

**LAW OF
TÜRKİYE VAKIFLAR BANKASI**

Law No : 6219
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I- FOUNDATION

Article 1 - An authority has been granted to General Directorate of Foundations in order to establish a bank subject to private legal jurisdiction under the name of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı.

Transactions to be carried out by the Bank:

Article: 2- The Bank shall involve with the following activities:

- A) To make loans against tangible and intangible goods and assets,
- B) To establish insurance companies and similar companies or to participate in the ones previously arranged,
- C) To sell and to purchase intangible assets,
- D) To carry out every kind of banking transactions and services,
- E) **(Amended: 26/12/1967 - 979/1 Art.)** To take part in various transactions and business undertakings (commercial, agricultural, industrial) required for rational management, maintenance and operation as per regulations to be shown in agreements which will be concluded for intangible assets to be entrusted to the Bank by General Directorate of Foundations and Annexed Foundations.

(Each year in September, the position of intangible assets those can be entrusted to the Bank according to the above-mentioned paragraph by a council which will assemble with the participation of General Director of Foundations and General Manager of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı with the presidency of Prime Minister or with the presidency of the related minister and the ones those need to be transferred to the Bank are decided by Prime Minister or to the related minister).

F) **(Annex: 26/12/1967 - 979/1 Art.)** To carry out treasury transactions of General Directorate of Foundations and banking services of recorded and annexed foundations in the scope of signed agreements.

Head Office

Article 3- (Amended: 13/2/2011-6111/96 Art.)

The head office of the Bank is the place written in Articles of Incorporation. The Bank can open new branch offices in Turkey or abroad where a necessity is found in accordance with Banking Law No. 5411 dated 19/10/2005. These branch offices in which every kind of banking transactions made are like public banks' branch offices, the savings of public institutions can also be deposited.

Period⁽¹⁾

Article 4- (Amended: 6/7/2000 - LD - 606/1 Art.; Annulment: By the decree of Cons. Court Dated 17.10.2000 and No E.: 2000/52, D. 2000/29; Re-arrangement: 11.16.2000 - 4604/1 Art.)

The activity period of the bank is unlimited.

II - FINANCIAL PROVISIONS

Capital:

Article 5- (Amended: 6/7/2000 - LD - 606/2 Art.; Annulment: By the decree of Cons. Court Dated 17.10.2000 and No E.: 2000/52, D. 2000/29; Re-arrangement: 11.16.2000 - 4604/2 Art.)

The amount of the capital of the Bank and nominal value of every share is stated in the Articles of Incorporation of the Bank.

Shares:

Article 6- (Amended: 19/10/2005 - 5411/168 Art.)

The shares are divided as Groups (A), (B), (C) and (D), they are completely registered shares.

Article 7- (Former: 6/7/2000 - LD - 606/Article 6; Annulment: By the decree of Cons. Court Dated 17.10.2000 and No E.: 2000/52, D. 2000/29; Former: 11.16.2000 - 4604/3 Art.)

Authority to issue bonds:

Article 8- (Former: 13/2/2011-6111/97 Art.)

Profit Distribution

Article 9- (Amended: 3/4/1986 - 3272/4 Art.)

From the annual profit of the Bank, the following amounts shall be distributed to:

A) Five percent to the ordinary reserve fund until the amount of capital in paid is reached,

B) Five percent to the reserve provision according to the 32nd Article of Banking Law,

C) Five percent first exceptional reserve fund,

D) **(Amended: 27/5/1992 - 3807/1 Art.)** Nine percent to employees as dividend premiums to be distributed within the principles determined by the Board of Directors as limited with three months gross salaries of employees,

E) To the second exceptional reserve fund in the mount that will be determined by the General Assembly in case where a necessity is found for the Bank to continuously develop and to provide its distribution of stable rated profit shares according the 469/2 Article of Turkish Commercial Code from the balance,

Upon leaving, the balance is delivered to the shareholders over paid values of shares.

Reserve funds:

Article 10- (Amended: 3/4/1986 - 3272/5 Art.)

Reserves stated in (A), (B), (C) paragraphs of 9th Article are used in accordance with the related provisions of Banking Law No. 3182. The second exceptional reserve fund stated in (E) paragraph of the same article can be distributed to the shareholders by the General Assembly for the supply of stable profit distribution.

1) The title of this article was "Period", as registered by Statutory Decree No 606 dated 06.07.2000, the title has been amended. Then this title was cancelled by the decree of Supreme Court's decree E.:2000/50, D. 2000/29 dated 17.10.2000. (O.G.: 31/10/2000-24216). Later on; the title, introduced by Statutory Decree No. 606, was brought back to the text with the Law No. 4604 dated 11.16.2000.

III - PROVISIONS REGARDING THE TYPES OF COLLECTION FOR BANK CLAIMS

Article 11- (Amended: 3/4/1986 - 3272/6 Art.)

As agencies of Head Office of the Bank, Branches are authorized to represent Head office and to appoint proxies and to give power of attorneys for the follow up of cases.

IV- ADMINISTRATIVE PROVISIONS

Management of the Bank

Article 12 - The authorized bodies of the bank are as follows:

- 1- General Assembly,
- 2- Board of Auditors,
- 3- Board of Directors,
- 4- Head Office.

The General Assembly:

Article 13 - General Assembly consists of the shareholders. The ones who have every ten shares and who represent the same amount of shares have one voting right. The ones who have more than ten shares have rights for voting without any limitation according to the above-mentioned percent.

The above mentioned policy shall be applied in the same manner for subsidiaries of the Bank.

Board of Auditors:

Article 14- (Former first paragraph: 16/11/2000 -4604/ 3 Art.)⁽¹⁾ (Former second clause: 13/2/2011-6111/97 Art.)⁽²⁾

Annual Reports will be subject to approval of Board of Auditors. Annual Reports attached with the view of Board of Auditors on it, will be delivered to General Assembly with one copy of report is also submitted to General Directorate of Foundations.

Board of Directors:

Article 15- (Amended first paragraph: 19/10/2005 - 5411/168 Art.) The Board of Directors of the Bank consists of nine members including the General Manager. The number of the members that each Class of Shares has in the Board of Directors has been indicated in the Articles of Incorporation of the Bank.

(Amended second paragraph: 19/10/2005 - 5411/168 Art.) One of the members of Class (A) shares is appointed by the Prime Minister in order to represent the General Directorate of Foundations while the other members of the Class (A) shares and the members of the Classes (B), (C) and (D) shares are elected by the General Assembly.

General Manager of the Bank is the natural and delegate member of the Board of Directors.

(Amended paragraph: 27/5/1992 - 3807/2 Art.) The statutory tenure, authorization and duties of the members of the Board of Directors are shown in the Articles of Incorporation. The amount of wages to be paid to these members are determined by the General Assembly and applied with the approval of Prime Minister.

(1) This paragraph; has been abolished with the Article 6 of Statutory Decree No. 606 Dated 6/7/200, the Statutory Decree in question was cancelled by the Decree of the Supreme Court dated 17/10/2000 and No. E.2000/52, D.:2000/29.

(2) Second sentence of this paragraph; has been abolished with the Article 6 of Statutory Decree No. 606 Dated 6/7/200, the Statutory Decree in question was cancelled by the Decree of the Supreme Court dated 17/10/2000 and No. E.2000/52, D.:2000/29 and then abolished by the 3rd Article of the Law No 4604, dated 16/11/2000.

General Manager⁽³⁾

Article 16– (Revised: 16/11/2000-4604/5 Art.)

The transactions of the Bank are managed by the General Manager. General Manager is appointed by Prime Minister.

The persons who will be appointed for the position of General Manager are obliged to be graduated from one of the disciplines of law, economy, business administration, finance, banking, public administration and equivalent branches and from the engineering branches related with these at least with a university degree and have to have a vocational experience in the field of banking or business administration for a period of at least 10 years.

(...)⁽⁴⁾ General Manager whose period is expired can be appointed again.

The term of a general manager cannot be terminated in any way before expiring. However, period of a general manager can come to an end only if general manager loses all the necessary requirements to be appointed mentioned by this law and Banking Law No 4389 and only if a verdict is given for the crimes committed by himself.

Employees:

Article 17 – The employees of Bank and the employees of subsidiaries are subject to private legal jurisdictions. The Law No. 3659 shall not be applied for employees.

V – MISCELLANEOUS PROVISIONS

Legal regime:

Article 18- (Amended: 13/2/2011-6111/97 Art.)

Public Procurement Law No.2886 dated 08.09.1983, the Public Procurement Law No. 4734, dated 04.01.2002, the Decree Law on Public Enterprises No. 233 dated 08/06/1984, and Public Enterprises Personnel Regime Regulation No. 399 dated 22.01.1990 and the Decree of Abolishment of Some Articles of the Decree No. 233, Law Concerning the Establishment of Press Announcement Agency No. 195 dated 02.01.1961 and the Law on Establishment of Development and Support Administration for Small and Medium Scale Enterprises No. 3624 dated 04.12.1990 shall not be applied for the bank and the partnerships those will be established by the Bank.

Foundation peculiarities:

Article 19 - The Articles of Incorporation of the Bank, is directly registered to commercial registry and announced without any ceremonies after it has been approved Council of Members of the Cabinet in the scope of Law Provisions without searching the terms of foundation transactions stated in the Commercial Code. The ultimate foundation of the Bank starts with the date of this announcement.

(3) This article with its title; has been amended as implemented in the text by the 5th Article of Statutory Decree No 606 dated 06.07.2000. the Statutory Decree in question was cancelled by the Decree of the Supreme Court dated : 17/10/2000 and No. E.2000/52, D.:2000/29.

(O.G.: 31/10/2000-24216). Later on; the amendment made in the Statutory Decree in question has been entered in the text by the 5th Article of the Law No 4604 dated 16.01.2000.

(4) The phrase "General Director's term of office is four years." was removed from the text by 15th Article of the Law No. 4969, dated 31.07.2003.

VI- EXCEPTIONAL PROVISIONS

Article 20 - The total amount of loans granted by Türkiye Vakıflar Bankası Türk Anonim Ortaklığı to the General Directorate of Foundations shall not exceed 20 % of the capital in paid and reserve fund.

Article 21 - The provisions of Foundations Law No 2762 for real estates and land sales prices shall not be applied for the amounts those will be transferred to Türkiye Vakıflar Bankası Türk Anonim Ortaklığı as capital participation share over these amounts.

VII- REVOKED PROVISIONS

Article 22 - The staff included in Table (1) for the Law making Amendments for Organization of General Directorate of Foundations with No. 3821 (Directorate of İstanbul Vakıfparalar) and in Table (2) (İstanbul Directorate of Vakıfparalar) is removed from these tables.

Additional Article 1 – (Annexed: 6/7/2000 - LD - 606/7 Art.; Annulment: By the decree of Cons. Court Dated 17.10.2000 and No E.: 2000/52, D. 2000/29; Re-arrangement: 11.16.2000 - 4604/6 Art.)

In sale of shares, Procurement Act No 2886 and the General Accounting Law No. 1050 shall not apply.

Additional Article 2 – (Annexed: 6/7/2000 - LD - 606/7 Art.; Annulment: By the decree of Cons. Court Dated 17.10.2000 and No E.: 2000/52, D. 2000/29; Re-arrangement: 11.16.2000 - 4604/6 Art.; Amendment: 20.06.2001-4684/3 Art.)

Sales of Group (A) shares and those Group (B) ones belonging to General Directorate of Foundations and determination of procedure and principles are under the responsibility of Council of Ministers.

VIII- TRANSFERRED PROVISIONS

Provisional Article 1 – The assets and credits of Directorate of Vakıfparalar and its all rights and interest those are still managed are transferred to Türkiye Vakıflar Bankası Türk Anonim Ortaklığı together with all of undertakings and debt of this directorate.

Securities recorded in transfer balance sheet that will be prepared by Directorate of Vakıfparalar to be based on the transfer are evaluated with their stock exchange values or current market values, intangible with their determined values and receivables on their balances on the date of transfer. The part of advance received interests for the period after the date of transfer shall be transferred to the bank as dividend.

In the date of transfer of Recorded foundations and Annexed foundations the balance after deducting participation shares to the Bank from all book dept available in Directorate of Vakıfparalar is recorded on behalf of General Directorate of Foundations and annexed foundations or shall be recorded as the method shown by the General Directorate of Foundations.

It is mandatory to purchase shares with consecrated money.

For transfer and registration transactions of real rights those were registered for the name of Directorate of Vakıfparalar to the name of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı no taxes, duties or fees shall be taken for ad hoc.

Provisional Article: 2 - The 2nd Article of Law No 3335 shall be applied for the salaried officers and retainers of Directorate of Vakıfparalar who are not involved within the staff of the Bank. A severance pay shall be made one month salary amount for the salaried officers over one statutory service year and half month salary for retainers by the Bank. This severance pay is given as a single sum and therefore shall be paid for one month at the end of current months. In the departments consisting of these and in annexed and private budgeted departments and in municipalities and in their affiliated enterprises and administrations in departments and enterprises those subject to the Law No. 3659 or in this Bank the severance pays of persons subject to a salaried or paid duties shall be deducted with the date of declaration of appointments.

For the calculation of service years to be based for the severance pay months (6) and more fractions are delivered to the year. The fractions less than (6) months shall not be taken into account.

Provisional Article 3 - (It is the provisional article of the Law No. 3/4/1986-3272 and therefore it is numbered for concatenation.)

The number of members of Board of Directors shall be increased to eight by the enforcing date of the Law and an appointment shall be made within one month by the Board of Directors without a necessity in the Articles of Incorporation for three memberships. Appointments shall be submitted for the approval of the General Assembly in the first upcoming General Assembly meeting.

Provisional Article 4 - (Additional: 13/2/2011-6111/98 Art.) Amended Article 18 of the Law No 6219 is valid as of 01.01.2004, this article is applied also on lawsuits and execution proceedings sued against the Bank and its joint adventures.

Article 23 - 22nd Article of this Law regarding removed provisions of the Law shall be valid with the final date of foundation of the Bank and the date of publishing of other terms.

Article 24 - The cabinet is authorized to execute the provisions of this Law.

PROVISIONAL CLAUSES NOT APPLIED IN THE LAW NO 6219 DATED 11/01/1954 :

1) Provisional articles of the Law No 4604 dated 16.11.2000:

Provisional Article 1 - General Manager who is on duty on the date which this Law is enacted shall be counted as appointed for another 4 years with the enforcement date of the Law.

Provisional Article 2 - 3rd Article of Law No 6219, third paragraph of 14th Article and provisions of second and fourth paragraph of 15th Article and this Law and the first, third and fourth paragraphs of its Amended 16th Article shall continue to be valid until shares of General Directorate of Foundations drop under 50%.

**THE LIST SHOWING EFFECTIVE DATE OF LEGISLATION THAT BRINGS IN
ADDITION AND AMENDMENT TO THE LAW NO 6219**

Amended Law No:	<u>Date of amended articles of the Law No 6219</u>	Effective Date
979	-	29.12.1967
2444	-	03.04.1981
3272	-	09.04.1986
3807	-	01.01.1992
Decree Law-606	-	26.07.2000
4604	-	22.11.2000
4684	-	03.07.2001
4969	-	12.08.2003
5411	6.15	01.11.2005
6111	3,8,14,18 and Provisional Article 4	25.02.2011