

# ARTICLES OF ASSOCIATION OF DENIZBANK ANONIM SIRKETI

## PART ONE

### FOUNDATION

**Article 1 -** A Joint-Stock Company titled Denizbank has been founded to engage in banking business according to the provisions of applicable legislation and these Articles of Association, under the Decision of the Cabinet Council, dated 18/09/1996 and numbered 968532, which decision published on the Official Gazette, dated 11/10/1996 and numbered 22784 (Repeated).

### TRADE NAME

**Article 2 -** Trade name of the Bank shall be “DENIZBANK ANONIM SIRKETI”, hereinafter referred to as the “BANK”.

### ESTABLISHMENT PURPOSE & SCOPE OF ACTIVITY

**Article 3 -** Purposes of the Bank include making contribution to the accumulation of savings, using such savings in those areas necessitated by the economy, and carrying out any and all activities included in the banking sector, under the regular course of contemporary banking business.

In order to realize its establishment purposes the Bank may:

1. Conduct any commercial, investment, retail banking, or other types of banking business according to the legislation;
2. Carry out any kinds of banking transactions with the Turkish Republic Central Bank as well as any national and foreign banks;
3. Perform any foreign trade and foreign exchange transactions; open positions in respect thereof; obtain or give foreign credits; create any relationships such as being a correspondent, agent, intermediary, with foreign banks in connection therewith;
4. Accept any kinds of deposits such as demand deposits, deposits at notice, and time deposits in foreign currency and/or Turkish Lira;
5. Extend to any national and foreign banks or institutions medium-, long-, short-term cash and/or noncash loans as well as commodity credits. In this connection, it may carry out any letters of credit transactions against goods or documents, or otherwise. It may grant any types of noncash credits particularly including letters of guarantee, acceptance and aval credits, as well as any other warranties; act as surety for them;
6. Finance any national or foreign sector mainly including domestic and external trade, industry, agriculture, construction, mining, public works, transportation, tourism, livestock, computer sectors, through the use of national and international banking methods under the Banking Law and relevant legislation; act as intermediary, participate in, or support the funding of any kinds of development, investment, build-operate-transfer projects;
7. Participate in any corporations as well as banks, financial institutions, and any kinds of investment trust companies existing and organized in Turkey, or in foreign countries subject to the prior approval of the Banking Regulation and Supervision Agency under the Banking Law, either by way of becoming a founding partner or purchasing any share certificates thereof; undertake the management and supervision of such entities;

8. Establish, and conduct, any securities investment funds both in Turkey and abroad; act as an investment and financial adviser, and as an intermediary for any acquisition, sale, merger, or split-off of a corporation. It may render consultancy services to any buyer or seller party involved in privatization transactions, either entirely on its own or together with any national and/or foreign enterprises;
9. Carry out any kinds of capital market and stock exchange transactions both in Turkey and abroad, in pursuance to any national and foreign legislation; buy, sell any securities issued in Turkey or abroad, acting in the name of any national or foreign individual and institutional investors, and act as an intermediary for such business; and furnish any depository services in relation to such kinds of securities;
10. Perform any kinds of factoring transactions both in Turkey and abroad, in such manner as prescribed by the relevant regulations; furnish any funds in connection thereto; and render any advisory services in pecuniary and financial subjects as well as in particular matters;
11. Provide any discount and redemption operations and services in Turkey and abroad;
12. Make any transactions on marked and bullion golds, in such manner as prescribed by the relevant regulations. It may carry out any domestic and/or foreign purchasing and/or selling transactions as well as credit transactions with regard to the Gold Exchange; and open any gold accounts in favour of its customers. In addition, it may trade any kinds of derivatives thereof, in its own name or on its customers' behalf;
13. Purchase and sell any kinds of money, precious metals, and goods throughout the world markets, in such manner as prescribed by the legislation, and act as an intermediary for such transactions. In addition, it may trade any kinds of derivatives thereof, in its own name or on its customers' behalf;
14. Fulfill any and all transactions and services in respect of cheques, credit cards, traveller's cheque, and other means of cash and payment, under the pertaining legal provisions;
15. Acquire, and make any disposition of, national and foreign trademarks, service brands, trade names, and other immaterial rights that are involved in its scope of activity, in accordance with the provisions of relevant regulations;
16. Acquire any immovable properties, whether in Turkey or abroad, in order to realize its purpose and scope of activity, within such limits and under such conditions as established by the Banking Law; depending upon the decision of the board of directors transfer and assign, withdraw, mortgage, or otherwise restrict these properties with different real rights; let such real-estates partially or fully, and make any dispositions of them so as to create any types of personal or real rights and liabilities thereupon. It may acquire any movable or immovable properties, whether in Turkey or abroad, for the purpose of collection its claims under the provisions of the Banking Law, and carry out any transactions that would establish particular real and/or personal rights and liabilities on such properties. It may accept any chattel and real-estate mortgages as well as commercial enterprise pledges in favour of the Bank, whether in Turkey or abroad; rent any real estates;
17. Perform any legal activities, whether in Turkey or abroad, in order to achieve its purposes;
18. Undertake the sale of public offered stocks and bonds owned by the joint-stock companies, under the provisions of the Capital Market Law and pertinent legislation; establish, operate, and manage any kinds of investment trusts, and act as an intermediary institution to transact in this connection; fulfill any other works

- and operations through exercising such powers and tasks granted or to be granted by this Law to the banks;
19. Perform any transactions acting as an insurance agent, whether in Turkey or abroad, and execute any underwriting agency agreements with insurance companies;
  20. Issue ordinary, premium, convertible bonds, and sell those bonds to any national or foreign buyers. It shall keep a securities portfolio, and sell any securities and bonds included in this portfolio in the national or foreign markets; support their sales, furnish any guarantees against them, and render any banking services in relation thereto;
  21. Purchase, sell, and make any legal dispositions of, treasury bonds and bills; purchase and make any legal dispositions of any public participation instruments;
  22. Carry out any kinds of industrial and commercial activities and transactions in accordance with the regulations on banks, Turkish Commercial Code, Capital Market Law, and any other legislation as well as the pertinent legal provisions; participate in, or create a partnership with, any entities and corporations engaged in those activities, and validly existing and organized under the private and public law; purchase, sell, make any dispositions of, put in pawn, or take in pawn, any part of share certificates, other securities, negotiable instruments, and bonds of legal persons organized or to be organized under the public law and private law;
  23. Provide contemporary banking services to its customers through data-processing technologies such as Call Center, Telephone Banking, Electronic Banking, Internet, WEB-TV, etc., which would be introduced as a result of any improvements on technology and banking business both in Turkey and abroad. In order to maintain those improvements the Bank may make any necessary infrastructure investments either entirely on its own or jointly together with any other enterprise, or let any required infrastructure system from another corporation. Additionally, the Bank may provide such services through those companies of which it will partake or otherwise participate in the formation, and may execute any assignment contracts with such corporations organized or to be organized for this purpose. It may become an Internet and other Service Provider in all the infrastructure systems based on Electronic and Data Communication, so that it can render banking services, directly, to its customers.

In the course of conducting all these activities the Bank shall abide by, and comply with, any prohibitions and restrictions concerning such participations, merchandise trade, and real-estate trade as established in the legislation on banks.

#### **BANK'S HEAD OFFICE AND ORGANIZATION**

**Article 4 -** Head Office of the Bank is located in Istanbul at the address of Buyukdere Caddesi 106 Esentepe, Sisli, Istanbul.

In case of any change of address the new address shall be registered with the trade register and published on the Turkish Trade Register Gazette. In addition, it shall be notified to the Ministry of Industry and Commerce and Capital Markets Board of Turkey. Any notifications given to such registered and announced address shall be deemed to have been duly made to the Bank. For a bank that has not informed its new address although it has left its registered and announced domicile, this shall be considered as a reason for termination.

Board of Directors may open branch offices and representation offices both in Turkey and abroad, by complying with the applicable legislation and, when required, subject to subject to the prior permission of the Banking Regulation and Supervision Agency and upon notifying the Ministry of Industry and Commerce and the Capital Markets Boards of Turkey according to the provisions of the Banking Law. Appointment of an correspondent is not subject to permission.

### **DURATION OF THE BANK**

**Article 5 -** The Bank has been established with an unlimited duration. Provisions of both the legislation on banks and the Turkish Commercial Code concerning termination and liquidation are reserved.

### **CAPITAL OF THE BANK**

**Article 6 -** Capital of the Bank is YTL 716.100.000- (sevenhundredsixteenmillionone hundredthousand), which is divided into 716.100.000 (sevenhundredsixteenmillionone hundredthousand) registered shares each having a value of YTL 1 (one New Turkish Lira).

The portion of YTL 316.100.000 of the Bank's capital has already been paid in.

All of the YTL 400.000.000 (fourhundred million) YTL decided to be increased this time has been committed free from any fictitious transactions and paid in cash.

### **SHARES**

**Article 7-** All the shares are of registered types, and issued in accordance with pertinent provisions of the Turkish Commercial Code, Banking Law, Capital Market Law as well as other legislation.

The capital of the Bank may be increased or decreased subject to the prior approval of the Capital Markets Board of Turkey, Banking Regulation and Supervision Agency, and Ministry of Industry and Commerce, under such conditions as established by the Turkish Commercial Code and Capital Market Law. In the event that the rights of preemption are not exercised in the capital increase within the prescribed period of time, the remaining shares shall be sold in the Istanbul Stock Exchange pursuant to the regulations of the Capital Markets Board of Turkey and ISE. Capital Market Regulations on the right of preemption shall be observed.

Shares representing the capital shall be monitored within the framework of dematerialization principles.

Shares are indivisible against the Bank. In case that one share is owned by several persons, such holders can use their rights against the Bank through appointing a joint agent only.

If they do not appoint a joint agent, a notification given by the Bank to one of those persons shall be duly valid for all of them. Right to vote arising out of a share with usufructuary right shall be used by the beneficial owner, or if there are several beneficial owners, by an agent to be appointed by them jointly. In case that the beneficial owners do not appoint an agent, the provision mentioned above shall apply.

### **TRANSFER OF THE SHARES**

**Article 8 -** Any transfer of the Bank's shares shall be free, subject to the reservation of the provisions of the Turkish Commercial Code, Banking Law, Capital Market Regulations, and these Articles of Association.

In order for transfer of non-publicly traded shares to be valid for the Bank, it must be already recorded in the share-book with the decision of the Board of Directors.

Publicly traded shares may be transferred from one party to another in accordance with regulations of the Turkish Commercial Code, Capital Markets Board and Central Registration Agency without any approval of the Board of Directors.

Share transfers for which “Banking Regulation and Supervision Agency’s approval” is required as per Banking Law, could be realized unless such permission is obtained from the Agency. Share transfers realized without obtaining required permission are not recorded in share-book.

## **PART TWO BODIES**

### **COMPETENT BODIES**

**Article 9 -** Competent Bodies of the Bank are:

- A. General Assembly,
- B. Board of Directors,
- C. Auditors,
- D. Credit Committee,
- E. General Directors,

### **A- GENERAL ASSEMBLY**

**Article 10 -** Shareholders of the Bank shall convene at least once a year to hold a General Assembly meeting. General Assembly is decision-making body having full powers and authorities in respect of the Bank’s affairs in accordance with the Laws. All the shareholders are represented in the General Assembly meetings held in accordance with the provisions of the Turkish Commercial Code and these Articles of Association. Any decisions adopted in such General Assembly meetings as held under those conditions shall be valid and good in law, even for those having used disentail vote or not participated therein.

General Assembly meetings shall be made either ordinarily or extraordinarily. Ordinary General Assembly shall be held not later than three months from the accounting period and at least once a year. In such meetings those matters indicated in Article 369 of the Turkish Commercial Code shall be discussed and resolved. Extraordinary General Assembly shall be held when required upon convenience of the Bank’s affairs and according to the provisions specified in the Turkish Commercial Code and these Articles of Association and the necessary decisions are taken accordingly.

The members of Board of Directors and Auditors shall attend to the General Assembly Meetings, besides the ones having responsibilities related with the subjects in the agenda and the ones who have to make explanations have to be present. However, the President of the General Assembly explains the reasons and/or obstacles regarding absence of the ones who did not attend to the meeting although they were supposed to be.

Furthermore, the persons who were shown as candidates for the membership of Board of Directors shall also be present at the General Assembly meeting in which the election will be concluded and answer the questions to be asked to them. The identity details of the candidates, their education level, the functions they were in charge in the past 5 years, the level and nature of their relation with the Company, the experience they have on membership

of board of directors, the official duties they realized, their financial status, their property declaration, whether they bear the quality of independency and their other qualities that will effect the operations of the Company, should be explained to the General Assembly.

### **MEETING PLACE AND INVITATION**

**Article 11 -** Any Ordinary and Extraordinary General Assembly meetings shall be held at the Company's Head Office. However, upon convenience of the Board of Directors, any meeting may be held in any other place situated in the province where the Company's Head Office is settled. Place of a meeting must be notified to all the shareholders with the letters of invitation and proper announcements as per Article 36 of these Articles of Association.

Invitation to a General Assembly belongs, as a rule, to the Board of Directors, for an Extraordinary General Assembly not only to the Board of Directors, but also the Auditors under Article 355 of the Turkish Commercial Code.

If the minority shareholders make application in writing in order to have any articles added to the agenda before the General Council prepares the agenda, the Board of Directors may take these suggestions into consideration. Upon written demands prepared by the minority shareholders putting the reason forward, the Board of Directors invites the General Assembly for an extraordinary meeting and the articles asked to be discussed are added to the agenda

The announcements related with general assembly meetings shall be made at least 3 (three) weeks beforehand as such to enable making notification to the maximum number of shareholder as far as possible – including electronic communication-. All the instruments and documents related with the announcement of and invitation to the General Assembly and the power of attorney form are published on the Internet page of the Bank.

For invitation to meetings the provisions of Articles 355, 365, 366, and (368) of the Turkish Commercial Code shall apply and the pertinent conditions of the capital market regulations. According to Article 11, as amended by the Law no. 4487 of the Capital Market Law, those shareholders representing at least one-twentieth of the paid-up capital shall exercise minority rights.

### **RIGHT TO VOTE**

**Article 12 -** During General Assembly meetings each share shall give one (1) voting right to its holder.

Right to vote belongs to the holder of the respective shares. Regulations of the Capital Markets Board of Turkey concerning the use of voting right by proxy shall be observed. Shareholders may nominate other partners or an agent to be selected by them from outside, who shall be authorized to represent them in a General Assembly meeting. Such nominated agents, who are also the shareholders of the company, shall be empowered to exercise not only their own voting rights, but also those owned by their principals.

In General Assembly meetings votes are cast by show of hands. However, secret balloting shall apply upon request of the simple majority of the present shareholders.

Judicial persons, who are partners, shall be represented through their nominated agents, while infants and incapacitated persons through their guardians and custodians. Those representatives are not necessarily required to be partners. It would be sufficient and

satisfactory for them to submit a valid document evidencing their capacities for exercising their representation powers in any General Assembly meeting.

The Members of Board of Directors and the Auditors, who have their capacity of being a shareholder, shall not participate in the vote of acquittal for annual activities. While, in the vote of acquittal established by Article 310 of the Turkish Commercial Code the Members of the Board of Directors and Auditors shall not participate. In addition, the Members of the Board of Directors shall not take part in the voting for removal of such restrictions as indicated in Articles 334 and 335 of the Turkish Commercial Code. Within the frame of Articles 334 and 335 of the Turkish Commercial Code, removal of the prohibition that is preventing the members of board of directors from making a commercial transaction with the company which is covered under the company's scope of activity as well as being a competitor of the company, is only possible by taking the approval of minimum 3/5 of the shareholders who attended to the General Assembly Meeting.

### **QUORUM FOR MEETING AND DECISION**

**Article 13 -** Quorum for meeting and decision in Ordinary and Extraordinary General Assembly meetings shall be subject to the provisions of the Turkish Commercial Code, reserving such quorums as prescribed by these Articles of Association and Article 11, Paragraph 7 of the Capital Market Law.

To the extent that the provisions of paragraph 1 in Article 388 of Turkish Commercial Code are reserved, the shareholders who own at least half of the company capital or their representatives shall attend to the meetings in which amendments to be made on articles of association of the company will be voted. The decisions are taken by the majority of the participant shareholders.

### **PRESIDENCY BOARD AND EXECUTION OF MEETINGS**

**Article 14 –** General Assembly Presidency Board is consisted of a Chairman, a Clerk and two Vote Collectors.

General Assembly meetings shall be presided by the Chairman of the Board of Directors, or in his absence or failure to preside the meeting, by a member to be selected from among the members of the Board of Directors.

Chairman of the meeting shall elect a clerk, who is not necessarily being a shareholder, and two vote-collectors from among the shareholders.

Chairman of the General Assembly is obliged to ensure the compliance of the meeting with the legislation. The Presidency Board can determine the basis related with execution of the General Assembly Meeting and especially the time taken by the speakers in the discussions for their talk and submit these decisions for the approval of the General Assembly.

The Chairman of the General Assembly, Clerk, and Vote-Collectors shall sign the Minutes of the General Assembly meetings. Besides the shareholders who oppose to the decisions can have their opposition recorded and sign.

Each shareholder participating to the General Assembly Meetings has the opportunity to explain their ideas and ask questions on the agenda being under equal conditions and within the frame of essentials related with execution of the meeting. The questions asked addressing

to the Board of Directors would be answered if possible, immediately and orally, otherwise in writing and within 15 (fifteen) after the General Assembly.

The shareholders who hold minimum 1% of the Bank's available shares may demand from the General Assembly to appoint a Special Auditor especially to follow and clarify a certain financial situation. If this demand is rejected, the minority shareholders can demand from the court to appoint a special auditor to examine and clarify the situation.

#### **NOTIFICATION TO THE MINISTRY AND PRESENCE OF A GOVERNMENT OBSERVER**

**Article 15 -** Ordinary and Extraordinary General Assembly meetings shall be notified to the Turkish Ministry of Industry and Commerce, Banking Regulation and Supervision Agency, Istanbul Stock Exchange, and Capital Market Boards of Turkey, at least 3 (three) weeks beforehand. To such notice any other relevant documentation concerning the agenda and meeting shall be added. In those notifications the regulations of the Banking Regulation and Supervision Agency and Capital Markets Board of Turkey must be observed.

Both in ordinary and extraordinary General Assembly meetings an Observer of the Turkish Ministry of Industry and Commerce must be present, and sign the meeting minutes together with the concerned persons. Any decisions made in the absence of, or any meeting minutes not bearing the signature of, such a Government Observer shall not be validly applicable.

#### **DOCUMENTS TO BE FORWARDED**

**Article 16 -** Three copies of each reports of the Board of Directors and Auditors Board, as well as annual balance sheet, income-expenditure statement subjected to an independent external audit, General Assembly minutes bearing the signature of the government observer, and the List of Presents shall be forwarded to the Ministry of Industry and Commerce as well as to the Banking Regulation and Supervision Agency and Capital Markets Board of Turkey, not later than one month from the meeting date. The said documents should also be given to the representatives of the Ministry, Agency and Board who are present in the meeting.

General Assembly minutes, Operation Report of the Board of Directors and Report of Auditors Board, as well as annual balance sheet, income-expenditure statement subjected to an independent external audit will be published in the internet site of the Bank after registration of the decisions taken by the General Assembly.

#### **B- BOARD OF DIRECTORS**

**Article 17 -** Board of Directors is composed of minimum 5 and maximum 15 members. General Assembly shall elect the members of the Board of Directors, except for the General Manager, from among the nominees who fulfill conditions under banking legislation to be appointed from the shareholders. Judicial entity shareholders may be represented through more than one member in the Board of Directors. In such a case, each member of the Board of Directors who represents a judicial entity shall have one vote in the Board of Directors.

In the Board of Directors there are minimum 2 (two) and maximum 5 (five) independent members, the explanation related with the independency of the members of Board of

Directors is given in the corporate management statement and annual operation report of the Board of Directors.

Bank's General Manager, or in the absence of the Bank's General Manager, his deputy is natural member of the Board of Directors.

Bank's General Directorate and Board of Directors Presidency functions cannot be executed by the same person.

In its first meeting the Board of Directors shall distribute the tasks among its members. The Chairman or Vice Chairman of Board of Directors must be an independent member.

The Chairman of the Board of Directors is obliged to provide the calls for and discussions of the meeting concluded properly and the decisions taken in the meeting be recorded to the minutes. The Vice Chairman of the Board of Directors takes the authorizations and responsibilities transferred to him by the Chairman, preside the board meetings to which the Chairman cannot attend for any reason and assist to the Chairman for fulfillment of his all functions.

The General Assembly can change, if deems required, the members of Board of Directors at any time.

#### **TERM OF OFFICE OF THE BOARD MEMBERS**

**Article 18 -** Term of office of the Members of the Board of Directors is three years at most. Those members whose term of office is expired may be reelected. General Assembly may discharge any members of the Board of Directors at any time. In such case, those members who have been discharged by the General Assembly shall have no right to claim for compensation. Membership of the Director General and his deputies, who are the members of the Board of Directors, shall last for their term of office.

If any vacancy occurs in any membership of the company's Board of Directors due to death, resignation, or any reason whatsoever, then the remaining members of the Board of Directors shall make an election in their first meeting following such vacancy, under the principles specified in Article 19 of these Articles of Association and according to Article 315 of the Turkish Commercial Code. In case that the next General Assembly approves the definitive appointment of so elected and registered members, the term of office of such new member shall last for the remaining term of office of the previous member. If the definitive appointment is not approved by the General Assembly, a new member shall be elected by the General Assembly in accordance with the rules of these Articles of Association. Term of office of so elected members also lasts for the remaining duration of the other members.

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

**Article 19 -** Board of Directors shall manage and represent the Bank in any and all respects except for those exclusively vested in to the General Assembly in accordance with the relevant legislations and provisions of these Articles of Association of the Bank, subject to and under its decisions to be made pursuant to the terms and conditions of these Articles of Association and pertinent regulations. Board of Directors shall have right to assign its authorities for such period of time and under such conditions and restriction as deemed appropriate by it, to the Chairman of the Board of Directors, one or several managing directors, Executive Committee, Credit Committee or Director General of the Bank. All or any part of these powers may be retrieved or replaced by the Board of Directors at any time.

In this connection the Board of Directors are furnished with the following authorities:

1. To conduct any movable and immovable properties belonging to the Bank; to fulfill any and all transactions pertaining to the Bank's purpose and scope of activity as well as legal transactions for and on behalf of the Bank. To represent the Bank before the partners, any third persons and if required at the Courts; to be reconciled, to acquit, to have right to withdraw and to resolve disputes by arbitration, when necessary;
2. To determine short and long-term targets of the Bank, to specify the strategies that will enable the Bank hit the targets, to contribute in their development and to provide their being applied.
3. To prepare any regulations indicating how to arrange the internal affairs under the Bank's management and activities;
4. To request any information relating to its activities from the Bank's Credit Committee; to inspect every matter as deemed necessary; and supervise the activities of the Committee;
5. To evaluate the strategic and financial performance of the Bank and to take measures, if necessary, in order to improve these,
6. To give any required instructions for the proper management of the Bank; to make three-month abstracts of accounts, annual balance-sheets, and profit/loss accounts issued; to submit its report to the General Assembly, setting forth the operations during current year; to adjust the general liquidity position and legal reserves in accordance with the legislative provisions on banks;
7. To determine the maximum limit of cash and non cash credits open to the General Directorate and branch office, and to be opened ex officio on basis of guaranty or security, as well as of current accounts receivable, loans against mortgage, and other transactions;
8. To establish the ways and conditions of fulfillment of the all transactions constituting the Bank's establishment purpose;
9. To evaluate and approve the suggestions of Corporate Management and Appointment Committee for the top level managers of the Bank,
10. To provide the Board of Directors have the structure and functionality that will enable the sub committees of the Board of Directors and top level managers work efficiently and productively,
11. To decide the appointment, promotion and discharge formalities regarding the officials, consultants, inspectors, and controllers having the signatory power for the Bank; and to determine and approve their salaries as well as permanent staffs and annual expenditures thereof;
12. To decide on opening any Regional Directorates, branch offices and agencies; and establish their authorities, and, if required, the capital portion to be allocated to each branch office, according to the provisions of the regulations;
13. To decide on real-estates to be purchased or acquired, to be sold or let, under the permissibility of the Banking Law;
14. To have any compulsory books kept under the Turkish Commercial Code, Tax Legislation, and regulations on banks, and to have necessary ones certified in accordance with the regulations; to keep any kinds of documents, incoming and outgoing letters for legal period of time; and to prepare three-month accounts abstracts and submit them to the relevant bodies;
15. To provide reconciliation of accounts with the branch offices, domestic and foreign correspondents, following every accounting year; to prepare balance-sheets and

profit/loss statements; to prepare annual statements as well as a proposal concerning distribution of profits; to submit them to the review and approval of the General Assembly, and to make such documentation available to the review of the shareholders at least 3 (three) weeks before the meeting date;

16. To determine the risk management principles of the Bank; and to organize any necessary units for the purpose of ensuring an efficient risk management;
17. To determine the communication policies of the Bank directed to the shareholders and external agencies,
18. To determine ethic rules for the Bank and its personnel and provide their being applied.
19. To execute and fulfill any and all task and functions charged to the Bank's Board of Directors by the Turkish Commercial Code and the regulations on banks.

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

**Article 20 -** Board of Directors shall convene at least four times a year. Meeting place is the Bank's head office. The Board of Directors may also convene in any other place including abroad. Board of Directors shall be invited to a meeting by the Chairman of the Board of Directors, or in case of his absence, by the Vice Chairman. Upon the demand of at least 1/3 of the Members of Board of Directors, the Board of Directors must be called for meeting. Besides, any of the auditors also can determine the agenda and call the Board of Directors for meeting.

In addition to these, the minority shareholders and beneficiaries can demand in writing from the Chairman of Board of Directors to take a certain subject into the agenda of the Board of Directors. Upon such a request the Chairman of Board of Directors may have the subject added to the agenda of the following Board of Directors meeting.

The members of Board of Directors must attend to the meetings personally; they can attend to the meetings with any kind of technologic method that can provide remote access. The ideas of the member, who did not attend to the meeting but submitted his/her ideas in writing, are presented to the information of other members. Besides, depending on the provision of paragraph 2 in Article 330 of Turkish Commercial Code, the suggestion of any member can be decided by taking written approval of others.

Board of Directors shall be held with:

Number of the Members	Quorums
7	4
8	5
9	5
10	6

11	6
12	7
13	7
14	8
15	8

Any decisions in such meeting shall be taken by the majority of the attendees.

In case that equality, the state of the case shall be postponed to the next meeting. If the tie is not broken at the next meeting again, then the proposal shall be deemed to have been rejected.

The discussions and decisions of Board of Directors are to be recorded to the minute which will be attached to the resolution book and signed by the participants. The members who gave negative vote shall state their reasons and sign the minutes. The minutes of the meeting and relevant documents and writings related to these are regularly kept in archives.

Without obtaining prior permission of the Board of Directors, if any members of the Board of Directors do not attend in 5 (five) consecutive meetings for any reasons whatsoever, they shall be considered to have been withdrawn from their duties.

A secretariat can be established being subjected to the Chairman of Board of Directors in order to render service to all members of Board of Directors to enable the documents related with the meetings of Board of Directors are kept regularly.

The members of Board of Directors shall not participate and vote in the meeting of Board of Directors where the subjects related with themselves, their spouses and children are discussed.

### **COMMITTEES UNDER BOARD OF DIRECTORS**

**Article 21** - The Board of Directors can establish committees like Auditing Committee, Corporate Management and Appointment Committee and such like in order to execute its studies efficiently and effectively. The Committees assist the Board of Directors to carry out its studies with a professional approach and being informed about the Bank's deeds in the best way. The Committees show activity within the frame of the duties and authorizations awarded to them by the Board of Directors as such the responsibility shall be on account of the Board of Directors as well as give advices to the Board of Directors. The Committees are not authorized to take executive decisions.

The Committees are consisted of at least two members. If they are consisted of two members then both of the members in the committees shall be selected among the member of board of directors who are not in charge of execution directly. If the committees are consisted of more than two member or number of Committees exceeds the number of independent members of Board of Directors or there is not any person among the members of board of Directors who bears the qualities required by the study area of the subject committee and to the extend permitted by the legislation, the President and members of the Committee can be selected among the specialist third parties. But, the President of Auditing Committee and Corporate Management and Appointment Committee must be an independent member of Board of Directors.

The Board of Directors can re-determine the duty and study areas of the committees and make necessary changes on the memberships at any time.

The Committees meet as frequent as their studies require and upon the call made by the President of the Committee. All of the studies are made in writing and the required records are kept.

### **AUDIT COMMITTEE**

**Article 22** – The Audit Committee shall be formed in order to perform its duties provided by the relevant legislation in compliance with the provisions of the Banking Law and the regulations of the BRSA and CMB.

### **CORPORATE MANAGEMENT AND APPOINTMENT COMMITTEE**

**Article 23** - The Corporate Management and Appointment Committee is responsible from following the compliance of the Bank to the corporate management principles and especially is in charge of realizing the following subject:

- Investigating in what extend the corporate management principles are applied in the Bank, otherwise determining the reason of that, to specify the negation arose due to fail to apply fully and suggesting to take measures that will enable improvement.
- Specifying methods that will provide transparency in determination of the member candidates to be suggested to the Board of Directors,
- Making studies and developing suggestions about the number of members of Board of Directors and managers,
- Developing suggestions related with the principles and applications about performance evaluation of and awarding prize to the members of Board of Directors and managers and follow their application.
- Making advise to the General Manager for the persons to be selected for the top management ranks,
- Investigating the independencies of the members of Board of Directors and putting forward interest collusions, if any,
- Making evaluations and suggestions related with the structure and working method of the committees subjected to the Board of Directors,
- Coordinating Investor Relations Group.

The Director General cannot take place in the Corporate Management and Appointment Committee; it is tried to have the majority of the committee be independent members.

Detailed information must be given in the Annual Report of Board of Directors about the studies of the Corporate Management and Appointment Committee.

### **REMUNERATION OF THE BOARD AND COMMITTEE MEMBERS**

**Article 24** - A fee to be determined by the general assembly is paid to the Chairman, Vice Chairman and Members of the Board of Directors. For determination of the said fee, the time spent by these persons to make preparation and realize their duties for, before and after the meetings is taken into account. Besides, the remuneration fee to be paid to the participants for each meeting is also determined by the General Assembly.

The Board of Directors decides on whether any fee will be paid to the President and Members of Committee or not and if applies, establishment of a committee related with the amounts

and conditions of such payment. In case that the President and Members of Committee are at the same time president and member of the board of directors, the General Assembly decides on whether any fee will be paid to the said Members of Committee or not and if applies, the amounts and conditions of such payment.

### **AUDITORS, DUTIES, POWERS, AND RESPONSIBILITIES OF THE AUDITORS**

**Article 25 -** General Assembly shall elect at least one auditor among nominees to be suggested by the shareholders. Auditors must have the required qualifications as prescribed by the Banking Law.

Term of office of the auditors is minimum one and maximum three years. Those auditors whose term of office is expires may be reelected.

Remuneration payable to the auditors shall be determined by the General Assembly.

For the duties, powers and responsibilities of the auditors the provisions of the Turkish Commercial Code and Banking Law shall apply. Auditors shall be jointly and solely liable for fulfillment of any duties entrusted to them by laws.

### **EXTERNAL AUDITING**

**Article 26 –** Bank’s financial statements as well as semi-annually and quarterly financial statements which are subject to the independent auditing according to the Banking Regulations and Capital Markets Regulations shall be examined by an internationally accepted and independent auditing firm, which are approved by the General Assembly.

The Auditing Committee under Board of Directors makes the inspection and evaluation of the independency of the independent external auditing establishment, which will carry out the external auditing of the Bank.

### **D – CREDIT COMMITTEE**

**Article 27 -** Board of Directors may form a Credit Committee composed of two members of the Board of Directors as well as Director General or his/her deputy, for the purpose the proper performance of the duties specified in the Banking Law.

Two deputy members shall be elected to fulfill the functions of any non-participating member of the credit committee.

The duty of the Bank’s Credit Committee is to settle the loans on security and also the open credit acting within the actual limits of Bank’s authority in accordance with the relevant Banking legislation. Resolutions adopted unanimously by the Credit Committee are applied directly, whereas those which are adopted by majority are applied upon the approval of the Board of Directors.

### **GENERAL DIRECTORATE**

**Article 28 -** Board of Director shall appoint a General Manager and sufficient number of Deputy Directors General among the persons who are suggested by the Corporate Management and Appointment Committee and have the qualifications and conditions in conformity with the provisions of Banking Law.

Board of Directors may revoke at any time General Director and Deputy Directors.

Duties and authorities of the General Manager and Deputy Directors General shall be established in accordance with the provisions of the Turkish Commercial Code and Banking Law. General Manager and Deputy General Manager must have required qualifications as prescribed by the Banking Law.

#### **DUTIES, AUTHORITIES, AND REMUNERATION OF THE DIRECTOR GENERAL**

**Article 29** - Director General shall be liable to manage the Bank in accordance with the relevant regulations, Articles of Associations, as well as the decisions of the General Assembly and Board of Directors, under the productibility and profitability principles, as a prudent commercant, and responsible for his behaviours in contradiction thereto.

Remuneration of the Director General shall be determined by the Board of Directors.

#### **SIGNATORY POWER**

**Article 30** - In order to validate any and all documentation and papers to be given, or any and all contracts to be executed, for an on behalf of the Bank, and to represent and commit the Bank in due course, such documentation and contracts must be signed, under the Bank's trade name, by such person(s) as duly registered and announced, under those conditions and degrees as specified with the signature power.

#### **ORGANIZATION STRUCTURE**

**Article 31** - Organization structure of the Bank as well as procedures and principles regarding employment conditions of personnel, their salaries and fees shall be determined by the Board of Directors.

### **PART THREE FISCAL PROVISIONS**

#### **ACCOUNTING PERIOD**

**Article 32** - Accounting period of the Bank is a calendar year.

#### **DISTRIBUTION OF PROFITS**

**Article 33** – After deducting any sums which would be compulsory for the Bank to pay or set aside, such as general expenditures and miscellaneous depreciation costs as well as any amount of taxes which would be compulsory for the Bank to pay, from the calculated incomes at the end of the account year, the remaining sum shall constitute the net income; and after deducting previous year's losses, if any, the net income shall be distributed as follows:

First Scheme Legal Reserves:

a) 5% of this sum shall be allocated to the legal reserves.

First Dividends:

b) Out of the remaining amount, such rate and amount as established by the Capital Market Boards of Turkey is allocated to the first dividend.

Second Dividends:

c) After deducting any sums specified in item (a) and (b) from the net income, the General Assembly shall be authorized to distribute such remaining amount, in part or in full, or to allocate as the extraordinary reserves.

Second Scheme Legal Reserves:

d) Out of the sum calculated after deducting a dividend at the of 5% of the paid-up capital from the established amount to be distributed to the shareholders and other

parties participating in the profit, one-tenth shall be set aside as the second scheme legal reserves in accordance with Article 466, Paragraph 2, Item 3 of the Turkish Commercial Code.

Unless the legal reserves are duly set aside, and unless the first dividends determined for the shareholders in the Articles of Association are distributed in cash and/or in the form of share certificates, no decision may be adopted to allocate further legal reserves, to pass any profits to the following year, or to distribute any dividends to the members of the Board of Directors as well as any officials, workers and employees, to foundations established for various purposes, and to similar person and/or persons.

The date and manner of distribution to shareholders of the annual profit shall be determined by the General Assembly upon a proposal by the Board of Directors prepared under the relevant legislation issued by Capital Market Board. As of the accounting period of dividend, irrespective of the its issuing and acquiring dates, annual profit shall be distributed equally to all shares existed. The profits distributed according to the provisions of this article of association shall not be recalled.

### **BALANCE SHEET, PROFIT/LOSS ACCOUNT, REPORTS OF THE BOARD OF DIRECTORS AND OF AUDITORS**

**Article 34 -** At the end of each accounting period the annual reports of the Board of Directors and of the report of auditors as well as a balance sheet and profit/loss account evidencing the Bank's financial status shall be drawn up, and forwarded to the Ministry of Industry and Commerce not later than one month from the General Assembly date. Adequate number of copies from each such prepared reports of the Board of Directors and of Auditors as well as annual balance sheet, General Assembly meeting minutes, and the List of Presents showing the name and number of shares of the shareholders, who are present at the General Assembly meeting, will be sent to the Ministry of Industry and Commerce not later than one month from the last meeting day of the General Assembly, or submitted to the Officer of the Ministry attending the meeting.

Report of the Board of Directors, Auditors' report as well as balance sheet and profit/loss account shall be made available to the review of the partners, at least 3 (three) weeks before the General Assembly meeting date, in the company's head office and branch offices.

The financial statements and reports and Independent Auditing Report of whose arrangement is considered by Banking Regulation and Inspection Institution and Capital Markets Board are delivered to Banking Regulation and Inspection Institution and Capital Markets Board complying the methods and basis determined by Banking Regulation and Inspection Institution and Capital Market Board and announced to the public.

### **COMPETENT COURTS**

**Article 35 -** For any disputes arising out of, or in connection with, the partnership relation between the Bank and shareholders the competent jurisdiction is the local courts and execution offices situated in the province where the Bank's head office is located.

### **ANNOUNCEMENTS**

**Article 36 -** Any announcements belonging to the Bank shall be made at least 3 (three) weeks before the event, on a newspaper published in the province where the Bank's head

office is located, provided that the provisions of Article 37, Paragraph 4 of the Turkish Commercial Code are reserved.

However, the announcements regarding invitations of the General Assembly to a meeting must be made at least 3 (three) weeks before the meeting -including electronic communication- except the announcement and meeting days.

The General Assembly agenda and relevant informative documents are made available at the places from where the shareholders obtain them easily, at Bank's branches and headquarters for inspection since from the date of announcement of the general assembly. The announcement of general assembly and relevant informative documents take place on the web page of the Bank. After the meeting of General Assembly, the minutes are published in the Internet site of the Bank.

For announcements concerning capital decrease or liquidation Articles 397 and 438 of the Turkish Commercial Code shall apply.

Likewise, the form of power of attorney to be used by the shareholders and the amendment drafts in case of any proposed amendment to the Articles of Association shall also be announced.

Arrangements of the Capital Market Boards of Turkey concerning announcements are reserved.

#### **CORPORATE MANAGEMENT PRINCIPLES**

**Article 37-** The Bank and its bodies try to pay great attention to comply with the regulations regarding Corporate Management. But, if said principles cannot be fully applied, the reason of that is stated in the annual operation report and the situation is disclosed to the public.

#### **GENERAL PROVISIONS**

**Article 38-** For any matters not contained in these Articles of Association the terms and conditions of the Turkish Commercial Code, Banking Law, Capital Markets Law, and any other pertinent regulations shall apply.