

QARD CONTRACT CUSTOMER INFORMING FORM

(FINANCING)

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

1. Contract Type: Qard (Loan)

2. Basic Properties of the Contract:

Qard is consumer financing. It refers to borrowing money or a unique property without requesting a surplus.

With the Qard financing, the lender (bank) may claim the debt it has given at any time, unless the maturity is determined between the parties.

It is not appropriate for the lender (bank) to stipulate an additional goods or benefits condition other than the amount lent to the borrower within the specified period just because of the Qard it has given.

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

The legitimacy of the Qard 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:

Within the context of Qard Contract, the participation bank is the creditor and the customer is the borrower.

5. Process and Operation:

The customer submits the Qard request to the participation bank. The participation bank allocates a limit to the customer. After the request is found to be appropriate, the Qard amount is paid to the customer, provided that it is reimbursed in the term determined in accordance with the customer's request.

6. Rights and Obligations Imposed on the Contracting Parties:

Participation bank does not demand any return from its customer within the framework of qard transactions.

The costs that may arise related to the qard transaction belong to the borrower (customer).

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 are not paid on 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

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)

the Uniform Chart of Accounts of participation banks and evaluated according to interest-free banking principles and standards.