

## **Internal Directive on the Principles and Procedures of Operation of the General Assembly of Albaraka Türk Katılım Bankası A.Ş.**

### **SECTION ONE Purpose, Scope, Legal Ground and Definitions**

#### **Purpose and scope**

ARTICLE 1- (1) The purpose of this Internal Directive is to set forth the principles and procedures of the operations of the general assembly of Albaraka Türk Katılım Bankası A.Ş. in accordance with the provisions of the Code, the applicable legislation as well as the Articles of Incorporation. The scope of this Internal Directive covers any and all ordinary and extraordinary general assembly meetings of the Bank.

#### **Legal Ground**

ARTICLE 2- (1) This Internal Directive has been prepared by the Board of Directors of the Bank in accordance with the provisions of the Regulation on the Procedures and Principles of the General Assembly Meetings of Joint Stock Companies, and the Representatives of the Ministry Attending these Meetings.

#### **Definitions**

ARTICLE 3- (1) The following terms mentioned in this Internal Directive shall have the following meanings;

- a) Assembly: One-day meeting of the General Assembly,
- b) Code: The Turkish Commercial Code No. 6102, enacted on 13/01/2011,
- c) Session: Each part of an assembly interrupted due to a break, lunch and another similar occasion during the assembly.
- ç) General Assembly: Ordinary and extraordinary general assembly of the Bank,
- d) Council of Meeting: The council, comprising of the Chairman as elected by the general assembly meeting in accordance with the provisions of the first paragraph of Article 419 of the Code to manage the meeting, where necessary the deputy Chairman as elected by the general assembly meeting, the reporter to be appointed by the Chairman and, where so deemed necessary by the Chairman, the vote-collector,
- e) Bank: Albaraka Türk Katılım Bankası A.Ş.,
- f) Articles of Incorporation: Articles of Incorporation of the Bank.

### **SECTION TWO Working Procedures and Principles of the General Assembly**

#### **Applicable provisions**

ARTICLE 4 – (1) The meetings shall be held in accordance with the provisions of the Code, the applicable legislations and the Articles of Incorporation regulating the general assembly meetings.

#### **Entrance into the meeting place and preparatory activities**

ARTICLE 5 – (1) The shareholders registered in the list of attendees issued by the Board of Directors or the representatives thereof, the members of the Board of Directors, the auditor, if any, the Ministry Representative if assigned and the persons, who may be elected or appointed for the Council of the Meeting may have enter into the meeting place. Other managers of the Bank, employees, guests, audio and video technicians, members of the press may also enter the meeting place.

(2) It is mandatory for the natural person shareholders and the representatives appointed through the electronic general assembly system as established pursuant to the Article 1527 of the Code to submit their ID credentials, for the representatives of the natural person shareholders to submit their respective powers of attorney along with their ID credentials and also for the representatives of the legal entity shareholders to submit their respective authorization certificates, and for all the aforesaid to sign the designated fields in the list of attendees for the purpose of entering into the meeting place. The said authentication processes shall be conducted by the Board of Directors, or by one or more members of the Board of Directors assigned by the Board of Directors or by person or persons appointed by the Board of Directors.

(3) The Board of Directors shall prepare the meeting place to welcome all shareholders and make the stationary supplies, documents, tools and kits which may be needed throughout the meeting available at the meeting place. The Meeting shall be recorded with audio and video

### **Opening of the Meeting**

**ARTICLE 6 –** (1) The meeting is held at the address of the Bank's headquarters as a rule. Meetings may be held in another place within or outside the local administrative unit where the headquarters of the Bank is located, or abroad, by the decision of the Board of Directors. In accordance with the regulation in the Articles of Association of the Bank pursuant to Article 419/(1) of the Law, the meeting is opened at the pre-announced time (the provisions of the meeting without invitation specified in Article 416 of the Law are reserved) by the Chairman of the Board of Directors, in his absence the vice chairman, in the absence of the vice chairman, by any of the members of the Board of with a report stating that the quorums specified in Articles 418 and 421 of the Law are met.

### **Composition of the Council of the Meeting**

**ARTICLE 7 –** (1) In accordance with the regulation in the articles of association pursuant to Article 419/(1) of the Law, the meeting opened pursuant to Article 6 of this Internal Directive is chaired by the chairman of the Board of Directors, in his absence the vice chairman, and in the absence of the second chairman, any of the members of the Board of Directors.

(2) At least one minute reporter and, if necessary, enough number of vote collectors are appointed by the Chairman. In addition, experts may be appointed by the chairman of the meeting in order to carry out the technical procedures regarding the use of the electronic general assembly system at the time of the meeting.

(3) The Council of the Meeting are authorized to sign the minutes of the Meeting as well as the other documents constituting the ground of such minutes.

(4) The Chairman of the Meeting shall, in chairing the General Assembly meeting, act in accordance with the Code, the Articles of Incorporation and the provisions of this Internal Directive.

### **Duties and authorities of the Council of the Meeting**

**ARTICLE 8 –** (1) The Council of the Meeting shall, under the chair of the Chairman, fulfill the following duties:

a) Checking whether the meeting was held at the location specified in the announcement, and whether the venue of the meeting is consistent with that, if any, specified in the Articles of Association.

b) Investigating whether the General Assembly was called to meeting in the manner laid down in the Articles of Association, whether the call was made through online announcement where the company has the obligation to launch a corporate web site, whether such announcement was further published in the Turkish Trade Registry Gazette, whether such call was made at least three weeks prior to the date of meeting, excluding the date of announcement; filing the above findings in the meeting minutes; checking whether the newspapers where the date of meeting, the meeting agenda and the announcement for meeting was or would be published were communicated by registered letter to shareholders listed in the share registry, or to other entities proving their shareholder status and further declaring their notice addresses; and filing the findings of this check in the meeting minutes.

c) Checking whether persons not authorized to enter in the venue of meeting have attended the meeting, and whether the duties specified in the second clause of Article 5 of this Internal Directive relating to entry in the venue of meeting have been fulfilled by the Board of Directors.

ç) Where the General Assembly convenes without call pursuant to Article 416 of the Law, checking whether all shareholders or their proxies are present at the General Assembly, whether there is any objection to convention under these conditions, and whether meeting quorum is maintained until the end of the assembly.

d) Establishing whether the articles of association containing the amendments, if any, the share registry, the annual report of the Board of Directors, audit reports, financial statements, meeting agenda, bill of amendment prepared by the Board in case the agenda involves any proposed amendment to the articles of association, letter of consent obtained from the Ministry of Customs and Trade relating to the amendment to the articles of association complete

with the enclosed bill of amendment, list of attendants prepared by the Board, where the General Assembly was called to meeting upon postponement, the bill of postponement for the previous meeting and other essential certificates relating to the assembly are fully present at the venue of meeting; and filing the above findings in the meeting minutes.

e) Effecting ID check, upon a particular challenge or requirement, of individuals attending the General Assembly principally by way of signing the list of attendants, or otherwise by proxy, and verifying the accuracy of documents.

f) Establishing whether the managing directors and minimum one member of the Board, as well as the auditor where the Company is subject to audit, are present at the meeting, and writing down the finding in the meeting minutes.

g) Managing the General Assembly's activities surrounding the agenda, avoiding that the scope of the agenda is not exceeded except for exclusions specified in the Law, securing that the meeting is held in an organized manner, and taking necessary measures in this respect.

g) Opening and closing the assemblies and sessions, and closing the meeting.

h) Announcing or arranging for the announcement of the resolutions, drafts, minutes, reports, proposals and other similar documents relating to the matters negotiated in the General Assembly, and giving floor to any attendant intending to make a speech at the assembly.

i) Organizing voting for resolutions proposed by the General Assembly, and announcing the voting results.

i) Monitoring whether the minimum quorum for the meeting is maintained at the beginning, during the flow and at the end of the meeting, and whether resolutions have been passed in conformity with the quorums prescribed by the Law and the articles of association.

j) Announcing disclosures made by the proxies pursuant to Article 428 of the Law in the General Assembly.

k) Ensuring that individuals stripped of the voting right pursuant to Article 436 of the Law do not cast a vote for resolutions specified in the said article, and enforcing any and all limitations introduced by the Law and the articles of association to the voting right and priority voting.

l) Postponing, without the need to obtain the specific resolution of General Assembly, the negotiation, as triggered by the demand of shareholders holding one twentieth of the share capital, of financial statements and associated matters to the meeting scheduled one month later.

m) Ensuring that minutes of General Assembly actions are prepared, filing objections in minutes, signing the resolutions and minutes, clearly writing down in the minutes both affirmative and negative votes relating to the resolutions passed at the meeting.

n) Submitting with a written record the meeting minutes, Board's annual report, audit reports where the Company is subject to audit, financial statements, list of attendants, agenda, proposals, ballots and minutes of elections, if any, and all documents relating to the meeting to either attending Director at the end of the meeting.

**ARTICLE 9 – (1)** The assembly chairman shall announce or cause the announcement of the meeting agenda towards the General Assembly. The Chairman asks for any proposal for amendment during the discussion of agenda items. If any shareholder proposes an amendment, the latter shall be put to the vote of the General Assembly. The sequence of discussing agenda items may be amended by majority of votes represented at the meeting.

#### **Discussing the agenda and agenda items**

**ARTICLE 10 – (1)** The General Assembly agenda should contain the following items as a minimum:

a) Opening and constituting the presidency council for the meeting.

b) Discussing Board's annual report as well as audit reports and financial statements where and if the Company is subject to audit.

- c) Discharge of Board members (Directors) and auditors, if any.
  - d) Election of Directors whose terms of office have expired, and election of auditor where and if the Company is subject to audit.
  - e) Establishing the remuneration, attendance fee, bonus, premium and such other rights of Directors.
  - f) Establishing the mode of utilizing the profit, mode of distribution and ratios of dividends.
  - g) Discussing any amendment to the Articles of Association.
  - h) Other essential matters.
- (2) The agenda of the Extraordinary General Assembly meeting is constituted by reasons requiring to hold a meeting.
- (3) Except for the exclusions indicated below, matters not involved in the meeting agenda may not be discussed and resolved:
- a) In case all shareholders appear at the General Assembly, the agenda may unanimously be extended with extra items.
  - b) Pursuant to Article 438 of the Law, a shareholder's demand for special audit shall be resolved, whether it is involved in the agenda or not, by the General Assembly.
  - c) Matters relating to the dismissal and re-election of Directors are deemed to be associated with the item relating to the discussion of closing financial statements, and shall directly be discussed and resolved upon demand, whether the agenda involves a specific item therefor.
  - ç) Even no specific item is involved in the agenda, in the event of justified reasons such as fraud, incapacity, violation of the liability of loyalty, difficulty in satisfying the assigned duty due to membership with various companies, conflict, and misuse of influence, the matters including the dismissal and re-election of Directors shall be discussed through majority of shareholders appearing at the General Assembly.
- (4) The agenda item discussed and finally resolved at the General Assembly may not be discussed and resolved again unless existing attendants of the General Assembly unanimously resolve otherwise.
- (5) Upon an audit or for any other reason, the Ministry may involve items into the agenda for discussion at the Company's General Assembly.
- (6) The agenda shall be built by the entities calling the General Assembly to convention.

### **Taking floor at the meeting**

**ARTICLE 11** – (1) Shareholders or other attendants with the intent to take a floor on any agenda item currently discussed may communicate such intent to the chairman of the assembly. The presidency council relays to the General Assembly the individuals that shall take the floor, and shall give floor to such individuals in the order of application. In case the individual taking his/her turn is not present at the venue of the meeting, he/she shall be deemed to have waived from his/her to have the floor. Speeches shall be delivered towards the General Assembly from the speech platform designated for this purpose. The individuals may change the order of speech among themselves. Where the period granted for making a speech is limited, an individual taking his/her turn and making the speech may continue his/her speech only if the next immediate speaker assigns his/her speech time to such individual. The speech should be completed within the speech time so extended. The speech time may not otherwise be extended.

(2) The chairman of the assembly may give floor to any Director and auditor wishing to make a disclosure on the agenda items discussed, regardless of the sequence of speech fixed.

(3) The speech time is designated by the General Assembly upon the proposal of the chairman or attending shareholders on the basis of how busy and significant the agenda is as well as the number of individuals wishing to take the floor. In such cases, the General Assembly shall decide through separate voting whether the speech time should be limited and then what time should be allocated for making a speech.

(4) Principles and procedures specified in Article 1527 of the Law on the transmission of opinions and suggestions by shareholders or their proxies attending the General Assembly online shall be applied.

### **Voting and voting procedure**

**ARTICLE 12** – (1) Prior to the voting, the chairman of the assembly shall announce towards the General Assembly the agenda item to be voted. If a draft resolution is to be voted, this shall be recorded in writing, and voting shall proceed. Once the start of voting is announced, attendants may ask for the floor only on the procedure. Meanwhile, in the event of any shareholder who asked for taking the floor, yet was omitted, shall exercise his/her right to take the floor subject to reminder that should be confirmed by the Chairman. No floor shall be given once voting is started.

(2) Votes relating to the agenda items shall be cast by raising hands, standing up or individual declaration of the positive or positive verbal vote. Such votes shall be counted by the presidency council of the assembly. When and if necessary, the presidency council may assign sufficient number of individuals to facilitate to the vote-counting process. Individuals failing to raise their hands, stand up or otherwise declare their vote shall be deemed to have cast a "negative" vote against the resolution currently voted.

(3) Principles and procedures specified in Article 1527 and appropriate clauses thereunder under the Law on casting of votes by shareholders or their proxies attending the General Assembly online shall be applied.

### **Issuance of meeting minutes**

**ARTICLE 13** – (1) The chairman to the assembly shall sign the list of attendants involving the shareholders or their proxies, shares held thereby as well as groups, quantity and nominal values of such shares. Questions and respective answers provided in the General Assembly as well as the number of affirmative and negative votes cast for each resolution shall clearly be shown in meeting minutes as a requirement of compliance with procedures set forth in the Law and the appropriate legislation on the issuance of meeting minutes.

(2) The meeting minutes for the General Assembly shall be prepared at the venue of meeting and during the meeting via a typewriter, computer or legible ink print. Where it is intended to write minutes on the computer, a printer allowing to take printouts should be available at the venue of meeting.

(3) The minutes shall be prepared in minimum two copies, and each page of the minutes shall be co-signed by the presidency council of the assembly and the Ministerial proxy.

(4) The trade name of the Company, date and venue of the meeting, total nominal value of the Company's shares and total number of shares, actual number of shares represented at the meeting principally or by proxy, name and surname of the Ministerial proxy, date and number of the letter of assignment for such proxy, the mode of invitation where the meeting is accompanied by a specific call to convention, and whether the meeting is held without notice should be specified in the minutes.

(5) Number of votes on the resolutions passed at the meeting shall clearly be specified in figures and words on the meeting minutes.

(6) Names, surnames and reasons for opposition of individuals casting negative vote on the resolution and intending to file such opposition in the meeting minutes shall be indicated in the latter.

(7) In case the reason of opposition is submitted in writing, such letter shall be supplemented to the meeting minutes. The minutes shall contain the name and surname of the shareholder or his/her proxy, accompanied with a note that the letter of opposition is enclosed. The letter of opposition supplemented to the meeting minutes shall be co-signed by the presidency council of the assembly and the Ministerial proxy.

### **Post-meeting procedures**

**ARTICLE 14-** (1) After the meeting, the chairman of the assembly shall submit one copy of the meeting minutes and all other documents relating to the General Assembly to either attending Director. Such condition shall be filed under a separate record to be prepared between the parties.

(2) The Board The Board of directors will be obliged to submit one notarized copy of the meeting minutes within 15 days from the date of the meeting to the Trade Registry Office, and further arrange for the registration and announcement of the matters within the minutes that are subject to registration and announcement.

(3) The minutes shall also be posted on the Company's corporate web site immediately.

(4) The chairman of the assembly shall also submit one copy of the list of attendants, agenda and the minutes of the General Assembly meeting to the Ministerial proxy.

### **E-attendance to the meeting**

**ARTICLE 15-** (1) Where e-attendance to the General Assembly meeting is allowed under Article 1527 of the Law, procedures to be effected by the Board of Directors and the presidency council of the assembly shall be satisfied in observance of Article 1527 of the Law and the appropriate legislation.

## **CHAPTER THREE**

### **Miscellaneous**

#### **Attendance of the Ministerial proxy, and documents relating to the General Assembly meeting**

**ARTICLE 16 –** (1) Request for the presence of a Ministerial proxy at the meeting, and duties and authorities of such proxy shall be governed by the provisions of the Regulation on the Principles and Procedures of General Assembly Meetings of Joint Stock Companies and on the Proxies of the Ministry of Customs and Trade Attending These Meetings.

(2) In the issuance of the list of attendants of individuals eligible to attend the General Assembly, and the list of attending individuals, and in the issuance of representation certificates to be shown at the General Assembly and the meeting minutes, the provisions of the Regulation referred in the first clause should be complied with.  
Matters not governed by the Internal Directive

**ARTICLE 17 –** (1) In case a condition not covered by this Internal Directive is experienced during the meeting, the General Assembly's resolution shall be complied with.  
Adoption of and amendments to the Internal Directive

**ARTICLE 18 –** (1) The hereby Internal Directive shall be put into force, registered and announced through the approval of the General Assembly of the Bank Amendments to the Internal Directive shall be subject to the same regular procedure.

#### **Effective**

**ARTICLE 19 –** (1) The hereby Internal Directive has been adopted at the General Assembly meeting of the Bank held on 29/03/2013, and shall become effective on the date it has been announced in the Turkish Trade Registry Gazette.