

TÜRKİYE VAKIFLAR BANKASI

TURKISH JOINT STOCK COMPANY

**ARTICLES  
OF  
INCORPORATION**

**ACT OF TÜRKİYE VAKIFLAR BANKASI  
TÜRK ANONİM ORTAKLIĞI**

**Act No: 6219**

**Date of Acceptance: 11/1/1954(\*)**

**I-FOUNDATION**

**Article: 1-** An authority has been granted to General Directorate of Vakıflar in order to establish a bank subject to private legal provision with the name Türkiye Vakıflar Bankası Türk Anonim Ortaklığı.

**Works to be Carried  
Carried out by  
The Bank**

**Article: 2-**The Bank shall involve with the following activities:  
A) To make transactions against movables, immovable goods and assets,

B) To make insurance or other partnerships or to participate to the ones previously arranged,

C) To sell and to purchase immovable assets,

D) To carry out every kind of banking transactions and services,

E)(**Amended:26/12/1967-979/1stArt.**) To take part in various required business concerns (commercial, agricultural, industrial) and legislation for the immovable assets and administrations which their management need to be submitted to be managed in a rational manner within the principles those will be pointed out with special agreements for the immovable assets which their management need to be submitted to the Bank

(The position of immovable assets those can be submitted to the Bank according to the above-mentioned paragraph by a council which will assemble with the participation of General Manager of Türkiye Vakıflar Bankası and General Manager of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı with the presidency of Prime Minister or with the presidency of the related Minister of General Directorate of Turkish Trusts every year in September and the ones those need to be transferred to the Bank is determined by Prime Minister or the related Minister).

F)(**Annex:26/12/1967-979/1st.Art.**) To carry out treasury transactions of General Directorate of Vakıflar Bankası and banking services of recorded and annexed foundations in the scope of signed agreements.

**Main Branch**

**Article: 3-(Amended:3/4/1986-3272/1st.Art.)**

The main branch office of the Bank is in İstanbul. The Bank can establish new branch offices in home or abroad in the places where a necessity is found in accordance with Banking Act. These branch offices in which every kind of banking transactions made are like

public banks' branch offices the savings of public institutions can also be deposited.

(\*): Official Gazette No. 8608  
Date of Issue: 15/1/1954

**Period** **Article: 4-(Amended: 16.11.2000-4604/1st.Art.)**  
The activity period of the bank is unlimited.

## **II-FINANCIAL PROVISIONS**

**Capital** **Article: 5-(Amended: 01.11.2005-5411/168-J Art.)**  
The amount of the capital of the Bank and nominal value of every share is stated in the Prime Contract of the Bank.

**Shares** **Article: 6-(Amended: 01.11.2005-5411/168-J Art.)**  
Shares are divided into classes (A), (B), (C) and (D) shares; and are issued in the shareholders' names.

**Value of Foundation Shares** **Article: 7-(Amended: 16.11.2000-4604/3<sup>rd</sup> Art.)**  
revoked.

**Authority To Issue Bonds** **Article: 8-(Amended: 26/12/1967-979/2<sup>nd</sup> Art.)**  
The Bank can issue bonds up to two times of its paid capital with the approval and bail of Ministry of Finance and with the decision of the General Council at least its 50 % to be used in encumbered loans.

The type and terms of transfer of shares is determined by the Bank by taking the acknowledgement of Ministry of Finance.

The receivables of the Bank those were provided with mortgage forms a provision that provide a preferential right for the payment of interests of these bonds.

**Profit Distribution** **Article: 9-(Amended: 3/4/1986-3272/4<sup>th</sup> Art.)**

The following amounts shall be distributed to:

A) Five percent to the ordinary reserve fund until the amount of paid capital is reached,

B) Five percent to the reserve provision according to the 32<sup>nd</sup> Item of Banking Law,

C) Five percent first exceptional reserve fund,

D) **(Amended: 27/5/1992-3807/1.Art.)** Nine percent to officers and jobholders as dividend premiums to be distributed within the principles determined by the Board of Directors as limited with three months gross salaries of the personnel.,

E) To the second exceptional reserve fund in the amount that will be determined by the General Council in case where a necessity is found for the Bank to continuously develop and to provide its distribution of stable rated profit shares according to the 469/2 Article of Turkish Commercial Code from the balance,

will be distributed from the net profit of the Bank to the shareholders over the paid assets of the shares.

**Reserve Funds Article: 10-(Amended: 3/4/1986-3272/5<sup>th</sup> Art.)**

Reserves stated in (A), (B), (C) paragraphs of 9<sup>th</sup> Article are used in accordance with the related provisions of Banking Law No. 3182. The second exceptional reserve fund stated in (E) paragraph of the same article can be distributed to the shareholders by the General Assembly for the supply of stable profit distribution.

**III-PROVISIONS REGARDING THE TYPES OF COLLECTION FOR BANK CLAIMS**

**Article: 11-(Amended: 3/4/1986-3272/6<sup>th</sup> Art.)**

The branches are authorized for the representation of the General Directorate for the follow up cases as an agency of the Bank's General Directorate and also authorized for appointment of proxy and to confer proxy.

**IV-ADMINISTRATIVE PROVISIONS**

**Management of the Bank**

**Article: 12-** The authorized agencies of the bank as follows:

- 1-General Assembly,
- 2-Auditors,
- 3-Board of Directors,
- 4-General Directorate.

**General Assembly**

**Article: 13-**The General Assembly consists of holders of the Bank's shares. The one who has ten shares or who represents ten shares has one vote in the General Assembly. The ones who have more than ten shares have rights for voting without any limitation according to the above-mentioned percents.

The provision of the above-mentioned paragraph shall be applied in the same manner for the partnerships those will be established by the Bank.

**Auditors**

**Article: 14-(Amended: 16.11.2000-4604/3<sup>rd</sup> Art.) (\*)**

The statutory tenure of the auditors is two years therefore their qualities, authorities and liabilities are shown in the Prime Contract.

Furthermore the annual transactions and accounts of the Bank is given in a report after auditing by an additional General Auditing Council. This report is submitted to the General Assembly of the Bank with the reports of the auditors and its one copy is conferred to the General Directorate of Trusts.

(\*): With the enacting of this Law; The first paragraph of the Amended 14th Article and the second sentence of the second paragraph in force has been revoked with the Law No 979 dated 26.12.1967.

**Board of Directors            Article: 15-(Amended: 3/4/1986-3272/7<sup>th</sup> Art.)**

**(Amended paragraph: 01.11.2005-5411/168-J Art.)** The Bank's Board of Directors consists of 9 members, including the General Manager. The number of the members that each Class of Shares has in the Board of Directors has been indicated in the Articles of Association of the Bank.

**(Amended paragraph: 01.11.2005-5411/168-J Art.)** One of the members of Class (A) shares is appointed by the Prime Minister in order to represent the General Directorate of Foundations while the other members of the Class (A) shares and the members of the Classes (B), (C) and (D) shares are elected by the General Assembly.

**(Amended paragraph: 03/04/1986-3272/7<sup>th</sup> Art.)** The General Manager of the Bank is the natural and delegate member of the General Assembly.

**(Amended paragraph: 27/05/1992-3807/2<sup>nd</sup> Art.)** The statutory tenure, authorization and liabilities of the members of the Board of Directors are shown in the Prime Contract. The amount of wages to be given to these members are determined by the General Assembly and applied with the approval of Prime Minister.

**General Manager                Article: 16-(Amended: 16.11.2000-4604/5<sup>th</sup> Art.)**

The works of the Bank is managed by the General Manager. General Manager is appointed by Prime Minister.

The persons who will be appointed for the position of General Manager are obliged to be educated in the branches of law, economy, business administration, finance, banking, public administration and equivalent branches and in the engineering branches related with these at least with a university degree and have to have a vocational experience in the field of banking or business administration for a period of at least 10 years.

**(Amended:31.07.2003-4969/15<sup>th</sup>Art.)** General Manager whose period is expired can be appointed again.

General Manager cannot be ceased to do business in any way unless his period of duty is expired. However according to the provisions of this law and Banking Law, business agreements of the General Managers who are determined to loose the required terms for the appointment and who are accused crimes about their duties shall be terminated.

**Personnel**

**Article: 17-**The Bank and the personnel of the partnerships those will be established by the Bank shall be subject to private legal provisions. The Law No. 3659 shall not be applied for the Bank and the partnerships those will be established by the Bank.

**V-MISCELLANEOUS**

**Legal Regime**

**Article: 18-**Laws No. 1050, 2490 and 3460 and annexes and Amendments of these laws shall not be applied for the bank and the partnerships those will be established by the Bank.

**Foundation Peculiarities**

**Article: 19-**The Prime Contract of the Bank, is directly registered to commercial registry and announced without any ceremonies after it has been approved Council of Members of the Cabinet in the scope of Law Provisions without searching the terms of foundation transactions stated in the Commercial Code. The ultimate foundation of the Bank starts with the date of this announcement.

**VI-EXCEPTIONAL PROVISIONS**

**Article: 20-**The total amount of loans granted by Türkiye Vakıflar Bankası Türk Anonim Ortaklığı to the General Directorate of Trusts shall not exceed 20 % of the paid capital and reserve fund.

**Article: 21-**The provisions of Foundation Law No 2762 for real estates and land sales prices shall not be applied for the amounts those will be transferred to Türkiye Vakıflar Bankası Türk Anonim Ortaklığı as capital participation share over these amounts.

**VII-DERESTRICTED PROVISIONS**

**Article: 22-**The staff included in Table (1) for the Law making Amendments for Organization of General Directorate of Trusts with No. 3821 (Directorate of İstanbul Vakıfparalar) and in Table (2) (İstanbul Directorate of Vakıfparalar) are removed.

**VIII-TRANSFERRED PROVISIONS**

**Provisional Article: 1-**The assets and credits of Directorate of Vakıfparalar and its all rights and interest those are still managed are transferred to Türkiye Vakıflar Bankası Türk Anonim Ortaklığı together with all of undertakings and dept of this directorate.

Securities recorded in transfer balance sheet that will be prepared by Directorate of Vakıfparalar to be based on the transfer are evaluated with their stock exchange values or current market values, immovable with their determined values and receivables on

their balances on the date of transfer. The part of advance received interests for the period after the date of transfer shall be transferred to the bank as dividend.

In the date of transfer of Recorded foundations and Annexed foundations the balance after deducting participation shares to the Bank from all book dept available in Directorate of Vakıfparalar is recorded on behalf of General Directorate of Trusts and annexed foundations or shall be recorded as the method shown by the General Directorate of Trusts.

It is mandatory to purchase shares with consecrated money.

For transfer and registration transactions of real rights those were registered for the name of Directorate of Vakıfparalar to the name of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı no taxes, duties or fees shall be taken for ad hoc.

**Provisional Article: 2-**The 2<sup>nd</sup> Article of Law No 3335 shall be applied for the salaried officers and retainers of Directorate of Vakıflar who are not involved within the staff of the Bank. A severance pay shall be made one month salary amount for the salaried officers over one statutory service year and half month salary for retainers by the Bank. This severance pay is given as a single sum and therefore shall be paid for one month at the end of current months. In the departments consisting of these and in annexed and private budgeted departments and in municipalities and in their affiliated enterprises and administrations in departments and enterprises those subject to the Law No. 3659 or in this Bank the severance pays of persons subject to a salaried or paid duties shall be deducted with the date of declaration of appointments.

For the calculation of service years to be based for the severance pay months (6) and more fractions are delivered to the year. The fractions less than (6) months shall not be taken into account.

**Provisional Article: 3- (It is the provisional article of the Law No. 3/4/1986-3272 and therefore it is numbered for concatenation..)**

The number of members of Board of Directors shall be increased to eight by the enforcing date of the Law and an appointment shall be made within one month by the Board of Directors without need a modification in the Prime Contract for three memberships. Appointments shall be submitted for the approval of the General Assembly during the first General Assembly meeting.

**Article: 23-22<sup>nd</sup>** Article of this Law regarding removed provisions of the Law shall be valid with the final date of foundation of the Bank (\*) and the date of publishing of other terms (\*\*).

**Article: 24-**The cabinet is authorized to execute the provisions of this Law.

**Additional Article: 1-(Additional:16.11.2000-4604/6<sup>th</sup> Art.)**  
 For the sales of shares the provisions of Public Procurement Law with No. 2886 and General Accounting Law with No. 1050 shall not be applied.

**Additional Article: 2-(Annex:20.06.2001-4684/3<sup>rd</sup>Art.)**  
 Cabinet is authorized to determine the terms and conditions for the sales procedure for the sales of Group (A) shares of the Bank and for the ones belong to General Directorate of Trusts.

**Provisional Article: 1-(Annex:16.11.2000-4604/6<sup>th</sup>Art.)** The General Manager who is on duty on the date which this Law is enacted shall be counted as appointed for another 4 years with the enforcement date of the Law.

**Provisional Article: 2-(Annex:16.11.2000-4604/6.Md.)** 3<sup>rd</sup> Article of Law No 6219, third paragraph of 14<sup>th</sup> Article and provisions of second and fourth paragraph of 15<sup>th</sup> Article and this Law and the first, third and fourth paragraphs of its Amended 16<sup>th</sup> Article shall continue to be valid until shares of General Directorate of Trusts drop under 50 %.

(\*) Since the Prime Contract is announced in 13<sup>th</sup> of April 1954 with the Official Gazette No. 8683, the final foundation date of the Bank is this date according to the 19<sup>th</sup> Article of this Law.

(\*\*): 15<sup>th</sup> January 1954

No	Title	Gazette	Code		Official	
			Arrangement	Volume	Page	No
<b><u>Related Laws:</u></b>						
2762	Foundations Law	5/6/1935		3	16	1243
	3027					
3821	Law to Make Modification for Organization of General Directorate of Trusts	18/5/1940	3	21	808	
	4512					
<b><u>Said Laws:</u></b>						
	General Accounting Law	14/6/1927	3	8	628	
	607					
2490	Auction, Underbidding and Procurement Law					

	10/6/1934	3	15	1057
	2723			
3335	Law Modifying (D) Paragraph of 84 <sup>th</sup> Article of Civil Servants Law 9/3/1938	3	19	397
	3858			
3460	Law related with Organizations, Managements and their Auditing of State Enterprises Those Founded by the Whole of Their Capitals to be paid by the State 17/6/1938	3	19	1306
	3950			
3659	Law related with Unification and Equivalence of Salaries of Officers of Banks and State Enterprises 3/7/1939	3	20	1539
4255				

#### **Amendments Made in the Foundation Law of Türkiye Vakıflar Bankası T.A.O. No. 6219**

1) Foundation Law of Türkiye Vakıflar Bankası T.A.O. with No. 6219; Adopted in 11.01.1954, and issued in “**Official Gazette**” with date 15.01.1954 and No. 8608.

2) It has been amended with the Law No. 979 issued in the Official Gazette with No. 12789 issued in 29.12.1967, which is adopted in 26.12.1967.

3) It has been amended with Law No. 2444 issued in Official Gazette with No. 14511 issued in 18.4.1973, which is adopted in 10.4.1973.

4) It has been amended with Law No. 2444 issued in Official Gazette with No. 17299 in 3.4.1981, which is adopted in 1.4.1981.

5) It has been amended with Law No. 3272 issued in Official Gazette with No. 19073 issued in 9.4.1986, which is adopted in 3.4.1986.

6) It has been amended with Law No. 3807 issued in Official Gazette with No. 21248 issued in 4.6.1982, which is adopted in 27.5.1992.

7) It has been amended with KHK No. 606 issued in Official Gazette with No. 24121 issued in 26.07.2000, which is adopted in 06.07.2000.

8) It has been amended with Law No. 4604 issued in Official Gazette with No. 24238 issued in 22.11.2000, which is adopted in 16.11.2000.

9) It has been amended with Law No. 4684 issued in Official Gazette with No. 24451 issued in 03.07.2001, which is adopted in 20.06.2001.

10) It has been amended with Law No. 4969 issued in Official Gazette with No. 25917 issued in 12.08.2003, which is adopted in 31.07.2003.

**TÜRKİYE VAKIFLAR BANKASI  
TÜRK ANONİM ORTAKLIĞI  
PRIME CONTRACT**

**PART I.**

**FOUNDATION, FOUNDERS, TITLE, PURPOSE OF FOUNDATION,  
MAIN BRANCH AND BRANCH OFFICES, PERIOD**

**Foundation**

**Article: 1-**A Turkish Incorporated Company has been founded to be managed in accordance with this Prime Contract and Law No. 6219 and other related laws between the shareholders which share amounts have been determined as shown in the following table and founders stated in the Prime Contract.

**Founders**

**Article: 2-**The founders of the partnership are following persons signing the Prime Contract and whose their domicile addresses is given.:

A- General Directorate of Trusts 27.500.000,-	Ankara	TL.
B-Annexed Foundations (Trustee of Ali Şuuri Foundation Abdülbari Ağabeyoğlu) 10.000,-	Ankara	TL.
C-Türkiye İş Bankası 500.000,-	Ankara	TL.
Sümerbank 500.000,-	Ankara	TL.
T.C.Ziraat Bankası 500.000,-	Ankara	TL.
Türkiye Emlak Kredi Bankası 1.000.000,-	Ankara	TL.

**Title**

**Article: 3-**The name of the partnership is Türkiye Vakıflar Bankası Türk Anonim Ortaklığı.

**Purpose of Foundation**

**Article: 4-**The bank involves with the following activities:

**A-**To make loans against movable and immovable goods and assets,

**B)** To make insurance or other partnerships or to participate to the ones previously arranged,

**C)** To sell and to purchase immovable assets,

**D)** To carry out every kind of banking transactions and services,

**E-(Amended type with the decision of Extraordinary General Assembly dated 31.3.1969)** To take part in various required business concerns (commercial, agricultural, industrial) and legislation for the immovable assets and administrations which their management need to be submitted to be managed in a rational manner within the principles those will be pointed out with special agreements for the immovable assets which their management need to be submitted to the Bank

The position of immovable assets those can be submitted to the Bank according to the above-mentioned paragraph by a council which will assemble with the participation of General Manager of Türkiye Vakıflar Bankası and General Manager of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı with the presidency of Prime Minister or with the presidency of the related Minister of General Directorate of Turkish Trusts every year in September and the ones those need to be transferred to the Bank is determined by Prime Minister or the related Minister).

**F-(It has been added with the decision of Extraordinary General Meeting dated 31.3.1969)** To carry out treasury transactions of General Directorate of Vakıflar Bankası and banking services of recorded and annexed foundations in the scope of signed agreements.

**Main Branch of the Partnership Article: 5-(Amended type with the decision of Ordinary General Assembly dated 25.03.2011)** The main branch office of the Bank is in İstanbul. Its address is Levent Mahallesi, Hacı Adil Yolu, Çayır Çimen Sokak, No:2, 1.Levent Beşiktaş/İstanbul. The Bank can establish new branch offices in home or abroad in the places where a necessity is found in accordance with Banking Law No. 5411 These branch offices in which every kind of banking transactions made are like public banks' branch offices the savings of public institutions can also be deposited.

**Period of the partnership Article: 6-( Amended type with the decision of Extraordinary General Assembly dated 21.08.2000)**  
The activity period of the bank is unlimited.

## PART II

### FINANCIAL PROVISIONS

#### Capital

**Article: 7-( Amended type with the decision of Ordinary General Assembly dated 25.03.2011)** The Bank adopted recorded capital system according to the provisions of capital market Law No. 2499, and adapted the recorded capital system with the permission of Capital Markets Board dated 15/09/2005 with No. 37/1122 and with the permission of Capital Markets Board dated 03/03/2006 with No. 10/242 the recorded capital of the Bank has been determined as 5.000.000.000 (fivebillion) Turkish Lira.

The ceiling of the authorized capital as given by the Capital Markets Board is valid for 2011-2015 (5 years). After 2015, even if the capital will not have reached the permitted ceiling level, following the permission of Capital Markets Board, the authorization of General Assembly for a new period is obligatory in order to take a capital increase decision. Failure to obtain authorization will affect the ejection of the Bank from the Registered Capital System.

Deducted capital of the bank is totally paid 2.500.000.000 ( twobillionfivehundredmillion) Turkish Lira and it is divided to 250 billion shares of which every share equal to 1 Kuruş; and its 1.075.058.639,56

(onebillionseventyfivemillionfiftyeightthousandsixhundredthirtynineTurkishLirasandfiftysixKuruş) part is divided to 107,505,863,956 (onehundredsevenbillionfivehundredfivemilliononehundredsixtythree thousandninehundredfiftysix) pieces Group (A); and its 390.848.306,75

(threehundredninemilliononehundredfortyeighthousandthreehundredsixTurkishLirasandseventyfiveKuruş) part is divided to 39.084.830.675

(thirtyninebillioneightyfourmilliononehundredthirtythousandsixhundredseventyfive) pieces Group (B); and its 404,350,498.34

(fourhundredfourmillionthreehundredfiftythousandfourhundrednineteyightTurkishLirasandthirtyfourKuruş) part is divided to 40,435,049,834

(fortybillionfourhundredthirtyfivemillionfortyninethousandonehundredthirtyfour) pieces Group (C) and its 629,742,555.35

(sixhundredtwentyninemillionsevenhundredfortytwothousandfivehundredfiftyfiveTurkishLirasandthirtyfiveKuruş) part is divided to 62,974,255,535

(sixtytwobillionninehundredseventyfourmilliontwohundredfiftyfivethousandfivehundredthirtyfive) pieces Group (D), shares completely registered shares.

#### Shares

**Article: 8-( Amended type with the decision of Ordinary General Assembly dated 25.03.2011)** The shares are divided as Groups (A), (B), (C) and (D), they are completely registered shares. The capital which is registered as 2.500.000.000 TL consists of 43,0023 % Group A, 15,6340 % Group B , 16,1740 % Group C and 25,1897% Group D Shares.

In accordance with the Capital Market Law and applicable regulatory provisions, Board of Directors is authorized to transfer

registered shares up to the recorded maximum capital where found necessary in accordance with Capital Market Law and with the related legislation provisions and to increase the announced capital.

However new shares cannot be transferred until all of the issued shares are sold.

The Board of Directors is authorized to issue shares above their nominal values, to distribute the issued shares to the shareholders according to their share percent or to offer to the public in the scope of the legislation provisions by only issuing Group D shares by limiting completely or partially the preferential rights of the partners and to make transitions from current groups to Group D with condition that there should be a demand from the partners.

The Board of Directors is authorized to issue, arrange and to combine shares representing a specific number of rate without making any changes for the nominal values of the shares in the scope of the legislation of capital market. Shares include the records required by the legislation. The dividend coupons of the shares are to the bearer, and shall be paid to whom submit the coupon.

The shares represented the shareholders' equity are tracked under recorded capital system. Board of Directors is authorized to follow up proceedings.

<b>Arrangement of Shares</b>	<b>Article: 9-</b> It has been revoked with the decision of Extraordinary General Assembly dated 21.08.2000
<b>Types of Shares</b>	<b>Article: 10-</b> It has been revoked with the decision of Extraordinary General Assembly dated 21.08.2000.
<b>Provisions of Foundations' And Persons' Shares</b>	<b>Article: 11- (Amended type with the decision of Ordinary General Assembly dated 25.03.2011)</b> The total of the capital which is issued as 2.500.000.000 TL (twobillionfivehundredmillion) has been paid.
<b>Payment of Shares</b>	<b>Article: 12-</b> It has been revoked with the decision of Extraordinary General Assembly dated 31.03.1996
<b>Sales of Unpaid Group (C) Shares</b>	<b>Article: 13-</b> It has been revoked with the decision of Extraordinary General Assembly dated 31.03.1996
<b>Provisional Shares</b>	<b>Article: 14-</b> It has been revoked with the decision of Extraordinary General Assembly dated 09.10.2000

**Indivisibility of Shares**

**Article: 15-( Amended type with the decision of Extraordinary General Assembly dated 25.12.1958)**

Shares are indivisible unity by the Bank. Bank recognizes a unique holder for every share. If the share has more than one shareholder these persons can only collect their receivables with a common representative. This representative shall be counted as the holder of the share by the Bank. In case if a share has more than one shareholder and if they do not appoint a representative a statement made by the Bank to any of them shall counted to made to all. In case if the ones having the usufruct right of a share and the ones having its ownership are same persons they have to use their rights against the bank by appointing a common representative. If disputes rise among themselves for both the statements to be made and for participating and voting issues in the General Assembly meeting Bank only recognizes beneficial owner and their representative if they are more than one person.

The provision of the first paragraph is valid fort he holders of usufruct rights.

**Liabilities of Partners**

**Article: 16-(Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)**

Partners only liable for the percent of shares they own.

**Position of Partners Inheritors and Creditors**

**Article: 17-**To own a share is obey the provisions of this Main Agreement and the rules of General Assembly.

Since the possible rights over the dividend share and reserve fund are included, all of the rights and dept provided by a share belong to the owner of that share.

Since inheritors or creditors of a share could not intervene the management of the Bank and could also not demand the properties of the Bank to be distressed. They have to accept the accounting books of the Bank and the decisions of the General Assembly to get their rights.

**Place of Residence of Partners**

**Article: 18-**It has been revoked with the decision of Extraordinary General Assembly dated 31.03.1996.

**Increasing or Decreasing of the Capital**

**Article: 19- (Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)**

For increasing or decreasing of the capital of the Bank the related provisions of Turkish Commercial Code, Code of Capital Markets and Banking Law.

Since the preferential rights are used in the specified period for the capital increase the remaining shares are sold in the Stock Exchange in accordance with the regulations of Capital Markets Board and IMKB. The legislation of Capital Market for the use of preferential rights shall be obeyed.

**Cases in which  
New Shares  
Will be granted**

**Article: 20-**

It has been revoked with the decision of Ordinary General Assembly dated 25.03.2011.

## **PART III**

### **DEBENTURE BONDS**

#### **Issuing Bonds**

**Article: 21-(Amended type with the decision of Ordinary General Assembly dated 25.03.2011)**

Without prejudice to the Capital Market Law, Turkish Commercial Code, Banking Law and arrangements of applicable regulation, the Board of Directors is authorized to issue bond or other debt instruments, to designate the amount, maturity, type and interest rate of them and to execute the process regarding the bond issuance.

## PART IV

### MANAGEMENT OF THE BANK

#### Authorized Agencies

**Article: 22-** The authorized agencies of the bank as follows:

- 1-General Assembly,
- 2-Auditors,
- 3-Board of Directors,
- 4-General Directorate.

#### Ordinary and Extraordinary General Assemblies

##### GENERAL ASSEMBLY

**Article: 23-**General Assembly consists of the shareholders. They assemble at least once a year as an assembly. The General Assembly to meet by obeying the Law and the provisions of the Prime Contract represents the whole of the partners.

The decisions taken by the General Assembly also valid for the ones who do not take part in the decided works or the ones who are not present in the meeting.

General Assembly meets as ordinary or extraordinary. The ordinary General Assembly meet in three months after the account year once a year. In this meeting previous year's works and accounts of the Bank are investigated and decided. Extraordinary General Assembly meet when there is a necessity for the Works of the Bank.

If the General Assembly is not called for the meeting by the Board of Directors in specified intervals it shall be assemble with the invitation of Ministry of Industry and Commerce.

#### Invitation to Extraordinary General Assembly

**Article: 24-( Amended type with the decision of Extraordinary General Assembly dated 09.10.2000)**

By the justified written demand of the partners, Board of Directors or auditors having at least one to twenty value shares Board of Directors or auditors or if necessary Ministry of Industry and Commerce can invite General Assembly for a extraordinary meeting.

#### Announcements

**Article: 25-(Amended type with the decision of Ordinary General Assembly dated 25.03.2011)** The date, time and place of General Assembly shall be announced and it shall be announced in the newspapers decided by the Board of Directors and also in the newspapers stated in 37<sup>th</sup> Article of Turkish Commercial Code at least fifteen days before the date of the meeting.

The agenda shall be informed with the advertisements given to the aforesaid newspapers.

The regulations of Capital Markets Board are reserved for the announcements.

<b>Agenda</b>	<b>Article: 26-( Amended type with the decision of Ordinary General Assembly dated 25.03.2011)</b> Agenda includes issues like reading of the reports of Board of Directors and Auditors, investigation of balance sheet, profit and loss accounts, proposals for the distribution of profit, selection of Board Members and auditors whose period has expired and other works to be discussed. Works which are not included within the agenda is not discussed. However during the discussing of the subject in the agenda when there is a necessity for that work to be given a decision with votes of partners is asked. The issues those were requested to be discussed in the General Assembly meeting by the partners having at least one to twenty percent of the total capital of the Bank with justified written applications have to be taken to the agenda.
<b>Place of Meeting</b>	<b>Article: 27-</b> General Assembly shall be met in the place where the Main Brach of the Bank is located or in another place of the city where it is located.
<b>Informing to Ministry of Industry and Commerce and Ministry Commissioner</b>	<b>Article: 28-</b> It necessary to inform the Ordinary and Extraordinary General Assemblies to Ministry of Industry and Commerce two weeks before the date of meeting with a written statement, the agenda and reports and balance sheet samples to be sent and Ministry Commissioner shall be ready in the meetings.
<b>Meeting Quorum</b>	<b>Article: 29-</b> For the Ordinary General Assemblies partners as principal and proxy representing at least one over four shares is mandatory. If this number is not met in the first meeting, a second announcement shall be given for the meeting. Whatever the number of the partners in the second meeting they discuss the issues determined in the first meeting and make a decision for the validity of the decision the majority of the partners available in the meeting shall vote. There shall be no interval less than fifteen days and more than one month between the first and the second meeting. Invitation, announcement and its publishing for the second meeting shall be made fifteen days before the meeting.  The quorum shall be sought determined by Turkish Commercial Code for the extraordinary General Assemblies.
<b>Voting Right</b>	<b>Article: 30-(Its type as issued in Official Gazette with No. 9362 dated 23.7.1956)</b> The one who have every ten shares and who represent the same amount of shares have one voting right. He ones who have more than ten shares have voting rights according to the percent given above without any limitation. This provision shall be applied as similar for the partnerships those will be established by the Bank.
<b>Type of Voting Modification in</b>	<b>Article 31-(Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)</b>

**The Main Agreement and Majority for Terminating the Partnership**

Voting shall take place in the General Assembly by rising hands. The decisions to be taken in the General Assembly meetings for modification in this Prime Contract or for terminating the Partnership is given with the necessary majority in accordance with Capital Markets Law and provisions of Turkish Commercial Code.

The regulations of Capital Markets Board for voting as proxy are kept.

**Right and Type Of Representation Article: 32-(Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)**

The partners in the General Assembly may represent themselves with proxies. If the proxy holders are also partners they can vote for themselves also for their representatives. The legal exceptions are kept.

Legal entity partners are represented by the representatives of General Assembly.

The partners not having the required share to vote in the General Assembly can associate with others and appoint a proxy.

The regulations of Capital Market Board for voting with proxy shall be obeyed.

**Entrance Card**

**Article: 33-** It has been revoked with the decision of Extraordinary General Assembly dated 31.03.1996.

**Table**

**Article: 34-(Amended type with the decision of Extraordinary General Assembly dated 25.12.1958)**

A table is prepared on which names, surnames, residents, and number of shares and votes of the shareholders and their representatives present in the meeting is written and signed by the President and hanged to a suitable place where can be seen before the collection of first votes.

**President, Vote Collectors, Clerk Approval And Keeping Of the Table**

**Article: 35-(Amended type with the decision of Extraordinary General Assembly dated 25.12.1958)**

Chairman of Board of directors, Vice Chairman in his absence and if he is not present a person selected by the General Assembly among the partners shall be the president in the General Assembly meeting. The duty of the President is to provide the discussions to be made in order and to provide the minutes to be kept in accordance with the Law and provisions the Prime Contract. Two partners in the General Assembly having the majority of votes, acts as vote collectors if these persons do not accept this other partners are selected. President and vote collectors select the Clerk of General Assembly. It is not necessary for the clerk to be a partner.

**Validity of Decisions**

**Article: 36-**In order for the decisions taken by the General Assembly to be valid, the scope of these decisions and the names of the persons

**Signing of Minutes Registration, Announcement**

who rejects to obey to these decisions and their legal grounds shall be stated in the minutes.

This minute shall be signed by participated partners for voting and the Ministry Commissioner

The names and legal grounds of the persons who reject signing are written on the minute.

It is necessary for shareholders to give authority to the President and vote collectors for the signing of the minute.

Board of Directors is obliged to register an approved copy of minutes of General Assembly together with the documents state that the invitation to the meeting is done in accordance with the legislation and obliged to publish its original. The copies or summaries of these minutes must be signed by two persons having the signature authority.

**Authorities Of General Assembly**

**Article: 37-**Authorities of General Assembly:

(With condition to be present in the agenda ):

A-To discuss and to decide for the works those are beyond the authority of the Board of Directors,

B-To grant special authorities for the Board of Directors and to state the terms of these authorizations and to prepare the management types of Banking transactions in which they have found a necessity,

**C-(Amended type with the decision of Ordinary General Assembly dated 25.03.2011)** To discuss balance sheet, profit and loss accounts with the reports given by Board of Directors and Auditors regarding the Bank's works and to accept, to reject or to decide for its rearrangement, to decide to release debt of Board of Directors and for its responsibility, to decide the profit shares those will be distributed for the shareholders, to select the members of Board and Auditors or if necessary dismiss them and to select others,

(The salaries or admission fees those will be paid until the first General Assembly to be recorded to the general expenses of the Bank against the services of Chairman of Board of Directors and Its Members and the Auditors are determined by the Board of Directors.)

D-To decide for the works for which permission shall be taken by the members of Board of Directors from the General Assembly.

**Extent of Authorizations Article: 38-(Amended type with the decision of Ordinary General Assembly dated 25.03.2011)** The above-mentioned authorizations are not restrictive and General Assembly has the authority to make decisions furthermore in accordance with Bank's private act, Banking Law, Turkish Commercial Code, Capital Market Law and other relevant arrangements.

**Acquittal Article: 39-(Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)** The decision of General Assembly subject to the approval of the balance sheet also includes the acquittal of members of Board of Directors, managers and the auditors. However, if some of the terms in the balance sheet are not defined or if the balance sheet has been arranged incorrect the approval of the balance sheet does not mean the acquittal of members of Board of Directors, managers and auditors. Before reading the reports of auditors the decisions given for the approval of balance sheet and accounts are not valid.

Every shareholder who participate to the General Assembly have rights to express his/her idea or to ask questions in the scope of executing the meeting in the scope of the agenda of the General Assembly. The questions asked to the Board of Directors shall be replied verbally immediately or with a written statement one week after the General Assembly with condition that they are asked to be necessary to use the right of participation and not to be a commercial secret.

**Postponing Of Discussions Quorum and Period Article: 40-( Amended type with the decision of Extraordinary General Assembly dated 09.10.2000)** The discussions for the approval of the balance sheet can be postponed 1 month with the demand of majority and minority having one to twenty share percent of the total Bank capital. In this case, the matter is informed to the partners as it is stated in 25<sup>th</sup> Article and announced.

Therefore in order for the minority to demand the postponing of discussions for a second time it is mandatory that no definition is given for the points of the balance sheet those were objected before.

**Cancellation of Decisions Liabilities of Persons filed Cases with Bad Faith Article: 41-(Amended type with the decision of Extraordinary General Assembly dated 25.12.1958)** The persons defined below can file annulment suits against the decisions of General Assembly those are against the provisions of law, Prime Contract especially against principles of good will in 3 months after the date of meeting by applying to the courts located in the main branch of the company:

1-The shareholders who record the matter to the minutes and who claim that he is not allowed to vote unjust or the invitation to the meeting is not held legally or the agenda not to be announced or

notified or who claims that the ones who have no authority to participate the General Assembly and participate the taken decisions.,

2-Board of Directors,

3-In case the execution of decisions is the individual liabilities of members of Board of Directors and Auditors, every one of them,

The day of the case shall be announced by Board of Directors for the annulment suit.

In case if annulment suit is filed against the decisions of the General Assembly in bad faith the claimants will be responsible for losses of the company.

**Amendments  
In Prime Contract  
Articles**

**Article: 42-(Amended type of the decision of Extra Ordinary  
General Assembly dated 24.10.2005)**

The Amendments to be made in Prime Contract of the Bank are executed in accordance with Turkish Commercial Code, Banking Law and Capital Market Law and announced by registering to the Commercial Registry.

The Amended provisions shall be put into force by date of their announcement.

**Selection of Auditors,  
Term,  
Terms of Auditing,  
Obstacles for  
Selection  
Dismissal**

**Article: 43-(Amended type of the decision of Extraordinary  
General Assembly dated 24.10.2005)**

Transactions of the Bank is audited by two auditors. One of the auditors is selected among candidates in staff of General Directorate of Vakıflar from Group A, and other to be selected among the candidates those are proposed by the majority of Group C shareholders by the General Assembly.

Moreover 2 substitute auditors must be selected among candidates in staff of General Directorate of Trusts from Group A, and other to be selected among the candidates those are proposed by the majority of Group C shareholders by the General Assembly. Selection is headed by the Chairman of Board of Directors and the results of the selection are recorded in the minutes of General Assembly.

The term of auditors is 2 years. The auditors whose service period expired can be selected again. The members of Board of Directors whose term expired could not be selected as auditors unless released by the General Assembly.

It is not allowed for the auditors to be selected as the members of the Board of Directors or to perform their works as the officers of the Bank during their term of duty. The ones to be neighbours or spouse of Board of Directors and its neighbours up to third degree (including this degree) and the ones who are not found suitable in

accordance with Banking Law cannot be selected as auditors. If they do so, they have to resign immediately.

Same provisions are valid for General Manager, Assistant General Manager and officers having first degree signature authority.

**Duties of Auditors Liabilities And Participation To Meetings Of Board of Directors** **Article: 44-(Amended type of the decision of Extraordinary General Assembly dated 09.10.2000)**  
Auditors are authorized to investigate and audit all of accounts and transactions of the Bank  
They investigate books, transaction documents and minutes onsite and they control three months period general condition of the Bank.

At the end of the investigations they will perform in accordance with private Law of the Bank, Prime Contract and Turkish Commercial Code, Banking Law and Capital Markets Law the auditors have to inform their point of view regarding annual balance sheet, profit and loss accounts with a report to the General Assembly.

Auditors can take part in meetings of Board of Directors, however they cannot vote. The proposals found suitable by the auditors shall be taken to the agenda of Board of Directors and the General Assembly.

Auditors are obliged to invite the General Assembly in case where a necessity is found in situations described in Turkish Commercial Code.

The auditors shall be jointly responsible when they fail to do their jobs those are given to themselves with this Prime Contract in a suitable manner and pay the corporeal and real loss.

**Investigation of Complaints, Notification Inviting General Assembly For Extraordinary Meeting** **Article: 45-( Amended type of the decision of Extraordinary General Assembly dated 24.10.2005)**  
Auditors investigate complaints against members of Board of Directors or managers by the partners and if they found it proper write them to their annual reports. Auditors have to send a copy of annual reports to General Directorate of Trusts and to Ministry of Industry and Commerce.

If the auditors detect contrary acts of Bank's Board of Directors and Credit Committee's Presidents or members, managers or officers against Banking Law and the provisions of this Prime Contract they shall inform these with the related documents to the General Assembly.

In case of a demand of partners having one to twenty percent of shares of the Bank they have to invite General Assembly for extraordinary General Assembly meeting and to put these works to

the agenda. The partners having one to twenty shares of the total bank capital applied to auditors for invitation to General Assembly shall submit their shares to a recognized bank as security.

In case if the General Assembly decides both for the issue explained in the above paragraph or according to other reasons to file a case against the members of the Board of Directors they shall act in accordance with 341st Article of Turkish Commercial Code.2nd Article of Law No 4487 and Amended provisions of 11<sup>th</sup> Article of Capital Market Law is reserved.

#### **Filing a Case**

**Article: 46- (Amended type with the decision of Extraordinary General Assembly dated 09.10.2000)** If the holders of shares of the Bank in a percent of one twenty insists on filing a case against the members of Directors of Board as contrary to the decision of the General Assembly the auditors have to file a case in one month. A proxy can be selected excluding the auditors and the shares must be deposited to a recognized bank to be kept as a warranty until the end of the case. If the case is rejected, the minority demands a case to be filed have to pat the Bank's corporeal and real loss. The decision of the General Assembly with any reason for a case to be filed against members of Board of Directors should be realized by the auditors.

#### **Report of Commission of Prime Ministry**

#### **Article: 47- Supreme Auditing**

It has been revoked with the decision of Ordinary General Assembly dated 25.03.2011.

### **BOARD OF DIRECTORS**

#### **Terms of Foundation, Appointment and Selection and Service Period**

#### **Article: 48-(Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)**

The Board of Directors of the Bank consists of nine members including the General Manager.

One of member of Group (A) is to be selected by Prime Minister to represent the General Directorate of Trusts, other three members of Group (A) and one member of Group (B) and two members of Group (C) are selected among the candidates in their group and one member is selected among the candidates those were proposed by the partners by the General Assembly. For determination of these candidates the preferences of Group (D) shall be taken into account in priority.

1 member and 1 member of Groups (A) and (C) who are selected by the General Assembly to the Board of Directors are independent members. In institutional management statement and in the annual activity report a description must be available for the independency of the members of board of directors.

In cases in which General Manager is not present Vice President shall be the natural member of board of directors. General Manager of the Bank and Chairman of the Bank cannot be the same persons.

The Board of Directors shall perform the distribution of tasks among its members in the first meeting.

The period of member of board of directors is three years. It is possible for them to be reselected. The amounts of salaries are determined by the General Assembly. Applied with the approval of Prime Minister.

General Manager of the Bank is the natural and deputy member of the Board of Director.

**Members of First Board of Directors** **Article: 49-**The following persons are elected as the first Board of Directors:

To represent Group (A): Seyfi Oran, İsmet Bozdağ,

To represent Group (C): Hamit Pekcan.

General Manager of the Bank is the natural member of Board of Directors.

**Qualifications of Members of Board of Directors** **Article: 50-(Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)**  
The provisions of Banking Law are valid for qualifications of members of Board of Directors.

In case if events occurred as stated in second paragraph of 315<sup>th</sup> Article of Turkish Commercial Code and in the Banking Law the members of the Board of Directors will be counted as dismissed for the Board of Directors.

**Opening Of Memberships** **Article: 51-**In case if one or a few of members of Board of Director's death or dismissal or with other reasons one or more than one membership remains open provisional members shall be selected to be submitted for the approval of the first General Assembly with the same term and conditions. The members selected by this way completes the period of the previous member.

**President and Members of Vice President** **Article: 52-( Amended type with the decision of Extraordinary General Assembly dated 9.2.1996)**  
Board of Directors selects a President and a Vice President to represent him when he is not present every year. A provisional president is selected for the sessions where President and Vice President is not present.

## Meetings

### **Article: 53- (Amended type with the decision of Extraordinary General Assembly dated 8.3.1984)**

The Board of Directors has to assemble at least twice a month with the invitation of the Presidency and with the request of at least of two members. However if there is no subject to be discussed in the agenda meeting shall be postponed for once with the deeming of the President.

Meetings are held in the administrative centre of the Bank or in another place with the demand of more than a half number of members.

## Meeting and Decision Quorum

### **Article: 54-(Amended type with the decision of Extraordinary General Assembly dated 31.03.1996)**

More than half number of members must be present in the meetings of Board of Directors. Decisions are taken according to the majority of the participants. If the votes are equal the work shall be left for the next meeting. If also a equation found in that meeting the said offer shall be counted as rejected.

In urgent case the next meeting shall be held in the following day.

## Minutes, Continuation

### **Article: 55-(Amended type with the decision of Extraordinary General Assembly dated 25.12.1958)**

A minute showing names of the members those are present for discussions and decisions in the meeting shall be written and recorded to casebook of Board of Directors.

This minute is signed by members present in the meeting. The ones who opposed against the decision shall sign the minute by adding their written legal grounds.

To print out a copy of these minutes it must be signed by Prime Minister to be valid against the third parties.

The members who do not participates meetings without the permission of Board of Directors shall be counted as they have dismissed on their own.

## Duty and Authorization Of Board of Directors

### **Article: 56-(Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)**

Board of Directors has the widest authorization after the General Assembly. Board of Directors investigate and decide the proposals of Credit Committee and General Manager for al works beyond the authorization of Credit Committee and General Director for the issues which do not need the decision of the General Assembly.

Private:

a)With condition to make necessary explanations those will be seek by the Board in the scope of special conditions for clarification

of investors, to carry out management of Movable and immovable of the Bank and to carry out every kind of agreements and transactions related with the subject of the partnership, to utilize the signature of the partnership as the authorized representative of the Bank and to make negotiations and to appoint arbitrators;

b) To audit the activities of the Credit Committee (Every members are authorized to demand every kind of information regarding the activity of the Credit Committee and authorized to make every kind of controls they found a necessity)

c) To approve the instructions for the order of the internal legislation of the Bank;

d) To arrange annual balance sheet and profit and loss tables those will be prepared in accordance with the law by giving the related instructions for the management of the Bank and to submit the report defining the works done within the year.;

e) To determine the amount of the interest that will be given for the savings;

f) To investigate and make a decision of the written proposal of the General Manager about the loan those can be granted with the decision of Board of Directors in accordance with the Banking Law;

g) To determine the terms and conditions of works those form the establishment purpose of the Bank together with the loan those can be granted according to the provisions of the Banking Law;

h) (Amended type with the decision of Ordinary General Assembly dated 25.03.2011)To determine the terms and conditions of bonds to be transferred in accordance with the capital market legislation;

i) To appoint, dismiss and to determine the salaries of Manager of Main and Branch Offices, Auditors, Auditing Personnel and the other personnel authorized to sign on behalf of the Bank;

k) To determine and accept the annual general management expenses and staff of the Bank;

l) To decide to open new branches, agency preparation and to establish beneficiaries and to determine their authorizations; to determine activity fields and regions of the Bank in places in which the Bank has no agencies.;

m) To determine the capital to be kept for Main Branches and branch offices and also to determine work programs;

n) To decide for the immovable to be sold or to be rented with condition to make the necessary definitions those are required by the Council in the scope of private conditions for the clarification of the investors.

The above-mentioned transactions are not limited but binding.

**Attention of Members**

**Article: 57-** The members of Board of Directors have to pay attention for the Bank's works.

**Proxy**

**Article: 58-**The Board of Directors can grant its some of the authorities mentioned in the above 56<sup>th</sup> Article to the General Directorate or top one of the members in the scope of terms those will be determined by itself also appoint the authorization of the General Directorate for mortgages, bail and other loans those will be granted against securities.

**Liability**

**Article: 59-**The members of Board of Directors are jointly liable for the loss they will cause not to make works appointed by this Prime Contract. The loss those were caused by serious mistakes shall be reimbursed by the owners of that fault. This liability cannot exceed the corporeal and real loss.

**Prohibition To take part in Negotiations, Forbidden Transactions**

**Article: 60-(Amended type of the decision of Extraordinary Meeting dated 24.10.2005)**  
The members of the Board of Directors cannot be present in the meetings where works related with themselves is discussed and they cannot make any transactions on their behalf directly or with proxy without the permission of the General Assembly and they cannot be members in other partnership in which the Bank involves.

The provisions of the Banking Law is reserved

**CREDIT COMMITTEE**

**Type of Foundation**

**Article: 61-**The credit committee consists of two members to be selected among the Board of Directors and General Manager and the person who is involved with this task. Two substitute members are selected for the member who will not present in any of the meeting.

**Duties, Enforcement Of Decisions Auditing**

**Article: 62- (Amended type with the decision of Ordinary General Assembly dated 25.03.2011)**  
Credit Committee performs the works in the Banking Law according to the principles determined by the Board of Directors. The decision taken by the credit committee unanimously shall be enforced directly, and the decision taken by the credit committee with the majority shall be enforced after the approval of Board of Directors. The works of credit committee are controlled by the Board of Directors.

**Committee Book**

**Article: 63-(Amended type with the decision of Extraordinary General Assembly dated 25.12.1958)**  
The decision of credit committee shall be recorded on the book daily not to create any suspects for the clarification of the text on a private paged approved book in accordance with the provisions of Turkish Commercial Code for the record books

and every decision shall be signed by the members of the committee.

It is also possible to use a ledger of which its pages are approved and privately numbered rather than the above-mentioned book to be bind at the year ends with the permission of Ministry of Finance.

## **GENERAL MANAGER**

<b>Appointment, Decision for Representation Authority</b>	<p><b>Article: 64-(Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)</b></p> <p>The works of the bank is managed by the General Manager. General Manager is appointed by Prime Minister.</p> <p>The persons who will be appointed for the position of General Manager are obliged to be educated in the branches of law, economy, business administration, finance, banking, public administration and equivalent branches and in the engineering branches related with these at least with a university degree and have to have a vocational experience in the field of banking or business administration for a period of at least 10 years.</p> <p>General Manager whose period is expired can be appointed again.</p> <p>General Manager cannot be ceased to do business in any way unless his period of duty is expired. However according to the provisions of this law and Banking Law, business agreements of the General Managers who are determined to loose the required terms for the appointment and who are accused crimes about their duties shall be terminated.</p> <p>General Manager shall represent the Bank against third persons and administrative and legal establishments.</p>
<b>Management</b>	<p><b>Article: 65-(Amended type with the decision of Extraordinary General Assembly dated 3.5.1985)</b></p> <p>General Manager is the natural member of the Board of Directors and shall manage the works of the bank according to the principles those will be determined by the Board of Directors.</p>
<b>Duty and Authorities</b>	<p><b>Article: 66-</b>General Director shall take all the decisions for the appointment, promotion, dismissal, amount of salaries of all the officers of the Bank with condition to obey the principles stated in (I) paragraph of Article (56).</p> <p><b>Article: 67-(Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)</b> All of the officers of the Bank take orders form the General Manager by keeping the provisions in Duty regulations of Auditing Staff, President</p>

and Vice President of Auditing Council, Presidents responsible for Internal Audit and Risk Management.

### **ASSISTANT GENERAL MANAGERS**

**Appointments** **Article: 68-(Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)** Assistant General Manager are appointed with the proposal of the General Manager and with approval of the General Assembly. Related provisions of the Articles of the Banking Law is reserved.

**Their Numbers** **Article: 69-**Assistant General Managers are appointed the necessary number requested by the Bank according to the widespread of the works.

**Article: 70-**In case when the General Manager is not present his assistants or proxies have the authorities of the General Manager and they shall participate to the Board of Directors meeting with the same authorization.

### **Bank Personnel**

**Article: 71- Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)**

Number of the Bank's and its partnerships personnel are subject to private legal provisions. Law No. 3659 and its annexes and Amended versions shall not be applied for the Bank and the partnerships those will be established by the Bank.

The retirement and other social rights of Bank personnel shall be executed in accordance with the provisions of facilities/foundations agreement those are arranged in scope of provisional Article of Social Security Act (T. Vakıflar Bankası Memur ve Hizmetlileri Emekli ve Sağlık Sandığı). Provisions of Banking Law are reserved.

**Committees of** **Article: 72-(It has been added with the decision of Extraordinary**  
**Board of Directors** **General Assembly dated 24.10.2005)**

In order to carry out the works of the Board of Members comities like Auditing Committee, Institutional and Appointment Committee and other committees can be founded. Committees with a professional approach assists Board of Directors to work positively. Committees continue with their activities in the scope of the authorities given by the Board of Directors with condition that the liability to be owned by the Board of Directors and gives advices to the Board of Directors. Committees have no authority to take binding decisions.

Committees consist of at least two members. In case if the committees consist of two members both of two in case if it has more than two members the majority of the members are the members who are not involved in the execution. It is principle for the President of Institutional Management and Appointment Committee to be independent member.

Board of Directors always can determine duties and activity fields of the committees and make necessary changes for the memberships.

Committees are met in frequencies required by the works and with the invitation of the President of Committee. All of the studies are carried out in a written form and related records are kept.

**Auditing Committee Article: 73- It has been added with the decision of Extraordinary General Assembly dated 24.10.2005)**

The Auditing Committee is tasked and responsible to control the efficiency and adequacy of bank's internal control systems, risk management, and execution of these accounting and reporting systems in accordance with regulations with the related law, to keep the unity of the produced data, to make the pre-assessments for the independent auditing organizations to be selected by the Board of Directors, to follow up the activities of independent auditing organizations those are selected by the Board of Directors, and to provide the coordination and consolidated execution of the internal auditing functions of institutions which are subject to a consolidated audit.

The Auditing Committee is responsible for taking regular reports regarding the execution of its duties from units and independent auditing organizations in the scope of internal control, internal audit and risk management and to inform the obstacles those can negatively affect the activities of the Bank in a proper manner to the Board of Directors.

The Auditing Committee is responsible for informing the results of its studies and the measures to be taken in the Bank, the applications to be carried out and other issues to the Board of Directors. The President of Auditing Committee submits a written report regarding the activities of the Committee after the committee's meeting and also informs the summary of Committee meeting to the members of Board of Directors or have them informed.

Tasks, authorities and liabilities and terms and principles of the Auditing Committee are arranged by the Board of Directors.

The provisions of legislation are reserved regarding the Auditing Committee.

**Institutional Extraordinary General Management and Appointment Committee**

**Article: 74-(It has been added with the decision of Assembly dated 24.10.2005**

Institutional Management and Appointment Committee is responsible for following the compatibility of Bank to the Institutional management principles, and especially obliged the following issues to be executed:

To investigate in which degree the institutional management principles are applied in the Bank if they are not applied properly to determine its reasons and to determine the

improperness and to propose the developing measures to be taken,

To determine methods to provide clearness for the determination of candidates of member of board of directors to be advised to the Board of Directors,

To make studies for the number of managers those are in top management level and to develop proposals,

To develop principles and proposals for evaluating and assessment of performances of members of Board and managers and their awarding and to follow up the applications,

To make advises to the Board of Directors for the persons who will be selected to the top management positions of the Bank which consists of assistant general managers and its equivalent officers,

To investigate the independency of the members of the Board and to find out if there is a struggle for interests,

To make evaluations and proposals regarding the structure of committees those are ruled under Board,

It is principal for the Board to give detailed information about the works of Institutional Management and Appointment Committee in the activity report.

**Institutional  
Extraordinary  
Management  
Principals**

**Article: 75-(It has been added with the decision of General Assembly dated 24.10.2005)**

Bank and its affiliates effort to obey the regulations regarding the management. However in case if the said principals are not applied properly and if there is a unilateral statements regarding the conflict of interests, the report of accord takes place in the annual activity reports and the situation is announced to the Public.

## PART V.

### BANKING TRANSACTIONS

#### Principles for Transactions

**Article: 76-**The principals of the Bank for deposits and loans and investments and in other transactions are determined by the Board of Directors.

#### Activity and

**Article: 77-**The activity of the Bank is prepared according to the principals fixed in this Prime Contract and according to an annual program those will be determined by the Board of Directors.

#### Investment Program

This program can be amended within the said year by the Board of Directors.

**Article: 78-(Amended type with the decision of cabinet dated 19.6.1956)** In the activity and investment program which will be prepared according to 73<sup>rd</sup> Article; the possible changes for the equity capitals and foreign capitals are estimated during the related year, the legal provisions of which their distinguishing required and preparation of technical cash and by taking some of the connected parts of equity capitals the sources to realize, economical situation and market positions in the place where the Bank is located into account, the distribution of transaction contents those are explained in this Prime Contract according to their efficiency and profit ad loss to be granted are displayed.

In the meanwhile the amounts of branches and agents to be opened and closed are also stated.

#### Loan of General Directorate of Trusts

**Article: 79-**Every type of loans those will be granted by the Bank to General Directorate of Trusts shall not exceed 20 % of the total paid capital and reserve funds.

## **PART VI**

### **AUTHORIZATION**

**Authorization**            **Article: 80-(Amended type with the decision of Extraordinary General Assembly dated 21.08.2000)** As agencies of General Directorate of the Bank the Branch Offices are authorized for the follow up of cases regarding the branch office for representation of General Directorate and also authorized to appoint proxies and to give power of attorneys.

**Prosecution**            **Article: 81-**It has been revoked with the decision of Extraordinary General Assembly dated 21.08.2000.

## PART VII

### ANNUAL ACCOUNTS AND PROFIT DISTRIBUTION

**Account Year**                      **Article: 82-**The account year of the Bank starts with the first day of January and end in the last day of December. However the first account year is the first day which the partnership has been established and its last day is the last day of month December.

**Balance Sheet, Profit and Loss Statement**                      **Article: 83-(Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)**  
Every year at the end of the accounting year, a balance sheet and profit and loss statement is prepared displaying the general condition of the Bank. Copies of these documents is given to the General Directorate of Trusts 15 days before the General Assembly meeting. Every partner having voting right can control balance sheet and profit and loss statements, Auditors and Board of Directors report beginning 15 days before the General Assembly meeting and take their copies.

The balance sheet, profit and loss statements those are approved by the General Assembly is given to Ministry of Industry and Commerce, Banking Regulation and Supervision Agency and T.R. Central Bank in one month by the date of General Assembly meeting with reports of Auditors and Board of Directors. The balance sheet in the same period is announced and published in Official Gazette and other newspapers.

The accounting totals for a period of 3 months those will be prepared in accordance with the formula by Banking Regulation and Supervision Agency are sent to Ministry of Industry and Commerce and Banking Regulation and Supervision Agency latest in 2 months by the completion of 3 months period as approved by the auditors. Moreover, a table is prepared displaying loans and savings content by the end of every month and submitted at the end of the following month.

With condition to reserve related provisions of Banking Law the financial statement and reports and independent auditing report those are envisaged to be prepared by Capital Markets Board are sent to the Capital Markets Board in scope of principles and terms those are determined by Capital Markets Board and announced to the Public.

**Net Profit Distribution**                      **Article: 84-(Its Amended type with the decision of Extraordinary General Assembly dated 21.08.2000)**  
After reserving the following amounts from the net profit of the Bank the net profit amount shall be distributed to the shareholders over the paid values of the shares;

A) Five percent to the ordinary reserve fund until reaches to the paid capital,

B) Five percent to the first exceptional reserve fund,

C) Nine percent for officers and jobholders as dividend premium in the scope of principles those will be determined by the Board of Directors as limited to gross monthly salaries of the personnel,

D) To the second exceptional reserve fund in the mount that will be determined by the General Council in case where a necessity is found for the Bank to continuously develop and to provide its distribution of stable rated profit shares according the 469/2 Article of Turkish Commercial Code from the balance.

**Ordinary and  
Exceptional  
Reserve Fund**

**Article: 85-(Its Amended type with the decision of Ordinary  
General Assembly dated 31.3.1987)**

The ordinary reserve fund is distinguished for the possible losses those will occur in the future and exceptional reserve fund is distinguished to meet exceptional losses of the Bank.

It can be decided by the General Assembly for the second exceptional reserve fund to be distributed in stable for providing the positive development of the Bank and to use to meet the increased capital.

## PART VIII

### TERMINATION OF PARTNERSHIP AND ITS SETTLEMENT

**Settlement**                    **Article: 86-**Board of Directors can invite the General Assembly to discuss the termination of the partnership or its settlement or continuation of the partnership.

**Compulsion To Assemble General Assembly**                    **Article: 87-(Its Amended type with the decision of Extraordinary General Assembly dated 21.08.2000)**  
In cases of loosening of the two to three capital of partnership or not the purpose of partnership to come into existence and its opportunity of existence to loose, dropping the numbers of partners below five, to association of partnership with another partnership or with the bankruptcy of the partnership the Board of Directors have to invite the General Assembly to the meeting.

**Settlement Officers**                    **Article: 88-(Its Amended type with the decision of Extraordinary General Assembly dated 21.08.2000)**  
When the General Assembly decides to terminate the Partnership with any reasons described in this Prime Contract one or few settlement officers will be selected both from the partnership or from outside to carry out necessary transactions for the settlement and decisions will be taken for lonely or jointly acting of these officers. These decisions are registered and published.  
If settlement officers are selected by the General Assembly Board of Directors executes the work for the settlement.

**Their Tasks**                    **Article: 89-( Its Amended type with the decision of Extraordinary General Assembly dated 21.08.2000)**  
The settlement officers perform their duties in accordance with provisions of this Prime Contract and Banking Law.

## PART IX

### PROVISIONS OF ACCOMODATION

**Accommodation  
Of Assets  
And Credits  
Of Directorate of  
Vakıfparalar**

**Article: 90-** Assets and credits of Directorate of Vakıfparalar, all of its rights and interests still managed shall be accommodated to Türkiye Vakıflar Bankası Türk Anonim Ortaklığı with all of undertakings and dept of this directorate.

Movable assets written on the transfer balance sheet that will be prepared by the Directorate of Vakıfparalar as the based on the transfer with their exchange and current values and immovable with their determined costs and receivables are evaluated over the balances they will be transferred. The part of the advance received interests shall be paid to the Bank as dividend.

**Officers and  
Jobholders of  
Directorate of  
Vakıfparalar**

**Article: 91-**For the wage earner officers of Directorate of Vakıfparalar who are not employed in the staff of the Bank, a severance pay is given equal to one month salary amount of the officers and half month for the jobholders.

This severance pay is not paid in single sum it shall be paid at the end of months as one month periods.

In the departments consisting of these and in annexed and private budgeted departments and in municipalities and in their affiliated enterprises and administrations in departments and enterprises those subject to the Law No. 3659 or in this Bank the severance pays of persons subject to a salaried or paid duties shall be deducted with the date of declaration of appointments.

For the calculation of service years to be based for the severance pay months (6) and more fractions are delivered to the year. The fractions less than (6) months shall not be taken into account.

## PART X

### MISCELLANEOUS

**Place of Arbitration**      **Article: 92-**The disputes those may rise both between the partners and the Bank during both working and settlement process of the Bank shall be solved in courts located in the Main Branch of the Bank.

**Secrecy**      **Article: 93-(Its Amended type with the decision of Extraordinary General Assembly dated 09.10.2000)**  
All officers of the Bank may not disclose the secrets of the Bank and persons making business with the Bank to others. The ones who disclose shall be dismissed.

Provisions of 45<sup>th</sup> Article of Capital Market law is reserved.

**Cause of Action Of Ministry Of Industry and Commerce**      **Article: 94-**In case of accrual of situations those are not in compliance with the Law or to the Prime Contract an annulment suit can be filed by Ministry of Industry and Commerce.

**Article: 95-(Its Amended type with the decision of Extraordinary General Assembly dated 24.10.2005)**

For the cases those are not stated in this Prime Contract the provisions of Private Law of the Bank, Turkish Commercial Code and Banking Law and Capital Market Law and related provisions of legislation shall be applied.

**PROVISIONAL CLAUSE:1-(Amended type with the decision of Ordinary General Assembly dated 25.03.2011)** The terms defined in this Prime Contract are as follows: Prime Minister, Ministry of Finance, Ministry of Industry and Commerce, General Assembly, Ordinary General Assembly, Extraordinary General Assembly, Commissioner of Ministry of Industry and Commerce, President, Presidency, General Manager, Assistant General Manager, Agenda, Partner, Credit Committee, Reserve Fund, Vote, Member, Minutes.

**PROVISIONAL CLAUSE:2-(It has been revoked with the decision of Extraordinary General Assembly dated 24.10.2005,** numbers of other provisional clauses are arranged accordingly.)

**PROVISIONAL CLAUSE:2-(It has been added with the decision of Extraordinary General Assembly dated 21.08.2000)** The task period of the auditor selected for representation of Group (B) shall end with the registration date of this Prime Contract.

**PROVISIONAL CLAUSE:3-(It has been added with the decision of Extraordinary General Assembly dated 21.08.2000)** The term Ministry of Finance and Customs has been Amended as Ministry of Finance.

**PROVISIONAL CLAUSE:4-(It has been added with the decision of Extraordinary General Assembly dated 24.10.2005.)** Terms present in the Prime Contract as "Administration Council" defines the Board of Directors.

PROVISIONAL CLAUSE:5-(It has been added with the decision of Ordinary General Assembly dated 25.03.2011.) Nominal value of shares was 10.000 TL, initially changed as 1 Yeni Kuruş in accordance with the law to amend the Turkish Commercial Code with No. 5274, then the expression "Yeni" for Yeni Türk Lirası and Yeni Kuruş has been revoked on January, 2009 according to the Council of Ministers' decision dated 04.04.2007 with No. 2007/11963 and nominal value of shares has been changed as 1 Kuruş. Because of the amendment, one share with 1 (Yeni) Kuruş nominal value was given against each share with 10.000 TL nominal value.

Expressions "Türk Lirası" existing in this prime contract are the amended types in accordance with the Council of Ministers' decision stated above.

## **AMENDMENTS MADE IN THE PRIME CONTRACT OF TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI**

1- The Prime Contract of the Bank has been adopted by the decision of Board of Directors with No. 4/2549 dated 20.03.1954 and published in the **Official Gazette** with No. 8683 dated 13.04.1954.

2- The Amendments of Prime Contract of which its some of the Articles were Amended and some of the Articles were removed with the decision of Board of Directors with No. 4/7514 dated 19.06.1956 has been published in “**Official Gazette**” with No. 9362 dated 23.07.1956 and reinforced.

3- The Amendments those are made during the Extraordinary General Assembly dated 25712/1958 in accordance with Turkish Commercial Code with No. 6762 has been published and reinforced in “**Turkish Commercial Registry Gazette**” with No. 562 dated 123.0.1959.

4- The modification made in Extraordinary General Assembly in 31.03.1969 according to Law No. 979 with dated 26.12.1967 has been published in “**Turkish Commercial Registry Gazette**” with No. 3685 and dated 21.06.1969 and enacted.

5- Amendments made in Extraordinary General Assembly dated 20.6.1973 according to the Law No. 1703 dated 10.04.1973 has been published in “**Turkish Commercial Registry Gazette**” with No.4988 dated 02.11.1973 and enacted.

6- According to the modification made for Law No 1703 in foundation law of T. Vakıflar Bankası T.O.A with No. 6219 in accordance with the Decree of the Cabinet with No 7/10614 dated 21.8.1975, has been published in “**Turkish Commercial Registry Gazette**” with No. 123 dated 27.12.1976 and enacted.

7- Since some of the Articles of Foundation Law of No. 6219 of T. Vakıflar Bankası have been amended with Law No. 2444, the modification made in Extraordinary General Assembly dated 27.05.1981, has been published in “**Turkish Commercial Registry Gazette**” with No. 281 and dated 29.06.1981 and enacted.

8- In accordance with Decree Law with No 70 which is published in the Official Gazette dated 22.07.1983, the Amendments made in Extraordinary General Assembly date 08.03.1984, has been published in “**Turkish Commercial Registry Gazette**” with No.973 dated 22.03.1984 and enacted.

9- According to Decision of Cabinet with No. 8/5300 dated 10.09.1982, the modification made in the Extraordinary General Assembly dated 31.03.1983 has been published in “**Turkish Commercial Registry Gazette**” with No. 1099 dated 21.09.1984 and enacted.

10- The Amendments made in Extraordinary General Assembly dated 03.05.1985 in accordance with the Banking Law No. 3182, has been published in “**Turkish Commercial Registry Gazette**” with No. 1272 dated 27.05.1985 and enacted.

11- The Amendments made in Ordinary General Assembly dated 31.03.1987 in accordance with the Banking Law has been published in “**Turkish Commercial Registry Gazette**” with No.1789 dated 18.06.1987 and enacted.

12- The Amendments made in Extraordinary General Assembly dated 28.12.1988 according to the Decision of the Cabinet with No. 88/13494 dated 16.11.1988 has been published in **“Turkish Commercial Registry Gazette”** with No.2178 dated 30.12.1988 and enacted.

13- The Amendments made in Extraordinary General Assembly dated 29.03.1991 according to the decision of the cabinet with No. 90/650 dated 27.06.1990 has been published in **“Turkish Commercial Registry Gazette”** with No. 2744 dated 13.05.1991 and enacted.

14- The Amendments made in Extraordinary General Assembly dated 05.03.1992 has been published in **“Turkish Commercial Registry Gazette”** with No. 2998 dated 30.03.1992 and enacted.

15- The Amendments made in the Extraordinary General Assembly dated 10.9.03.1993 according to the cabinet decision of No. 91/2413 dated 28.10.1991 has been published in **“Turkish Commercial Registry Gazette”** with No. 3250 dated 31.03.1993 and enacted.

16- The Amendments made in Extraordinary General Assembly dated 20.12.1994 has been published in **“Turkish Commercial Registry Gazette”** with No. 3692 dated 29.12.1994 and enacted.

17- The Amendments made in Extraordinary General Assembly dated 09.02.1996 has been published in **“Turkish Commercial Registry Gazette”** with No. 3982 dated 19.02.1996 and enacted.

18- The Amendments made in Extraordinary General Assembly dated 31.03.1996 has been published in **“Turkish Commercial Registry Gazette”** with No. 4017 dated 11.04.1996 and enacted.

19- The Amendments made in Extraordinary General Assembly dated 05.03.1999 has been published in **“Turkish Commercial Registry Gazette”** with No. 4754 dated 18.03.1999 and enacted.

20- The Amendments made in Extraordinary General Assembly dated 10.12.1999 has been published in **“Turkish Commercial Registry Gazette”** with No.4945 dated 21.12.1999 and enacted.

21- The Amendments made in Extraordinary General Assembly dated 21.04.2000 has been published in **“Turkish Commercial Registry Gazette”** with No.5035 dated 01.05.2000 and enacted.

22- The Amendments made in Extraordinary General Assembly dated 21.08.2000 which make changes in the Law of our Bank has been published in **“Turkish Commercial Registry Gazette”** with No. 5132 dated 15.09.2000 and enacted.

23- The Amendments made in Extraordinary General Assembly dated 09.10.2000 for the reason of arrangements in the Capital Market has been published in **“Turkish Commercial Registry Gazette”** with No. 5157 and dated 20.10.2000 and enacted.

24- The Amendments made in Extraordinary General Assembly dated 16.03.2001 has been published in **“Turkish Commercial Registry Gazette”** with No. 5263 and dated 29.03.2001 and enacted.

25- Amendments made in Extraordinary General Assembly dated 25.05.2001 has been published in “**Turkish Commercial Registry Gazette**” with No. 5311 dated 06.06.2001 and enacted.

26- Amendments made in Extraordinary General Assembly dated 12.07.2002 has been published in “**Turkish Commercial Registry Gazette**” with No. 5594 dated 18.07.2002 and enacted.

27- Amendments made in Extraordinary General Assembly dated 30.04.2003 has been published in “**Turkish Commercial Registry Gazette**” with No. 5797 dated 13.05.2003 and enacted.

28- Amendments made in Extraordinary General Assembly dated 30.04.2004 has been published in “**Turkish Commercial Registry Gazette**” with No. 6053 dated 20.05.2004 and enacted.

29- The Amendments made in Extraordinary General Assembly dated 01.04.2005 has been published in “**Turkish Commercial Registry Gazette**” with No.6284 dated 18.04.2005 and enacted.

30- Amendments made in Extraordinary General Assembly dated 24.10.2005 has been published in “**Turkish Commercial Registry Gazette**” with No. 6427 dated 09.11.2005 and enacted.

31- Amendments made in Extraordinary General Assembly dated 31.03.2006 has been published in “**Turkish Commercial Registry Gazette**” with No. 6533 dated 12.04.2006 and enacted.

32- Amendments made in Ordinary General Assembly dated 25.03.2011 has been published in “**Turkish Commercial Registry Gazette**” with No. 7784 dated 31.03.2011 and enacted.