

**MINUTES OF THE ORDINARY GENERAL ASSEMBLY  
OF KUWAIT TURKISH PARTICIPATION BANK INC. DATED 29/03/2018**

Ordinary General Assembly of Kuwait Turkish Participation Bank Inc. was held on 29/03/2018, at 15:00 o'clock at Büyükdere Cad. 129/1 Esentepe-Şişli/İSTANBUL in meeting room of Head Office with the participation of Mr. M. Zafer KARAKOÇ and Mr. Mustafa ÇALIŞKAN who were designated by Ministry of Customs and Trade Istanbul Office as representatives with the letter dated 28/03/2018 and Nr: 33154479.

Public announcement regarding the Assembly had been published and announced in Turkish Trade Registry Gazette dated 09/03/2018, issue Nr: 9533 and in Dünya Gazette dated 09/03/2018 pursuant to laws and regulation. Moreover shareholders had been called for the Assembly via registered letter, which has been posted on 09/03/2018 from Post Office of Mecidiyeköy. It was clearly understood that out of 3.100.000.000- total shares of the Company representing the paid-up capital of 3.100.000.000- TL, 3.710.001 shares had been represented by the principal persons and 3.068.352.964 shares by the legal representatives, totaling 3.072.062.965. The legally required majority was present and therefore with the presence of Ministry of Trade representative the opening of the Assembly was declared legally. The meeting had been opened by Mr. Ufuk UYAN, CEO and member of Board to discuss the agenda.

In accordance with first article of the agenda, Mr. Ufuk UYAN started election of Chairman of the Presidency Council in order to form Presidency Council. Suggestions were collected, one of our shareholders named Mr. Ali AKAY was suggested Mr. Ö. Asım ÖZGÖZÜKARA and there was no any other suggestion. Therefore, suggestion was voted.

**In Compliance with the First Article of the Agenda**

Mr. Ö. Asım ÖZGÖZÜKARA was elected as the Chairman of the Presidency Council unanimously. Pursuant to related article of Incorporation, to form the presidency council, the Chairman of the Presidency Council, chose Mr. Ahmet KARACA and Mr. İbrahim POLAT as voting officers, and Mr. Bekir HALAÇOĞLU as secretary. Members of the presidency council submitted to the General Assembly's approval and approved unanimously.

Member of the Board and General Manager Mr. Ufuk UYAN seated the Members of the Presidency Council, started the meeting and after expressing his best wishes he declared that he has left the management of meeting to the Presidency Council.

It has been witnessed that the Mr. Ufuk UYAN as member of the Board and Mr. Yaman POLAT as independent audit firm representative attended the meeting.

The Chairman of the Presidency Council expressed his best wishes and started the discussions on the articles of agenda.

**In Compliance with the Second Article of the Agenda**

It had been unanimously resolved to give authority to the Presidency Council to sign the minutes of the Assembly on behalf of the Shareholders.

**In Compliance with the Third Article of the Agenda**

Annual Report of 2017 has been read by Mr. Ufuk UYAN, Board Member and CEO. There were no comments. After that the Annual Report had been submitted to the General Assembly's approval and had been approved unanimously.





**In Compliance with the Fourth Article of the Agenda**

Financial Statements of 2017 and its annexes had been read and explained to the Assembly by Mr. Ahmet Karaca.

There were no comments. The issue had been submitted to the General Assembly's approval and approved unanimously.

**In Compliance with the Fifth Article of the Agenda**

2017 Independent auditor's opinion had been read by Mr. Yaman Polat, and negotiated. There were no comments.

**In Compliance with the Sixth Article of the Agenda**

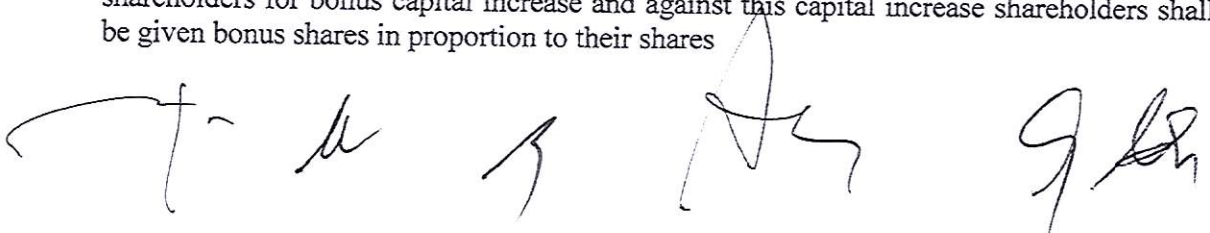
The services of the Board Members has been negotiated. The Members of Board of Directors was separately acquitted by the General Assembly for their services in 2017 unanimously. The Board Members did not vote for their own acquittal.

**In Compliance with the Seventh Article of the Agenda**

In accordance with the Board of Directors' proposal, the following profit appropriation for 2017 had been submitted to the approval of the General Assembly, there were no comments and approved unanimously.

After deducting the financial obligations from the profit of the year 2017, out of the remaining TL 673,990,996.-:

1. In accordance with the Article 49/1-1 of the Articles of Association effective during the accounting period, 5 % of the profit TL 33,699,550.- shall be appropriated as the 1st Legal Reserves,
2. In accordance with the Article 49/1-2 of Articles of Association, effective during the accounting period, profit originated from the banking activities and subject to the Corporate Tax shall be appropriated as shareholders' dividend.
3. TL 439,121.- which is provided in compliance with the 3th Article of the Law Nr. 5746 about the Support of Research and Development Activities will be forwarded to other reserves and then will be used in capital increase as from the retained earnings. Against this capital increase shareholders will be given bonus shares in proportion to their shares.
4. In accordance with Article 5/1-f of Corporate Tax Law nr.5520, TL 12,418,433.-, profit from sale of real estates will be forwarded to other reserves and then will be used in capital increase as from the retained earnings. Against this capital increase shareholders will be given bonus shares in proportion to their shares.
5. In accordance with the Article 49/1-3 of the Articles of Association effective during the accounting period,; TL 4,894,118.- portion of remaining profit shall be paid to the Board Members as the dividend,
6. In accordance with the Article 49/1-3 of the Articles of Association effective during the accounting period ; TL 387,142,446.- portion of remaining profit shall be distributed to the shareholders for bonus capital increase and against this capital increase shareholders shall be given bonus shares in proportion to their shares





7. TL 489,412 shall be appropriated as the 2nd Legal Reserves in accordance with the Article effective during the accounting period 49/2 of the Articles of Association,
8. In accordance with the Article 49/1-3 of the Articles of Association effective during the accounting period, TL 234,907,916.- portion of remaining profit shall be appropriated as "Extraordinary Reserves".
9. The dividend which arise from the acquisition of the Bank's own shares shall be appropriated as "Extraordinary Reserves".

**In Compliance with the Eighth Article of the Agenda**

Based on the preliminary permission dated 23 February 2018, Nr. 43890421-101.01.04[93]-E2652 of Banking Regulatory and Supervisory Board following the approval of Ministry of Customs and Trade - Internal Trading General Directorate dated 02 March 2018, Nr. 50035491-431.02-E-00032482592 the change in 7<sup>th</sup> article which concludes, the Bank's raise its nominal capital from TL 3.100.000.000.- to TL 3.500.000.000.- was discussed and approved unanimously as submitted below:

<u>OLD TEXT</u>	<u>NEW TEXT</u>
<p><b>CAPITAL AND SHARES</b></p> <p><b>ARTICLE 7</b></p> <p>The capital of the Bank is TL 3,100,000,000 (Three billion and one hundred million Turkish Lira) which is divided into TL 3,100,000,000 (Three billion and one hundred million) shares each with a nominal value of TL 1.- The shares are issued in the name of the shareholders.</p> <p>Out of TL 3,100,000,000 (Three billion and one hundred million Turkish Lira) capital;</p> <p>a) TL 2,790,000,000 (Two billion seven hundred and ninety million Turkish Lira) is fully paid.</p> <p>b) The TL 121,801,311.- (One hundred twenty one million eight hundred one thousand three hundred and eleven Turkish Liras) of the increased amount of 310,000,000 (Three hundred and ten million Turkish Liras) is provided in full from the profit of 2016 (fully from internal resources). Against this capital increase shareholders will be given bonus shares in proportion to their shares.</p> <p>The added capital of TL 659,551.- (Six hundred fifty nine thousand five hundred and fifty five Turkish Liras) is provided from the profit of Bank earned within the scope of the Law no 5746 and transferred to the other reserves (fully from the internal sources) in 2016. Against this capital increase shareholders will be given bonus shares in proportion to their shares.</p> <p>The added capital of TL 187,539,138.- (One hundred eighty seven million five hundred thirty nine thousand one hundred thirty eight Turkish Liras) is provided from the profit of Bank earned within the scope of the Law no 5520 Article 5/1-e and has been kept in the other reserves (special fund).</p>	<p><b>CAPITAL AND SHARES</b></p> <p><b>ARTICLE 7</b></p> <p>The capital of the Bank is TL 3,500,000,000 (Three billion and five hundred million Turkish Lira) which is divided into TL 3,500,000,000 (Three billion and five hundred million) shares each with a nominal value of TL 1.- The shares are issued in the name of the shareholders.</p> <p>Out of TL 3,500,000,000 (Three billion and five hundred million Turkish Lira) capital;</p> <p>a) TL 3,100,000,000 (Three billion and one hundred million Turkish Lira) is fully paid.</p> <p>b) The TL 387,142,446.- (Three hundred eighty seven million one hundred forty two thousand four hundred forty six Turkish Liras) of the increased amount of 400,000,000 (Four hundred million Turkish Liras) is provided in full from the profit of 2017 (fully from internal resources). Against this capital increase shareholders will be given bonus shares in proportion to their shares.</p> <p>The added capital of TL 439,121.- (Four hundred thirty nine thousand one hundred and twenty one Turkish Liras) is provided from the profit of Bank earned within the scope of the Law no 5746 and transferred to the other reserves (fully from the internal sources) in 2017. Against this capital increase shareholders will be given bonus shares in proportion to their shares.</p> <p>The added capital of TL 12,418,433.- (Twelve million four hundred eighteen thousand four hundred thirty three Turkish Liras) is provided from the profit of Bank earned within the scope of the Law no 5520 Article 5/1-f and has been kept in the other reserves (special fund).</p>



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**In Compliance with the Ninth Article of Agenda**

The proposal, which have given for this article has opened for discussion and after the negotiation it has been approved unanimously that for the year 2017, reserving the board dividend amount in the item of agenda related to profit distribution, the Chairman and the Board Members shall be paid Net 880,000 USD for their work and services due to their duties in the committees or other positions which they have been appointed/ selected by the Board of Directors (the payments could be attendance fee, remuneration, bonus or in any other name) and to authorize the Board of Directors to determine the date of payments and the distribution of the amounts among the members.

**In Compliance with the Tenth Article of the Agenda**

It is unanimously approved the number of the members of the Board of Directors as nine. Regarding the election of the Board members; the list proposed by Mr. Ufuk UYAN and Mr. Ahmet Karaca, in accordance with the list formed from the list of nominees proposed by the shareholders, submitted to the Presidency Council. The List and the nominees submitted to the General Assembly's approval. Amongst the names in the list the following nominees,

Mr. Hamad A H D AL MARZOUQ  
Mr. Adnan ERTEM  
Mr. Khaled N A ALFOUZAN  
Mr. Mazin S A S AL NAHEDH  
Mr. Fawaz KH E ALSALEH  
Mr. Ahmad S A A ALKHARJI  
Mr. Mohamad AL-MIDANI  
Mr. Nadir ALPASLAN  
Mr. Ufuk UYAN

were elected for 3 (three) years as the members of Board of Directors unanimously.

**In accordance with Eleventh Article of Agenda;**

Regarding the election of independent audit firm; in accordance with the proposal of the Audit Committee with the decision dated 27/03/2018 and Nr. 279 and the Board's proposal decided on dated 28/03/2018 with Nr 1705 to the General Assembly, election of DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu Limited) as independent audit firm in order to perform the independent audit activities for the year 2018, according to the Turkish Commercial Law's 399. Article was approved unanimously.

**In accordance with Twelfth Article of Agenda;**

In accordance with the related articles of Banking Law nr.5411, Mr. Ahmet KARACA has informed to General Assembly about the audit activities of the year 2017.

**In accordance with Thirteenth Article of Agenda;**

Mr. Ufuk UYAN informed the shareholders in detail about the amount, method of distribution and expending of the amount other than the paid in cash of personnel bonus provisions set aside from the profit of 2017 in accordance with the Bank's Compensation Committee's decision dated 23.01.2018, Nr 13. and written statement of BRSA dated 16/02/2018, Nr. 43890421-101.02,01[93]-E.2229, regarding the profit distribution.



**In accordance with Fourteenth Article of Agenda:**

It has been unanimously resolved to approve reflecting participation accounts' portion of provision expenses, which set aside according to 14/2 article of Communiqué of "Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans" (19/2 article of "Principles and Procedures on the Classification of Loans and Provisions to be Reserved for these Loans" effective from 01/01/2018) of BRSA, to the expense accounts. Turkish Commercial Code's related provisions reserved.

**In accordance with Fifteenth Article of Agenda:**

It has been unanimously resolved that the Board of Directors is permitted to execute any transactions mentioned in Article 395 and 396 of the Turkish Commercial Code.

**In accordance with Sixteenth Article of Agenda:**

There were no comments.

Assembly has been closed since there was no other article left to be discussed in the Agenda.

**Representatives of Ministry  
of Customs and Trade**

M. Zafer KARAKOÇ Mustafa CALISKAN

**Chairman of the  
Presidency Council**

Ö. Asım ÖZGÖZÜKARA

**Voting Office**

Ahmet KARACA

**Voting Office**

İbrahim POLAT

**Secretary**

Bekir HALAÇOĞLU