

STATUTE OF FINANCIAL LEASING, FACTORING AND FINANCING COMPANIES ASSOCIATION

Establishment

ARTICLE 1 – (1) The Financial Leasing, Factoring and Financing Companies Association is a professional organization founded in the nature of legal personality and is a public institution in accordance with the Financial Leasing, Factoring and Financing Companies Law Nr. 6361. Its headquarters is in Istanbul and it can establish a countrywide organization if necessary.

Definitions

ARTICLE 2 – (1) In the implementation of this Statute the following terms shall refer to;

- a) Association: Financial Leasing, Factoring and Financing Companies Association,
- b) Board: Banking Regulation and Supervision Board,
- c) Agency: Banking Regulation and Supervision Agency,
- ç) Law: The Financial Leasing, Factoring and Financing Companies Law Nr. 6361 dated 21/11/2012,
- d) Business: Any one or all of the Financial Leasing, Factoring or Financing companies in the business,
- e) Company: Financial Leasing companies, Factoring companies and Financing companies established in Turkey.

Membership to the Association

ARTICLE 3 – (1) All Operating Financial Leasing, Factoring and Financing companies are required to become a member of the Association within one month of receiving the operating permission in accordance with the provisions of the Law and comply with the provisions of this Statute and enforce decisions taken by the Associations' competent organs.

(2) Any company operating permission of which is removed, or which is merged with one or several companies, or whose assets and liabilities and other rights and obligations has been transferred to another company operating in Turkey, or which has taken liquidation decisions will be excluded from the Association Membership unconditionally.

Objectives, Powers and Duties of the Association

ARTICLE 4 – (1) The objective of the Association is to defend the rights and benefits of member companies, to conduct research in order to enable growth of business, ensure healthy operations, improve relevant professions and increase the strength of competitiveness within the boundaries of the free market economy and full competition principles and in accordance with the regulatory rules and principles thereof. To perform this goal, the Association shall execute the below mentioned tasks:

- a) Creating policies and take decisions for the improvement of businesses and their relevant professions.
- b) Determining principles and standards for companies to comply.
- c) Ensuring the companies' operations to be in accordance with economical needs through unity, professional dignity and discipline by determining professional and ethical principles.

- d) Informing companies about the decisions taken in compliance with relevant legislations and the measures asked to be taken by the Agency.
- e) Taking necessary measures to preserve competitiveness.
- f) Representing and promote businesses domestically and abroad and take actions to enlighten the public regarding this issue.
- g) Gathering domestic and international developments about the economical and financial businesses and its own system and informing the members and the concerned parties.
- h) Taking decisions to enhance and strengthen professional cooperation between member companies.
- i) Giving governmental authorities and organizations general advisory opinions about relevant companies and businesses.
- j) Providing cooperation to member companies in joint projects.
- k) Collecting non-confidential statistics of companies and businesses and releasing these to the public.
- l) Following business regulations and informing companies thereof.
- m) Determining principles; the businesses are to comply with regarding advertisements and announcements, in accordance with relevant legislation.
- n) Monitoring the implementation of the decisions and precautions taken, applying administrative penalty measures in accordance with the law against companies that are not on timely or full compliance.
- o) Organizing training programs such as seminars, symposiums and conferences relevant to business matters.
- p) Filing lawsuits in matters of member companies' common interests, based upon a decision of the Board of Directors.
- q) Taking necessary precautions as requested by the Agency.
- r) Determining the principals and procedures regarding the private registry of financial leasing contracts based upon the opinion of the Board.
- s) Accumulating information about receivables including invoices taken over by factoring companies and banks at a Risk Center or at the discretion of the Association and determine principles and procedures in the sharing of said information.
- t) Performing other duties determined by legislation.

Representation of Companies

ARTICLE 5 – (1) Within the Association's organs, companies are represented by the authorized Director of the Board or the General Manager, or in his absence, by the Assistant General Manager.

Organs of the Association

ARTICLE 6 – (1) The Association's organs consist of the General Assembly and the Board of Directors. The decision-making body is the General Assembly and the executive body is the Board of Directors. A General Secretariat is also present within the Association.

General Assembly and its Duties

ARTICLE 7 – (1) The General Assembly consists of the representatives of the member companies. Its duties are as follows:

- a) Examining and approving the yearly study and calculations of the Association and independent audit reports and the Associations' consolidated budget.
- b) Electing Members of the Board of Directors.
- c) Taking necessary decisions about suggestions and wishes regarding the duties and goals of the Association suggested to the Assembly by the Board or sent to the Board by companies and take decisions about the upcoming new year.
- d) Advising the Board regarding necessary changes in the Statute.
- e) Approving the independent auditory company proposed with regard to Article 13.
- f) Deciding on the purchase and sales of properties to achieve and realize the Associations' goals.

Meetings Procedure of the General Assembly

ARTICLE 8 – (1) The general and extraordinary meetings of the General Assembly are conducted in the Associations' headquarters or at another location decided upon by the Assembly. The general meeting is held every year within the month of April. The Board decides on the location, day, time, agenda and in lack of quorum the points of the meeting. However, the first and second meeting days can not be less than a week apart from each other. The Boards' decision is sent to companies and the Association via registered mail, a registered electronic mail system or a private courier by the General Secretariat 30 days prior to the first meeting. At least 15 days prior to the General Assembly election meeting, three copies of a list of companies and their representatives to be present at elections, a memorandum with the points to be discussed that were decided by the Assembly are entrusted to the Justice who is appointed Election Committee Chairman by the Supreme Electoral Council. The Justice examines the list and other points and confirms them.

(2) The extraordinary meeting is held upon the call of the Board or the written application of companies, equal to the number of business companies with the least members. The information regarding this meeting is, as specified in the first clause, sent to the Board and in case of elections, to the Justice appointed as the Elections Committee Chairman.

(3) For General Assembly electoral meetings, the Elections Committee Chairman Justice appointed by the Supreme Electoral Council appoints one Ballot Chairman and two Ballot members and their replacements.

Meeting and Quorum

ARTICLE 9 – (1) The General Assembly is held with the participation of half of the companies in each business sector. If quorum is not reached in the first meeting, it is not required in the second meeting.

(2) Only the points in the agenda are discussed in the General Assembly. However a proposition suggested by one of the participating companies during the meeting that receives majority of vote to be discussed by participating companies must take place in the agenda. Decisions are reached by majority of vote.

Chairman Council of the General Assembly

ARTICLE 10 – (1) A Chairman, a Deputy Chairman and two clerks are elected to supervise the council to be formed among existing members. Meeting minutes and taken decisions are signed and preserved by the Chairman, the Deputy Chairman and the clerks.

Voting Rights, Voting Process, and Reporting of Decisions

ARTICLE 11 – (1) Each business is represented with equal vote in the Assembly. Voting rights of each company, from each business sector is determined by the Associations total vote numbers' one third vote numbers divided by number of companies within the business in question. Decisions are reached by majority of vote.

(2) The election of the Board of Directors' members is done separately for each business sector, with each sector holding equal vote rights. In these elections companies participate in the separate voting process of their business sectors.

(3) The principle of the voting process in the elections is secret ballot, open classification. The written official election results report is signed by the Ballot Chairman and its members. All objections to the elections are to be made within two days of the official report. The Election Committee Chairman Justice examined such objections within the period specified by the Law and determines a final decision on the matter.

(4) Ballots in the General Assembly are open. Only during elections or by decision of the Assembly secret ballot is used. The election for Council Chairman and the clerks can be open by the decision of the Assembly. A copy of the decisions will be sent to the members and the Association via registered mail, private courier or registered electronic mail system.

Board of Directors and its Formation

ARTICLE 12 – (1) The Board of Directors, as specified in the second clause of Article 11, is elected separately for each business and consists of 15 members of the 5 companies with the highest votes within their business.

Duties of the Board of Directors

ARTICLE 13 – (1) The Board of Directors is an executive organ. Its duties are as follows:

- a) Deciding upon authorities of signature under documents that will put the Association under responsibility.
- b) Electing the Chairman and Deputy Chairmen of the Board.
- c) Assignment of the General Secretary, determination of his/her salary and benefits.
- d) Assignment of the General Secretary Deputies according the Business Representatives Assemblies suggestions and determination of their salaries and benefits.
- e) Calling the General Assembly to a general or extraordinary meeting, determination of the agenda, location, day and time of the meeting.
- f) Approval of the Association's internal regulations.
- g) Determination of the Association's salary policy, identifying which departments to be established or to shut down within the Association.

h) Presenting decisions of purchase and sales of properties for the achievement and realization of the Associations' goals, to the approval of the Assembly .

i) Examining the Association's administrative budget and the Association's consolidated budget prepared by the General Secretariat and presentation of these budgets to the approval of the Assembly.

j) Deciding upon the usage of the Association's consolidated budget approved by the Assembly.

k) Taking disciplinary decisions.

i) Taking decisions, with the aim of improving the business and its relevant professions, to take part in domestic and international activities and cooperations and join international Associations or boards in accordance with the relevant legislations.

l) Maintaining and improving professional ethics, discipline and solidarity.

m) Sharing requested information with authorities in accordance with the relevant legislations.

n) Publishing of statistics.

o) Establishment of economic operation/s according the Association's needs or based on demands by the Business Representatives Boards; ensure all accounts and receivables are followed under the budget of the business the economic operation/s are relevant to.

p) Executing managerial proceedings of economic operations established for the common needs of businesses.

q) Suggesting and presenting an independent audit company to the Assembly for approval.

(2) The Board asks the member who disobeyed provisions in the Association Statute, general or special nature decisions and precautions taken by the Associations' decision organ for a written defense. The decision on whether to take disciplinary actions is made after the defense is assessed. In case a defense is not submitted within one month of the written notification's date asking for a defense, it is presumed that the member waived their right of defense. The Board must finalize disciplinary matters within two months of the notification asking for a defense. This period can be prolonged for maximum of one month.

(3) The Board may form a Disciplinary Council for the disciplinary investigation, receiving the oral or written defences of the accused members and the preparation of the investigation report.

(4) Disciplinary decisions taken by the Board about members who have not obeyed the Associations' general or special nature decisions or precautions in time or fully, are subject to the predicted fines in Law Nr. 42.

(5) The member company or its representatives are not allowed to join meetings where disciplinary meetings may be taken against them.

(6) The Board might form a council of financial consultants selected among the executives experienced in finances or audits.

Chairman of the Board of Directors

ARTICLE 14 – (1) The Chairman of the Board of Directors represents the Association and is responsible for the execution of the decisions taken by the Board and the Assembly.

Election of the Chairman of the Board of Directors

ARTICLE 15 – (1) The Chairman of the Board is selected by the Board members, among Board members. Unless otherwise agreed upon, the election is by open ballot. The Chairman's term is limited to the Board's tenure. In case the same Board is re-elected by the Assembly for any reason before end of its tenure, the Chairman is re-elected until the end of his/her term.

(2) In case the Chairman's responsibility at the company ends or his/her Chairmanship ends for any other reason, the Board, within a month, elects a new Chairman from the same business sector by specifying a name among its members to finish the term.

(3) Upon their release from duty, no other Chairman from the same business can be elected for office for the following two election terms.

Deputy Chairmen and their Elections

ARTICLE 16 – (1) The Board elects two deputies among Board members belonging to two different businesses than that of the Chairman by specifying their names. The Deputy Chairman's term is limited to the Board's tenure. In case the Deputy Chairman's responsibility at the company ends or their Deputy Chairmanship ends for any other reason, the Board, within a month, elects a new Deputy Chairman from the same business by specifying a name among its members to finish the term.

Board of Directors Members and their Terms

ARTICLE 17 – (1) The Board members are elected for a term of three years. Members whose term finish may be re-elected. Board memberships of companies the memberships of whom come to an end are automatically terminated. In this case, a member from the same business is temporarily appointed to the Board membership through voting on the basis of majority in the Assembly or in case of a tie, the member having the higher active total by the end of the year is appointed. The Board members are not compensated financially for this duty.

Meeting of the Board of Directors

ARTICLE 18 – (1) The Board assembles with the approval of the Chairman or in their absence, the approval of one of the Deputy Chairmen according to the needs of the Association through the Secretariat's call. Each member may ask for a written meeting invitation from the Chairman. It is mandatory for the Board to meet at least once every two months. The Board may meet at the Association headquarters or another location. The meeting agenda and location is sent to members by the Secretary. In order for the meeting to take place, the majority of the members must be present. Decisions are taken by a majority of participants. In case of a tie, it is agreed upon that a decision could not be reached.

(2) At its first meeting after the election, the Board elects an accountant by specifying a name. The accountant's term is limited to the tenure of the Board. In case the accountant's duty at the company ends or their accountant position is unfilled for any other reason, the Board elects a new accountant by specifying a name among the members to finish the term.

Business Representative Council's Formations, Operations, Duties and Powers

ARTICLE 19 – (1) The Board fulfills the business relevant execution activities identified in this Statute through Business Representative Councils. Business Representative Councils consist of 7 member companies, which were elected by the majority of vote as specified in Article 11 clause 2, in the elections separately held for each of the business sectors.

(2) Business Sector Representative Council terms are limited to the Board's term. Members whose terms finish may be re-elected. Council memberships of companies the Association memberships of whom come to an end are automatically terminated. In this case, a member from the same business is temporarily appointed to the Council membership through vote majority in the Assembly or in case of a tie, the member having the higher active total by the end of the year is appointed.

(3) The Board Chairman and Deputy Chairmen are the natural presidents of the Councils. Council's Deputy Chairmen are elected by their Council members.

(4) Business sector representative Councils meet at least once a month. However, for business relevant cases, the Council Chairman or in their absence the Deputy Chairmen can call an extraordinary meeting. Each council member may ask the Chairman to call the Council to a meeting. The Council may meet at the Association headquarters or another location. In order for the meeting to take place, a majority of the members must be present. Decisions are reached through majority of participants. In case of a tie, it is agreed upon that a decision could not be reached.

(5) The Councils' duties and authorities are as following:

a) Taking advisory decisions relevant to their business, present these for the approval to the Board.

b) Executing Board decision within their given authority.

c) Preparing business budgets, present these to the Secreteriat for consolidation and define business fees.

d) Representing its business to domestic and international institutions and organizations within its authorities defined by the Board.

e) Creating projects to represent its business domestically and internationally.

f) Organizing training programs such as seminars, symposiums and conferences; creating cooperation to improve businesses and relevant professions.

g) Compiling business relevant information and news and distribute the information to the concerned parties.

h) If applied for, providing companies with information needed to perform their operations or making access to these information easier.

i) Investigations in all matters relevant to the business, keep business statistics.

j) Establishment of the infrastructure in compliance with the Law's 21. , 22. and 43. Articles within their relevant Business Council, ensure correct and uninterrupted information flow regarding procedures mentioned in the Law and ensure the procedures are performed regularly.

k) Determine suggestions, demands, wishes and applications to be made to the authorities and present the demands to the Board for necessary actions to be taken.

l) Demand the Board to file lawsuits in case it is for the benefit of all or part of the companies.

m) Managing economical businesses - established specially for the needs of the business sectors and report to the Board.

n). Suggesting a Deputy General Secretary, and his/her benefits, to the Board for the Council's own business sector.

o) Determining the number and benefits of the staff for businesses directly affiliated to the Business Sector Representative Council

(6) The coordination of the Business Sector Representative Councils with the Board of Directors and member companies is made through the General Secretariat.

Appointment of General Secretary, Duties and Authorities

ARTICLE 20 – (1) The General Secretary is appointed by the Board. The General Secretary must have an education of at least a bachelory and 10 years of professional experience in one of the areas of law, banking or finance.

(2) The General Secretary's duties and authorities are as follows:

a) Announcing General Assembly decisions and deemed necessary Board of Directors decisions to companies and follow their implementation.

b) Performing duties given by the Board

c) Preparing reports about the Association's administrative staff, organizational structure, salary policies, regulations and activities and presenting these to the Board for approval.

d) Preparing the Association's administrative budget; consolidating business budgets and administrative budgets and presenting consolidated budgets to the Board for approval.

e) Management of all financial and administrative organizations of the Association.

f) Providing coordination between Business Representative Councils and the Board through Deputy General Secretaries.

g) Executing Council Secretariat duties through Deputy General Secretaries.

g) Keeping Association's accounting and accounting books and other books, conduct the related correspondences.

h) Representing the Association in presence of authorities, in courts and in relations with third parties in honor of the Board.

i) Preparing views and information requested from the Association by Law, in coordination with Business Representative Councils and presenting these views and information to Board for approval.

j) Coordination of all administrative, financial and budget matters of economical businesses established by the Association, through the Deputy General Secretaries and informing the Board.

(3) If deemed necessary, the General Secretariat can receive all external services including consultancy services with the approval of the Board.

Appointment of Deputy General Secretaries, their Duties and Authorities

ARTICLE 21- (1) With each representing a relevant business sector, a total of three Deputy General Secretaries perform duties. Deputy General Secretaries are appointed by the Board according to the suggestions of the Business Representatives Assemblies. These suggestions also include salaries and benefits for these Secretaries. The Deputy General Secretaries must have an education of at least a bachelory and 10 years of professional experience in one of the areas of law, banking or finance.

(2) Provided that being under the management of the General Secretary, Deputy General Secretaries' duties and authorities are as follows:

- a) Providing all secretarial services to the Business Sector Representatives Councils.
- b) Reporting business sector financial reports, business sector budget realization reports and Association's activities regarding business sectors to the Council.
- c) Coordination of administrative organs of the Council and Association with the Board.
- d) Ensuring the flow of information regarding the economic businesses between the parties.
- e) Preparation of views and information requested from the Council and presentation of these to the Council for approval.
- f) If deemed necessary, organization activities of business committees and work-groups, inform Council of studies.
- g) Performing other duties assigned by the General Secretary.

Financial Provisions

ARTICLE 22 – (1) The Associations fiscal year term is 12 months starting from January the 1st.

(2) The Association's administrative budget and the separate budgets for each business sector are combined into a consolidated budget.

(3) The Association's shareholding costs that were accepted at the meeting of Assembly are divided equally between all member companies. Business shareholding costs that were accepted at the meeting of Assembly are equally divided between member companies of the relevant business.

(4) It is mandatory for companies to deposit their shareholding costs to the Association's bank account until the end of May in full amount and undeposited costs shall be collected by execution. Board of Directors decisions regarding shareholding costs are considered written official documents in compliance with the Execution and Bankruptcy Law Nr. 2004 Article 68.

(5) The transfer of businesses' shareholding payments to the relevant business account is followed-up by the General Secretariat.

(6) In case the Association membership of a member company is terminated for any reason, the advance collected shareholder cost payments are not returned. In case the Association membership of a company is terminated for any reason without shareholding costs having been deposited to the Association, the Board is authorized by clause four of shareholding cost shares with regard to its collection.

Association's and Business Budget Incomes

ARTICLE 23 – (1) Association's and business sector budget incomes are provided by the sources below:

- a) Association and business sector shareholding cost shares.
- b) A one time entry fee determined by the Board, to be paid by companies upon gaining membership and allocated to the relevant business sector budget.
- c) Revenue surpluses transferred from the previous year recorded in the Association and/or relevant business sector budgets.
- d) Profit shares that might be distributed by economic businesses to be recorded in the Association and/or relevant business sector budget.
- e) Donations made in the name of the Association or business sectors.
- f) Other incomes of the Association and business sectors.

Association Registration Procedure

ARTICLE 24 – (1) Records, documents and books are kept and maintained in accordance with the relevant legislation.

Independent Audit

ARTICLE 25 – (1) Accounts and records of the Association are audited by independent establishments and audit reports and annual reports are presented to the establishment within three months after the end of the fiscal year each year. The independent audit report is also presented to the Assembly.

Interim Board of Directors

PROVISIONAL ARTICLE 1- According the provisions of this Statute, the chairmen of business associations and 4 members to be elected by each business association board, in total 15 members act as first Board of Directors until the Board of Directors is formed. The chairmen of the associations having managerial authorities also execute the Chairman of the Board position in the interim. However decisions that need to be taken by the chairmen are taken with the agreement of the business association chairman.

First General Assembly

PROVISIONAL ARTICLE 2 – Within the first 3 months of this Statute's appliance, the first General Assembly meets in response the Interim Board's call for meeting. The Chairman and members of the General Assembly are elected by the majority vote of all the participating companies' total number.

Force

ARTICLE 26 – (1) This Statute shall come into force at the date of publication.

Executive

ARTICLE 27 – (1) The provisions of this Statute shall be enforced by the Minister whom the Banking Regulation and Supervision Agency is affiliated to.

