

ISTISNA CONTRACT (CONTRACT FOR WORK) CUSTOMER INFORMATION FORM

This form has been created for information of customers in line with the BRSA Communiqué¹.

1. Contract Type: Istisna Contract (“Contract for Work”)

2. Key Features of Contract:

Contract for work is a contract signed for ensuring the production of a work whose qualifications have been determined in return for a certain fee.

In case of contract for work, the producer, client, description, type, character, quantity, desired qualifications and cost of the property under the contract and payment term and delivery conditions should have been specified, the property should be in line with the participation bank principles, and the parties' declaration of will should have been obtained (proposal-acceptance). A property that is currently existing and has been produced may not be subject to a contract for work.

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

Contract for work is a purchase-sale contract, and its legitimacy is based on the key principles of the Islamic law. Transactions performed by participation banks in this connection comply with the interest-free banking principles and standards.

4. Position of the Customer under the Contract:

In case of contract for work, the participation bank is in the position of contractor against the customer, whereas the customer is in the position of client. In case of subcontract for work, the participation bank is in the position of client against the producer, whereas the producer is in the position of subcontractor.

5. Process and Operation:

The customer sends its financing request for the procurement of a property whose production has not been completed to the participation bank. The participation bank allocates a limit to the customer. After the financing request is approved, the participation bank sends an order to the producer directly, or appoints the customer as its agent and concludes the contract for work in relation to the property. Then, the participation makes the payment to the producer, and performs sale with the profit and installments agreed at the beginning, and debits the customer. Once the customer takes delivery of the property, it submits to the participation bank the document subject to the purchasing and sales transaction.

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

The customer agrees and declares to make the financing payments in line with the payment schedule created specifically for the contract for work.

The participation bank shall be responsible for the production of the property and payment of its price to the producer following the duly performance of transactions, whereas the customer shall be responsible for taking delivery of the property on behalf of the participation bank.

Since contract for work is binding on the parties, the contracting parties may not unilaterally terminate the contract.

The client (customer) may not withdraw from the contract if the contractor (bank) has produced the property in line with the conditions set forth in the contract. If the contractor has failed to do so, the client (customer) shall be entitled to reject the property or accept it as is. However, the parties may also agree amicably to make a discount in the price of the property.

7. Rights and Obligations Imposed by the Agency on the Parties:

The participation bank may appoint the customer or a third party as its agent to perform the transactions related to having the property subject to the contract for work produced on behalf of the participation bank.

In case of transactions based on agency, the property should not have been provided to the customer or no payment should have been made by the customer to the producer (down payment, check, notes payable, etc.) or no document subject to purchase-sales transaction (invoice, delivery note, contract, title deed etc.) should have been issued by the producer to the name of the customer before the participation bank appoints the customer as agent.

¹Communiqué on the Principles and Procedures Governing the Information of Customers and the Public in line with the Interest-Free Banking Principles and Standards issued by the Banking Regulation and Supervision Agency (BRSA) and published in the Official Gazette dated 30 November 2021 and numbered 31675

8. Delivery of Documents Subject to Purchase and Sale to the Participation Bank:

The customer agrees and undertakes to provide the participation bank with the documents related to the purchase-sales of the property subject to contract for work, as well as one copy of the other documents that may be requested by the participation bank within due time.

9. Bank Application in case of Late Payment:

It is in line with the interest-free financing principles to add a provision to the contract stating that a delay penalty shall be collected by the participation bank in the event that the debts are not paid on the dates determined; however, the participation bank and customers may not benefit from these amounts collected as delay penalty. These amounts collected shall be classified according to the Uniform Chart of Accounts, and be used in line with the interest-free banking principles and standards.

10. Corporate Website Address where the Customer Can Get Further Information on the Products and Services:

For more information and consent certificates related to our products and services, please visit our Bank's website at www.turkiyefinans.com.tr

Information Form Delivery Date: ... / ... /.....

Name and Last Name/Trade Name of the Customer:

Turkish Identity Number/Tax Identity Number:

(Information may be provided either face to face or via remote communication means/in the electronic environment/by remote communication, and in case of face-to-face information, you will need to write the following on the form in your handwriting: "Verbal and written information has been provided to me, and my declaration of will has been obtained".)

Stamp/Signature: