

COMMUNIQUÉ ON PRINCIPLES REGARDING REGISTRATION OF PROFIT AND LOSS SHARING CERTIFICATES WITH THE BOARD

(Published in the Official Gazette dated 20.03.2003 numbered 25054.)

OVERRULED COMMUNIQUES

(Communiqué Serial: III, No: 11 published in the Official Gazette dated 14.07.1992 numbered 21284 have been overruled by the Communiqué Serial: III, No: 27 given below.)

1 – (“Communiqué Amending the Communiqué on Principles Regarding Registration of Profit and Loss Sharing Certificates with the Board” Serial: III, No: 28 was published in the Official Gazette dated 07.07.2004 numbered 25515.)

Serial : III

No : 27

SECTION ONE

Purpose, Scope, Basis and Definitions

Purpose and Scope

ARTICLE 1 - The purpose of this Communiqué is to regulate the principles of offering and registration of profit and loss sharing certificates with the Board.

Basis

ARTICLE 2 - This Communiqué has been prepared in accordance with the paragraph (b) of the Article 3 and sub-paragraph (a) of the first paragraph of Article 22 of the Law.

Definitions

ARTICLE 3 – For the purposes of this communiqué, the following definitions shall apply:

Law : The Capital Market Law dated 27.07.1981
and numbered 2499,

Board : Capital Markets Board,

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| Exchange | : Istanbul Stock Exchange, |
| TCC | : Turkish Commercial Code, |
| Issuer | : Joint Stock Corporation, |
| PLSC | : Profit and Loss Sharing Certificate, |
| TTRG | : Turkish Trade Registry Gazette, |

Intermediary Institution : Brokerage houses and banks authorized for intermediation to the public offering.

SECTION TWO GENERAL PRINCIPLES

Issue of Profit and Loss Sharing Certificate

ARTICLE 4 - Issuers can issue profit and loss may issue securities in the name of "Profit and Loss Sharing Certificate" in order to meet financial needs for their operations; to be sold in Turkey and represented by Turkish Lira or indexed to a foreign exchange and if to be sold abroad represented by Turkish Lira or foreign exchange or indexed to a foreign exchange. The corporations, of which the line of operation is to buy and sell securities, cannot issue PLSCs.

Limit and Authorization of PLSC Issue

ARTICLE 5 - Issuers may issue PLSC up to the limit stated in the Decree of Council of Ministers numbered 93/3983 published in the Official Gazette dated 27.01.1993 numbered 21478. PLSC issuing decision shall be taken by the general assembly or by the board of directors authorized by the general assembly.

Issuing Conditions

ARTICLE 6 - The following conditions should be met in the issuing of PLSC.

a) PLSC shall not be issued without registration with the Board.

b) Issuers may issue the PLSCs at once in a denomination or by series; however the sale of all PLSCs in a denomination shall be completed in an annual accounting period of the issuer. For each series, The Board should be notified at least two working days before the issue date of the series.

c) Sale period of PLSCs in each series is at most thirty days.

d) It should be written clearly over PLSCs that the investors will share profit and loss and no profit guarantee will be given for these certificates.

e) PLSCs may be issued as bearer or registered.

f) In PLSCs profit and loss share and maturity should be determined to coincide with the last day of the issuer's accounting period.

Maturity

ARTICLE 7 - The maturity for the PLSCs is at least 1 month and at most 7 years. Maturities are determined according to the characteristic of the issuer's operations and set as monthly or multiples of a month.

At the end of the maturity, the PLSC payments shall be paid all at once. Maturity dates of the series are the same for their respective denominations. The starting date of maturities for each series in a denomination is the day following their sale period.

SECTION THREE

REGISTRATION WITH THE BOARD AND SALE

Application for the Registration and Required Documents

ARTICLE 8 - Issuers shall make an application to the Board for the registration of PLSCs with the documents listed in Annex 1, after the general assembly or board of directors authorized by the general assembly reach a resolution for the PLSC issue.

Registration application shall be made at most 1 year after the general assembly resolution or one month after the board of directors' resolution date.

For the registration applications made for the PLSC issues which will not be offered to the public, the information about who will buy the PLSCs and related agreement documents, if any shall be added.

Missing Documents

ARTICLE 9 - The required documents shall be complete in applications made to the Board. If incomplete documents are not completed at the time granted by the Board, the application will be cancelled. The applications will be concluded in 30 days, such that the period for completing incomplete documents are not taken into consideration in calculation of 30 days.

Registration With the Board

ARTICLE 10 - The Board;

a) Evaluates the applications for PLSC issues that will be sold to public, by considering whether or not the prospectus and the circular contain all the information required by the regulations about the PLSCs and those required by the Board within the framework of public disclosure and registers the PLSCs that will be sold by going public.

b) Evaluates the applications for PLS issues that will not be sold to public, by considering whether or not the required documents are completed fully and registers the PLSCs that will be issued.

A registration document is drawn up for the sale of PLSCs registered. The fee determined pursuant to Article 28 of the Law considering the issuance value over the PLSCs to be sold and registered shall be deposited to the account opened on behalf of the Board at Ankara Branch of the Central Bank of Republic of Turkey and before the registration document is granted to the issuer by the Board. Otherwise the application is cancelled.

As a result of evaluation, if the explanations are insufficient, not reflecting the truth and causing public abuse, the Board may refrain from registration of related PLSCs by stating its justification.

Being registered with the Board cannot be interpreted as an official guarantee is given to the PLSCs to be issued and the related issuers and it cannot be used for advertising purposes. This matter and an expression stating that "PLSC provides right and liability to share profit and loss, and in case of loss the principal amount may diminish" shall be clearly included in the text of the PLSCs which will be issued to go public and written on the first page of the text of their prospectus and circular.

In the case of cancelling the sale of PLSC issuance after the registration with the Board and before the sale gets started, the Board shall be informed via the fastest means of communication.

Types of Profit and Loss Sharing Certificates

ARTICLE 11 - PLSCs can be sold with or without public offering.

PLSCs that will be offered to the public shall be issued in bearer and that will not be offered to the public shall be issued in registered.

Principles Regarding Drawing Up Prospectus and Circular

ARTICLE 12 - The prospectus and circular that a copy can be provided from the Board; must be prepared including the necessary and detailed information required by regulations and the Board regarding the issuer, issuer's financial situation, scope and results of its operations, must be appropriate with the minimum standards determined by the Board, must include the additional information required by the Board during the registration application and all the information and explanations must be based on documents.

The information related with the operation results and financial position related with the audited terms in prospectus and circular of the issuers that are subject to the independent auditing according to the tenors of the related Communiqué of the Board must be parallel to those reports given by the related auditing firms and its conformity must be approved by the auditing firms.

Prospectus and circular is also signed by intermediary institution if exists. Excluding the information under responsibility of auditing firms stated in the second paragraph of this article, intermediary institutions are responsible for the unfair reflection of the facts in the information contained in prospectus and circular according to the second paragraph of the Article 7 of the Law.

Amendments to Issues Disclosed to Public Through Prospectus and Circulars

ARTICLE 13 – The Board must be informed about any change, which appeared prior to completion of the sales or happened during sale period and can cause a loss for investors if not disclosed, in the information disclosed to public through prospectus and circular and new facts by issuers, at most three working days after the occurrence and in either case before or at the sale period by cancelling the sale.

Changes and new matters shall not be put into progress by adding to the prospectus and circular of the PLSCs before being examined and approved by the Board. After the Board's approval, the changes in the prospectus shall be registered at Trade Registry and announced in TTRG, whereas the changes in the circular shall be published in the newspapers in which the circular had been published.

Registration and Announcement of Prospectus

ARTICLE 14 - After the registration of the PLSCs that will be sold to the public, the issuer shall register the prospectus approved by the Board at Trade Registry within fifteen days following the date of registration document and announces in TTRG.

Announcement of Circular for Investors

ARTICLE 15 - Circular shall be published on daily newspapers within seven days following the registration of the prospectus and at most seven at least three days before the sale starts.

If requested by issuer, additional announcements can be made except these periods.

Newspapers in which the circular shall be announced will be selected so as to inform the majority of prospective investors and declared to the Board before the registration. Circular is published in any newspaper

distributed nationwide and a newspaper that has first or second place in circulation amount in the region where the issuer operates. Issuers may fulfil the regional publication requirement by publication in a nationwide distributed newspaper. If it deems necessary, the Board may require publication made more than one newspaper or also made abroad or changing the newspapers.

For the sales made abroad, The Board may set different principles for the announcements.

Announcements and Advertisements

ARTICLE 16 - The texts of advertisements and announcements to be published due to public offering of PLSCs shall be submitted to the Board at least two working days before the date of publication. No information other than those in the prospectus and circular shall be included in the advertisements, announcements and any kind of releases. The Board may require that any change made in the texts if it deems necessary and the texts shall not be published unless the changes required by the Board are made.

The places where the prospectus related with going public can be obtained and the newspapers and their dates that circular is published shall be indicated in these texts.

Upon the approval of the Board, announcements and advertisements concerning only with the issuers' operations, sector, place in that sector and products and also releases to the media limited with this information can be made. If announcements are made through newspapers, the first announcement and advertisements must be made at the date the circular published and at the same newspapers. After the publication of the circular, with the condition of stating clearly the publication dates of newspapers which circular is published, announcement and advertisement may continue via required written and visual media means. One copy of the newspapers related with shall be submitted to the Board within six days following the publication.

Authorized Institutions for Sale

ARTICLE 17 – (Amended by the Communiqué with Serial: III, No: 28)
The issuer or intermediary institutions authorized by the issuer can make sale of PLSCs throughout the issuance period.

It is compulsory to use intermediary institution if the PLSCs are sold by going public.

Natural and legal persons who want to buy PLSCs buy the PLSCs by depositing the amount in cash and in advance to the issuer or the intermediary institutions authorized by the issuer.

Cancellation of Unsold Profit and Loss Sharing Certificates

ARTICLE 18 - PLSCs that are unsold or not bought by the intermediary institution during the sale period shall be determined and cancelled in presence of a Public Notary within maximum six working days following the end of the sale period.

If the PLSCs are issued in series, the same procedure is followed at the end of their sale period. New series of PLSCs cannot be sold before all PLSCs are sold in a series or sale period for a series ends.

PLSCs having same document numbers with the cancelled ones cannot not be issued.

New PLSCs cannot be issued unless unsold ones are cancelled.

Notification of the Selling Results To the Board

ARTICLE 19 - Issuer if PLSCs are sold by or intermediary institution if used in the selling shall submit;

a) In case of public offering, a copy of the TTRG that prospectus is published and the newspaper that circular is published,

b) A document stating the names, purchase amounts and quantity, if exits ownership, administrative and commercial relation with the issuer, of the persons that the PLSCs sold to,

c) A document indicating cancellation by the notary if there is unsold PLSCs after the end of the sale period,

to the Board within six days following the end of the sale period.

Stock Exchange Application

ARTICLE 20 - Issuers may apply to a security exchange for listing of PLSCs with maturity more than one year and are offered to the public.

SECTION FOUR

PRINCIPLES REGARDING THE DETERMINATION OF SHARE OF PROFIT OR LOSS

The Rate of Profit or Loss Sharing

ARTICLE 21 - The profit or loss amount used to determine the rate of profit or loss sharing of PLSCs are the issuer's profit or loss before the taxes.

The rate of profit or loss sharing of all PLSCs issued as of the issuer's annual accounting period is calculated with the following formula according to the rate of the duration of PLSCs multiplied by their total nominal values,

to the PLSCs calculated in the same way, the value of shareholders equity and if exists participated dividend shares:

$$A = \frac{B}{B+C+D}$$

Where;

A = Rate of profit or loss sharing of all PLSCs,

B = Total value obtained by multiplying nominal values of each denomination or series by the number of days it remains at the issuer,

C = Total value calculated by multiplying the shareholders equity considering increases and decreases on it, by the number of days it remains at the issuer,

D = If exists, total value calculated by multiplying the nominal values of participated dividend shares by the number of days it remains at the issuer.

Rates calculated according to this formula and the Article 22 are shown at least three decimals after the comma.

Determination and Distribution Periods of Profit and Loss Amounts

ARTICLE 22 - The balance sheet for determining the profit or loss amount is prepared at the end of the issuer's accounting period.

The share of the profit or loss for total PLSCs from the issuer's profit and loss is calculated by multiplying the "The rate of profit or loss sharing of all PLSCs" determined according to the Article 21 by the profit or loss amount determined according to the first paragraph.

The final deduction of the profit or losses derived from the PLSCs whose maturity ends within the accounting period or goes beyond the accounting period will be done by using the balance sheet drawn up at the end of the accounting period.

Issuers, according to the principles determined in the prospectus, using annual financial statements audited by auditing firms and approved by the general assembly can make advance payments up to the 75% of the amount calculated by multiplying the rate of PLSC profit or loss sharing determined according to the Article 21 for the same series and having more than one year maturity by the amount of profit or loss of the corporation.

If there are advance profit payments, relevant deductions are made every year. If at the end of the maturity after the deductions the advance

payment is more than the principal amount, the exceeding amount will not be paid back.

If advance payments have been made, distribution of the advance payments and principal and if exists profit share payments at the end of the maturity shall begin within 30 days following the general assembly or in either case within 5 months following the accounting period.

Profit distribution shall begin within thirty days following the general assembly and if exists deduction of the advance payments shall be made.

If the issuer has a loss;

a) For the PLSCs having maturity less than the accounting period the loss share is deducted from the nominal value of the PLSCs and the remaining amount is paid back.

b) For the PLSCs having maturity longer than the accounting period, the loss share shall not be deducted from the nominal value of the PLSC or collected from the PLSCs owners. Loss share is transferred to next year as last year's loss and deducted from the next year's profit, if exists; if there is a profit remaining after this, it is transferred to the next year; this operation continues to the end of the maturity; if there is an undeducted loss remaining at the end of the maturity it is deducted from the nominal value of the certificates.

If the nominal value of the PLSC is less than corresponding loss share, the exceeding amount of loss share shall not be claimed from the PLSC owner.

Issuers, with the consent of the Board prior to the issue, may set the specified rate of the nominal value of the PLSCs to limit the maximum amount of loss that can be deducted from the nominal value.

If demanded by the PLSC owner at the end of the maturity, the profit or loss share incurred at that period to the certificate and information related with their payment and deduction is written on the back of the PLSC and this are approved by the authorities of the issuer.

Issuers are responsible from the submitting the Board the information about the calculation method of the profit and loss shares, distribution of profits and deduction of losses and a list of PLSCs in circulation as of periods within 1 month after the relevant period.

Profit Distribution Places and Announcements

ARTICLE 23 - (First paragraph is amended by the Communiqué with Serial: III, No: 28) Principal amount and profit payments of PLSCs sold through public offering shall be made by intermediary institutions. The payments of PLSCs, sold without public offering may be done at the issuer's headquarters and branches.

SECTION FIVE

PROFIT AND LOSS SHARING CERTIFICATES CONVERTIBLE INTO SHARES

Conversion into Shares

ARTICLE 24 - In return to the amount that shall be paid at the end of the maturity, issuers may give PLSC owners the right of having shares issued through capital increase. The principles about conversion of PLSCs into shares shall be determined and disclosed to public via prospectus and circular before the issue.

The right of converting PLSCs into shares could be only given to the PLSCs sold through public offering and the conversion could only be executed at the end of the maturity.

General assembly or board of directors of the issuer shall not take a decision to prevent the exercise of converting rights.

Conversion Price and Rate

ARTICLE 25 - Conversion price is the price that will be employed in conversion process if PLSC holders prefer to convert PLSCs into the shares. The stock exchange price could be taken as a benchmark price for setting conversion price if shares of issuer are traded at the stock exchange. For corporations whose shares are not traded at the stock exchange, the principals for determining the conversion price of shares shall be declared to public in the same way as explained in Article 15. Those principals shall also be made available at the centers of demand collection transactions realized to meet requests of PLSC holders.

If conversion rate is fractional, corporation shall pay the amount corresponding to the fractional amount that can not be paid as stock, in cash and advance during the conversion. Conversion price is taken as a basis for this calculation.

Principals of Conversion

ARTICLE 26 - The demands of PLSC owners who want to exercise their right to convert PLSCs into shares shall be started to be collected after the maturity of the PLSCs is expired and the amount that will be paid to PLSC owners determined through financial tables that are audited and disclosed according to the Board's regulations. The beginning of collecting demands for converting PLSCs to shares shall be announced twice by the newspapers in which circular is published. The announcements shall be started at least two working days before the beginning date of demand collection period and shall be determined at least fifteen working days.

The announcements shall include information about conversion price and methods used to calculate conversion price, number of shares that will be given in return for each PLSC, the addresses of places where demand

will be collected, the beginning and ending dates of demand collection period and other information requested by the Board. The text of announcements shall be submitted to the Board for approval at least fifteen days before the date of starting of announcements. Announcements without the Board's approval cannot be published.

After all demands are collected, a private placement capital increase shall be made for PLSC owners who had demanded conversion. The legal procedures about capital increase are completed within the legal framework that issuer is subjected to. Issuers in share capital system shall take the decisions about capital increase and the amount of profit that will be distributed to PLSC owners at the same general assembly meeting.

The shares issued through capital increase for conversion of PLSCs into shares shall be placed to PLSC owners, above any priority including pre-emptive rights given to shareholders with the Article 394 of the TCC.

The conversion procedures of PLSC owners who demanded conversion shall be started at the same date with the PLSC owner's payment procedures have not demanded conversion and both operations shall be completed at the same places.

Shares remain unsold because of PLSC owners who demanded conversion but have not exercised their right, shall be sold according to the Board's regulations regarding registration of shares with the Board or bought by the ones had given purchasing guarantee within the three working days following the completion of conversion procedures.

SECTION SIX OTHER PROVISIONS

Obligations

ARTICLE 27 - Corporations issued PLSC are subject to the Article 11 of the Law and must carry out the obligations stated in the Article 16 of the Law.

Quality of the Paper On Which Profit and Loss Sharing Certificates Printed

ARTICLE 28 - Watermarked papers shall be used sensitive to defacement, scrapings and alteration for printing PLSCs.

PLSCs Sold without Public Offering

ARTICLE 29 - PLSCs registered with the Board upon to be sold without public offering are subject to all regulations of this Communiqué except publishing prospectus and circular.

Overruled Provisions

ARTICLE 30 – The Communiqué Regarding Issue of Profit and Loss Sharing Certificates Stated in Resolution on Protection of the Value of Turkish Currency Serial: III, No: 11 published in the Official Gazette dated 14.7.1992 numbered 21284 have been overruled.

Entry Into Force

ARTICLE 31 – This Communiqué shall enter into force on the date of its publication.

Execution

ARTICLE 32 – The Capital Markets Board shall execute the provisions of this Communiqué.

ANNEX 1

REQUIRED INFORMATION AND DOCUMENTS FOR APPLICATION TO THE BOARD

- a) Approved copy of Articles of Association suitable for PLSC issue,
- b) TTRG regarding the registration and announcement of general assembly decision or approved copy of Board of Director's decision regarding the PLSC issue,
- c) Prospectus and circular signed by the issuer, auditing firm and intermediary institution, if any,
- d) Financial statements for the last three years approved by general assembly,
- e) Audited financial statements prepared according to the Board's regulations for the last year and closest interim financial statements to the application date,
- f) Specimens of PLSCs,
- g) Intermediary agreement between issuer and intermediary institution if any,
- h) Written statement of the issuer guarantying cancellation of PLSCs unsold, by a notary public in six working days following the end of the sale period,
- i) Estimations about PLSC owners profit in return to 1.000.000 TL they invested for every year throughout the maturity and proforma balance sheets, income statements and other essential documents that predictions and calculations based on,
- j) Documents about and signed by shareholders who have more than 5% share in capital, members of Board of Directors and Supervision Committee,
- k) List of corporations that issuer hold more than 5% of their capital,
- l) Tax department and number of issuer,
- m) Declarations by the members of Board of Directors and authorised management personnel on whether there are any legal prosecution or/and

liability due to infamous crimes about related persons or there are finalised verdicts or/and legal conflict in cases related with company business,

n) Other information and documents requested by the Board.

INFORMATION REQUIRED TO BE ON PROFIT AND LOSS CERTIFICATES

A) Below information shall take place on the front side of the PLSC:

- a) Title and address of the issuer corporation,
- b) "PROFIT AND LOSS CERTIFICATE" expression,
- c) Profit and loss certificates';
 - 1) Denomination and series,
 - 2) Nominal value,
 - 3) Maturity,
 - 4) Whether it is registered or bearer,
- d) "The owner of this certificate shares the loss in case of the corporation has a loss." expression,
- e) **The expression that** no profit guarantee could be given for the certificate.

B) Below information should take place on the back of the PLSC:

- a) Issuers',
 - 1) Capital (issued and registered capital for the companies in registered capital system, issued and paid-in capital for the companies out of registered capital system),
 - 2) Retained earnings,
 - 3) Term of the corporation if any and date of the beginning operation,
 - 4) Line of operation,
- b) Title, addresses and related branches of bank or intermediary institution if PLSCs are not sold by the issuer,
- c) "The balance sheet for determining the profit or loss amount is prepared at the end of the issuer' accounting period. The final deduction of the profit or losses derived from the PLSCs whose maturity ends within the accounting period or goes beyond the accounting period will be done by using the balance sheet prepared at the end of the accounting period. Profit distribution shall start within thirty days after the general assembly of the issuer and if any, deduction of advance payments are made, in either case within five months following the beginning of the accounting period. If the

issuer has a loss: for the PLSCs having maturity less than the accounting period the loss share is deducted from the nominal value of the PLSCs and the remaining amount will be paid back. For the PLSCs having maturity longer than the accounting period, the loss share shall not be deducted be from the nominal value of the PLSC or collected from the PLSC owners. Loss share will be transferred to next year as last year's loss and deducted from the next year's profit, if exists; if there is a profit remain after this it will be transferred to the next year; this operation will continue to the end of the maturity; if there is an undeducted loss remaining at the end of the maturity it will be deducted from the nominal value of the certificates. If the nominal value of the PLSC is less than corresponding loss share, the exceeding amount shall not be claimed from the PLSC owner." phrase,

d) Denominations and denomination amount of the PLSCs issued before,

e) Profit or loss amount of issuer for the last three operation year and the amount of accumulated losses,

f) TTRG regarding registration and announcement of general assembly decision or approved copy of Board of Director's decision for the PLSC issue,

g) Articles of Association and amendments on it and TTRG involving the registration and announcement of prospectus,

h) Other points deemed necessary by the Board and issuer.