as a member of the Board of Directors, only one real person that is appointed by the legal entity to act on behalf of the legal entity shall be registered and announced together with the said legal entity being the member of the Board of Directors, and only this registered real person shall be allowed to participate in and vote during the meetings on behalf of the legal entity.

(3) In the case of any membership of the Board of Directors become vacant, action shall be taken in accordance with the Article 22 of the Articles of Association.

#### **Term of Office for the Members of the Board of Directors**

##### **Article 16:**

(1) Members of the Board of Directors shall be elected to function for a maximum term of office of 3 (three) years.

(2) Any member of the Board of Directors who has completed his/her term may be re-elected.

#### **Distribution of Tasks Among the Board of Directors Members**

##### **Article 17:**

(1) The Board of Directors shall appoint, from among its members, a chairman, and a vice chairman who will temporarily assume Chairman's tasks during his/her absence.

(2) The Board of Directors may set up commissions or committees to supervise the course of business, to prepare reports on issues to be submitted to the Board, to enforce its decisions, or to conduct internal audits,

#### **Duties and Authorities of the Board of Directors**

##### **Article 18:**

(1) The Bank shall be governed, represented and bound by the Board of Directors in any and all matters, within the framework of the provisions of the Banking Law, Capital Market Law, Turkish Commercial Code and other relevant legislations, and the Articles of Association.

(2) The Board of Directors shall have the power to take decisions on any and all matters other than those that are left exclusively to the discretion of the General Assembly as per the provisions of the Articles of Association, and the relevant legislations.

(3) The Board of Directors is commissioned and authorized to perform particularly the following tasks in addition to those stated in the Article 375 of the Turkish Commercial Code:

a) Take decisions on any and all kinds of matters, and implement such decisions that are not prohibited by the relevant legislations and by the Articles of Association.

- b) Implement the decisions taken by the General Assembly, call ordinary and extraordinary meetings of the General Assembly, and set the agendas of the meetings.
  - c) Designate the long term and short term objectives and strategies of the Bank, have such objectives and strategies accomplished.
  - ç) Submit to the General Assembly any issues related to the balance sheets, profit and loss statements, annual activities reports and distributable dividends, and provide any and all documents that may be required by the General Assembly and by the competent authorities.
  - d) Take decisions on giving loans, issuing credits, granting approvals, and establish policies on other administrative issues, have such decisions and policies accomplished and followed up, and take due precautions.
  - e) Transfer its authority of issuing credits to the Credit Committee or General Management office within the framework of the Banking Legislations, make the necessary arrangement thereof, audit the decisions of the Credit Committee or General Management Office.
  - f) Purchase-sell, take as a pledge, give as a pledge, hire, rent any and all movable and immovable properties, rights and receivables and any and all other commodities/assets being in the first place, acquire or transfer all types of in-kind, limited in-kind, personal and other rights, and exercise all types of legal dispositions thereof, either in Turkey or abroad, within the framework of the provisions of relevant legislations.
  - g) Enter into, in every respect, contracts, covenants, agreements, protocols, commitments, representations, conciliation, compromise and release, waiver, acceptance, collection and receipt, and exercise any and all other legal transactions and dispositions, being such subjects in the first place that are causing the Bank to acquire rights and receivables, or to decrease or terminate the rights and receivables or causing the Bank to commit and involve.
  - ğ) Establish the necessary regulations and instructions, and carry out any other regulatory arrangements for managing, representing and binding the Bank,
  - h) Designate and appoint the General Manager, Deputy or Assistant General Managers, managers and other positions,
  - ı) Take any and all decisions necessary for managing, representing and binding the Bank, delegate its authority in whole or in part, and make circulars in this regard,
  - i) Keep books and records of accounts in accordance with the legislations; make arrangements thereof,
  - j) Establish internal control, risk management and internal audit systems in accordance with the relevant legislations; ensure operability, convenience and sufficiency of such systems, ensure financial reporting systems; determine the authorities and responsibilities of all positions within the Bank.
  - k) Determine amounts of the salaries, premiums, rate of increase in the salaries, and all other payments to be made to the General Manager, Deputy General Managers, and all other personnel, and delegate such power to the General Manager in part or in whole.
  - l) Perform the duties and exercise the authorities entrusted to The Board of Directors in pursuance of the legislations and as set forth the Articles of Association.
- (4) Managing, representing and binding authority of the Board of Directors shall not be limited to the aforementioned subjects, but the Board of Directors also has the authority, right and duty to perform all such kinds of duties and legal proceedings as the management of the Bank and its assets, and all kinds of the actions and activities as set forth in the Article 3 and 4 of the Articles of Association, on behalf of the Bank.
- (5) The authority to issue capital market instruments having the characteristics of debt instruments pursuant to the Article 31 of the Capital Market Law, shall be exercised by the Board of Directors. The Board of Directors shall have the right to exercise this authority for indefinite time period.
- (6) The Board of Directors performs the duties and exercises the authorities mentioned above with reference to its right to manage, represent and bind the Bank, and this authority can **not** be limited by any person or entity except for the provisions of the Articles of Association or resolutions of the General Assembly.

#### **Transfer of the Authority of the Management to Represent and Bind**

##### **Article 19:**

- (1) The Board of Directors, without prejudice to the provisions of the Article 375 of the Turkish Commercial Code, shall have the right to transfer the management of the Bank, in part or in whole, to one or more members of the Board of Directors, to third party/parties or committees and commissions by issuing an internal directive.
- (2) The Board of Directors, may transfer its authority to manage, represent and bind the Bank to one or more executive directors or third parties.



(3) Executive Directors shall meet the qualifications stipulated for a General Manager under the Banking Law. The duties, authorities, salaries and any other rights to be vested in the executive director or directors shall be determined by the Board of Directors, and in case the number of executive director is more than one, the relations between such directors shall also be arranged by the Board of Directors.

(4) The managing, representing and binding authorities of the persons to whom the Board of Directors has transferred its managing, representing and binding authority, shall not be limited with the Board of Directors' term of office, and shall be in effect until removed from their duties. The Board of Directors shall have the right to remove such persons from their duties at any time.

(5) The Board of Directors may, at its discretion, appoint commercial representatives, commercial agents and any such other commercial proxies.

(6) In order to be binding for the Bank, all proceedings to be performed, and all contracts, agreements, covenants, protocols to be entered into, and all commitments, undertakings and declarations and representations to be made and any and all other types of documents to be prepared by the Bank, shall bear, under the Bank's title, signatures of at least two authorized signatory officers.

(7) The Board of Directors shall have the right to limit the representing and binding authority with respect to a business, subject, quantity, head Office, branch or branches, or in any other way.

### **Rights of the Members of the Board of Directors**

#### **Article 20:**

(1) Attendance fee, remuneration, bonus, premium, share from the annual earnings, and any such other payments can be made to the Chairman, Vice Chairman and other members of the Board of Directors on condition that the amounts of such payments shall be determined by the General Assembly. The amounts of such payments may be determined in consideration of the meetings that each of the members will participate in, the time period they require for getting ready for and perform their duties before and after the meetings, and such other matters as labour, committee membership, and being entrusted with some special tasks.

(2) In addition to the payments to be determined by the General Assembly, all accommodation and travel expenses of the Members of the Board of Directors shall also be paid by the Bank, provided that such expenses shall be related to the tasks of the Board of Directors, and limited with their task duration.

### **Responsibilities of the Members of the Board of Directors**

#### **Article 21:**

(1) Members of the Board of Directors shall not be held personally responsible on their individual assets for any debt of the Bank that may be arising from or in connection with performance of their duties provided that such performance shall be within the limits of their authorizations. Provisions of the Banking Law, Capital Market Law, Turkish Commercial Code and other relevant legislations regarding the responsibility of the members of the Board of Directors are reserved.

### **Vacancy in the Board of Directors**

#### **Article 22:**

(1) In case of any vacancies occur on the Board of Directors due to such reasons as resignation, death, bankruptcy, limitation of qualification, loss of legal qualifications or the qualifications described in the Articles of Association, the Board of Directors fills such vacancies temporarily by appointing persons who meet the legal requirements, and submits to the approval of the General Assembly at the first meeting to be held thereafter. The members appointed in this way, shall perform their tasks until the first meeting of the General assembly, and in case of approval, complete the term of office of their predecessors.

### **Dismissal of the Members the Board of Directors**

#### **Article 23:**

(1) Members of the Board of Directors can be removed by a resolution of the General Assembly in the case that there is an agenda item in relation to this subject, or even when there is no agenda item in relation to this subject, based upon a justifiable reason. Removal from membership of the Board of Directors, shall not be deemed to be a reason for granting the removed members any right under the caption of compensation or any other name.

### **Meetings of the Board of Directors**

#### **Article 24:**

- (1) Meeting of the Board of Directors shall be held upon the invitation of the Chairman. Any member of the Board of Directors may request, in written, the Chairman to invite the Board of Directors to a meeting.
- (2) Meetings of the Board of Directors shall be held at the head office of the Bank. The meetings, provided that at least a two-thirds of the total number of the members of the Board of Directors shall participate in the meeting, may be held at any place in Turkey other than the head office of the Bank is located, or outside of Turkey. In the calculation of the said quorum, each fractional vote shall be rounded up or down to the nearest whole number.
- (3) Meetings of the Board of Directors may be held completely electronically, or some members may participate in the meeting electronically while the others attend in person.
- (4) Any member of the Board of Directors may participate in the meetings in an electronic environment via the Electronic Meeting System. In the case that no member of the Board of Directors shall declare to attend the meeting in person, the meeting may be held completely electronically.
- (5) Any person who has the right to attend the meetings of the Board of Directors of the Bank, may attend the meetings in the electronic environment pursuant to the provisions of the Article 1527 of the Turkish Commercial Code. In accordance with the provisions of the Communiqué on Electronic General Meetings of Commercial Companies Besides the General Assemblies of Joint Stock Companies, the Company (Bank) may either install an Electronic Meeting System to enable the persons having the right to attend the meetings to do so and vote electronically, or at its discretion, may procure service from the companies that are established to provide such services. Any necessary precautions shall be taken to enable such persons to exercise their rights under the provisions of the relevant legislations within the framework of the said Communiqué, via the Electronic Meeting System installed in accordance with this provision of the Articles of Association or via a procured system.

#### **Quorum for the Meetings of the Board of Directors**

##### **Article 25:**

- (1) The quorum for a meeting of the Board of Directors shall be at least two-thirds of its total number of members. In the calculation of the said quorum, each fractional vote shall be rounded to the nearest whole number.
- (2) The quorum as described in the paragraph (1) above shall be applicable in the case that the meetings of the Board of Directors are held electronically.

#### **Quorum for the Decisions of the Board of Directors**

##### **Article 26:**

- (1) Resolutions of the Board of Directors shall be taken by the majority of its members attending to the said meeting. The members can **not** vote on behalf of each other or vote through a representative or a delegate.
- (2) In case of equality of the votes, the proposal shall be postponed to the next meeting. In case of equality of votes in the second meeting, the proposal is deemed to be rejected.
- (3) Resolutions of the Board of Directors on such issues as increasing or decreasing the Bank's capital, shortening or extending the term of the Bank, approval of balance sheets, the annual accounts, determination of the share profits recommended for distribution, or usage of reserves for the purposes other than the originally intended purposes shall be adopted by an affirmative vote of at least two-thirds of the total number of the members.
- (4) In the case that no member of the Board of Directors has requested to hold a meeting, resolutions of the Board of Directors may be adopted by obtaining written approval of at least the majority of the members for the proposal on a given issue submitted by one of the members of the Board and written in the form of a resolution. For any such resolution of the Board of Directors adopted in this way to have legal standing, the same proposal should have been presented to all members of the Board. The approvals should not necessarily be on the same sheet, but it is necessary for any such resolution to have legal standing, to affix all the papers containing approval signatures in the Decision Book of the Board of Directors, or to write in the decision book of the Board of Directors after having been prepared in the form of a resolution containing approval signatures.
- (5) In the case that no member of the Board of Directors has requested to hold a meeting, the members of the Board may approve a proposal on a given issue submitted by a member of the Board and written in the form of a resolution, by using their secure electronic signatures via Electronic Meeting System. For this purpose, the said proposal shall be accessible via Electronic Meeting System.
- (6) The activities of the Bank that are subject to the arrangements of the Capital Markets Board and that are to be implemented with the involvement of the relevant parties in accordance with the Article No 17/(3) of the

Capital Market Law, and the activities as described in the Article no. 23 of the Capital Market Law, shall be carried out pursuant to the provisions of the Capital Market Legislations.

(7) In the calculation of the quorum mentioned in this article, each fractional vote shall be rounded to the nearest whole number.

(8) For any resolution of the Board of Directors to have legal standing, such resolutions shall be written in the form of a resolution, and shall be signed by the members.

#### **Decision Book of the Board of Directors**

##### **Article 27:**

(1) Pursuant to the provisions of the Banking Law, Capital Market Law, Turkish Commercial Code and other relevant legislations, the decisions of the Board of Directors shall be written, on a daily basis, in an officially registered book having consecutive page numbers, and with dates and numbers of the decisions in chronological order, and without leaving any blank space between the paragraphs, or without adding any marginal notes among the lines, and as per the provisions of the Turkish Commercial Code on maintenance of commercial books, and bottoms of each of the decisions shall be signed by the members who attend the meeting where the said decision has been adopted, within a one-month time period the latest as of the date of decision.

(2) Any member who is against the decision may lodge a statement of opposition to the decision. Discussions of the Board of Directors are confidential in nature, and any member of the Board of Directors or any personnel of the bank who may be present at the meeting or keeps the minutes of the meetings being in charge of such tasks, shall not disclose the discussions in part or in whole.

(3) Within the framework of the arrangements to be made under the Banking Law, and of the procedures and principles to be established by the Banking Regulation and Supervision Agency, a separate loose-leaf book in kalamoza type having consecutive page numbers, and all pages of which has been notarized, may be used instead of a decision book, on condition that such kalamoza books shall be binded at the end of each year.

(4) The decision books and/or kalamozas consisting of decisions may be maintained and protected in such a way allowed by the relevant legislations in the case that the relevant legislations do not necessitate to maintain such books physically.

#### **Credit Committee**

##### **Article 28:**

(1) The Board of Directors may set up a Credit Committee within the framework of the Banking Law and other relevant regulations, in order to perform the duties related to opening credits in accordance with the instructions to be given by the Board of Directors.

(2) The Board of Directors may delegate its authorities related to opening credits to the Credit Committee, under the conditions stipulated in the relevant legislations. Regarding the credits which are not subject to the Banking Law provisions about credit limits, the authority to open a credit may be delegated within the framework of the procedures and principles to be determined by the Board of Directors.

(3) The procedures and principles related to the establishment and the operation of the Credit Committee shall be determined by the Board of Directors pursuant to the provisions of the relevant legislations.

(4) The Credit Committee shall meet whenever the business conditions of the Bank necessitate. Provisions of the relevant legislations related to such subjects as holding meetings, adopting resolutions, and other matters, shall be followed.

(5) The provisions related to recording and signing of the resolutions of the Board of Directors, and any other matters set forth herein with regard to the resolutions of the Board of Directors, shall also be valid for the decisions of the Credit Committee.

#### **Audit Committee**

##### **Article 29:**

(1) The Board of Directors shall form an audit committee consisting of at least two members of the Board of Directors who do not have executive duties, in order to assist in the performance of the auditing and supervision functions of the Board of Directors,

(2) Formation of the Audit Committee and appointment of the members of the Audit Committee, and such other matters as the number, qualifications, tasks, authorities, responsibilities and liabilities of its members, shall be determined within the framework of the Banking Law and other relevant legislations.

(3) The duties, authorities and responsibilities of the Audit Committee, and its working procedures and principles shall be determined by the Board of Directors.

(4) The provisions related to recording and signing of the resolutions of the Board of Directors, and any other matters set forth herein with regard to the resolutions of the Board of Directors shall also be valid for the decisions of the Audit Committee.

(5) The Audit Committee shall act in accordance with the Banking Law and other relevant legislations.

### **Corporate Governance Committee**

#### **Article 30:**

(1) The Board of Directors shall establish a Corporate Governance Committee in order to ensure the compliance of the Bank to the principles of corporate governance, and to find out the reason for non-compliance, if any, and to determine the conflicts of interest arising from such a non-compliance to the principles, and to implement measures to improve corporate governance applications, and to submit proposals to the Board of Directors and to perform other tasks assigned to the Corporate Governance Committee pursuant to the Capital Market Legislations.

(2) The Corporate Governance Committee shall consist of at least two members of the Board of Directors, and its working procedures and principles shall be determined by the Board of Directors in accordance with the provisions of relevant legislations.

### **General Management**

#### **Article 31:**

(1) The Board of Directors shall appoint a General Manager from among the members of Board of Directors or from outside of the Board, to perform such tasks as Bank's management, activities and operations within the framework of the provisions of the Turkish Commercial Code, Banking Law, Capital Market Law and other relevant legislations, and in accordance with the provisions of this Articles of Association and the resolutions of the Board of Directors.

(2) The General Manager, or the Deputy General Manager in the absence of General Manager, is the natural member of the Board of Directors.

(3) Without prejudice to any of the non-transferable rights and authorities of the Board of Directors, management of the Bank and any and all other administrative tasks and operations shall be executed by the General Manager.

(4) The General Manager, within the framework of the authority assigned by the Board of Directors, shall determine the salaries, bonuses, premiums and other rewards, to be paid to the personnel, and any and all other issues.

(5) The General Manager, shall perform the tasks and execute the authorities under the provisions of the relevant legislations and this Articles of Association, and perform any other tasks that are transferred to the General Management office by the Board of Directors.

(6) The General Manager shall be responsible to the Board of Directors for the management of the Bank, and any and all other activities and operations thereupon.

(7) The Board of Directors may appoint sufficient number of Assistant General Managers to assist the General Manager. Assistant General Managers shall function within the framework of the tasks and authorities assigned by the General Manager, and in accordance with the provisions of the relevant legislations.

(8) The General Manager and the Assistant General Managers shall possess the qualifications and conditions to the extent stipulated by the Banking Law.

(9) The Board of Directors may remove the General Manager or the Assistant General Managers at any time.

(10) The General Management may execute the authorities that are transferred by the Board of Directors to the General Management office, including the authority to open credits via other units, regional offices or branches.

## **SECTION TWO**

### **General Assembly**

#### **Duties and Authorities of the General Assembly**

##### **Article 32:**

(1) The followings are the main issues that the General Assembly has the authority to put on the agenda, to make discussions on and to make resolution for:

a) Amendment of the provisions of the Articles of Association, including such issues as to increase or decrease the upper limit of registered capital of the Bank, to extend or shorten the term of the Bank.

- b) Appointment of the members of the Board of Directors or approval of the members appointed by the Board of Directors, determine such rights of the members of the Board of Directors as the term of office, salaries, attendance fees, bonuses, premiums and profit shares from annual profit, and decide whether or not to acquit the members or remove from office.
- c) Appointment of the Auditors, and remove them from office.
- ç) Making decisions on financial statements, annual reports of the Board of Directors, the use of profit, determination of profit shares and dividend shares, the use of the reserve funds by either adding to the capital or to the dividend or in any other way,
- d) Amendment of the Articles of Association at a meeting to be held in accordance with the provisions of the relevant laws and this Articles of Association and within the framework of the provisions of the Turkish Commercial Code and the Capital Market Legislation, after having been obtained permission from the Banking Regulation and Supervision Agency, the Capital Markets Board and the Ministry of Customs and Trade.
- e) Entering into discussions and making decisions on the issues pertaining to the business during the operational period and on any other subject considered necessary.
- (2) The General Assembly is authorized to put on the agenda, enter into negotiations, and make decision on all kinds of subjects, including but not limited to the above mentioned issues, that are entrusted to the General Assembly under the Turkish Commercial Code, the Capital Market Law, and other relevant legislations, and in this Articles of Association.

### **Place and Types of General Assembly Meeting**

#### **Article 33:**

- (1) Meetings of the General Assembly consisting of the Shareholders are held as ordinary or extraordinary.
- (2) General Assembly meetings, as a rule, are held at the address where the headquarters of the Bank is located. Meetings may also be held at any other place within or outside the boundaries of the county where the headquarters is located, or outside of Turkey, by decision of the Board of Directors.
- (3) General Assembly meetings may be held open to public including the beneficiaries (stock holders) and the media, without having right to speak.

### **Times of the General Assembly Meetings**

#### **Article 34:**

- (1) Ordinary General Assembly meetings shall be held at least one time in a year and within three months as of the end of the accounting period.
- (2) Extraordinary General Assembly meetings may be held whenever necessitated by the Board of Directors or in the cases of exceptional circumstances which require holding a meeting.

### **Authority to Invite the General Assembly to a Meeting**

#### **Article 35:**

- (1) The Board of Directors has the authority to invite the General Assembly to a meeting.
- (2) In the case there exist conditions stipulated in the relevant legislations, a shareholder or minority shareholders holding at least 1/20 (one-twentieth) portion of the capital or shareholders of the Bank shall have the right to invite the General Assembly to a meeting within the framework of the procedures and principles of the relevant legislations.

### **Invitation Procedure for General Assembly Meeting**

#### **Article 36:**

- (1) General Assembly shall be invited to a meeting by announcing the invitation in the Türkiye Trade Registry Gazette, on the website of the Bank, and other places to be determined by the Public Disclosure Platform and the Capital Markets Board. Such an announcement shall also be made in the case that the general assembly meeting shall be held electronically. Furthermore, the shareholders who are registered in the stock ledger, and the shareholders whose addresses have already been declared to the Company (Bank) by submitting share certificate or any other document as proof of shareholding, shall be notified of the date and agenda of the meeting, and the newspapers where the announcement is or to be published, shall be sent via registered letters with return receipts to such shareholders. Those shareholders holding registered share certificate that are publicly-traded shall not be notified of the date and agenda of the meeting; and the newspapers where the announcement is or to be published shall not be sent via registered letters with return receipts to such shareholders.

(2) The General Assembly meeting announcements, in addition to the above mentioned procedures, shall be tried to be made through all kinds of communication channels including electronic communication, in order to reach as the larger number of shareholders as possible.

(3) The General Assembly meeting announcements shall be made pursuant to the provisions of the Turkish Commercial Code, Capital Market Law and other relevant legislations.

(4) Rights of minority shareholders under the provisions of the Capital Market Legislation and the Turkish Commercial Code are reserved.

#### **Agenda of General Assembly Meeting**

##### **Article 37:**

(1) All kinds of subjects within the scope of the duties and authority of the General Assembly under the Turkish Commercial Code, Capital Market Law, relevant legislation and the Articles of Association, may be put on the agenda of the General Assembly meeting.

(2) The Agenda shall be set by the authority who invites the General Assembly to a meeting.

(3) The subjects that are not put on the agenda of the General Assembly meeting, shall not be discussed or resolved during the meeting, except for the exceptions stated in the relevant legislation.

(4) The chairman of the General Assembly meeting shall pay strict attention to have the subjects on the agenda presented in an objective perspective and in detail, and in a clear and understandable method. The shareholders shall be allowed to express their opinion and to ask questions under equal conditions. The questions that are asked at the meeting shall be answered, verbally during the General Assembly meeting, where possible, or otherwise, the shareholder who asked the question shall be answered in writing within 30 working days the latest. Any questions asked about the matters that are confidential to the Bank or to a customer, or deemed to be confidential information under the Turkish Commercial Code, Banking Law and other relevant legislations shall not be answered.

#### **Participation in the General Assembly Meetings**

##### **Article 38:**

(1) The shareholders or their representatives, whose names are listed on the attendance sheet prepared by the Board of Directors within the framework of relevant legislations, can attend the General Assembly meetings.

(2) Participation in the General Assembly meetings in electronic environment: the beneficiaries who have the right to attend the General Assembly meetings of the Company (Bank) may participate in the meeting in electronic environment as per the Article 1527 of the Turkish Commercial Code. In accordance with the provisions of the Communiqué on Electronic General Assembly Meetings of Commercial Companies Besides the General Assemblies of Joint Stock Companies, the Bank, may either install an Electronic General Assembly Meeting System to enable the beneficiaries having the right to attend the meetings, to participate in the meeting, explain their opinions, suggest proposals, and vote electronically, or at its discretion, may procure service from the companies that are established to provide such services. Necessary precautions shall be taken to enable shareholders to exercise their rights within the framework of the said Communiqué in all General Assembly meetings, via the Electronic General Assembly Meeting System to be installed in accordance with this provision of the Articles of Association or via a system outsourced.

(3) The procedures, principles and conditions of participation in the General Assembly meetings, either in person or in proxy, or, physically or in electronically, shall be determined according to the provisions of the Turkish Commercial Code, Capital Market Law and other relevant legislations.

#### **List of Attendants in the General Assembly Meeting**

##### **Article 39:**

(1) The Board of Directors shall prepare a list of shareholders who have the right to participate in the General Assembly meetings within the framework of the Turkish Commercial Code, Capital Market Law and other relevant legislations. The said list which is prepared by the Board of Directors and consisting of the names of the beneficiaries who have the right to participate in the General assembly meetings, shall be signed by the shareholders or their representatives attending the meeting, the President of the meeting, and representative of the Ministry of Customs and Trade. This sheet signed by the said parties, is called the List of Attendants.

#### **Quorum for Meetings and Resolutions of the General Assembly**

##### **Article 40:**

(1) The General Assembly Meeting can only be held if and when the shareholders or their representatives who own at least 1/4 (one-fourths) of the Bank's capital attend the meeting with the exception of any contrary provisions of the Turkish Commercial Code, relevant legislation or the Articles of Association prescribing higher ratios of quorum. It is necessary to keep the said quorum during the General Assembly meeting. In the case when the required quorum mentioned in the first paragraph above shall not be met in the first meeting, the shareholders or their representatives attending the meeting, notwithstanding the amount of capital they may hold, shall have the right to enter into negotiations and make decisions in the second meeting to be held, with the exception of any contrary provisions of the Turkish Commercial Code, relevant legislation or the Articles of Association prescribing higher ratios of quorum.

(2) Resolutions at the General Assembly meetings shall be taken by an affirmative vote of the majority of the attendants, with the exception of any contrary provisions of the Turkish Commercial Code, relevant legislation or the Articles of Association prescribing higher ratios of quorum.

(3) Turkish Commercial Code, Capital Market Legislation and corporate governance principles shall be applicable to the quorums for meeting and for taking resolution in General Assembly meetings.

#### **General Assembly Meeting Presidency**

##### **Article 41:**

(1) General Assembly meetings are presided (chaired) by the Chairman of the Board of Directors. In the case of absence of the Chairman, the vice-chairman, and in the case of his absence, any of the members of the Board of Directors shall undertake this task.

(2) The President shall establish the presiding council by designating a secretary to record the minutes of the meeting, and sufficient number of vote collectors. The President may also designate some experts in order to get immediate technical services with regard to the Electronic General Assembly System during the meeting.

#### **Voting Right and Voting Procedure at General Assembly Meeting**

##### **Article 42:**

(1) Each share has one voting right at the General Assembly meeting.

(2) The Shareholders shall not be allowed to vote on such matters related to themselves, their spouses, descendants, parents, grandparents, or private companies they have share in, or stock companies they have control over, and any matter or transaction with the Bank which are personal in nature, or any action under jurisdiction or arbitration.

(3) The members of the Board of Directors and the persons who have managerial positions and signing authorities in the Bank shall not be allowed to exercise their voting rights arising from the shares owned by them in the decisions on acquitting the members of the Board of Directors. The said shareholders, however, shall be allowed to vote on behalf of the shareholders who are not members of the Board of Directors

(4) Voting procedure at the General Assembly meetings shall be conducted in accordance with the provisions of the Capital Market Legislation, Turkish Commercial Code, the Articles of Association and within the framework of the procedures and principles that are specified in the Internal Directive in relation to the Working Procedures and Principles of the General Assembly.

#### **Impact of General Assembly Resolutions**

##### **Article 43:**

(1) Resolutions adopted at General Assembly meetings according to the Articles of Association shall be binding on all shareholders including the absentee shareholders or who have voted against the resolution, and those who are lack of legal capacity.

(2) Legal rights of the shareholders who voted against the resolution are reserved

#### **Auditor**

##### **Article 44:**

(1) Auditing of any issue that is deemed to be subject to independent audit, shall be carried out within the framework of provisions of the Banking Law, Turkish Commercial Code, Capital Market Law and other relevant legislations.

(2) Independent auditing company shall be designated by the General Assembly.

### **CHAPTER THREE**

#### **FINANCIAL AND OTHER PROVISIONS**

## **SECTION ONE**

### **Financial Provisions**

#### **Financial Year (Period)**

##### **Article 45:**

(1) The financial year commences as of the first day of January, and ends on the 31st day of December of each calendar year. The first financial year, according to the legislations in effect in the State of the Republic of Turkey, shall be the period which commences from the date of registration of the Bank, and ends at the end of December in the same year of registration.

#### **Final Accounts**

##### **Article 46:**

(1) The Bank shall perform all such tasks as announcement, declaration, submission, and publication of and any other activities in relation with the financial reports and annual activity reports to be prepared as of the end of the financial year within the framework of provisions of relevant legislations particularly in the Banking Law.

#### **Profit Distribution**

##### **Article 47:**

(1) The net profit shown in the annual balance sheet, after deducting past year losses, if any, shall be distributed in the following manner and order:

a) Five percent of the net profit will be set aside as general legal reserve, up to twenty percent of the paid capital.

b) From the amount remaining after the deduction described in paragraph (a), the first share profit (dividend) will be set aside within the framework of profit distribution policies to be determined by the General Assembly, and pursuant to the provisions of relevant legislation.

c) After having been deducted the amounts described in the paragraphs (a) and (b) hereinabove, the General Assembly is authorized to either distribute remaining amount, in whole or in part, as the second share profit (second dividend), or to distribute a share from the profit to the individuals other than the shareholders, including the Members of the Board of Directors and employees, or to add it to the reserve funds that are set aside by Law and the Articles of Association, or to set aside as voluntary (optional) reserve fund or retain in the balance sheet as the past year's profit, or to set aside for social responsibility donations not exceeding the rates determined in the provisions of the relevant legislations, particularly the Banking Law.

ç) Ten percent of the amount remaining after deduction of a share of profit [at the rate of five percent of the paid capital] from the profit which is to be distributed to the shareholders and other persons participating in the profit, shall be transferred to the General Legal Reserve fund in accordance with the subparagraph (c) of the paragraph 2 in the Article 519 of the Turkish Commercial Code.

d) Unless the reserve funds to be set aside by Law and the share profits to be distributed to the shareholders under the Articles of Association are set aside, a decision can **not** be made to set aside any other reserve fund, or to transfer profit to the next year, or to distribute shares from the profit to the holders of dividend right certificates or to the members of the Board of Directors or to employees; and unless the determined share profits are paid, any share profit can **not** be distributed to these persons.

e) The share profits are distributed equally to all of the shares that are present as of the accounting period, regardless of their date of issue and acquisition.

#### **Profit Distribution Time**

##### **Article 48:**

(1) The profit shall be distributed to the shareholders at the time to be determined by the General Assembly within the framework of the provisions of the Capital Market Law, Banking Law, Turkish Commercial Code and other relevant legislations.

#### **Reserve Funds**

##### **Article 49:**

(1) General legal reserve funds shall be put aside within the framework of the provisions of the Article 47 of the Articles of Association.



(2) In the case the general legal reserve fund exceeds 50 % of the Bank capital; the general legal reserve fund shall be used in consideration of the interests of the Bank. In the case the general legal reserve fund doesn't exceed half of the Bank capital, it can only be used for such purposes as covering the losses, supporting the Bank to ensure its continuity during the periods of adverse circumstances, or obviating the unemployment or relieving its consequences.

(3) The Bank may, at its discretion, either put aside an amount more than five percent of the annual profit, or a total amount exceeding twenty percent of the paid capital as Reserve Fund. The Bank may also put aside any other specific reserve fund, and may determine the allocation and utilization procedures and conditions for such funds.

## **SECOND SECTION**

### **Other Provisions**

#### **Dissolution and Liquidation of the Bank**

##### **Article 50:**

(1) Discontinuation and liquidation and dissolution of the Bank shall be realized in accordance with the procedures and principles set forth in the provisions of the Banking Law, Capital Market Law, and other relevant legislations.

#### **Announcements**

##### **Article 51:**

(1) Announcements and notifications from the Bank shall be made pursuant to the provisions of the Article 35 of the Turkish Commercial Code, the Banking Law, and Capital Market Legislation.

#### **Public Disclosure**

##### **Article 52:**

(1) The Bank shall perform completely whatever required on its part for the purposes of protecting the minority shareholders from adverse developments that may affect the values of their shares, and for public disclosure according to the rules and regulations of the Capital Market Board.

(2) The Bank shall be liable to provide the Capital Market Board and related Stock Exchanges and other organized markets with any information that may be deemed necessary by the Capital Market Board to bring to the public attention, in accordance with the methods and principles to be determined; and the Bank is obliged to fully abide by this responsibility.

#### **Corporate Governance Principles**

##### **Article 53:**

(1) The Bank is obliged to apply the Corporate Governance Principles as necessitated by the Capital Market Board.

(2) The Bank shall conform to the Corporate Governance principles of the Capital Market Board in the performance of the activities that are deemed important with regard to the application of the Corporate Governance Principles, and in the performance of all kinds of related party transactions, and in such other activities as providing security, giving a pledge and mortgage in favor of third parties.

(3) The Bank may also take into consideration the Banking Legislation in the establishment of the structure and the procedures and principles with regard to the corporate governance.

#### **Matters not Covered**

##### **Article 54:**

(1) Provisions of the Turkish Commercial Code, Banking Law and Capital Market Legislation shall apply to the matters that are not covered in the Articles of Association.

#### **Provisional article:**

This Articles of Association is the amended new version of the registered and published Articles of Incorporation of the Bank consisting of 52 Articles and 1 provisional article. It has been drafted by making such revisions as additions, deletions, consolidations and alterations, and thus arranged to consist of 54 Articles and 1 provisional article, and has been accepted by the General Assembly.