

# **TÜRKİYE FİNANS KATILIM BANKASI ANONİM ŞİRKETİ**

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## **MINUTES OF THE 27<sup>th</sup> ORDINARY GENERAL ASSEMBLY MEETING HELD ON 22/03/2018**

The 27<sup>th</sup> Ordinary General Assembly Meeting (“GAM”) of Türkiye Finans Katılım Bankası Anonim Şirketi (“Bank”) was held on 22/03/2018 at 09:00 a.m. at the Bank’s the headquarters located at Saray Mah. Sokullu Cad. No:6 Ümraniye, Istanbul under supervision of Savaş ÖZER, the Ministry Commissar assigned by the letter no. 32970263 dd. 21.03.2018 issued by Istanbul Provincial Directorate of Customs and Trade.

The meeting invitation was made in due time by being published together with the meeting agenda on the Bank’s website and in Turkish Trade Registry Gazette issue 9523 dd. 23.02.2018, and by notifying the holders of registered shares by registered mail dd. 23/02/2018 about the meeting date, agenda and details of the newspaper, in which the announcement would be published, as required by the relevant Law and the Articles of Association.

It was understood that the Bank’s Articles of Association, Share Ledger, Annual Activity Report of the Board of Directors (“BoD”), Independent Audit Report, Financial Statements, Agenda, Attendance Sheet issued by the BoD, and other necessary documents were present.

It was understood that the BoD Members Mr. Saeed Mohammed A. ALGHAMDI, Mr. Majed Hamdan A. ALGHAMDI, Mr. Eren GÜRA, Mr. Faisal Omar A. ALSAGGAF, Ms. Meriç ULUŞAHİN, Ms. Müge ÖNER and the CEO Mr. Wael Abdulaziz A. RAIES, and Cem UÇARLAR, the representative of the auditor were present.

After reviewing the attendance sheet and understanding that the Bank’s shares with TRY 1 nominal value of each TRY 2,600,000,000- in total nominal value were represented in the meeting with 2,017,752,331 shares with TRY 2,017,752,331- total nominal value represented in person; and thereby confirming that the meeting quorum required by the law and the Bank’s Articles of Association was present, the meeting was opened by the Chairman Mr. Saeed Mohammed A. ALGHAMDI.

### **AGENDA ITEM 1**

Pursuant to the GAM Regulation, Article 7, it was resolved by majority vote of those present, with 2,017,514,634 affirmative votes and 237,697 negative votes to appoint the Chairman Mr. Saeed Mohammed A. ALGHAMDI as the Chairman of the Presiding Board, and Mr. Luai Mohammed B. BAFAIL and Mr. Yusuf Gümüş as vote counters, and Mr. Abdül Latif Özkaynak and Mr. Emre Mandacı as the clerks.

The GAM agenda was read and the attendees were asked whether they request any change in the discussion order of agenda items, and since there were no proposals about the order, discussion of next agenda item was started.

### **AGENDA ITEM 2**

Information regarding the announcement of the 2017 Annual Report on Public Disclosure Platform and official web site of the Bank 20 days before the General Assembly Meeting was given. *2017 Annual Report of the Board of Directors* was read by Mr. Mete Kanat, the Finance and Strategy EVP and opened to discussion. Nobody took the floor.

### **AGENDA ITEM 3**

*2017 Report of the Independent Auditors* was read for information. Nobody took the floor.

### **AGENDA ITEM 4**

*Summary of balance sheet and income statement of the Financial Statements of the year 2017 that were announced to the public at the date of 15 February 2018* were read by Finance and Strategy EVP Mr. Mete Kanat, discussed and resolved by majority vote of those present, with 1,742,683,956 affirmative votes and 275,068,375 negative votes.

### **AGENDA ITEM 5**

Release of Board Members individually from activities of the Bank performed in 2017 was submitted to approval of General Assembly. As a result of the voting, the BoD Members were released for the activities of the year 2017 by majority vote of those present, with 1,742,688,880 affirmative votes and 275,063,451 negative votes.

### **AGENDA ITEM 6**

The BoD's proposal about the use of profit for the year 2017 was read and commenced to discuss. It was resolved by majority vote of those present, with 1,742,676,447 affirmative votes and 275,075,884 negative votes to set aside TRY 19,855,844 as the first legal reserve required by Article 519/1 of Turkish Commercial Code numbered 6102 from the current period net profit of TRY 375,360,116 which is the remaining amount, after the taxes and dues payable in the amount of TRY 82,281,514 was deducted from the 2017 pre-tax profit amounting to TRY 457,641,630 and to set aside TRY 355,504,272 as extraordinary reserves, which were the remaining amount after all reserves and funds were reserved,.

The General Assembly was informed that as for the 2017 performance, TRY 29,924,546 bonus have been paid to the personnel in 2018.

### **AGENDA ITEM 7**

Upon the motion made by the Compensation and Corporate Governance Committee, it was resolved by majority vote of those present, with 1,742,676,447 affirmative votes and 275,075,884 negative votes to pay each BoD member TRY 6500 as the net monthly fee and EUR 3000 as the net travel allowance fee; to determine net yearly basis total cap amount for other payments to be made to Board Members as EUR 100,000.00 (one hundred thousand) and to delegate the authority to the Board in order to determine how to make the payment, till the first Ordinary General Assembly Meeting in 2019.

### **AGENDA ITEM 8**

In accordance with Turkish Commercial Code, Article 363, it was agreed by majority vote of those present, with 1,742,676,447 affirmative votes and 275,075,884 negative votes to approve appointment of Ms. Müge Öner who is resident at Şehit Erdoğan İBAN Sokak, 3L Daire 6, Etiler/Beşiktaş/İstanbul with Turkish Republic Identity Number 10153185240 in lieu of Mr. Bekir Berk Çektir who was resigned on 11 August 2017 from his duty as a Board Member and to appoint Ms. Müge Öner who is present at the meeting and declared her acceptance of duty as a BoD member in order to replace and complete the term of duty of the resigned Board Member Mr. Bekir Berk Çektir.

### **AGENDA ITEM 9**

It was resolved by majority vote of those present, with 1,742,676,447 affirmative votes and 275,075,884 negative votes to engage Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. as being independent auditor for 2018 accounting period, as per the 6102 numbered Turkish Commercial Code Article 399.

Full Title: Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Address: Eski Büyükdere Cad. Orjin Maslak No: 27 D: 54-57-59 Kat: 2-3-4 34485 Sarıyer/İSTANBUL

Affiliated Tax Office: Boğaziçi

Tax identification number: 435 030 3260

Trade Registry Office: Istanbul Chamber of Commerce

Trade Registration number: 479920

Central registration system number: 0-4350-3032-6000017

### **AGENDA ITEM 10**

It was resolved by majority vote of those present, with 1,742,676,447 affirmative votes and 275,075,884 negative votes to amend the Company's Articles of Association, Article 5 and Article 14 as specified in the amendment texts below in accordance with the Permit No.E.2651 dd. 23/02/2018 issued by the Banking Regulation and Supervision Agency, Enforcement Department III and the Permit No.50035491-431.02 dd. 26/02/2018 issued by the Republic of Turkey Ministry of Customs and Trade, Directorate General of Domestic Trade, and to register such amendment with the relevant Trade Register.

#### **Former Text:**

#### **HEAD OFFICE AND BRANCHES**

##### **ARTICLE 5**

The company's head office is situated in Istanbul.

The company's address is Yakacık Mevkii Adnan Kahveci Cad. No: 139 81450 Kartal, Istanbul. Changes in the address shall be registered with the trade registry and published in the Trade Registry Gazette and shall be informed to the relevant authorities accordingly. Notices delivered to the registered and published address shall be deemed to be delivered to the company. Failure of the company to register its new address within the required period of time after leaving its former registered and published address shall be a reason for dissolution of company.

The company may establish branches, agencies, representative and contact offices and correspondent relationships either in Turkey or abroad upon the decision of Board of Directors and within the framework of related legislations in effect. Branches opened or closed are notified to Banking Regulation and Supervision Agency. Activities like the establishment of such branches and offices, allocation of capital to such establishments and branches and/or offices opened, merged, demerged, suspended and/or liquidated are subject to notifications pursuant to the provisions of Banking Code, Turkish Commercial Code and other related legislations in effect.

The company may open branches both in the country and abroad without prejudice to the provisions of Banking Code and other related legislations in effect.

**Current Text:**

**HEAD OFFICE AND BRANCHES**

**ARTICLE 5**

The company's head office is situated in Istanbul.

The company's address is Saray Mah. Sokullu Cad. No:6 Ümraniye, Istanbul. Changes in the address shall be registered with the trade registry and published in the Trade Registry Gazette and shall be informed to the relevant authorities accordingly. Notices delivered to the registered and published address shall be deemed to be delivered to the company. Failure of the company to register its new address within the required period of time after leaving its former registered and published address shall be a reason for dissolution of company.

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The company may open branches both in the country and abroad without prejudice to the provisions of Banking Code and other related legislations in effect.

**Former Text:**

**VOTING RIGHT**

**ARTICLE 14**

The shareholders shall have the right to use one vote in General Assembly Meetings for each share of TL 1.00 (One Turkish Lira) they hold. Shareholders may use their votes in person or by proxy. Voting is made by raising hand, but secret voting procedure may be applied in the case it has been requested by twenty percent of the shares represented in the General Assembly Meeting.

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**VOTING RIGHT**

**ARTICLE 14**

The shareholders shall have the right to use one vote in General Assembly Meetings for each share of TL 1.00 (One Turkish Lira) they hold. Shareholders may use their votes in person or by proxy. Voting is made by either raising hands or standing up or saying "accepted" or "objected" separately or via electronic devices which will be defined to the name of the shareholder on the General Assembly day while entering into the meeting hall or other tools which enable counting votes in the meeting room, but secret voting procedure may be applied in the case it has been requested by twenty percent of the shares represented in the General Assembly Meeting.

**AGENDA ITEM 11**

It was resolved by majority vote of those present, with 1,742,676,447 affirmative votes and 275,075,884 negative votes to amend the Internal Directive on Working Procedures and Principles of Company's General Assembly as specified in the amendment text below.

**Former Text:**

**VOTING AND VOTING PROCEDURE**

**Article 12**

(1) Before the voting starts, the Chairperson shall explain the issue to be voted to the general assembly. If a draft resolution is voted, voting shall start after it is determined in writing and read. After announcement of voting, one may ask to speak only for procedure. Meanwhile, if there is any shareholder who has not been given permission to speak though he/ she requests, he/ she can exercise his/her right to talk provided that it is reminded and confirmed by the Chairperson. After voting starts, nobody is given the floor to talk.

(2) Votes regarding the issues discussed at the meeting shall be cast by raising hands or standing up or saying “accepted” or “objected” separately. However, if one-twentieth of the shares represented at the general assembly demands secret voting, then secret voting shall be applied. These votes shall be counted by the Chair. If required, the Chair may appoint sufficient number of people to assist vote counting. Those who do not raise hands or stand up or make any statements shall be considered to give “negative vote” and these votes shall be deemed to have been given against the related decision.

(3) As per the Article 1527 of the Code, the procedures and principles stated in the aforementioned Article and the sub-regulations shall be implemented as regards voting by the shareholders and their representatives who participate in the general meeting electronically.

**Current Text:**

**VOTING AND VOTING PROCEDURE**

**Article 12**

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(2) Votes regarding the issues discussed at the meeting shall be cast by either raising hands or standing up or saying “accepted” or “objected” separately; or via electronic devices which will be defined to the name of the shareholder on the General Assembly day while entering into the meeting hall or other tools which enable counting votes in the meeting room. However, if one-twentieth of the shares represented at the general assembly demands secret voting, then secret voting shall be applied. These votes shall be counted by the Chair. If required, the Chair may appoint sufficient number of people to assist vote counting. Those who do not raise hands or stand up or make any statements shall be considered to give “negative vote” and these votes shall be deemed to have been given against the related decision.

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**AGENDA ITEM 12**

Allowing BoD Members to perform the transactions specified in TCC numbered 6102, Articles 395 and 396 was submitted to vote and resolved by unanimous vote of those present/ by majority vote of those present, with 1,742,676,447 affirmative votes and 275,075,884 negative votes.

**AGENDA ITEM 13**

Wishes for success was expressed by the Presidential Board and shareholders, before adjourning the meeting with the hope that the 2017 activities would be beneficial for the Bank.

**MINISTRY COMMISSAR**  
Mr. Savaş ÖZER

**VOTE COUNTER**  
Mr. Luai Mohammed B.  
BAFAIL

**VOTE COUNTER**  
Mr. Yusuf GÜMÜŞ

**CLERK**  
Mr. Abdül Latif ÖZKAYNAK

**CLERK**  
Mr. Emre MANDACI

**MEETING CHAIRMAN**  
Mr. Saeed Mohammed A. ALGHAMDI