

ATTORNEYSHIP/INVESTMENT ATTORNEYSHIP (USE OF FUNDS) CONTRACT CUSTOMER INFORMATION FORM

This form has been created to inform customers within the scope of the BRSA Communiqué.¹

1. Type of Contract: Attorneyship (Investment Attorneyship)

2. Basic Features of the Contract:

Investment attorneyship is the authorization of another person on one's own behalf to operate and put into good use the capital owned by a real or legal person, paid or free of charge.

In the investment attorneyship contract, the parties, the subject of the contract and the declaration of intention of the parties (offer-acceptance) must be present. The investment attorneyship is a binding contract on both sides.

3. Compliance of the Goods or Service with the Principles and Standards of Interest-Free Banking:

Investment attorneyship is an attorneyship contract and its legitimacy is based on the basic principles of Islamic law. For this reason, regarding the relevant contract, financing investments made to be used in transactions deemed legitimate within the framework of Islamic principles are in accordance with the principles and standards of interest free banking.

4. The Position of Customer in the Contractual Framework:

In investment attorneyship transactions, the participation bank, owner of the capital, is in the client position, and the customer authorized to put the capital into good use is in the investment attorney position.

5. Process and Functioning:

The customer submits the request to use the investment attorneyship financing to the participation bank. The participation bank allocates a limit to the customer. After that, the participation bank requests an "Investment Plan" from their customer in order to process the requests found appropriate. After the examination and acceptance of the issues specified in the Investment Plan by the participation bank, the participation bank notifies the customer on the estimated profit and maturity. If the Customer agrees to the relevant issues, the Investment Attorneyship Framework Contract and the Investment Contract of the annexed nature to the relevant contract shall be drawn up. After the financing is used, the customer puts the financing amount to good use in Islamically legitimate business and transactions and tries to provide the profit undertaken to the participation bank at the maturity date without exceeding the limits of the authority granted to them.

6. Rights and Obligations Enforced on the Parties by the Contract:

Participation bank is obliged to transfer the cost of financing to the customer's account, and the customer pays the maximum attention that a prudent merchant should. Customer agrees, declares and undertakes to fulfill their payment obligations to the participation bank within the payment plan framework created for investment attorneyship.

In case of non-receipt of the estimated profit at the end of the specified term or loss, the participation bank has the right to make the customer indemnify the participation bank in amounts that it will determine within the framework of the contract in accordance with the principles and standards of interest free banking.

If attorneyship fee has been agreed between the participation bank and the attorney, the amount and payment time of the attorneyship fee are determined in the Investment Contract.

¹ Communiqué on Procedures and Principles Regarding Informing Customers and the Public Within the Scope of Interest-Free Banking Principles and Standards that was published by the Banking Regulation and Supervision Agency (BRSA) in the Official Gazette dated 30 November 2021 and numbered 31675

7. Bank Practice in Case of Delayed Payment:

A clause may be included in the financing or investment attorneyship contract stating that the participation bank will receive a certain amount as a penalty for delay if the debts are not paid on the specified dates. However, the participation bank cannot benefit from the portion of this amount, that it receives as a delay penalty, above the inflation rate and the compulsory expenses incurred for the collection of its receivables. These amounts collected are classified according to the Uniform Accounting Plan of the participation banks and put into good use in accordance with the principles and standards of interest-free banking.