

TEKSTİL BANKASI ANONİM ŞİRKETİ
ARTICLES OF INCORPORATION

The Articles of Incorporation attested at Beşiktaş 5th Notary Public with number 011912 and dated April 14, 1986, have been published in the Commercial Gazette, numbered 1511 and dated May 9, 1986.

(The amendments to the Articles 9, 10, 11, 13, 15, 24, 25, 35, 36, 41, 42, 43, 52, 56 and 65 of the Articles of Incorporation have been published in the Commercial Gazette, numbered 3042 and dated June 3, 1992)

(The amendment to the Article 8 of the Articles of Incorporation has been published in the Commercial Gazette, numbered 7164 and dated 09 October 2008)

PART ONE

FOUNDATION OF THE BANK, ITS OBJECTIVE, SUBJECT AND ACTIVITIES

FOUNDATION

ARTICLE 1 - The founders whose signatures appear at the bottom of these Articles of Incorporation have caused a joint-stock company established to engage in activities in the field of banking, in conformity with the provisions of the Turkish Commercial Code and of the related banking legislation, and in accordance with the procedures of instant incorporation.

LEGAL NAME

ARTICLE 2 - The legal name of the company shall be "TEKSTİL BANKASI ANONİM ŞİRKETİ". Pursuant to Article 55 of the Turkish Commercial Code short operating name of the Bank shall be "TEKSTİLBANK."

FOUNDERS

ARTICLE 3 - Names, nationalities, and addresses of the founders; and the shares of capital to which they subscribed and indicated at the end of these Articles of Incorporation.

OBJECT

ARTICLE 4 - The main objective in establishing the Bank and in determining its field of activities is to undertake and all manner of banking transactions, the acceptance of deposits, and the performance of all legal transactions and business falling within the areas of competency of banks, within the limits that have been or will be stipulated by the Banking Code (Law No. 3182) currently in force and by any laws and decrees with the force of law that may go into force in the future, as well as by any legal arrangements or legislation pertaining thereto.

ACTIVITIES IN ACHIEVING THE OBJECTIVES

ARTICLE 5 - In achieving the objective indicated in Article 4 of these Articles of Incorporation, the Bank engages in the activities enumerated below:

- 1) It acts as an intermediary in export and import transactions and carries out banking activities pertaining thereto.
- 2) It draws up and accepts letters of guarantee at the national and international level.
- 3) It accepts deposits of every type and directs the proceeds of these deposits into investments and into activities conducive to furthering the development of exportation.
- 4) It establishes financial relations on the basis of profit sharing.
- 5) It opens deposit accounts denominated in foreign currencies. It accepts deposits into such accounts from within the country and from abroad. Basing on the proceeds of such accounts it may undertake investments in foreign countries, issue orders for payment, affect transfers, and provide funding for imports.
- 6) It maintains funds in foreign exchange. It performs foreign exchange transactions in domestic and international markets. It directs the funds that it obtains in foreign markets into domestic investments and into the export activities. For promoting export activities it engages in coordination activities.

- 7) It may conclude medium and long-term credit agreements with foreign and national banks. It may accept export advances.
- 8) To assist exporters in their efforts to firmly establish themselves in foreign markets it extends loans to foreign customers of Turkish exporters.
- 9) It prepares and implements comprehensive projects to strengthen competitiveness of Turkish exporters in overseas markets; and it forms consortia for this purpose. Through such consortia, it helps Turkish exporting companies to participate in big international export projects.
- 10) It may establish companies for the purpose of organizing and carrying out the business of packing, analyzing, transporting, loading, and discharging export commodities, and the business maintenance and supervision in this field.
- 11) It opens joint offices of representation and consultation centers in foreign countries. It may establish international clubs with foreign banks to promote international cooperation, or it may join such clubs already formed.
- 12) It may acquire and transfer patents, privileges, licenses, concessions, trademarks, models, drawings, trade names, know-how, and similar non-material rights; and it may engage in all legal dispositions pertaining thereto.
- 13) It cooperates with the International Bank for Reconstruction and Development (IBRD) and with other international financial organizations for the purpose of directing foreign investment to such economical fields enumerated in the Economic Development Plans and/ or such fields where shortage of capital exists.
- 14) It concludes correspondence agreements directly with foreign banks. It may open branches and establish agencies in foreign countries. It may enter into partnership with domestic and foreign banks and may become a partner in existing partnership.
- 15) It may participate in studies, economic research, investigations, and conferences that seek to find solutions to common problems, and organized within the framework of cooperation among the banks of other countries. It may exchange personnel and experts for this purpose.
- 16) To meet the demand for large-scale credit on the part of businesses and to meet the requirements of large-scale export transactions, it may establish consortia with other banks at the national and international level and/ or it may join existing consortia.
- 17) It provides aid to its customers in establishing overseas partnerships with the aim of freeing goods that are subject to various restrictions and barriers imposed by foreign authorities.
- 18) It may, on behalf of its customers, intervene in litigation aiming to resolve the disputes that have arisen from international commercial and industrial activities. It may perform the legal activities that are necessary for this purpose.
- 19) By providing credit and banking services it may support the establishment of general and special-purpose data processing centers and the provision of consultancy services in this field.
- 20) In line with its objectives it may buy, construct, or lease real estate. It may establish legal rights on real estate and it may cause such rights to be removed when needed.
- 21) It may issue ordinary and premium-bearing bonds and bonds that are convertible to stock. It may sell such bonds in domestic and international markets. It may maintain a portfolio of stocks. It may sell the stocks and bonds in its portfolio in domestic and foreign markets, or may lend support to their sale, or may provide guarantees. It performs banking services related thereto.

- 22) It may accept and relinquish mortgages over real estate and pledges over businesses as the principal and supplementary surety for its claims. It may post movable and immovable properties as well as legal rights established thereon as surety. It may transfer and assign such rights to others as surety.
- 23) It may underwrite the sale of stocks and bonds offered for sale to the public according to the relevant provisions of the Capital Market Code. It may establish, operate, manage and negotiate securities investment funds. It may engage in other business and transactions, exercising the authority that has been or will be granted by that Code to banks.
- 24) It may buy, sell, and engage in all legal dispositions regarding Treasury bonds and bills. It may buy, sell, and engage in all legal dispositions regarding the stocks in public partnerships.
- 25) It may engage in all manner of industrial and commercial transactions, acts, and business according to the banking legislation, the Turkish Commercial Code, and the Capital Market Code, as well as with other laws and legal arrangements pertaining thereto. It may participate in corporate entities and organizations that are engaged in activities in such matters and that are founded according to the provisions of public and private law and it may establish partnership with them. It may buy, sell, and engage in all legal dispositions regarding the stocks, other securities, negotiable instruments, and bonds of corporate entities that have been or will be founded according to the provisions of public and private law. It may accept them and grant them as surety.
- 26) It may buy commercial and industrial commodities and real estate according to the provisions of law pertaining to banks. In the same manner and under the same conditions it may sell them and engage in all legal dispositions pertaining thereto. It may conclude leases and stand as guarantor, accept guarantees, establish mortgages, have existing mortgages released, contract pledges over commercial enterprises, enter into pledging agreements and enter into leasing agreements.
- 27) It may take measures to reduce the risks that corporations and business enterprises may encounter in their dealings in foreign exchange earning activities. It serves as guarantor in such business. It may establish expert organizations for this purpose and join national and international organizations that have been or will be established.
- 28) It may engage in activities pertaining to all commercial and industrial matters in which banks are or will be allowed to engage.
- 29) It may act as an insurance agent.
- 30) It may provide the personnel of the Bank with various fringe and health benefits and in keeping with the requirements of this objective; it may establish funds, chests, and foundations and set up endowments.

While performing these activities the Bank shall comply with all the prohibitions and restrictions that are stipulated in the banking legislation and that pertain to subsidiaries and to the trade in commodities and real estate.

HEADQUARTERS AND BRANCHES

ARTICLE 6 - The Bank's headquarters shall be in Istanbul.

By resolution of the Board of Directors, the Bank may open branches, agencies, representative's offices, correspondent's offices, and fixed or mobile offices in Turkey and abroad. The provisions of the banking legislation and of the Turkish Commercial Code must be complied with when opening these offices, when allotting capital to them, when allowing their commencement of activity, their mergers, the suspension of their activities, and their liquidation.

TERM

ARTICLE 7 - The Bank is founded in perpetuity.

PART TWO

THE BANK'S SHARE CAPITAL AND STOCK

CAPITAL

ARTICLE 8 - The Bank's share capital is TRY 420,000,000 (Four hundred twenty million New Turkish Lira). This share capital is divided into 4,200,000,000 (Four thousand two hundred million) shares each having a par value of Ykr 10 (Ten New Turkish Kurus).

Of the total number of 3,000,000,000 (Three billion) shares representing the Bank's previous share capital of TRY 300,000,000 (Three hundred million New Turkish Lira) which has been paid in full, the portion of 2,100,000,000 (Two thousand one hundred million) shares corresponds to Group (A) stocks while the portion of 900,000,000 (Nine hundred million) shares corresponds to Group (B) stocks.

Present capital increase is divided into a total number of 1,200,000,000 (One Thousand two hundred million) shares, 840,000,000 (Eight hundred forty million) of which corresponds to Group (A) stocks and the rest of 360,000,000 (Three hundred sixty million) corresponds to Group (B) stocks.

Of the total capital increase of TRY 120,000,000 (One hundred twenty million New Turkish Lira), TRY 9,449,000 (Nine million four hundred and forty nine thousand New Turkish Lira) of which comes from effects on inflation accounting on share capital, TRY 50,551,000 (Fifty million five hundred and fifty one thousand New Turkish Lira) of which comes from extraordinary reserves has been completed and their bonus shares have been issued to our shareholders.

The capital increase of TRY 60,000,000 (Sixty million New Turkish Lira) has been fully subscribed in a manner of free of any simulation and fully paid in cash.

NUMBER OF STOCKHOLDERS AND LIMITATION ON CAPITAL

SHARES

ARTICLE 9 - The total number of the Bank's stockholders can in no case be less than 100. Any transfers of shares which represents 10% or more of the Bank's capital or which cause a single stockholder's share in the capital exceed that proportion shall be possible only if the transferee Stockholder meets the qualifications required for the founders and the necessary authorization is obtained from the Undersecretariat of Treasury and Foreign Trade. Transactions that cause the number of stockholders fall below 100 and transfers carried out without obtaining the official authorization shall not be recorded in the Stockholders Register.

STOCK CERTIFICATES

ARTICLE 10 - Each participation share constituting the Bank's share capital shall be represented by stock certificates each having a par value of one hundred thousand Turkish Liras and consisting of Group (A) and Group (B) stock certificates in numbers stated in Article 8 of these Articles of Incorporation. The Board of Directors may issue larger denominations of stock certificates representing more than one share. All stock certificates shall be issued against cash and as stocks registered in the name of the owner and shall be quoted in the Securities Exchange.

THE FORM OF STOCK CERTIFICATES

ARTICLE 11 - The stock certificates shall be drawn up in the Turkish language and according to the provisions of Turkish Commercial Code and Communiqués of Capital Market Board.

The dividend coupons associated with the stock certificates shall be drawn in the name of the bearer. The dividends shall be paid to the bearers of such coupons against the presentation of the coupons.

INDIVISIBILITY OF SHARE CERTIFICATES

ARTICLE 12 - The Bank considers participation shares and stock certificates as one indivisible whole. The Bank recognizes only one single owner for each share and each stock certificate.

If stock certificates are possessed by more than one owner, such owners may exercise their rights before the Bank through a joint representative. In situations where a representative cannot be appointed, any communication made by the Bank to one of the owners shall be considered to have been made to all owners.

TRANSFER OF STOCK CERTIFICATES

ARTICLE 13 - The Bank's stock certificates, which are entirely registered in the name of the owner, may be freely transferred. Such transfers shall be considered as effective upon the delivery of the endorsed certificate to the transferee. Nevertheless, transfers shall be effective against the Bank only when they have been entered into the Stockholders' Register. The Bank registers the names, surnames and addresses of the registered stock certificate owners in a stockholders' register.

The name of a transferee shall not be entered into the Stockholders Register unless it can be proven that the transfer was affected according to the provisions of the first paragraph of this Article, the Board of Directors shall indicate on the stock certificate that registration had taken place. Only the person whose name is registered in the Stockholders' Register shall be designated as a stockholder vis-à-vis the Bank.

The Bank may, without showing any reason whatsoever, refrain from registering such transfers in the Stockholders' Register.

The provisions of Articles 418 and 419 of Turkish Commercial Code shall apply to transfers of registered stock certificates that have not been paid in full.

In all instances the provisions of laws on inheritance, administration of the property of spouses and transfer of stock certificates through enforced collection shall be observed.

The stockholders shall have preferential rights regarding the purchase of the new stock certificates to be issued if there is an increase in the capital. The form and the period in which such preferential rights are to be exercised shall be determined by the General Assembly.

STOCK VOUCHERS

ARTICLE 14 - The Bank may issue provisional vouchers registered in the name of the owner in place of stock certificates and deliver them to Stockholders with the proviso that these are to be exchanged for stock certificates later.

Rules concerning the type, form, indivisibility, transfer, and intrinsic rights of stock certificates shall apply equally to stock vouchers insofar as such rules may prove to be applicable to stock vouchers.

INCREASES AND DECREASES IN THE SHARE CAPITAL

ARTICLE 15 - The Bank's share capital may be increased or decreased according to the provisions of the Turkish Commercial Code and the banking legislation. The principles concerning the number of stockholders and their shares in the capital as well as the rules concerning the type, form, denomination and quotation of stock certificates as stipulated in the Articles 9 and 10 of these Articles of Incorporation shall also be observed and complied with in increasing or decreasing the share capital.

In instances where decisions on increasing or decreasing the share capital are to be made, the provisions of the Articles 24 and 25 of these Articles of Incorporation regarding the quorums for meeting and taking decisions shall be observed.

BONDS AND PROFIT-SHARING CERTIFICATES

ARTICLE 16 - Duly observing the provisions of the Turkish Commercial Code and its relevant communiqué and/ or of other legislation that may replace or amend them in the future the bank may issue, in various forms, guaranteed and non-guaranteed bonds and profit-sharing certificates (profit as well as loss sharing bonds).

Bonds and profit-sharing certificates could only be issued basing on the resolution of the General Assembly of Stockholders. The General Assembly, however, may empower the Board of Directors with the authority of determining quantity, time of issue, and conditions of the bonds and profit-sharing certificates whose issuance has already been resolved by the General Assembly.

LOST OR WORN STOCK CERTIFICATES

ARTICLE 17 - Procedures as stipulated in the Turkish Commercial Code shall be followed in situations where stock certificates, bonds, and profit-sharing certificates are lost, stolen or destroyed, become worn, or otherwise leave the possession of their owner except by his volition.

PART THREE

AUTHORISED DIVISIONS AND MANAGEMENT OF THE BANK

A) GENERAL ASSEMBLY OF STOCKHOLDERS

ORDINARY AND EXTRAORDINARY SESSIONS OF THE GENERAL ASSEMBLY OF STOCKHOLDERS

ARTICLE 18 - The Bank's stockholders shall convene as the General Assembly of Stockholders at least once a year. General assemblies that convene according to the provisions of law and of these Articles of Incorporation represent all the stockholders. The resolutions of the General Assembly shall apply with equal force to those stockholders who were absent from the meeting and/ or who voted in opposition to them.

The General Assembly shall convene in ordinary and extraordinary sessions. Ordinary sessions must without exception be held at least once a year and within three months following the end of the fiscal year. At this meeting, the matters that must be placed on the agenda pursuant to Article 369 of the

Turkish Commercial Code as well as the Bank's business and accounts for the year shall be examined and decisions shall be adopted thereon.

Extraordinary sessions of the General Assembly shall convene under circumstances and at times as may be required by the Bank's business.

It is the duty of the Board of Directors to prepare for meetings of the General Assembly according to law and due procedure.

CONVOCAATION

ARTICLE 19 - The convocation of an ordinary session of the General Assembly is the duty of the Board of Directors, while the convocation of its extraordinary sessions is the duty of the Board of Directors as well as pursuant to Article 355 of the Turkish Commercial Code - of the statutory auditors. In addition, upon the written request (declaring the reasons necessitating the request) of stockholders representing at least one tenth of the share capital, the Board of Directors shall be obliged to convene the General assembly in extraordinary session; or, if the meeting of the General Assembly has already been decided upon, the items whose deliberation is desired must be placed on the agenda. In the event that such requests on the part of the stockholders are not taken into consideration by the Board of Directors or pursuant to Article 355 of the Turkish Commercial Code - by the statutory auditors, then a court having jurisdiction in the place where the Bank's headquarters are located may, upon a petition by the stockholders in question, authorize them to convene the General Assembly or to have the matters they wish placed on its agenda.

FORM OF THE INVITATION

ARTICLE 20 - The day, time, and place of meetings of the General Assembly of stockholders shall be announced, at least two weeks in advance (not counting the day of the invitation and the day of the meeting) in one of the newspapers chosen by the Board of Directors and circulating where the Bank's headquarters are located and as well as in the newspaper referred to in Article 37 of the Turkish Commercial Code.

In inviting the owners of registered stock certificates to the ordinary or extraordinary general assemblies of stockholders the provisions of the Article 11 of the Capital Market law shall be applied.

AGENDA

ARTICLE 21 - Announcements pertaining to the convocation of the General Assembly as well as the letters of invitation must contain the agenda. These agendas, which are to be prepared in accordance with the principles of Article 369 of the Turkish Commercial Code, shall include the reading of the reports by the Board of Directors and by the statutory auditors; the ratification of the balance sheet, profit and loss statement, and proposal concerning the distribution of dividends; the election of those members of the Board of Directors and of those statutory auditors whose terms of office have expired and the determination of their fees; and all other matters that must be deliberated upon.

Except in those exceptional situations provided for in the Turkish Commercial Code, matter not included in the agenda should neither be deliberated nor decided upon at meetings of the General Assembly.

PLACE OF THE MEETING

ARTICLE 22 - The General Assembly shall convene at the Bank's headquarters or at some suitable place in the city where the headquarters are located.

PRESENCE OF GOVERNMENT REPRESENTATIVES AT MEETINGS

ARTICLE 23 - At least two weeks in advance of ordinary and extraordinary sessions of the General Assembly, the Ministry of Industry and Commerce and the Undersecretariat of the Treasury and Foreign Trade must be advised thereof in writing, and copies of the agenda (together with those of reports and balance sheets) must be sent to them. A representative from the Ministry of Industry and Commerce must be present at such meetings and no decision adopted at any meeting of the General Assembly conducted without the said representative shall be valid.

QUORUM FOR MEETING

ARTICLE 24 - In the General Assembly meeting, quorum as specified in the Turkish Commercial Code shall be applicable. However,

- a) Resolutions on increasing or decreasing the share capital,
- b) Resolutions on changes in the provisions regarding the formation of the Board of Directors and on changes in the quorum requirements for Board meetings and decisions; on opening of a new seat on the Board and on the power of representation of the Bank by the Board of Directors,
- c) Resolutions on the dismissal of Board members
- d) Resolutions on changes in the provisions of Article 24 and 25 of these Articles of Incorporation concerning the quorums for meetings and decisions,
- e) Resolutions on changes in the expressions stating that the Bank's shares and stock certificates consists of the Group (A) and Group (B) shares and stock certificates,
- f) Resolutions on amending the provisions regarding the appointment of the General Manager of the Bank and Assistant General Managers, the election of statutory auditors as well as duties and terms of office, distribution of dividend and liquidators.

can only be adopted in general assembly meetings where the stockholders or their representatives representing at least seventy-one percent of the Bank's share capital are present. In all instances the provisions of Paragraph 1 of Article 20 of Banking Law No: 3182 shall be observed.

QUORUM FOR TAKING DECISIONS

ARTICLE 25 - In exceptional cases enumerated in the above Article 24 the decisions in the General Assembly shall be taken by seventy-one percent of the total number of votes of the Bank's stockholders. Decisions on all other matters shall be taken by the simple majority of the votes represented in the general assembly unless otherwise stipulated in the Turkish Commercial Code and in the banking legislation.

VOTING RIGHTS

ARTICLE 26 - In the General Assembly meetings, stockholders shall be entitled to a one vote for each share of stock owned.

FORM OF VOTING

ARTICLE 27 - Voting in the General Assembly meetings shall be made by raising hands. It shall be necessary to have recourse to secret balloting if the stockholders representing at least one-tenth of the share capital so wish.

APPOINTMENT OF PROXIES

ARTICLE 28 - While stockholders may participate personally in meetings of the General Assembly, they may also have themselves represented at such meetings by means of a proxy whom they may designate among other stockholders or from outside.

No stockholder possessing an interest of 1% or more in the Bank's share capital, nor the chairperson or any member of the Board of Directors, nor the statutory auditors, nor any Bank officer possessing first-degree power of signature may vote as a proxy.

Nevertheless, the maximum number of votes that each proxy voter may exercise cannot exceed 1% of the total number of votes.

DEPRIVATION OF VOTING RIGHTS

ARTICLE 29 - No stockholder may exercise his voting rights in any business, case, or deliberation that is of personal concern to himself, to his spouse, to his forbears, or to his descendants.

ROSTERS

ARTICLE 30 - Prior to each general assembly meeting, the Bank's Board of Directors shall draw up a "stockholders' roster" showing the full names of the stockholders who are to participate in the meeting, together with their legal address, the types of share they possess, the numbers of shares to be represented in person and in proxy, and the number of votes they are to exercise on the basis of the shares they possess and represent. This roster shall be signed by the Chairperson of the Board of Directors.

After this roster has been signed by those participating in the meeting as well as by the chairperson of the General Assembly, and the government representative, it shall be posted and presented for the examination of those present in some place where it may be seen as the "roster of participants in the meeting before the first counting of votes."

PRESIDING CHAIRPERSON AND SECRETARIES

ARTICLE 31 - The Board of Directors shall take necessary measures to ensure that stockholders are eligible to participate in meetings and deliberations and to exercise the right to vote. The Board of Directors shall also ensure that the resolutions adopted and elections held as well as any declarations that may be made by stockholders are entered into the official minutes.

VALIDITY OF DECISIONS, SIGING, REGISTRATION, AND ANNOUNCEMENT OF MINUTES

ARTICLE 32 - In order for the resolutions of the General Assembly to be valid, minutes must be taken which will indicate the decisions made, elections held, any declaration that may be made by stockholders and the reasons for opposition on the part of any dissenters. These minutes must,

without fail, be signed by the presiding committee, as well as by the representatives of the Ministry of Industry and Commerce, and by those stockholders (or their proxies) who have voted; except when the General Assembly authorizes the presiding committee and the vote counters to sign the minutes

on their behalf. The roster showing the full names of the stockholders (or their proxies) present at the meeting as stipulated in Article 30, as well as other documents proving that invitation to the meeting were duly made shall be attached to these minutes. If the contents of these documents are separately indicated in the minutes, however, they need not also be attached.

The Board of Directors shall be obliged to immediately provide the Commercial Registry with the notarized copies of these minutes and in addition, to have those matters contained therein that are subject to registration and announcement, registered and announced.

DOCUMENTS TO BE SENT TO THE MINISTRY

ARTICLE 33 - Two copies each of the reports by the Board of Directors and by the statutory auditors as well as of the annual balance sheet, the profit and loss statement, the minutes of the General Assembly, and the roster showing the names and the shares held by those stockholders present at the General Assembly shall be sent to the Ministry of Industry and Commerce within one month at the latest beginning the final meeting day, or else they may be given to the government representative present at the meeting. In all instances, the provisions of banking legislation shall be observed.

ACQUITTAL

ARTICLE 34 - A resolution by the General Assembly approving the balance sheet shall imply the acquittal of the members of the Board of Directors as well as the statutory auditors and the Bank's officers of their responsibilities. Nevertheless, if various matters have not been indicated in the balance sheet, or if the balance sheet contains matters of error that would prevent the Bank's true standing from being seen, then the members of the Board of Directors nor the statutory auditors nor the Bank's officers can be acquitted by the approval of the balance sheet by the general assembly meeting.

Deliberations at the General Assembly concerning approval of the balance sheet may be postponed for a month upon the demand of a majority present or by a minority representing one-tenth of the Bank share capital. Notification of this shall be made to the stockholders and it shall be dully announced within the framework of the procedures in Article 20. However, in order for an additional postponement to be demanded after deliberations have been postponed once at the demand of a minority, proper explanations must be provided as to the disputed points in the balance sheet.

B) THE BOARD OF DIRECTORS

FORMATION

ARTICLE 35 - The Bank shall be administered, represented and bound by a board of directors consisting of six persons, one being the General Manager or his Deputy acting for him and the other five being the members elected by the General Assembly pursuant to relevant provisions of the Turkish Commercial Code and meeting the requirements and qualifications stipulated in the banking legislation.

Three of the five members of Board of Directors shall be elected from the candidates to be shown by Group (A) stockholders and two from the candidates to be shown by group (B) stockholders. The Bank's General Manager, and in his absence his deputy acting for him, shall be an Ex-Officio member of the Board of Directors.

TERM OF OFFICE OF BOARD OF DIRECTORS

ARTICLE 36 - The term of office of the members elected to the Board of Director shall be maximum three years.

Any member completing his term of office may be reelected. The members of Board of directors may at any time be dismissed by a decision of General Assembly to be taken in compliance with the quorum required for meeting as stated in paragraph (C) Article 24 of these Articles of Incorporation as well as the quorum required for taking decisions as stipulated in Article 25 that makes a reference to said provision. Dismissed members shall have no right to claim any compensation.

The ex officio memberships of the General Manager and his Deputies shall continue as long as they hold their post.

OBLIGATION TO ENTRUST SHARES

ARTICLE 37 - The Chairperson of the Board of Directors and each of its members shall be obliged to possess shares representing one percent of the Bank's share capital and, following their election to the Board of Directors, they shall entrust such shares to a branch of the Central Bank of the Republic of Turkey (or in places where the Central Bank branch does not exist, to a branch of the T.C. Ziraat Bankası) against a receipt. However, if one percent of the Bank's share capital exceeds ten million liras, the surplus over that shall not be required.

The obligation to entrust stock certificates on the part of members of the Board of Directors who represent corporate entities shall be fulfilled by the corporate entities that they represent.

The stock certificates so entrusted may not be posted as security against any obligation whatsoever, nor may they be pledged, nor may they be seized for any reason other than a financial responsibility arising from one's membership on the Board of Directors.

MEETINGS OF THE BOARD OF DIRECTORS

ARTICLE 38 - The Board of Directors may convene whenever the business of the Bank requires. In any case it is obligatory that the Board of Directors convene at least once a month. The Board shall be called to session by the chairperson or, in his absence, by his deputy. Any member of the Board may make a written request to the chairperson to convene the Board of Directors in session. Meetings shall be held at the headquarters of the Bank, but with the consent of more than half the membership, it shall also be possible for meetings to be held in other cities or locations. Meetings shall be conducted within the framework of an agenda previously distributed to the members by the chairperson or his deputy. If they wish, members may request time before the meeting to examine the files that are on the agenda and they may declare their views on the matter in writing.

Members and the statutory auditors may also request the chairperson to place on the agenda those matters they wish to have discusses.

QUORUM FOR MEETING AND TAKING DECISION

ARTICLE 39 - The Board of Directors shall meet with the presence of at least five of its members, and shall take its decisions by the affirmative votes of at least four members present in the meeting.

The membership of any member not attending two successive meetings of the Board of Directors shall drop. Persons who have lost their membership cannot be reelected as Board members. The

provisions of Article 315 of Turkish Commercial Code shall apply to the member of the Board of Directors, who has lost his membership in a manner described above. In that case the Board of

Directors shall meet with the presence of at least four of its members until the end of the period and shall take its decisions by the majority votes of those present in the meeting.

The members may not cast votes on behalf of one another. In the absence of the chairperson the meetings shall be opened and conducted by the deputy chairperson.

THE RESOLUTION BOOK

ARTICLE 40 - The deliberations in the meetings of the Board of Directors and the decisions reached shall be taken down by a director acting as secretary or by person from outside the Board; and shall be duly recorded without any delay in the resolution book certified by a notary public.

Resolutions must be signed by the members present and if there are any who dissent, their reasons must be recorded in the minutes and these too must be signed by those casting dissenting votes. So long as no member demands that discussions be held, it will also be possible for decisions to be rendered by the Board of Directors on some specific matter by obtaining the written consent of the membership to a proposal made by one of their number.

The form and validation of the resolution book and the manner in which it is maintained must comply with the relevant provisions of the Turkish Commercial Code and of banking legislation.

MEMBERSHIP VACANCY

ARTICLE 41 - If a vacancy occurs in one or several membership of the Board of Directors as a result of death or resignation of one or several members or for any other reasons, the Board of Directors shall elect temporary members for vacant membership from among the legally qualified candidates to be shown by the stockholder representing the same stock Group that had shown candidates for the previous membership and shall submit those persons to the approval of the next general assembly meeting. A member so elected shall serve until the next general assembly meeting. If his election is approved by the General Assembly, he shall serve to complete the remaining term of office of his predecessor. If there is any of the conditions enumerates in paragraph 2 of Article 315 of the Turkish Commercial Code, the duties of the members of Board of Directors shall have come to an end.

DIVISION OF DUTIES

ARTICLE 42 - In its first meeting following the ordinary Annual General Assembly each year, the Board of Directors shall make a division of duties by electing from its members a chairperson, one or two Deputy Chairpersons and two main and two alternate members for the Credit Committee.

The Board of Directors may establish as many committees or commissions among its members as it may need in order to follow up the Bank's course of business, to make necessary preparations for matters submitted to it, to prepare reports on all important matters particularly on matters relating to the preparation on Balance Sheet and to supervise the implementation of its decisions.

AUTHORITY TO REPRESENT OR DELEGATION OF AUTHORITY

ARTICLE 43 - A) The Board of Directors may restrict its authority to represent only to the business of the Head Office or to that of one or several specific branches pursuant to Article 321 of Turkish Commercial Code.

B) The Bank shall be administrated and represented by the Board of Directors. So that any document such as agreements, bills, power of attorney, etc. drawn up in the name of the Bank will be binding for the Bank, they shall have to bear the signatures of at least two persons, placed underneath the Bank's trade name and in compliance with the requirements stated in the

circular of authorized signatures prepared by the Board of Directors and registered in the Commercial Gazette.

THE DUTIES AND AUTHORITIES OF THE BOARD OF DIRECTORS

ARTICLE 44 - The duties and authorities of the Board of Directors shall be subject to the principles stipulated in the Turkish Commercial Code and by the banking legislation as well as to the provision of these Articles of Incorporation. The Board of Directors shall adopt decision on all matters that do not require a resolution of the General Assembly of Stockholders, that are outside the scopes of authority of the Bank's Credit Committee or of the General Manager, or that are otherwise delegated to the Board.

PROHIBITED TRANSACTIONS

ARTICLE 45 - Besides the fact that the provisions of the Turkish Commercial Code and of banking legislation are being fully observed, the chairperson and members of the Board of Directors:

- a) Could not participate in the discussion of any matter that is of interest to themselves or to any blood relative or relative by marriage up to (and including) the third degree
- b) Could not, without obtaining the permission of the General Assembly, directly or indirectly engage in any commercial transaction with the Bank for themselves and/ or for others or otherwise engage in any commercial transaction that falls with the Bank's area of business
- c) Could not directly or indirectly obtain credit from the Bank for themselves personally or for any real person or corporate entity that falls within the scope of an "indirect credit" nor could they sell bonds or similar securities to the Bank.

They could not participate in discussion concerning credit, guarantees, or surety application made by persons with whom they have an affinity within the degrees of relations stipulated in Subparagraph (3) of Article 245 of the Legal Procedures Code nor could they take part in the voting on such matters.

OBLIGATION TO SWEAR AN OATH AND MAKE A DECLARATION OF ASSETS

ARTICLE 46 - Following their election or appointment, the chairperson and members of the Bank's Board of Directors as well as its General Managers and Assistant General Manager shall be obliged to apply to a local Commercial Court and swear an oath in the manner as required by the banking legislation; they must not begin their duties until after they have sworn an oath.

Those re-elected or appointed for the same post at the end of the period covered by the oath shall not be required to take oath.

Those under an obligation to take an oath as well as those in other capacities possessing first degree power of signature on behalf of the Bank as identified by the Ministry of Finance shall be obliged to make a declaration of assets on the dates when they commence and terminate their duties and also once every five year for as long as they remain in those positions. This declaration of assets, which shall also include the assets of their spouses and of the children in their custody, shall be made according to a specimen to be determined by the Ministry of Finance and it shall then be sent to that Ministry.

RESPONSIBILITY

ARTICLE 47 - The responsibilities of the members of the Board of Directors shall be subject to the provisions of the Turkish Commercial Code and of the banking legislation as well as to those of the Code of Obligations.

COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS

ARTICLE 48 - The chairperson and members of the Bank's Board of Directors shall be paid a fixed monthly fee or else a specific per diem allowance on the basis of each meeting in return for the services they render in those capacities. The form and amount of the compensation to be paid shall be determined and set by the General Assembly.

C) CREDIT COMMITTEE

FORMATION OF THE CREDIT COMMITTEE

ARTICLE 49 - A three-man credit committee consisting of two directors selected by the Board of Directors and the General Manager shall be established to perform the duties stipulated in the banking legislation. Two alternates shall also be selected to serve in the place of a member of the credit committee who is unable to participate in a particular meeting.

DUTIES

ARTICLE 50 - The duty of the Bank's Credit Committee is to arrive at decisions on those secured and unsecured loans that fall within the limits of authority granted to it by the banking legislation. Decisions rendered unanimously by the Credit Committee shall go into effect directly while those rendered by a majority vote shall be put into effect after their approval by the Board of Directors.

THE COMMITTEE'S REGISTERS AND SUPERVISION OF THE COMMITTEE

ARTICLE 51 - Decisions by the credit committee shall be recorded in a notarized register according to the principles stipulated in the banking legislation. The Board of Directors has the responsibility of supervising the activities of the Credit Committee. Each member of the Board of Directors has the power to demand from the Committee all the information concerning its activity and make any control he may deem necessary.

D) GENERAL MANAGER, ASSISTANT GENERAL MANAGERS AND INSPECTORS

APPOINTMENT OF THE BANK GENERAL MANAGER AND ITS ASSISTANTS

ARTICLE 52 - The Board of Directors shall elect General Manager and a sufficient number of Assistant General Managers. The term of office of General Managers and Assistant General Managers shall not be limited with the term of office of the Board of Directors. The duties and powers

of the General Manager and his Assistants shall be determined according to the relevant provisions of the Turkish Commercial Code and the Banking Law No. 3182.

REQUIRED QUALITIES OF GENERAL MANAGERS AND ASSISTANT GENERAL MANAGERS

ARTICLE 53 - It is essential for the Bank's General Manager and the assistant general managers to have completed their higher education in the fields of law, economics, finance, banking, engineering, or business administration; to have work experience of at least ten years in banking or business administration to be appointed as General Manager and seven years as Assistant General Managers.

DECLARATION OF ASSETS BY GENERAL MANAGERS AND ASSISTANT GENERAL MANAGERS

ARTICLE 54 - Bank General Managers and Assistant General Managers who possess first degree power of signatures are obliged to declare their assets pursuant to the provision of Article 29 of the Banking Law No. 3182.

INSPECTORS

ARTICLE 55 - A board of inspectors shall be established consisting of a head and enough of inspectors to oversee compliance of the Bank's transaction with banking principles and legislation.

E) STATUTORY AUDITORS

ELECTION OF AUDITORS, THEIR REQUIRED QUALIFICATIONS AND TERM OF OFFICE

ARTICLE 56 - Two Auditors shall be elected by the General Assembly from among the stockholders or from outside, one to be elected from among the candidates shown by Group (A) stockholders and the other one from among the candidates shown by Group (B) stockholders, in order to perform the auditing duties pursuant to the provisions of the Turkish Commercial Code, the banking legislation and these Articles of Incorporation.

The Auditors shall be elected for a term of office of maximum three years. They may be reelected. They may be dismissed any time by the General Assembly provided that the quorum required for meetings as stipulated in paragraph (b) of Article 24 of these Articles of Incorporation and the quorum required for taking decisions as stipulated in Article 25 that makes a reference to that provision. Members of the Board of Directors whose term of office has expired cannot be elected as auditors unless they have been acquitted by the General Assembly.

The Auditors could not be elected to serve at the same time as a member of the Board of Directors or as an officer of the Bank.

Neither the descendants nor children of the members of the Board of Directors nor their spouses and nor relatives by blood or by marriage up to and including the third degree may be elected as an Auditor. Should they be so elected, they shall be obliged to resign immediately. If a vacancy occurs in the office of any one of the Auditors of if such vacancy is deemed to have occurred as a result of the existence of any one of the reasons enumerated in Article 351 Turkish Commercial Code, then the other Auditor shall appoint the person to be shown by the stockholders representing the same share group that had previously shown candidate for the vacant office of auditor and who meets the relevant legal requirements, to serve until the next general assembly meeting.

The obligation relevant to oath and declaration of wealth stated in Article 46 of these Articles of Incorporation shall also apply to the Auditors.

DUTIES

ARTICLE 57 - The duty of the statutory auditors is to audit the Bank's business and transactions.

The statutory auditors shall be authorized to examine and audit, on location and according to the provisions of the Turkish Commercial Code, all the Bank's accounts, transaction, books, papers, and official records. In addition to the duties entrusted to them by the Bank's Articles of Incorporation and by the Turkish Commercial Code, the statutory auditors shall also be charged with supervising those who are responsible, in light of these Articles of Incorporation, for the well-being of the Bank's business, for the discipline of its personnel, and for the maintenance and safekeeping of the Bank's books and records; and with performing the duties assigned to them by the banking legislation with care and attention.

Auditors may be present at meetings of the Board of Directors though they may not participate in deliberations or voting. They may also have proposals they consider appropriate, included in the agenda for extraordinary meetings of the Board of Directors and/ or of the General Assembly.

The Statutory auditors must convene the General Assembly in extraordinary session in the situations specified in the Turkish Commercial Code.

It is prohibited for statutory auditors to divulge any of the matters they learn during the performance of their duties to individual stockholders or to third parties. In addition to the annual report that draw up for the General Assembly in accordance with the provisions of the Turkish Commercial Code, they shall also be obliged to draw up a quarterly report from the beginning of each fiscal year concerning the Bank's standing with regard to the banking legislation and to other legislation, and to send the reports they have draw up to the authorities concerned within a month following the quarter to which they belong. These reports shall be sent to the Ministry of Finance (in the event they pertain to decisions or acts on the part of the Board of Directors that are contrary to law) or to that Ministry and to the Board of Directors (if they are concerned with other Bank personnel).

Statutory auditors are successively responsible for any losses arising from any failure on their part to properly perform their duties.

COMPENSATION

ARTICLE 58 - The amount and manner of compensation to be paid to the statutory auditors shall be determined by the General Assembly.

PART FOUR

ANUAL ACCOUNTS AND THE DISTRIBUTION OF DIVIDENDS

THE ACCOUNTING PERIOD

ARTICLE 59 - The Bank's accounting period shall be the calendar year; except that the first accounting period shall begin on the date of the Bank's effective formation and expire on 31 December of that year. The Bank's commercial profits shall be determined on the basis of these accounting periods according to the provisions of the Turkish Commercial Code and the banking legislation and the other relevant legislation.

THE BALANCE SHEET AND PROFIT AND LOSS STATEMENT. REPORTS BY THE BOARD OF DIRECTORS AND BY THE STATUTORY AUDITORS.

ARTICLE 60 - The Bank shall keep and arrange its accounts, balance sheets, profits and loss statements in conformity with uniform accounting plan, uniform balance sheet, uniform profit and loss statement as stipulated in the banking legislation.

Individual copies of the balance sheet and the profit and loss statement shall be certified by the statutory auditors and sent, together with the reports of the Board of Directors and the statutory auditors, to the Ministry of Finance and Customs, to the Ministry of Industry and Commerce, and to the Central Bank of the Republic of Turkey within one month of the following the date of the General Assembly and they shall also be published in the Official Gazette and in a newspaper that is published throughout the country. Any amendments to be made upon the instructions of the Ministry of Finance and Customs shall be published in the same newspaper within fifteen days.

If branches have been opened in foreign countries, tables showing the capital set aside for these branches (and their transactions and accounts) must be presented to the same authorities along with the branch balance sheets.

DISTRUBUTION OF DIVIDENS

ARTICLE 61 - After deducting from its commercial profits the taxes that must be paid on its earnings, the resulting net profit of the Bank shall be divided, allotted and distributed in the following manner.

- 1) First, an initial apportionment thereof shall be made for:
 - a) Five percent first legal reserve, pursuant to Article 466 of Turkish Commercial Code.
 - b) Five percent "reserve for possible losses" pursuant to the banking legislation.
 - c) First dividend for the stockholders, at the rate of 5% of the paid-up capital.
- 2) Second, the amounts remaining after the above amounts have been subtracted from net profit,
 - a) Ten percent shall be distributed, as non-equal amounts by decision of the Board of Directors, to one or more of the persons managing the Bank, including the members of the Board of Directors.
 - b) A decision shall be made by the General Assembly upon the proposal of the Board Directors, on the question of whether the remainder of the profits is to be set aside as a secondary reserve or distributed as a second dividend; and if the latter distribution is to be made, on the timing and manner of such distribution.

Pursuant to Subparagraph (3) of Article 466 of the Turkish Commercial Code, a 10% second legal reserve shall be set aside calculated on the total amount of profits distributed to the founders, to the members of the Board of Directors and (as a second dividend) to the stockholders.

LEGAL RESERVES

ARTICLE 62 - The first legal reserve shall be set aside until it reaches one-fifth of the paid-up share capital while the reserve for possible losses shall be set aside until it reaches the full amount of the paid-up capital.

Even after the amount in the first legal reserve has reached the above indicated limit, the amounts that are set aside pursuant to Subparagraphs (1-3) of Article 466 of the Turkish Commercial Code shall continue to be added to it.

If the legal reserves and reserves for possible losses set aside by the Bank are impaired for any reason whatsoever, apportionment shall continue to be made for them again until they reach their legal limits.

No dividends may be distributed to stockholders unless the amounts of money that must be apportioned for the legal reserves and for the reserves for possible losses pursuant to the provisions of law and of these Articles of Incorporation have first been set aside.

The places for which legal reserves and the reserves for possible losses may be allotted and form of their use shall be determined according to the provisions of the Turkish Commercial Code, the banking legislation and other pertinent legislation.

PART FIVE

DISSOLUTION AND LIQUIDATION OF THE BANK

DISSOLUTION

ARTICLE 63 - The Board of Directors may, for any reason whatsoever convene the General Assembly to discuss the Bank's dissolution, liquidation, or continuation.

REASONS FOR DISSOLUTION

ARTICLE 64 - The Bank may be dissolved if there is an occurrence of any of the reasons enumerated in Article 434 of the Turkish Commercial Code or by a court order; or it may be disbanded by a decision of the General Assembly of Stockholders.

LIQUIDATORS

ARTICLE 65 - With the exception of bankruptcy, the liquidation of the Bank shall be carried out by two liquidators to be elected by the General Assembly, one of them from among the candidates to be shown by Group (A) stockholders and the other from among the candidates to be shown by Group (B) stockholders. In all instances the provisions of the banking legislation shall be observed.

PART SIX

MISCELLANEOUS PROVISIONS

COURTS OF JURISDICTION

ARTICLE 66 - Disputes between the Bank and its stockholders concerning the Bank's business shall be heard in the courts of the place where the Bank's headquarters are located.

CONFIDENTIAL INFORMATION

TEKSTİLBANK

ARTICLE 67 - Neither the Chairperson and the members of the Board of Directors, nor the Statutory Auditors, nor any of the Bank's officers and employees may divulge any secrets or other matters that should remain confidential regarding persons who do business with the bank; nor may they make use

thereof for their benefit or for the benefit of third parties. The banking legislation shall apply to those who act in violation of this rule.

ANNOUNCEMENTS

ARTICLE 68 - Provided that the provisions of Paragraph 4 of Article 37 of the Turkish Commercial Code are reserved, announcements concerning the Bank shall be published at least fifteen days in advance in a newspaper circulating in a place where the Bank's headquarters are located. The provisions of Articles 397 and 438 of the Turkish Commercial Code shall apply regarding announcements concerning reductions in the Bank's capital or its liquidation.

AMENDMENTS TO THE ARTICLES OF INCORPORATION

ARTICLE 69 - In order for any change to be made in these Articles of Incorporation, a draft amendment containing the old and new texts of the items to be changed shall be prepared by the Board of Directors and in order for a decision to be rendered thereon, the required authorization of Ministry of Industry and Commerce (based upon the consenting opinion of the Ministry of Finance and Customs) must be obtained.

After the authorization of the Ministry of Industry and Commerce has been obtained, amendments in the Articles of Incorporation that have been decided upon by the General Assembly shall, by the Board of Directors, be announced in, and registered with, the Commercial Registry in the places where the headquarters and branches of the Bank are located.

Amendments to the Articles of Incorporation shall become effective only after their registration and announcement.

APPLICABLE LAW

ARTICLE 70 - The provisions of Turkish Commercial Code and of the banking legislation shall apply about all matters not indicated and in these Articles of Incorporation.

REGISTRATION WITH THE BANKING ASSOCIATION

ARTICLE 71 - Within three months following the effective formation of the Bank, it shall become a member of the Banking Association and pay its share of the annual dues. In all instances principles stipulated in the banking legislation shall be observed.

PRINTING OF ARTICLES OF INCORPORATION

ARTICLE 72 - Following its effective formation, the Bank shall have these Articles of Incorporation printed and distribute them to stockholders; in addition it shall send ten copies of them to the Ministry of Industry and Commerce.

PART SEVEN

PROVISIONAL ARTICLES**MEMBERS OF THE FIRST BOARD OF DIRECTORS**

PROVISIONAL ARTICLE 1 - The following persons have been selected as members of the first Board of Directors, to serve in that capacity until the first annual meeting of the General Assembly of Stockholders.

- a) Sermet Refik Pasin
- b) Nuri Akın
- c) Ali Esat Yönder
- d) Münip Yücel
- e) Cengiz Turanlı
- f) Yusuf Önder Eren
- g) Erol Karabacak
- h) Selçuk Altun

STATUTORY AUDITORS

PROVISIONAL ARTICLE 2 - The following persons have been selected as the first statutory auditors, to serve in that capacity until the first annual meeting of the General Assembly of Stockholders.

- a) Adil Arısoy, Republic of Turkey, Nispetiye Cad. No: 8 Etiler, İstanbul, Turkey
- b) Lütfi Gürkan, Republic of Turkey, Kızıtaşı/ Dolar Sk. No: 11/ 6 Fatih/ İstanbul, Turkey

COMPENSATION FOR THE MEMBERS OF THE FIRST BOARD OF DIRECTORS AND FOR THE FIRST STATUTORY AUDITORS

PROVISIONAL ARTICLE 3 - The form and amount of compensation to be paid to the members of the first Board of Directors and the monthly fee to be paid to the first statutory auditors shall be determined by the Board of Directors and submitted for approval to the first General Assembly.

START-UP EXPENSES

PROVISIONAL ARTICLE 4 - All preliminary expenditures incurred for the Bank's formation as well as its start-up expenses have been fully accepted and assumed by the Bank following on the date on which the Bank had been legally established.

STAMP DUTY

PROVISIONAL ARTICLE 5 - The TL 6,000,000 in stamp duty assessed in relation with the incorporation of the Bank must be paid, within three months following the completion of the procedures of registration and announcement, to the account of the HocaPaşa Tax Office situated where the Bank's headquarters are located.
