



FRAMEWORK AGREEMENT ON FINANCIAL RESTRUCTURING*

January 29, 2019

I. Parties to the Agreement

The undersigned banks and financial institutions (shall be hereinafter collectively referred to as the "Creditor Institutions" which have signed this Framework Agreement on Financial Restructuring) are the parties to this Framework Agreement on Financial Restructuring (shall be hereinafter referred to as the "Framework Agreement" or the "Agreement").

This Framework Agreement inures to the benefit of exclusively the signatories of this Agreement.

II. Purpose of the Agreement

The purpose of this Agreement is to enable the commercial loan debtors which have already faced or are likely to face temporary difficulties in their debt repayments to the Creditor Institutions (shall be hereinafter referred to as the "debtors") to fulfill their debt repayment obligations and to continue contributing to employment, through measures such as:

- (a) extension of the maturities of their loan debts,
- (b) renewal of the existing facilities of these debtors,
- (c) extension of new additional facilities to such debtors,
- (ç) reduction of the amount of, or waiver from, principal, interest, default interest, dividend, and all kinds of other receivables arising from the loan relationship; and
- (d) conversion of principal, interest or dividend receivables partially or completely into ownership interests, or transfer or assignment of these receivables against a consideration in kind, in cash or subject to the condition of collection, or settlement, sale or otherwise removal of these receivables from the balance sheet partially or completely, in consideration of the values in kind, belonging to the debtor or third parties; and
- (e) acting together with, and entering into protocols with, other Creditor Institutions and creditors.

In order to achieve these goals, the mission of the Parties is to make sure that the debtors, who are believed to contribute an added value to the economy and who temporarily fail in their financial debt repayments, continue their economic operations and fulfill their debt repayment obligations to the financial sector and to other creditors, including public sector, under reasonable conditions and within the prescribed period of time to be determined by the Creditor Institutions, by also taking into consideration the fund raising capabilities of the debtors. In order to achieve this, it is aimed to ensure that not only the relevant debtor, but also other institutions affiliated to these debtors, if any, and its controlling shareholders demonstrate their good faith and self-sacrifice and thus, a platform of consensus is built.

* Framework Agreement includes all the changes through Amendment Protocol I and II.

III. Definitions

“Creditor Institutions” means the banks referred to in article 3 of the Banking Law no. 5411 dated 19/10/2005, and firms referred to in article 3 of the Financial Leasing, Factoring and Financing Corporations Law No. 6361,

Debtor means the companies, other than the institutions subject to the Banking Law no. 5411 dated October 19, 2005, the Capital Market Institutions referred to in Article 35 of the Capital Markets Law no. 6362 dated December 06, 2012, institutions governed by the Insurance Law no. 5684 dated June 03, 2007, institutions governed by the Law on Financial Leasing, Factoring and Finance Companies no. 6361 dated November 21, 2012, institutions governed by the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Service Providers no. 6493 dated June 20, 2013.

“Other Creditors” means all real persons or legal entities that are the creditors of the debtor, other than the Creditor Institutions,

“Feasibility” means a study conducted on the debtors who will be included within the scope of the financial restructuring, in order to determine whether these debtors may again become solvent if and to the extent their debts are restructured or are rescheduled under a new repayment plan, by examining their assets and facilities in and out of their balance sheets as a whole,

“Total Sum of Receivables” means the total sum of the principal, interests, dividend, rental, commission, insurance, expenses and other loan-related receivables, that are calculated as of the date of determination of debts,

“Application Bank” means the Creditor Institution to which the first application is made by the debtor requesting restructuring of its debts within the scope of the Framework Agreement,

“BRSA” means the Banking Regulation and Supervision Agency,

“Board” means the Banking Regulation and Supervision Board,

“Leader Bank” (LB) means the Creditor Institution assigned for the management, and finalization of the relevant negotiations and monitoring of the implementation,

“BAT” means the Banks Association of Turkey,

“Regulation” means the Regulation on Restructuring of Debts Owed to Financial Sector, published in the Official Gazette numbered 30510, dated August 15, 2018.

Foreign Credit Institutions and International Organizations means foreign credit institutions and international organizations, which extend loans to Debtors and which are authorized to extend loans in accordance with the legislation of their country of residence.

IV. Subject of the Agreement

In order to achieve the purpose of this Framework Agreement, the following shall constitute the subject of this Framework Agreement:

1. Determination of criteria regarding the debtors who will be subject to the Financial Restructuring (FR),
2. Determination of the organizational structure required for the reconciliation process that is envisaged within the scope of this Framework Agreement,
3. Determination of the general principles which the Creditor Institutions should comply with, and the principles relating to the implementation and standstill processes and the monitoring criteria for the signed contracts,
4. Determination of the content of Financial Restructuring Contracts (FRC), and the principles regarding the contracts to be signed among the Creditor Institutions, if deemed necessary,
5. Determination of the principles regarding the regulation of the relationship between the Creditor Organizations and other creditors that may be a party to FRCs,
6. Determination of the principles regarding the time-limits prescribed in the Agreement,
7. Other issues referred to in the Regulation.

V. Debtors that will be Subject to Financial Restructuring

(a) This financial restructuring covers only the debtors whose total principal debts (cash+non-cash) owed to the Creditor Institutions is above TL 100 million as of the date of application to the Application Bank. Restructuring may be applied as a whole or partially to a debtor or to other debtors in the risk group, in which the debtor is included.

It is essential to determine that the debtors to be included within the scope of Financial Restructuring will gain their solvency for repayment of their debts if their financial situation and accordingly, their debts are restructured or are rescheduled under a new repayment plan.

(b) Pursuant to the Regulation on The Procedures and Principles For Determining Loan Qualifications and Provisions to be Set Aside, it is essential that the unpaid loans of the debtors are classified in first and second groups or as non-performing loans, and no legal proceedings have been commenced by any Creditor Institution against them. If legal proceedings are commenced as of the date of application, the debtors may also be included in the restructuring provided that maximum 25 percent of their total debts/consolidated amount is covered by one or more Creditor Institutions. The debtors who are covered by an adjudication of bankruptcy shall in no case be included within the scope of Financial Restructuring.

If the Debtor is included within the scope of the Financial Restructuring, yet the other creditors, which are not a party to the Framework Agreement, commence legal proceedings against such Debtor during the negotiation stage, for an amount representing more than 25 percent of the total debts/ consolidated amount (amount, causing the Debtor to lose the conditions that are required to be met by the debtors to which financial restructuring will be applied, and if these legal proceedings are not removed within 30 days, in any case without exceeding the period of 150 days prescribed in Article VII.16, the negotiations for the agreement may be terminated by a decision taken with the affirmative votes of the Creditor Institutions representing 75 percent (including 75 percent) of the total receivables of the Creditor Institutions that are members to CCI (*Consortium of Creditor Institutions*) and at least 30 percent of the total number of the Creditor Institutions enrolled in CCI. If the agreement negotiations are not terminated with the decision of the CCI, each Creditor Institution hereby reserves its right to exit the agreement negotiations.

c) In order to reach a conclusion that the debtors that will be included within the scope of the Financial Restructuring will be able to repay their debts if their financial condition and accordingly, their debts are restructured and are subject to a new repayment plan, a bank, or banks, or independent audit institutions, or any other entities to be determined by the Consortium of Creditor Institutions (CCI) shall be assigned to assess the financial situation and feasibility of the debtor, upon the decision of the Consortium of Creditor Institutions (CCI), on the condition that the scope and duration of preparation are determined by CCI.

As a result of joint assessment of the debtor's balance sheet and non-balance sheet assets and facilities based on the examinations made, a Financial Restructuring Contract may be entered into only with the debtors about whom a positive opinion is reached by CCI further to the assessments as to whether or not the relevant debtor will gain its solvency for repayment of its debts within the predicted period.

In the aforementioned assessments of CCI, the points listed in Article VII/1 shall be primarily assessed in terms of the relevant debtor.

VI. Organizational Structure

In order to ensure the realization of the reconciliation process prescribed in this Framework Agreement, and to operate during the implementation phases of such process, the below indicated organizational structure shall be established.

1. Consortium of Creditor Institutions (CCI)

CCI is a consortium composed of the Creditor Institutions, the **Foreign Credit Institutions and International Institutions**, and, other creditors if accepted by CCI. Depending on the decisions of the Creditor Institutions, either a single CCI, or separate CCIs can be constituted specifically for each debtor to which Financial Restructuring will be applied and/or for the debtors that are included in the same risk group. Other creditors can be accepted to the CCI with the approval of the relevant CCI and by signing a copy of the Framework Agreement and accepting

the relevant liabilities and providing such copy to the Leader Bank (LB), in an extent limited to the debtor that is subject to the financial restructuring. A CCI formed specifically for each debtor and/or risk group, shall be separate and independent from other CCIs, even if their members are same. CCI may accept other creditors to the Financial Restructuring only by a decision taken with the affirmative votes of the Creditor Institutions representing 75 percent (including 75 percent) of the total receivables of all the Creditor Institutions that are members to CCI and at least 30 percent of the total number of Creditor Institutions that are members to CCI. **If Foreign Credit Institutions and International Institutions wish to participate in the restructuring process, they may join the Financial Restructuring without being subject to the prior consent of CCI or any acceptance quorum. Accordingly, the relevant foreign credit institution or international organization is required to accept the related liabilities by signing a copy of the Framework Agreement and submit it to the Leader Bank (LB), in an extent limited to the debtor that will be subject to the financial restructuring.**

These creditors that are included in CCI shall have the same rights and assume the same obligations with other CCI members which have originally signed this Framework Agreement.

- (a) In order to accelerate the process, CCI may decide to perform the negotiation process with the relevant debtors through a committee composed of required number of members among the members of CCI, under the leadership of the Leader Bank.
- (b) In order to ensure the required cooperation between the debtor and the creditors, the collection and assessment of all information about the debtor, and the description of financial problems of the debtor and development of solution suggestions and within the scope a schedule of negotiations to be determined on ad hoc basis, CCI shall apply the provisions of Article IX regarding the principles on the standstill process, within the framework set forth in Article IX of this Agreement. If it is found out that the principles set out in the Letter of Undertaking received from the debtor at the time of application are not complied with, CCI members shall be informed thereabout, and the standstill process shall be terminated with the decision of CCI.
- (c) In the event that a contract signed with a debtor under the Framework Agreements is signed by a majority of the Creditor Institutions representing two-thirds of their receivables, all of the Creditor Institutions which have signed the Framework Agreement shall be under the obligation to restructure their receivables.

VII. General Principles and Obligations of Parties

1. The Financial Restructurings introduced separately for each debtor are addressed thoroughly under this Agreement. In this context; all amendments (separately or together) not specified herein but deemed necessary to render the debtor concerned effective, including the following, may be taken or requested from the relevant debtor, if deemed necessary by the CCI.

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- a) extension of maturity of the existing risk under conditions to be re-determined separately for each debtor,
 - b) provision of additional financing (for working capital purposes and /or if deemed necessary, for the financing of the unfinished investments or new investments),
 - c) liquidation of activities of the debtor which are not directly related with its main operations,
 - d) capital increase,
 - e) change in management,
 - f) public offering,
 - g) sales of subsidiaries and assets,
 - h) change in shareholding structure,
 - i) establishment of pledge and/or usufruct rights on the company shares/share certificates in favor of the creditors included in CCI,
 - j) providing of assets belonging to shareholders and the first degree relatives of the applicant debtor, to CCI members proportionately as a guarantee, if deemed necessary.
2. The Creditor Institutions which have signed this Agreement shall make maximum efforts to achieve reconciliation during the financial restructuring process of the debtors that are placed on the agenda, by focusing on the purposes of the Agreement.
 3. Each debtor that is included within the scope of the Financial Restructuring shall be addressed taking into consideration its own specific conditions. The problem of the relevant debtor and the causes creating such problem shall be identified, solutions shall be examined and the most appropriate solution shall be tried to be produced.
 4. The process starting from the placing of a certain debtor on the agenda within the envisaged structure until the drawing up of the Financial Restructuring Contract shall be finalized in an expeditious manner. All persons specified in the organization shall be required to comply with all kinds of works to be performed any meeting schedule to be drafted to this end.
 5. Debts of the relevant debtors shall be restructured within the framework of this Agreement, in accordance with the banking legislation and the regulations governing other financial institutions and their own procedures and principles of implementation.
 6. The current collaterals received by CCI members before the beginning of the process shall be protected. To this end, provisions regarding the collection and

distribution of collateralized receivables and the forfeiture of collaterals shall be included in the Financial Restructuring Contract to be concluded with the relevant debtor and in the contracts to be concluded among the creditor institutions, if deemed necessary. **The provisions of the first sentence of this article shall apply with respect to the receivables that are subject to a factoring transaction and the goods that are subject to a financial leasing transaction.**

7. Any encumbrances, other than pledges/mortgages, previously established on assets and properties to be collateralized proportionately by the Creditor Institutions which are a party to the Financial Restructuring Contract, shall be annulled upon the receipt of the collateral proportionally.
8. If and to the extent the collaterals received prior to the FRC are converted into cash after the execution of the Financial Restructuring Contract, the payment plan of the relevant Creditor Institution shall be revised for the reduction of the collection amount *pari passu* from the installment amount of the relevant Creditor Institution in line with the reduction of amounts of installments, without making any change in the number and maturity of the installments.

In case of establishment of a collateral proportionally under the Financial Restructuring Contract so as to rank after the already existing encumbrances on the assets which constitute the subject of the collateral, the CCI shall decide on the payments against which the amount of collection corresponding to the collateral shall be set-off.

9. All the related organizations shall comply with the principle of confidentiality during the process of Financial Restructuring of a certain debtor that is subject to restructuring. Provisions of the Banking Law relating to banking secrets or and client secrets shall be fully respected.
10. The Financial Restructuring Contract may be revised during the implementation process, without deviating from the basic principles envisaged initially, at the request of at least two members of the CCI and with a decision taken in the same direction by the Creditor Institutions representing 75 percent (including 75 percent) of the total receivables of the Creditor Institutions and at least 30 percent of total number of the Creditor Institutions, enrolled in CCI.
11. If and to the extent deemed necessary, additional loans may be extended to the debtor. Such additional loans shall be repaid as a priority, out of the collaterals established under the FRC and out of the collections made as per the FRC. Collections to be made out of the new collaterals that will be obtained for such additional loans to be made available under this Agreement, shall firstly be utilized for the settlement of the additional loan. Principles and conditions of application relating thereto shall be set out in the FRC. If deemed necessary, a supplementary protocol may also be executed.

The following basic principles shall be applied in terms of the additional borrowing:

1. The banks signing the FRC shall make available an additional loan in proportion to their own shares, with the decision of more than one bank holding at least 90 percent of the total receivables of the banks that are included in CCI, at the debtor
2. If the quorum set out in first subparagraph cannot be met and if one or more of the banks included in CCI request extension of an additional loan facility, then, the banks shall extend such additional loan facility at their own discretion, with a decision taken in the same direction by the Creditor Institutions representing 75 percent (including 75 percent) of the total receivables of the Creditor Institutions and at least 30 percent of total number of the Creditor Institutions, enrolled in CCI. **In such case, collections to be made from the new collaterals that will be received for the additional loan shall firstly be used for the liquidation of the additional loan. Banks, which have signed the Financial Restructuring Contract but which have not extended any additional loan shall not claim priority in collection from the new collaterals or from the collections made within the scope of the Financial Restructuring Contract.**
3. The debtor may borrow from parties that are not enrolled in CCI or may additionally borrow from financial leasing, factoring and financing firms though included in CCI, with a decision taken in the same direction by the Creditor Institutions representing 75 percent (including 75 percent) of the total receivables of the Creditor Institutions and at least 30 percent of total number of the Creditor Institutions, enrolled in CCI.
12. If it is deemed necessary to waive or participate in the full amount or a part of the principal sum of debts or to make collections in kind, actions may be taken as specified in article 4, paragraph three, subparagraphs (ç) and (d) of the Regulation, only by a decision taken by the Creditor Institutions included in CCI representing 100 percent of the total sum of their own receivables. If such a decision is taken, , the amount of receivables waived due to the transaction performed, shall be shared proportionately among the Creditor Institutions, unless decided otherwise.
13. The Creditor Institutions who have signed this Framework Agreement shall notify BAT so as to inform all other Creditor Institutions regarding the names of minimum two and maximum four authorized officials who shall be assigned for managing the scheduled process within the scope of this Agreement, ensuring the necessary coordination and speeding up the document flow, as well as all communication means and access facilities. Any potential changes shall be immediately updated.

The Creditor Institutions may assign different officers specifically for the relevant CCI, at their own discretion, provided that such officers are reported to BAT.
14. Within the context of principles and procedures determined by the Board of Directors of BAT, the reports regarding the public disclosure and the consolidated statistical data shall be disclosed by BAT without mentioning the

names of the related debtor, its shareholders and guarantors, if any, and the Creditor Institutions. Such information shall be compiled by BAT.

15. CCI shall identify a certain date which shall constitute basis for the determination of debts under the FRC, and the debt amounts shall be calculated as of such date.

Debts shall be determined as of the date of application, unless a different date is adopted by CCI.

Due to the reasons arising from the implementation process of the relevant loan type, and/or in cases where an appropriate document cannot be found by using the method referred to above, CCI may decide to determine the debts by using a different method in accordance with the legal legislation and the general practices.

16. The process shall be ceased if the CCI fails to decide on the restructuring within 90 days as of the application date. Such period may be extended by not more than two months, with a decision taken in the same direction by the Creditor Institutions representing 75 percent (including 75 percent) of the total receivables of the Creditor Institutions and at least 30 percent of total number of the Creditor Institutions, enrolled in CCI. However, the total period including the execution of the Contract, shall not exceed 150 days. Two applications may be filed at a maximum, during the two-year term of the Framework Agreement.
17. With respect to the debtors owing to only one of the Creditor Institutions that are parties to this Agreement, a Financial Restructuring Contract may be concluded if deemed convenient by the relevant Creditor Institution.
18. During its restructuring operations, CCI shall pay strict attention to the use of the operating and non-operating assets of the debtor in the most effective manner possible, taking into consideration the restrictions thereon, if any, including the satisfaction of the additional working capital needs as may be required by financial sustainability, by also observing the balance of debts and assets of the relevant debtor, and. To this end, CCI shall make efforts to take the necessary measures for the sale of these assets under the market conditions, so as to be able to make the repayments to CCI and to provide resources of the additional working capital fund as a result of the restructuring.
19. The Banks that are included in CCI cannot apply interest rates below the current market interest rates and cannot provide additional financing to the debtors that are included in the same risk group, as defined in Article 49 of the Banking Law.

VIII. Principles to be Applied in the Implementation Process

The debtors eligible for inclusion in the Financial Restructuring process shall file an application to one of the first three Creditor Institutions having the highest amount of receivables, by submitting an Application Form and a Letter of Undertaking in the form attached to this Framework Agreement, accompanied by all other

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information and documents required by the process (such as a breakdown of assets and properties, currently available and for the last three years retrospectively, of the shareholders and the guarantors and their spouses and children, and all group firms, either domestic or abroad, irrespective of being indebted or not, and a breakdown of all other assets and their encumbrances, and information on risks and collaterals in all financial institutions).

Thereupon, the relevant Creditor Institution shall, within no later than three business days after the receipt of application, give information to all the Creditor Institutions, which are parties to the Framework Agreement and which are the creditors of the relevant debtor based on its declaration, and request such Creditor Institutions to declare their receivables according to a calculation to be made in accordance with the method described in this Agreement, together with existing collaterals, if any. The Creditor Institutions shall make the requested feedback to the Application Bank within no later than three business days following the receipt of the said notification.

The Creditor Institution which has received the relevant application shall within three business days share with all other Creditor Institutions a breakdown that is composed of the receivable amounts declared to it. On the tenth business day following the date of application, CCI shall select a LB on the basis of the breakdown that is composed of the receivable amounts transmitted to the Application Bank. The Creditor Institution, which is the biggest creditor in the CCI, shall act as the LB in terms of management and finalization of the related negotiations and monitoring of the implementation. LB may, however, voluntarily assign this function to the second or if any, third biggest Creditor Institution in CCI (with the prior consent of the transferee). CCI may also elect a LB, with a decision taken in the same direction by the Creditor Institutions representing 75 percent (including 75 percent) of the total receivables of the Creditor Institutions, and at least 30 percent of total number of the Creditor Institutions, enrolled in CCI. In such election, the CCI members shall have voting rights proportionate to their receivables. The candidate receiving the highest number of votes shall be elected as the LB.

LB shall determine the debtors and shareholders that are included in the same risk group and that are required to be handled together with the debtor which is included in the restructuring process, on the basis of the written declaration of the applicant debtor, and shall also request an Application Form and a Letter of Undertaking from each of them. If other CCI members raise objections at any time against any of the actions taken by LB in connection therewith, the issue which constitutes the subject of the objection shall be voted so as to build a consensus thereon, upon the request of the member who has raised the objection.

If deemed necessary, communications or voting among the CCI members may also be conducted in electronic environment, without the requirement to convene any physical meeting of CCI.

Without prejudice to the provisions of the Banking Law numbered 5411 and the Data Protection Law The Application Bank or if appointed, the LB, may provide information to the Foreign Credit Institutions or International Organizations within the context of written information requests relating to

the FR process of the debtor, whom they have receivables from.

IX. Principles to be Applied in the Standstill Process

The "Standstill Process" is a process, which includes the protection of the existing legal status of the parties either among themselves or with the debtor, the collateral structure, level of relations and the assets of the debtor and its shareholders throughout the prescribed, reasonable negotiation process.

Throughout the validity term of the Standstill Process, the debtor may not take any steps which may create a differentiation among the creditors (individually or as a group), including the CCI members. This restriction shall also apply to other persons or entities affiliated to the relevant debtor.

For the avoidance of doubt, and provided that it complies with the second paragraph, the debtor, shall not be prevented from pursuing financial restructurings or other similar processes in relation to its debts owing to Foreign Credit Institutions or International Organizations, who did not sign the Framework Agreement or the ones extended by such institutions and organizations together with Creditor Institutions.

The parties shall generally pay strict attention to protection of their existing legal status with the debtor, the collateral structure, level of relations, and the assets of the debtor and its shareholders, extensively, during the negotiation process.

Upon proper submission of an application to the Application Bank, and sharing of the application with the relevant Creditor Institutions, the Standstill Process shall commence without any further procedure. During this process, execution proceedings **and with regards to the receivables in the scope of the FR** cannot be conducted against the debtor **by the Creditor Institutions**, and except for the events that may lead to loss of rights due to statute of limitations or forfeiture, the ongoing proceedings cannot be continued, new execution proceedings cannot be commenced, and other legal remedies cannot be applied. At the first CCI meeting, it shall be decided to whether continue the Standstill Process or not.

X. Financial Restructuring Contract To Be Concluded With The Debtor

1. A Financial Restructuring Contract shall be concluded between the debtor and the CCI members, and other creditors, if any, that are deemed to be acceptable by the CCI, in accordance with the conditions of the Agreement, subject to the following conditions. **This Framework Agreement or any Financial Restructuring Contract shall be subject to private law and shall not invalidate any other agreements relating to the receivables subject to the FR, between Creditor Institutions and any Foreign Credit Institution or International Organization that are effective at the relevant date.**
2. Each Financial Restructuring Contract contains:
 - (a) the determination of receivables owed by the relevant debtor to each of the CCI members as of a certain date;

- (b) the determination of the maturity structure and amounts for the repayment obligations of the relevant debtor in this context;
 - (c) the determination of events constitution breach of the contract and the consequences thereto;
 - (d) the pricing method (interest, dividend, commission, etc.) to be applied during the term of the Financial Restructuring;
 - (e) the monitoring criteria (method, frequency, content, etc.);
 - (f) the definition of the audit mechanism;
 - (g) the authority to examine all the accounts and documents of the debtor;
 - (h) the collateral structure of the receivable throughout the process, both in general and individually for each CCI member;
 - (i) the determination of other obligations of the parties;
 - (j) other matters deemed appropriate by the CCI.
3. Following the execution of the Financial Restructuring Contract, as long as the debtor performs its obligations arising from the Financial Restructuring Contract, execution proceedings cannot be initiated against the debtor, and except for the events that may lead to loss of rights due to statute of limitations or forfeiture, the ongoing proceedings cannot be continued, new execution proceedings cannot be commenced, and other legal remedies cannot be applied. **If the other creditors, which are not a party to the Framework Agreement after the execution of the Financial Restructuring Contract have commenced legal proceedings against the debtor, and such legal proceedings are not removed within 30 days, it may be resolved to terminate the Financial Restructuring Contract or revise it within the scope of Article VII.10 by a decision taken with the affirmative votes of the Creditor Institutions representing 75 percent (including 75 percent) of the total receivables of all Creditor Institutions enrolled in CCI and at least 30 percent of the total number of Creditor Institutions enrolled in CCI. However, if CCI does not resolve to terminate the Financial Restructuring Contract or make the necessary revision, then each Creditor Institution hereby reserves its right to withdraw from the Financial Restructuring Contract.**
4. A list of all Financial Restructuring Contracts entered into in reliance upon this Framework Agreement shall be sent by the relevant banks to BAT, for submission to BRSA once a month, in a format to be designated, on the basis of the statements of the debtor given in its Application Form and Letter of Undertaking.

XI. Principles Regarding the Monitoring Criteria

1. The monitoring and audit criteria shall be determined in the Financial Restructuring Contract to be signed with the debtor.

2. The monitoring criteria shall further contain provisions regarding the accounting standards to be applied by the relevant debtor and the method for auditing such standards, with a view to fairly reflecting the actual state of the debtor, with whom a Financial Restructuring Contract is signed, at a certain time, and enabling the CCI members to easily and transparently access all the relevant information which they may require.

XII. Failure of the Creditor Institutions who have signed the Framework Agreement, to fulfil their Obligations regarding the Financial Restructuring Contract and the Panel of Referees

Pursuant to the Regulation, a Panel of Referees (PR), consisting of three members, at least one of whom being a graduate of a faculty of law shall be appointed for the settlement of disputes that may arise upon the failure of the Creditor Institutions to fulfil their obligations arising from this Framework Agreement, separately on the basis of CCIs if necessary, within the framework of the principles to be determined by the Board of Directors of the Banks Association of Turkey (BAT). Members to the PR shall be elected from among the persons who have at least received a license degree in economy, finance, banking, business administration, law, public administration and the equivalent disciplines, and who have a professional experience of minimum ten years in banking or finance sector, and who are currently at managerial positions.

During the election, it is essential that the Panel of Referees members are not employees of any Creditor Institutions, which is a side to the dispute in hand.

The PR shall meet with presence of the full number of its members. The PR shall take its decisions preferably by unanimous vote, or if unanimity cannot be reached, by the affirmative vote of at least two members. The Chairperson shall not have a casting vote.

The PR shall finalize the applications filed to it through BAT or filed directly to BAT in a closed envelope accompanied by a cover letter indicating the names of members of the relevant CCI, within no later than five business days and its decisions shall be enforced by all the CCI members. The decisions of PR shall be binding on the parties.

Upon the receipt of an application, the PR shall determine the Creditor Institutions who have failed to comply with PR the provisions of this Agreement, and the Financial Restructuring Contracts that are based on this Agreement, and shall report them to the members of the relevant CCI.

The detailed terms of reference, working conditions, personnel rights, and rules related to appointment and dismissal of the PR within this framework, shall be determined by the Board of Directors of BAT.

XIII. Term of the Framework Agreement

This Framework Agreement shall be applicable for the financial restructuring contracts to be signed within at most 2 years following the approval of the BRSA. The Board shall be authorized to extend such two-year period.

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XIV. Amendment of the Framework Agreement

Any provision of this Framework Agreement may be amended provided that the relevant amendment is accepted by all the Creditor Institutions being a party to this Framework Agreement and approved by the Board.

This Framework Agreement constitutes a whole together with its annexes being an inseparable part hereof. The Creditor Institutions which intend to become a party to this Framework Agreement, are not allowed to sign this Framework Agreement by excluding or amending some provisions thereof, or by adding new provisions, or by imposing certain conditions, or by putting reservations thereon. Any such annotations put in this Framework Agreement shall be deemed to be null and void.

XV. Effectiveness

This Framework Agreement prepared by BAT in accordance with the relevant terms of the Regulation and signed by the parties hereto shall become effective upon its approval by the Board.

This Framework Agreement consists of fifteen articles and two annexes.

Annexes:

Application Form and Letter of Undertaking
Panel of Referees

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Application Form and Letter of Undertaking*

Name of the Creditor Institution

Our Firm/Firms is/are in a financial bottleneck, and believe(s) that it/they will be able to continue its/their economic activities in an effective manner if a Financial Restructuring (FR) to be created by the Creditor Institutions is applied on it/them. Now and therefore, we are hereby requesting from your Creditor Institution to lead the creation of a consortium for this purpose with the participation of the Creditor Institutions and if deemed necessary and if accepted by them, with participation of some other or all other creditor persons and entities as well. Please find attached to this letter of request a list of all assets covering all and any movable and immovable assets, rights and receivables belonging to all our Firms, either domestic or abroad, irrespective of being indebted or not, as well as to all our shareholders and guarantors and their spouses and children, and a list of all kinds of encumbrances – mortgages, attachments, pledges, commercial enterprise/personal property pledges, rights of redemption and usufruct, etc. – imposed on the said assets, and a breakdown of our debts with reference also to their creditors and amounts, and sureties, bills of guarantee, acceptances and all kinds of other guarantees (cheques and promissory notes) and other commitments given by our Firm/Firms in connection therewith.

We undertake to notify all Foreign Credit Institutions and International Organizations, whose information is provided in the attached and which we are indebted to, that we have submitted this Letter of Application and Undertaking to yourselves, on the date of this submission and to continuously provide information (as prior notice, to the extent applicable, and relating to matters about our FR process including but not limited to feasibility, negotiations, execution of the FRC, establishment of additional security) to such institutions and organizations.

We hereby declare that as of the date of our application, our Firm/Firms/ Partners and Guarantors or their spouses and children are by no means restricted by any adjudication of bankruptcy.

Starting from the date of this request of us, we, the undersigned, hereby declare, agree and undertake in advance that:

- I. we are going to disclose and provide all kinds of information and documents which may be requested by you, accurately and on time;
- II. **Subject to Article IX paragraph three of the Framework Agreement**, beyond your knowledge and without your prior consent:

* Application Form and Letter of Undertaking includes all the changes through Amendment Protocol II.

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1. we shall not utilize any loan facilities from any new banks/financial institutions or from any real person or legal entity,
2. we shall not create any new legal restriction in our own initiative with respect to our assets,
3. we shall not allow loss of any of our movable or immovable assets, and associated rights and receivables, including our industrial and intellectual property rights, included in the assets of all our Firms, either domestic or resident abroad, irrespective of being indebted or not, or owned by or belonging to our Firms' shareholders, guarantors and their spouses and children, through any legal actions such as transfer and sale, donation, etc., and we shall not permit imposition of any restriction thereon through the use of pledge, mortgage or other rights in kind in connection therewith,
4. we shall not take any actions, including any restrictions in favor of third parties, with respect to any of our industrial and intellectual property rights, including, trademark, patent, license, know-how, etc.,
5. we shall not stand as a surety or guarantor in favor of any person, and shall not issue any legal instruments, and shall not engage in any action which may burden our Firm/Firms with debts, other than checks, promissory notes and drafts that may be drawn or issued solely for a real documentable and provable purchase and only within the ordinary fields and lines of business of our Firm/Firms,
6. we shall not enter into any application or regulation which may create a privilege or differentiation among our existing creditors in the initiative of our Firm/Firms,
7. we shall not lease, or promise to sell, or grant any rights in kind, such as rights of redemption and usufruct, on, or otherwise dispose of, any of our movable or immovable assets, including our trademark, patent and similar other industrial and intellectual property rights,
8. we shall not transfer, assign or release any pledges or any other personal or real rights established on, or any acts of assignment committed on, movable or immovable assets, and associated rights and receivables belonging to third parties in favor of our Firm/Firms, irrespective of being indebted or not, or in favor of our shareholders and their spouses and children, or our guarantors and their spouses and children, and we shall not waive any of our rights of claim for debts owed to us, or accept to enter into any amicable agreement in an amount below our claims relating thereto, or waive any execution proceedings and lawsuits commenced by us, or accept or admit any claims which may cause diminishment of our assets, also including the pending lawsuits filed against us,
9. we are not going to file any application for an adjudication of bankruptcy, a suspension of bankruptcy and/or a scheme of composition with creditors against our Firm/Firms/Shareholders/Guarantors,

10. **We will provide you with information relating to our debts and assets in the scope of financial restructurings or other similar transactions carried out in relation to our debts owing to Foreign Credit Institutions or International Organizations, who did not sign the Framework Agreement or the ones extended by such institutions and organizations and Creditor Institutions together,**
11. we hereby explicitly consent to the disclosure/transfer/processing of all and any information such as customer secrets, trade secrets and personal data belonging to our Firm/Firms and to us **and all information relating to our FR process, including the documents and information we provided to yourselves**, by your Bank/Company or **by the other Creditor Institutions**, to the Creditor Institutions, members of the Consortium of Creditor Institutions, the BAT, the Panel of Referees, **Foreign Credit Institutions and International Organizations** or other persons or entities that may be deemed appropriate by the relevant institutions, for the purpose of the implementation of the Financial Restructuring **or for information sharing purposes**,
12. we will permit the audit of all our records by the appointed persons or entities upon the request of the creditor institution that will be elected as the leader of the Consortium, and the performance of all and any types of expertise on our assets, and we will pay the fees charged in connection therewith; and
13. we have read and have a good grasp of all provisions of the Framework Agreement on Financial Restructuring approved with the Decision of the Banking Regulation and Supervision Board, numbered., dated ___/___/2018, and we hereby acknowledge that our Firm may not be found eligible for the Financial Restructuring as a result of negotiations to be held in the course thereof,
14. the address designated below is our communication address, and all and any notices and correspondences to be sent to this address shall be valid for all parties hereto, and we will promptly inform you about any change of address, and even if we fail to notify, in case of detection of a legal change of address, all and any notices and correspondences delivered to our valid address shall be deemed to have been duly served to us hereunder.

We hereby further agree and undertake that; if and to the extent any of the information and documents attached hereto do not reflect the truth, or any of the requested information is not given, or we breach any of our obligations, the Financial Restructuring will not be applied, and we will be personally liable for all kinds of losses and damages to be incurred by the Creditor Institutions who have signed the Framework Agreement due to aforesaid breaches.

This commitment is valid until the time all debts are settled and the Contract is terminated.

You are hereby kindly requested to accept our application and take necessary actions in connection therewith.

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Kind Regards,

Firm/Firms/Partners/Guarantors/Spouses and Children

Signature/Signatures

Address:

Attachments:

With respect to all Firms/Shareholders/Guarantors, either domestic or resident abroad, irrespective of being indebted or not, and with respect to their spouses and children:

1. Actions (short, mid-term and long-term) contemplated to be taken and business plans contemplated to be implemented, other than the restructuring of debts,
2. Balance sheets and profit and loss statements of the last three years, certified by the tax office, **(including other creditors) thereof and the correspondence information of all relevant creditors,**
3. Breakdown of all cash debts and non-cash risks (sureties, bills of guarantee and acceptances, cheques and promissory notes, and all other guarantees) by creditors thereof,
4. Breakdown of all movable and immovable assets (list of all movable assets, securities, immovable assets and encumbrances thereon),
5. Breakdown of all real properties, located in inland or abroad, which were transferred during the last 2 years,
6. Cash Flow Statement & Pro Forma Balance Sheets and Income Statements for the period requested to be restructured,
7. Breakdown of all kinds of rights and receivables,
8. Breakdown of all subsidiaries, either domestic or resident abroad (together with their addresses, telephone and facsimile numbers and shareholding rates),
9. Breakdown of all kinds of pending lawsuits and proceedings filed by and against us,
10. Protested promissory notes, and bounced checks (during the last year)
11. Board of Directors' resolution/resolutions, signature circulars, and certificates of authorization issued in order to file this application.
12. As of the date of application;
 - a) number of permanent employees and withholding tax return
 - b) yearly exports and photocopies of foreign exchange purchase certificates relating thereto
 - c) shareholding structure.

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Panel of Referees

The Panel of Referees (PR) is appointed to finalize all applications submitted through the Banks Association of Turkey (BAT), within the periods of time and under the terms and conditions set forth in the Framework Agreement on Financial Restructuring as detailed in the Regulation on Restructuring of Debts Owed to Financial Sector and in the Framework Agreement.

Determination of the Panel of Referees

The members of the PR shall be determined by the Secretariat General from among the candidates having the qualifications set down in the Framework Agreement, who are nominated by the institutions signing the Framework Agreement, and approved by the Board of Directors of BAT. The Panel of Referees shall consist of three persons, one of whom has a bachelor's degree in law. The PR may, if and when deemed necessary, be established separately for each of the Consortium of Creditor Institutions (CCIs) by the Secretariat General of BAT, pursuant to the Framework Agreement. Principally, it is ensured that that the members of the PR, who will be assigned during the election are not employees of the institutions included in CCI, but employees of the banks or financial institutions that are a party to the Framework Agreement. Secretariat General of BAT shall designate one of the members present at the meeting, as the chairperson.

Secretariat of the Panel of Referees

Secretarial duties of PR will be conducted by BAT.

Meetings and Decision Making Process of the Panel of Referees

PR shall meet on a day and at a time to be determined by Secretariat General of BAT in order to conclude the issues reported to it by BAT, by also taking into consideration the periods of time stipulated in the Framework Agreement. The date and time of the subsequent meeting shall be decided in the current meeting and notified by the Chairperson to the other members.

PR members shall be obliged to attend PR meetings. If an PR member is unable to attend a meeting for any reason whatsoever, a new member shall be designated by the Secretariat General of BAT, among the nominees approved by the Board of Directors of BAT to substitute that member absent in the meeting. Venue of the meetings shall also be determined by the Secretariat General of BAT.

PR meetings shall be held with presence of its 3 members. The PR shall take its decisions with the affirmative votes of at least two members. The Chairperson shall not have a casting vote.

PR shall take decisions only for the resolution of disputes referred to in Article XII of the Framework Agreement, and regardless of a certain CCI decision quorum.

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The relevant decision shall be recorded in the minutes at the end of the meeting. Reasoned decisions shall be signed by PR members, and sent to the Consortium of Creditor Institutions (CCI) through BAT.

Working Procedures and Principles of the Panel of Referees

- PR shall take all the decisions by performing the duties required under the Framework Agreement.
- Pursuant to the provisions of Article XII of the Framework Agreement, upon the receipt of a detailed request from any one of members the Consortium of Creditor Institutions (CCI), BAT shall file an application to PR.
- Case files submitted to PR shall contain financial and technical analyses conducted about the debtors, and information about guarantees, debt amounts and other details, and minutes kept in CCI particularly about the matters in dispute, and comments of all of the members.
- PR shall handle the case files in the chronological order of receipt from BAT.
- The referee shall act in accordance with the Working Procedures and Principles of Panel of Referees in the course of examination about the disputes in hand.
- PR shall conduct its examinations primarily over the detailed case file prepared and sent by BAT to it, taking into consideration the basic purposes of both the Framework Agreement and the contract entered into between the sides of dispute, and according to the standards and rules of justice and equity, PR shall take its decisions by considering the periods of time set forth in the Framework Agreement, and its decisions shall be enforced by all members of CCI.
- If deemed necessary during examination of the case files, PR may hear the relevant sides to be invited through BAT, or may ask them to express written statements.

Confidentiality

PR members shall be obliged to comply with their obligations arising from the Banking Law no. 5411 and other applicable laws for keeping in strict confidence all information obtained during performance of their duties hereunder.

Fees of Members of Panel of Referees

PR members to be elected from among the employees of banks or other financial institutions that are parties to the Framework Agreement shall not be paid any fees in consideration of their duty or service therein.