

ATTORNEYSHIP/INVESTMENT ATTORNEYSHIP (FUNDS RAISING) 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 and Rights and Obligations Enforced on the Parties:

The participation account can also be opened with different types of contracts, one of which is the attorneyship (investment attorneyship) contract.

An investment attorneyship is a type of contract in which the customer authorizes the participation bank as an investment attorney to operate and put into good use the capital it has.

In participation accounts based on an investment attorneyship, the estimated profit rate determined during the contract cannot be changed unilaterally until the end of the maturity period.

The customer's participation in the loss as the owner of the capital in the investment attorneyship participation accounts is one hundred percent.

The profit that the customer will be able to demand from the participation bank on the participation account will be as much as the current unit account value at the expiration date of the account. The unit account value is limited by the amount invested and the estimated profit total. If the realized profit exceeds the estimated profit, the customer cannot make a claim over the estimated profit.

Those, of the participation accounts that are not closed on due date, based on the investment attorneyship contract are not renewed unless a new contract is concluded between the customer and the bank and the current amount in the account is transferred to the customer's private current account.

The customer cannot withdraw, restrict or change the powers they have granted to the participation bank regarding the use of funds in the investment attorneyship accounts until the end of the term.

In participation accounts where participation funds are withdrawn by the customer with the approval of the participation bank before the maturity date; if the maturity group to which the account belongs indicated a profit on the date the account is closed, the customer will be paid the amount deposited to the account by the customer until that day, if it indicates a loss, payment will be made up to the unit account value.

Participation bank may reserve profit balancing reserves from the profits that it will distribute at the end of the period within the framework of the relevant legal regulations. If the participation bank wishes; it can increase the profit to be distributed in favor of account holders by using the profit balancing reserve and/or, provided that it is not continuous, waiving the accrued profit share in its favor or in periods when loss occurs, it may undertake the losses in favor of the account holders by using the profit balancing reserve and/or, provided that it is not continuous, covering it from its own funds.

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

Since the investment attorneyship is an attorneyship based on putting the capital into good use, its legitimacy is based on the fundamental principles of Islamic law. Within this framework, the transactions made by participation banks 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 customer, owner of the capital is the shareholder (client), and the participation bank, which is authorized to put the capital into good use, is the attorney.

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

5. Process and Functioning:

The customer invests their capital in the participation bank for it to be put into good use. The participation bank notifies the customer with the estimated profit rate and maturity in return for the fund amount, and if the customer agrees, the customer signs the Investment Attorneyship Contract. The bank aims to provide the profit promised to its customers at the end of the maturity period by putting the fund amount into good use in transactions in accordance with the terms of maturity and profit rate.