

**PASHA YATIRIM BANKASI ANONIM SIRKETI**  
**THE ARTICLES OF ASSOCIATION**

**THE SECTION ONE**  
**GENERAL PROVISIONS**

**SETUP**

**Article 1: (Amended. 21.11.2013)** A joint-stock company was set up by the persons with signatures, names, nationalities, and residential addresses indicated in the Articles of Association that was certified by the Beyoglu Notary No. 11 with the Journal number 63699 on 02.12.1986 to operate in the banking area under the provisions of the legislation concerning the banks and the TCL within the framework of the permission granted by the Decree of the Council of Ministers no. 87/11898 dated 17.6.1987.

**TITLE**

**Article 2: (Amended. 27.01.2015)** The title of the company is “Pasha Yatirim Bankasi Anonim Sirketi.

The operating name of the company is “PashaBank.” The company will hereinafter be referred to as the Bank in these Articles of Association.

**HEAD OFFICE AND BRANCHES**

**Article 3: (Amended. 21.11.2013)** The Bank ’s head office is in Istanbul.

In case of change of address, the new address is registered in the Trade Registry and published in the Trade Registry Gazette of Turkey and also is communicated to the R. of T. Ministry of Customs and Trade, the Banking Regulation and Supervision Agency, and other relevant agencies and institutions. Notifications served to the address that has been registered and published are considered to have been made to the Bank.

If the Bank has not registered its new address within due time despite having left its address that had been registered and published, this case is considered a reason for termination.

The Bank can set up branches, agencies, stationary and mobile offices, liaison offices and establish and maintain domestic and foreign representatives and correspondents inside and outside of Turkey, including freezones under the resolution to be made by the Board of Directors and subject to getting a permission from the authorities concerned within the provisions of the Banking Law no. 5411 (“Banking Law”), the Turkish Commercial Law no. 6102 (“TCL”), and other legislation concerning the banks.

**PURPOSE AND FIELD OF ACTIVITY**

**Article 4: (Amended. 21.11.2013)** The Bank was set up to engage in all sorts of domestic and foreign investment and development banking activities, subject to receiving the required official permissions, including but in no way limited to the fields of activity indicated below. These activities are mainly:

1. Extending cash and noncash credits of any sort and manner,
2. Cash and on-account payment and fund transfer operations, all sorts of payment and collection operations, including correspondent banking or use of checking accounts,
3. Operations for drawing up checks and and other bills of exchange,
4. Safekeeping services,
5. Operations for issuing payment instruments such as credit cards, debit cards, and traveler’s checks and for carrying the activities relating thereto,
6. Foreign exchange transactions, including cash; purchase and sale of money market instruments; transactions for purchase, sale of precious metals and stones or escrow transactions for them,
7. Purchase, sale, and brokerage transactions for futures contracts, options contracts, financial instruments of simple or complex structure involving multiple derivative instruments that are based on economic and financial indicators, capital market instruments, commodities, precious metals, and exchange;

8. Transactions for purchase and sale of capital market instruments and for commitments to repurchase or resale,
9. Brokerage operations for sale of capital market instruments through issuance or public offering,
10. Operations for carrying for brokerage purchase of purchase and sale of capital market instruments that have been issued previously,
11. Guarantee transactions such as undertaking collateral, guarantee, and other obligations in favor of others,
12. Investment consultancy transactions,
13. Portfolio operation and management,
14. Market making concerning purchase and sale transactions within the framework of the obligations undertaken under a contract concluded before the Undersecretariat of Treasury and/or the Central Bank, and enterprise unions,
15. Factoring and forfeiting transactions,
16. Brokering transactions for purchase and sale of money on the interbank market,
17. Financial leasing transactions,
18. Brokerage for insurance agency and individual retirement services.

The Bank can also;

1. buy commercial and industrial commodities and real estate, sell in the same form and conditions and carry out all sorts of legal acts over them, establish mortgages, release mortgages that have been established, conclude pledges of commercial business, receive as pledges marketable goods, ships, aircraft, other rights and receivables, securities, bills of exchange, set up mortgages, pledges of commercial business and securities pledges in its own favor, release them when necessary, conclude rental contracts for purposes such as carrying out banking activities, securing credits that it extended or would extend and other all sorts of receivables, collecting its receivables,
2. engage in educational, economic organization, consultancy activities relating to banking,
3. acquire, assign patent rights, patents, licenses and concessions, brands, models, pictures and trade names, know-how and other similar intellectual property rights that are beneficial to transactions related to banking and carry out all sorts of other legal acts over them,
4. promote educational, organizational, and modern banking systems in social and cultural areas related to the development of the country and in particular in the banking field, provided talented persons with scholarships to get education and training at home and abroad, set up foundations, facilities for these purposes, join foundations and facilities set up for these purposes, provide foundations, facilities both set up and joined by it with cash and/or in kind assistance and donations, monitor, study, get studies on economic, financial, technical and banking developments at home and abroad and issue publications in these subjects,
5. get involved, have others engaged, provide consultancy services in the organization or reorganization of domestic and foreign banks, companies, institutions, agencies, and firms owned by real persons that exist or to be set up,
6. make donations in accordance with the article 59 of the Banking Law and the related legislation.
7. within the framework of the Banking Law and related legislation, set up companies at home or abroad, join as a shareholder companies that have been set up, and take over existing companies, including banks, with all of their assets and liabilities and assume their management and control.

## **TERM**

**Article 5: (Amended. 21.11.2013)** The Bank was set up for an indefinite period of time. The provisions concerning termination and liquidation in the Banking Law, TCL, and other legislation related to banks are reserved.

## SETUP COSTS

**Article 6: (Amended. 21.11.2013)** Repealed.

## PRINCIPAL CAPITAL

**Article 7: (Amended. 18.05.2018)** The Bank's capital is TL 500.000.000.- (five hundred million Turkish Liras) and this capital was divided into 500.000.000.- (five hundred million) registered shares, each with a nominal value of TL 1.- (One Turkish Lira).

The Bank's capital in the amount of TL 255.000.000.- (two hundred and fifty-five million Turkish Liras) prior to increase was fully paid. All of the capital in the amount of TL 245.000.000.- (two hundred and forty-five million Turkish Liras) that was issued this time around was fully committed by the shareholders free of collusion and paid in cash.

Shareholder	Number of Shares	Amount in TL	Proportion (%)
1.PASHA Bank OJSC	254,795,121.00	254,795,121.00	50.9590
2.PASHA Holding LLC	245,000,000.00	245,000,000.00	49.0000
3. Sheikh Abdullah Mohammed BAROOM	40,975.00	40,975.00	0.0082
4. Iqbal G. MAMDANI	40,975.00	40,975.00	0.0082
5. Sheik Abdulrahman AL JERAI SY	40,975.00	40,975.00	0.0082
6. Sheik Abdulaziz AL RASHED	40,975.00	40,975.00	0.0082
7. First Anglo Holdings Ltd.	40,975.00	40,975.00	0.0082
8. Syed Shezad ABEDI	2.00	2.00	0.0000
9. Sheikh Ahmed Mohammed BAROOM	2.00	2.00	0.0000
<b>Total</b>	<b>500,000,000.00</b>	<b>500,000,000.00</b>	<b>100.0000</b>

The shares are registered shares and the General Assembly has the authority to split up the shares into ones with a lower nominal value or merge them into shares with a higher nominal value by amending the articles of association, keeping the amount of the principal capital the same.

## SHARES

**Article 8: (Amended. 21.11.2013)** All of the shares are registered shares and are issued pursuant to the provisions relating to this topic of the TCL, Banking Law, and other legislation concerning the banks.

The shares cannot be split up against the Bank and if a share is owned by multiple persons, they elect someone among them as the representative to exercise the rights related to shares in their names and they become jointly and severally liable for obligations as the owners of the share.

In case a joint representative was appointed, a notification to be served by the Bank to one of the owners of the share would be valid for all of them.

## STOCK CERTIFICATES

**Article 9: (Amended. 21.11.2013)** Stock certificates contain the elements cited in the article 487 of the TCL and the signatures of at least 2 (two) Members of the Board of Directors authorized on this matter by the Board of Directors.

The Board of Directors could be authorized for the issuance of coupons representing multiple shares without affecting the nominal value of each one of the shares.

## ASSIGNMENT OF STOCK CERTIFICATES

**Article 10: (Amended. 21.11.2013)** The assignment of the shares of our Bank is free *provided* the provisions of the Banking Law, TCL, and these Articles of Association are reserved.

Within the scope of the Banking Law, "the assignment of shares that requires the permission by the Banking Banking Regulation and Supervision Agency" can be made provided that this permission is obtained. Assignments of shares that are made without getting the required permission cannot be registered in the share register.

### **INCREASE AND DECREASE OF CAPITAL**

**Article 11: (Amended. 21.11.2013)** The capital of the Bank can be increased and decreased by getting the permission of the Banking Regulation and Supervision Agency and the R. of T. Ministry of Customs and Trade under the conditions stipulated by the provisions of the TCL and these Articles of Association. The way in which the capital increase or decrease is made is decided by the General Assembly and the case is duly registered and announced.

### **ISSUANCE OF DEBT INSTRUMENTS**

**Article 11a: (Amended. 21.11.2013)** The Bank can issue under the resolution of the General Assembly all types of bonds, commercial papers, asset-backed securities, other debt instruments including those issued on a discount basis, other debt instruments, notes with the right to buy and exchange, and all types of securities.

The resolution by the General Assembly contains all provisions and conditions that are required for the securities to be issued and the resolution by the General Assembly is fulfilled by the Board of Directors. The General Assembly may delegate to the Board of Directors the authority to issue any securities and to determine their provisions and conditions for a maximum of 15 (fifteen) months.

Pursuant to the article 31/3 of the Capital Markets Law, the Board of Directors of the Bank is also authorized to issue the debt instruments contained in the first paragraph.

The provisions of the banking legislation are reserved.

## **THE SECTION TWO ORGANIZATION OF THE BANK**

### **THE BOARD OF DIRECTORS**

**Article 12: (Amended. 21.11.2013)** The Bank is managed and represented by a Board of Directors consisting of at least 5 (five) members elected by the General Assembly.

It is essential that the members of the Board of Directors and the real person to be registered on behalf of the legal entity are fully competent and have the qualifications mentioned in the Banking Law.

The General Manager of the Bank, or the acting General Manager during his/her absence, is a natural member of the Board of Directors and is included in the number of members. The duties of the General Manager of the Bank and the Chairperson of the Board of Directors cannot merge in the same person.

Members of the Board of Directors are elected for a maximum of 3 (three) years. Reelection of the member whose term has ended is allowed.

Members of the Board of Directors of the Bank are required, subsequent to their election and assignment, to take an oath and make a declaration of their assets before the Commercial Court in the locality where the head office of the Bank is located in accordance with the relevant provision of the Banking Law and the principles specified by the Banking Banking Regulation and Supervision Agency. However, the members of the Board of Directors who started working after taking an oath need not take an oath again in case they are reelected or reassigned for the task after the termination of their terms.

In case of a vacancy in the membership of the Board of Directors of the Bank due to death, resignation, or any other reason, the remaining members of the Board of Directors make an election for the membership that has been vacated as required by the principles mentioned in the article 363/I of the TCL and these Articles of Association and the election is submitted to the approval of the shareholders during the first General

Assembly meeting. The tenure of the member that has been elected in this manner is the same as the tenure of the member that has been replaced. In case the number of members drops down below five, the General Assembly is called for a meeting as soon as possible for an election to be made for the vacant memberships.

If the General Assembly deems necessary, members of the Board of Directors can be replaced at any time.

### **CHAIRPERSON AND ACTING CHAIRPERSON**

**Article 13: (Amended. 21.11.2013)** The Board of Directors elects each year 1 (one) chairperson and 1 (one) acting chairperson to sit in for the chairperson during his/her absence by distributing tasks among its members.

The Chairperson of the Board of Directors has the powers entrusted to him/her by the Board of Directors and the Articles of Association.

The Acting Chairperson of the Board of Directors assumes the powers and responsibilities delegated to him/her by the Chairperson, manages the board meetings that the Chairperson could not attend for any reason, and assists the Chairperson in the realization of all functions.

### **MEETINGS BY THE BOARD OF DIRECTORS**

**Article 14: (Amended. 21.11.2013)** The Board of Directors convenes in cases and frequency that are required by the Bank's affairs and the legislation.

The Board of Directors is called for a meeting by the Chairperson of the Board of Directors or the Acting Chairperson in cases where the Chairperson is not present. Every member of the Board of Directors can ask the Chairperson in writing for the Board of Directors to be called for a meeting. The convocation by the Board of Directors shall be sent to all members, as attached to a letter of invitation that includes the meeting agenda as well, by email or be hand delivered against signature at least 7 (seven) days prior to the date of meeting unless another time is decided by the members.

Those who have the right to attend the meeting by the Board of Directors of the Bank can also attend these meetings in electronic media pursuant to the article 1527 of the TCL. Pursuant to the provisions of the Communiqué About the Assemblies to be Held in Electronic Media in Commercial Companies Excluding Assemblies of Joint-Stock Companies, the Bank can set up Electronic Assembly System that would allow holders of right to attend these meetings in electronic media and to cast votes from or purchase services from systems created for this purpose as well. In the meetings to be held, it is ensured that holders of right can use their rights mentioned in the relevant legislation within the framework indicated in the provisions of the Communiqué through the system that has been set up or the system which will provide support services pursuant to this provision of the Articles of Association of the Bank.

Accordingly, the Board of Directors decides as follows in cases required by the Bank's affairs and transactions:

a. It can convene physically at the Bank's head office or in another location inside or outside of the boundaries of the Republic of Turkey and some or all of its members can attend this meeting in electronic media or the meeting can be held in electronic media or,

b. If none of the members asked for a meeting to be held, the resolutions of the Board of Directors can also be taken by getting the written approval of at least the majority of the total number of members for the proposal that has been written in the form of a resolution made by one of the board members on a specific topic. It is the validity requirement for the resolution to be made in this way that the same proposal have been made to all members of the Board of Directors. Members can declare their requests, recommendations, approvals, and decisions in electronic media.

Discussions and decisions by the Board of Directors are required to be written in the minutes of meeting in Turkish and signed by those who attended the meeting. Dissenting members are required to sign the minutes by indicating their reasoning as well.

The provisions of the article 390 of the TCL and the legislation concerning the Banks regarding the meetings and keeping the minutes and resolution books of the Board of Directors are reserved.

## **DUTIES AND POWERS OF THE BOARD OF DIRECTORS**

**Article 15: (Amended. 21.11.2013)** The Board of Directors manages and represents the Bank within the decisions that it would take in accordance with the provisions of these Articles of Association and the relevant legislation on all matters other than those left to the exclusive authority of the General Assembly as required by the Articles of Association of the Bank and the relevant legislation.

Members of the Board of Directors have the right to ask for information and to make a review within the framework of the article 392 of the TCL.

Members of the Board of Directors are obliged to fulfill their duties with the attention of a prudent manager and to observe the interests of the Bank by abiding the rules of integrity.

**(Amended. 27.01.2015)** The Board of Directors can assign partially or completely, by an internal directive that it would issue within the framework of the article 367 of the TCL, the powers it uses and/or the management to the Chairperson of the Board of Directors, one or more members of the Board of Directors, committees that would consist of members, General Manager or third parties with the terms and conditions of its choice and limitations that it would deem appropriate without prejudice to the provisions of the Banking Law. The Board of Directors can appoint, within the framework of the article 371 of the TCL, the members of the board of directors without representative powers or those working for the Bank under an employment contract as well as limited-power commercial agent or other merchant assistants. Duties and powers of those to be appointed in this way shall be specified clearly in the internal directive to be prepared according to the article 367 of the TCL that was cited above. The Board of Directors can get back or change all or part of these powers. The provision of the article 375 of the TCL is reserved.

Within this context, the Board of Directors is authorized particularly in the following areas;

1. To determine the Bank's principles of corporate management. In this context, to set the short- and long-term targets for the Bank, to determine the strategies that would lead to targets, to contribute its development and ensure its implementation, and approve the Bank's budget,
2. To determine the form and conditions in which all businesses that constitute the purpose of establishing the of Bank are carried out,
3. To identify the management principles required by the legislation and take decisions for the establishment of the necessary units in order to ensure that the Bank could carry out its activities efficiently,
4. Pursuant to the article 37 of the Banking Law, to determine the financial reporting system including the accounting of the activities, preparation, approval, auditing, submission to authorized bodies, and publication of financial statements, to specify duties, powers, and responsibilities, to bring information systems to a sufficient state, and oversee the implementation,
5. To ensure the creation of, approve, and enforce the policies that describe how internal affairs would be laid out in the management and activities of the Bank,
6. To realize high-level supervision of persons charged with management, particularly whether they have acted in accordance with the laws, articles of association, contract, internal directives, and written instructions by the Board of Directors,
7. By issuing the necessary directives regarding the management of the Bank, to assess the Bank's financial reports in line with the annual budgetary targets, to approve annual balance sheet and profit and loss accounts, to assess BD

- activity report and annual activity report, and to present them to the General Assembly,
8. To specify the risk and transaction limits that the Bank could assume and to assess the compliance with those limits,
  9. To prepare the General Assembly meetings and carry out General Assembly decisions,
  10. To ensure that the books required by the TCL, Tax Laws, and the legislation concerning Banks are kept and the necessary ones are certified in accordance with the legislation, and all types of documents, incoming and outgoing communications are retained within their legal periods,
  11. To determine the Bank's communication policies towards shareholders and external agencies,
  12. To perform other duties and transactions imposed by the TCL and legislation regarding banks on the Board of Directors at banks.

## **MEETING AND RESOLUTION QUORUM**

**Article 16: (Amended. 21.11.2013)** The Board of Directors convenes with the majority of total number of members and the decisions are taken by the majority vote of the members that attended the meeting.

If the votes are equal, the case is left for the next meeting. If the equality is not broken in that meeting as well, the proposal is considered to have been rejected.

## **DISCLOSURE AND CONFLICT OF INTEREST**

**Article 17: (Amended. 21.11.2013)** The member who has an interest directly or indirectly in any issue or proposal that has been submitted to the Board of Directors for discussion must disclose the state of interest in this regard even if that is not known to the Board of Directors.

Members of the Board of Directors cannot attend and vote in discussions by the Board of Directors relating to subjects in which the interests of the Bank are in conflict with their personal interests outside the Bank or the personal or non-bank interests of one of their descendants and ascendants or spouse or someone of their blood and marriage relatives of up to and including third degree.

Members of the Board of Directors cannot take part in the assessment and decision-making phases of the credit transactions to which they and their spouses and children under their guardianship or other real or legal persons that constitute a risk group with them are a party and notifies this issue in writing to those authorized. The prohibitive and restrictive provisions of the Banking Law concerning the extension of credits to members of the Board of Directors are reserved.

## **COMMITTEES OF THE BOARD OF DIRECTORS**

**Article 18: (Amended. 21.11.2013)** The Board of Directors can set up committees in order to carry out its work efficiently and effectively in addition to the compulsory committees required by the legislation concerning banks. Committees operate within the framework of the duties and powers given to them by the Board of Directors, can make recommendations to the Board of Directors, and take decisions.

Decisions by the committees are recorded into a resolution book as described by the legislation.

## **AUDIT COMMITTEE**

**Article 18a: (Amended. 21.11.2013)** The Board of Directors assigns as members of the Bank's Audit Committee at least 2 (two) members that it would elect from among its members that comply with the criteria contained in the Banking Law and the other

legislation concerning banks and have no executive duties to assist the board in the fulfillment of the auditing and supervision activities.

The Audit Committee is tasked with and responsible for on behalf of the Board of Directors overseeing the efficiency and adequacy of the Bank's internal systems, operation of these systems and accounting and reporting systems within the framework of the Banking Law and relevant regulations, and the integrity of the information that is produced, making the necessary preliminary assessments in the selection by the Board of Directors of independent audit firms and rating, appraisal and support services firms, monitoring regularly the activities of these firms that have been selected and contracted with, and ensuring the maintenance and coordination of internal audit activities in a consolidated manner.

### **CREDIT COMMITTEE**

**Article 18b: (Amended. 21.11.2013)** The Board of Directors can set up a Credit Committee for the performance of the tasks that it would give relating to credits that consists of at least 2 (two) members that it would select according to the article 25 of the Banking Law from among the members that meet the requirements, excluding term, sought in the general manager and the Bank's General Manager or Acting General Manager. In case the committee was set up, two replacement members are elected from among the members of the Board of Directors that meet the requirements, excluding term, sought in the general manager to serve in replacement for the member who would not be able to participate in any meeting.

The Credit Committee of the Bank performs the tasks to be given by the banking legislation and the Board of Directors relating to credits. In this context, it decides on secured credits and unsecured credits that are within the boundaries of the authority given to it according to the legislation regarding banks.

The Credit Committee convenes with the attendance of all of its members. The decisions taken unanimously by the Credit Committee are implemented directly and the decisions taken by a majority are implemented after approval by the Board of Directors. Decisions by the Credit Committee are recorded in the resolution book. The resolution book of the Credit Committee is kept according to the procedures and principles that the resolution book of the Board of Directors is subject to.

### **CORPORATE MANAGEMENT COMMITTEE**

**Article 18c: (Amended. 21.11.2013)** The Board of Directors sets up a corporate management committee to consist of 2 (two) members to be selected from among its members in order to monitor the compliance of the Bank with the corporate management principles, engage in improvement works on this matter, and make recommendations to the Board of Directors. The chairperson of the committee is elected from among the members of the Board of Directors without executive duties. The committee puts all works in writing and keep a record thereof.

### **REPRESENTATION OF THE BANK**

**Article 19: (Amended. 21.11.2013)** The power to represent the Bank belongs to the Board of Directors for use with two signatures.

Those authorized to represent can carry out all sorts of businesses and legal transactions within the Bank's objectives and operating field on behalf of the Bank and use the Bank's title for this purpose. The Bank's right of recourse due to transactions against the Law and the Articles of Association is reserved.

The transactions outside the operating field that are made with third parties by those authorized to represent also bind the Bank unless it is proven that the third party knew that the transaction was outside the operating field or was in a position to be able to know as required by the situation. The fact that the Bank's Articles of Association has been announced is not in itself a sufficient evidence with regard to proving this point.

Limitation of the representative power shall not be valid for third parties of good intentions; however, the limitations that have been registered and announced that the

power to represent was specified for the affairs of the head office or a branch only or joint use are valid. The fact that the transaction made by the persons authorized to represent is against the Articles of Association or the decision by the General Assembly does not prevent third parties of good intentions from applying to the company due to that transaction.

The company is responsible for torts committed by those authorized to represent and manage while performing their duties. The Bank's right to recourse is reserved.

All sorts of changes made in the signing authority must be registered and announced.

#### **APPOINTMENT AND POWERS OF THE GENERAL MANAGER AND THE DEPUTIES OF THE GENERAL MANAGER**

**Article 20: (Amended. 21.11.2013)** A General Manager with the qualifications sought in the Banking legislation and Deputy General Manager in a sufficient number are appointed by the Board of Directors ve the term of office of the Deputies of the General Manager is not limited to the term of office of the Board of Directors. Powers and responsibilities of the General Manager and Deputies of the General Manager are specified by the Board of Directors.

The Board of Directors determines the Acting General Manager that would attend the meetings by the Board of Directors in cases where the General Manager was absent as well as the cases where they would attend such meetings. It is essential that the Acting General Manager has the same qualifications as the General Manager do.

The General Manager and Acting General manager take an oath before the commercial court in the province where the Bank's head office is located.

### **THE SECTION FOUR GENERAL ASSEMBLY**

#### **GENERAL ASSEMBLY**

**Article 21: (Amended. 21.11.2013)** The General Assembly of the Bank convenes to fulfill the duties and powers laid out in the Turkish Commercial Law and other legislation or to make decisions or get information about the Bank.

The General Assembly meeting can be held at the Bank's head office or in a convenient place in the province where the Bank's head office is located.

The General Assembly holds ordinary and extraordinary meetings.

The Board of Directors prepares an internal directive specifying the rules regarding the working principles and procedures of the General Assembly in a manner to include the minimum elements laid out by the R. of T. Ministry of Customs and Trade and enforces it after the approval by the General Assembly. This internal directive is registered and announced.

#### **CONVOCATION**

**Article 21a: (Amended. 21.11.2013)** The General Assembly is called for a meeting by the Board of Directors even though its term of office has expired.

If the Board of Directors does not exist or cannot convene on a sustained basis or in case there is no way for the meeting quorum to be attained, the shareholder who has obtained a permission from the court can call the General Assembly for a meeting according to the article 410/2 of the TCL. The decision by the court is final.

The General Assembly can also be called for a meeting by the trustee appointed by the Court when the conditions mentioned in the article 412 of the TCL occurred or by the liquidation officers for topics related to their duties.

The agenda of the General Assembly is determined by those who called for the General Assembly for a meeting. Subjects not included in the agenda cannot be discussed in the General Assembly and decided on. Legal exceptions are reserved.

The convocation for the General Assembly is announced in a newspaper published in the locality where the Bank's head office is located, in the Trade Registry Gazette of Turkey, and on the Bank's website at least 2 (two) weeks before the date of meeting, excluding the announcement and meeting dates. The meeting venue, date, time and agenda of the meeting and the identities of corporate representatives and their contact information to reach them as required by the article 428 of the TCL and other matters prescribed by the relevant legislation are included in the announcements. The meeting venue, date, time and agenda of the General Assembly and the newspapers in which the announcement was made or would be made are notified to the shareholders written in the share registry by a registered confirmed letter or through a notary 2 (two) weeks before the date of meeting.

The provision of the article 416 of the TCL is reserved.

### **ATTENDING THE MEETING**

**Article 22: (Amended. 21.11.2013)** All shareholders on the list prepared by the Board of Directors containing those who could attend the General Assembly meeting have the right to attend the General Assembly meeting. It is essential that executive members and at least one member of the Board of Directors and the Auditor be present in the General Assembly meetings. Other members of the Board of Directors could also attend the General Assembly meeting.

Real person shareholders sign the list of attendants for the General Assembly by submitting their identity cards and legal person shareholders sign by submitting their letters of authorization together with the identity cards of the persons authorized to represent and bind the legal person.

It is required for the owners of stock certificates to be represented in the meeting by their agents that the power of attorney be prepared as certified by a notary in accordance with the legislation or, in the case of power of attorney not certified by a notary, a statement of signature prepared in the presence of a notary be attached.

Representation of shareholders in the General Assembly through legal representatives is subject to the documentation of this case.

### **ORDINARY GENERAL ASSEMBLY**

**Article 23: (Amended. 21.11.2013)** An ordinary General Assembly meeting is held within 3 (three) months from the end of each operating period (account period).

In these meetings, discussions are made and decisions taken concerning the election of bodies, financial statements, annual activity report of the Board of Directors, the way of using earnings, determination of the proportion of profit and earnings shares to be distributed, releases of the members of the Board of Directors and other subjects that concern the operating period and are deemed appropriate.

### **LIST OF THOSE PRESENT**

**Article 24: (Amended. 21.11.2013)** A list of those who could attend the General Assembly is prepared by the Board of Directors. This list is signed by the Chairperson of the Board of Directors or a member that he/she would authorize and is made available before the meeting in the venue for the General Assembly. First and last names of the shareholders or their representatives or their titles, addresses, amount of shares they hold, nominal value and groups of the shares, the principal capital of the Bank and the amount that was paid up, and the places for signature for those who would attend the meeting on their own or through representation are indicated on the list.

This list is called the "list of attendees" after it is signed by those who attended the General Assembly.

### **MEETING QUORUM**

**Article 25: (Amended. 21.11.2013)** The meeting quorum laid out in the Turkish Commercial Law is complied with in General Assembly meetings.

## **RIGHT TO VOTE**

**Article 26: (Amended. 21.11.2013)** Shareholders exercise their right to vote in General Assembly meetings in proportion to the total nominal value of their shares. Each shareholder has the right to at least 1 (one) vote even if it has only 1 (one) share.

The right to vote belongs to the owner. Shareholders can get themselves represented in General Assembly meetings through other shareholders, a representative they would appoint from outside or the representative of the body to be appointed according to the article 428 of the TCL, independent representative or corporate representative. Representatives that have shares in the Bank are authorized to cast the votes owned by the shareholders they represented in addition to their own votes.

Voting is done publicly and by raising hands in General Assembly Meetings. However, secret balloting can be done upon the decision of the absolute majority of the shareholders that were present.

A shareholder cannot cast a vote in discussions concerning a business or transaction of a personal nature between the Bank and himself/herself, his/her spouse, descendants and ascendants or individual companies that they are a partner of or capital firms under their control or concerning a lawsuit in any judicial body or arbitrator.

Members of the Bank's Board of Directors and persons with the signature authority that are involved in the management cannot use the voting rights arising from their own shares in decisions for the release of members of the Board of Directors. However, the persons that have been referred to can exercise as representatives the voting rights of other shareholders that are not members of the Board of Directors.

The decision quorum is 3/5 (three over five) of those who attended the meeting with respect to the decisions to be taken, within the framework of the articles 395 and 396 of the TCL, regarding the engagement of the members of the Board of Directors in a commercial transaction with the Bank that is within the Bank's activity and lifting of the ban to compete with Bank.

## **DECISION QUORUM**

**Article 27: (Amended. 21.11.2013)** The decision quorum laid out in the Turkish Commercial Law is complied with in General Assembly meetings.

## **EXTRAORDINARY GENERAL ASSEMBLY**

**Article 28: (Amended. 21.11.2013)** An extraordinary General Assembly convenes in cases and at times to be required by the Bank's works according to the provisions written in the TCL and these Articles of Association and the necessary decisions are taken.

## **EXECUTION OF GENERAL ASSEMBLY MEETINGS**

**Article 29: (Amended. 21.11.2013)** Meetings called for by the Board of Directors is initiated in physical and electronic media by the Chairperson of the Board of Directors, Acting Chairperson or one of the members and the meetings called for by those authorized other than the Board of Directors are initiated in physical and electronic media by those authorized.

A representative by the Ministry must be present in the General Assembly meetings. Decisions taken in the absence of the Ministry's representative are not valid.

The chairperson to manage the meeting is elected by the General Assembly. A deputy chairperson may also be elected when necessary.

The chairperson sets up the chair by appointing the minutes registrar and the vote collection officer if deemed necessary.

The meeting is continued after the determination by the Ministry's representative that the matters stipulated by the Bank's Articles of Association, Turkish Commercial Law, and other relevant legislation were fulfilled and that the necessary quorum was ensured.

The General Assembly is managed by the chair of the meeting.

The discussions made and decisions taken in the General Assembly meeting are recorded in the minutes by the chair of the meeting. The General Assembly minutes is prepared in at least 2 (two) copies at the meeting place and during the meeting. The minutes is signed by the chair and the Ministry's representative. Minutes not signed by the Ministry's representative are invalid.

In matters other than those laid out in the TCL and these Articles of Association, the provisions of the internal directive concerning the working principles and procedures of the General Assembly are taken into account.

## **NOTIFICATION OF MEETINGS TO RELEVANT AUTHORITIES AND REPRESENTATIVE OF THE MINISTRY**

**Article 30: (Amended. 21.11.2013)** The chairperson of the meeting promptly delivers to the Bank a copy of the minutes of the meeting of the General Assembly and all other documents relating to meetings including the list of attendees. A notarized copy of the Minutes of General Assembly and a copy of the assignment letter for the Ministry's representative in meetings in which a Ministry's representative was present, and other documents to be requested by the trade registry directorate are promptly submitted by the Board of Directors to the relevant trade registry directorate after the General Assembly meeting.

The Board of Directors gets the matters that are subject to registration and announcement registered in the trade registry and announced in the Trade Registry Gazette of Turkey. The General Assembly minutes is also posted promptly on the Bank's website.

The chairperson of the meeting delivers a copy of list of attendees, agenda, and minutes of the General Assembly to the Ministry's representative.

The minutes of meeting and list of attendees are given to the Banking Regulation and Supervision Agency subsequent to the posting to be made on the Bank's website.

## **ANNOUNCEMENTS**

**Article 31: (Amended. 21.11.2013)** The announcements concerning the Bank are announced in the Trade Registry Gazette of Turkey in the places required and in the procedure stipulated by the legislation and posted on the Bank's website. The convocation for the General Assembly is announced in a newspaper published in the locality where the Bank's head office is located, in the Trade Registry Gazette of Turkey, and on the Bank's website at least 2 (two) weeks before the date of meeting, excluding the announcement and meeting dates.

## **THE SECTION FIVE AUDIT**

### **INTERNAL AUDIT AND INTERNAL CONTROL**

**Article 32: (Amended. 21.11.2013)** Internal audit and control of all sorts of the Bank's activities are fulfilled by a sufficient number of internal audit and internal control staff in an impartial and independent manner by exercising due professional care.

### **INDEPENDENT AUDIT Independent**

**Article 33: (Amended. 21.11.2013)** Independent audit of the Bank is carried out according to the relevant legislation by independent auditing firms authorized to making independent audits in the Banks. The auditing firm to carry out the audit is selected by the General Assembly.

Annual financial reports of the Bank to be submitted to the General Assembly must be certified by the independent auditing firms.

The audit and assessment regarding the independence of the independent auditing firm that would audit the Bank is made by the Audit Committee and reported to the Board of Directors.

## THE SECTION SIX

### ACCOUNT AND RECORDING SYSTEM OF THE BANK

#### ACCOUNTING YEAR

**Article 34:** The accounting year of the Bank commences on the first day of the month of January and on the last day of the following month of December. However, the first accounting year of the Bank covers the period from the day when the Bank was set up to the last day of the month of December of that year.

#### RECORDS

**Article 35:** The Bank's accounts are kept in accordance with the uniform chart of accounts and specimen balance sheet, profit and loss statement, and the forms of quarterly account statements according to the mandatory provisions of the legislation concerning the banks, Turkish Commercial Law, and other relevant legislation.

#### PROFIT DISTRIBUTION

**Article 36: (Amended. 21.11.2013)** At the end of each fiscal year, the amount that remains after deduction, from the income obtained in that year, of the amount such as the general expenditures of the Bank and various depreciation costs that needed to be paid or set aside by the Bank constitutes the net profit for the period by the Bank.

Of the net profit for the period determined in this way;

a. 5% (five percent) is set aside as the first statutory reserve pursuant to the article 519 of the TCL. Setting aside legal reserves in this manner is continued until twenty percent of the paid-up share capital is reached.

b. The first dividend is set aside from the remaining profit for shareholders with a shareholding of at least five percent of the paid-up capital.

c. After the deduction of the amounts mentioned above in the subparagraphs a and b, the General Assembly can decide, at its own exclusive discretion and subject to obtaining the permissions required by the legislation concerning the banks and in no way constituting vested rights, to allocate profits from the remaining profits at a rate of its choice to the members of the Board of Directors and/or senior executives and staff of the Bank.

d. Whether or not the amount of profit that remains after the deduction of the amounts mentioned above in the a, b, and c subparagraphs from the net profit for the period would be distributed to shareholders as the second dividend and, if it is to be distributed, the rate and amount and date of payment, and the retention as reserve if it is not to be distributed are decided by the General Assembly.

e. The provision of the subparagraph 519/2.c of the TCL is reserved.

15% (fifteen percent) of the net profit obtained each year after deduction from the Bank's revenue of all legal expenditures and all sorts of legal deductions is set aside as the legal reserve. The General Assembly can stop the allocation when it reached 1/5 (one over five) of the paid-up share capital.

#### SUBMISSION OF FINANCIAL REPORTS TO THOSE CONCERNED

**Article 37: (Amended. 21.11.2013)** The Bank is obliged to keep its financial reports as certified by the independent auditors, together with activity reports and relevant statements in the manner specified in the articles 37 to 42 of the Banking Law and to publish, send, and notify them to the relevant authorities pursuant to the TCL, CMB, and other relevant legislation.

#### TERMINATION AND LIQUIDATION

**Article 38: (Amended. 21.11.2013)** The Bank terminates in the occurrence of one of

the cases mentioned in the provisions of the article 529 of the TCL and is liquidated according to the relevant provisions of the Law that was referred to. The relevant provisions in the banking legislation are reserved.

In case of the termination of the Bank for any reason, the General Assembly determines the way of liquidation upon the recommendation of the Board of Directors and the liquidation is carried out according to the legislation concerning banks.

### **LIQUIDATION OFFICERS**

**Article 39: (Amended. 21.11.2013)** Except for the case of bankruptcy, the liquidation of the Bank is carried out in accordance with the provisions of the relevant legislation by 3 (three) or more liquidation officers to be selected by the General Assembly from among the shareholders or externally. It is essential that at least one of the liquidation officers be a Turkish citizen with a domicile in Turkey.

### **REGISTRATION WITH THE UNION OF BANKS**

**Article 40:** The Bank shall register with the Union of Banks within three months following its final setup and pay the annual dues required. The provisions stipulated by the legislation concerning banks are reserved.

### **REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

**Article 41: (Amended. 21.11.2013)** The Chairperson, Acting Chairperson, and Members of the Board of Directors are remunerated as specified by the General Assembly. The time spent by the persons for preparations before, during, and after meeting to fulfill their tasks are taken into account in the calculation of the remuneration in question. In addition, the attendance fee to be paid to the attendees for each meeting is also determined by the General Assembly.

Whether or not a remuneration would be paid to Chairperson and members of Committees and the amount and conditions in case it is to be paid are specified by the Board of Directors in the resolution for the creation of the relevant committee. In case the chairperson and members of a committee are also the chairperson and members of the Board of Directors, whether or not a remuneration would be paid to the committee members in question and the amount and conditions in case it is to be paid are determined by the General Assembly.

### **MISCELLANEOUS PROVISIONS**

**Article 42:** The relevant provisions of the Turkish Commercial Law and legislation concerning banks are applied on the issues not mentioned in these Articles of Association.