

GUARANTEE CONTRACT CUSTOMER INFORMING FORM

This form was created in order to inform customers within the scope of the BRSA Communiqué¹.

1. Contract Type: Guarantee

2. Basic Properties of the Contract:

A guarantee means that the guarantor (participation bank) undertakes to pay the performance of the debt or the damage caused by non-performance against the creditor (addressee) by participating in the liability of the principal borrower (customer/beneficiary) in respect of the performance of the debt.

The work performed by the addressee and the secured receivables must be in compliance with the principles and standards of participation banking. Limitation of guarantee for a certain amount and time with certain conditions is appropriate. It is possible to be a guarantor for an existing debt or a debt that is likely to arise in the future or that is contingent.

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

The legitimacy of the Guarantee contract is based on the basic principles of Islamic law. In this context, the transactions conducted by participation banks are compliant with the principles and standards of interest-free banking.

4. Customer's Position Within the Contract:

In the case of a guarantee contract, the customer is the main debtor/beneficiary and the participation bank is the guarantor.

5. Process and Operation:

The customer forwards the non-cash financing request to the participation bank, which is the subject of the guarantee contract. The participation bank allocates a limit to the customer and the necessary documents are signed. A contract is established by giving a guarantee against third parties, within the limit specified in favor of the customer, by the bank. If the customer fails to duly perform the act that is the subject of the guarantee contract and the creditor demands the related amount, the participation bank shall pay the creditor the amount that it is obliged to pay. Subsequently, the said amount is collected from the customer together with the costs by the participation bank.

6. Rights and Obligations Imposed on the Contracting Parties:

The participation bank shall be entitled to charge the customer any expenses incurred and any other charges that may be charged in accordance with interest-free banking principles and standards.

The Customer shall be obligated to exercise due diligence in fulfilling the debt or commitment that is the subject of the guarantee contract in a timely and complete manner. In the event that the customer does not comply, the participation bank is responsible for payment

¹ Communiqué on Procedures and Principles About Informing Customers and the Public within the Scope of Interest-Free Banking Principles and Standards published in the Official Gazette No. 31675 dated 30 November 2021 by the Banking Regulation and Supervision Agency (BRSA)

of the subject debt to the creditor (at compensation). In such a case, the participation bank recourse to the customer for the collection of the amount paid to the addressee, together with all the accessories that can be taken within the scope of interest-free banking principles and standards.

The guarantee contract shall be in principle binding for the participation bank from the moment it is established and the participation bank may not unilaterally withdraw from the transaction without the consent of the creditor.

7. Bank Application in Case of Late Payment:

The principles of interest-free finance are in place, where an article is inserted in the contract stating that the participation bank shall receive a delayed penalty if the debts arising from the bank under the guarantee contract are not paid by the specified dates. However, the participation bank and customers cannot benefit from these amounts, which are levied as delay penalties. Collected amounts are classified according to the Uniform Chart of Accounts of participation banks and evaluated according to interest-free banking principles and standards.