

## CUSTOMER INFORMATION FORM ON KAFALAH (GUARANTEE) CONTRACT

This form was issued for the purpose of providing information to the client under the scope of the communique<sup>1</sup> of Banking Regulation and Supervision Agency (BRSA).

### 1. Contract Type: Kafalah (Guarantee)

### 2. Basic Features of the Contract:

Kafalah (guarantee) means that the guarantor (participating bank) guarantees the performance of the debt or to pay the loss arising from non-performance of the same to the creditor (the addressee) by participating in the responsibility of the principal debtor (customer/beneficiary) regarding the performance of a debt.

The work done or to be done by the addressee and the receivables to be secured must comply with the principles and standards of participation banking. It is appropriate to limit the kafalah to a certain period and certain conditions, and to determine an upper limit regarding the kafalah amount. It is also possible to be a guarantor for an existing debt or debt that is likely to arise in the future or that is contingent.

### 3. Compliance of the Product or Service with the Principles and Standards of Interest-Free Banking:

The legitimacy of the kafalah contract is based on the basic principles of Islamic law. The transactions made by the participation banks under this scope comply with the principles and standards of interest-free banking.

### 4. The Capacity of the Customer Under the Scope of the Contract:

In kafalah contract, the customer is the principal debtor/beneficiary and the participation bank is the guarantor.

### 5. Process and Functioning:

The customer submits its non-cash financing request subject to the kafalah contract to the participation bank. Participation bank allocates a limit for the customer and required documents are signed. A contract is established by issuing a guarantee (kafalah) by the bank in favor of the customer against third within the limit specified. If the customer fails to duly perform the obligation subject to the kafalah contract and the creditor demands the relevant amount, the participation bank shall pay the creditor the amount it is obliged to pay due to being the guarantor. Afterward, the said amount is collected from the customer by the participation bank together with its costs.

### 6. Contractual Rights and Obligations of the Parties:

The participation bank has the right to collect from the customer the expenses incurred and other fees that may be collected within the scope of interest-free banking principles and standards.

The customer is obliged to show the necessary care in fulfilling the debt or commitment subject to the kafalah contract in a timely manner and completely. If the customer does not fulfill his obligation, the participation bank is responsible for paying the amount subject to the kafalah to the addressee (with compensation). In such a case, the participation bank recourse to the customer for the collection of the compensation paid to the addressee, together with all the accessories that can be taken within the scope of interest-free banking principles and standards. The kafalah contract is binding on the

participation bank from the moment of its establishment, and the participation bank cannot unilaterally withdraw from the transaction without the consent of the creditor.

### **7. Bank practice in case of late payment:**

It is in conformity with the principles of interest-free finance to insert an article imposing a delay penalty by the Participation Bank in case of the failure to pay the debts against the bank in the specified dates pursuant to the kafalah contract, however, the participation bank and customers may not benefit from these amounts which are collected as a delay penalty. These amounts collected shall be classified according to the uniform account scheme of the participation bank and evaluated in conformity with the principles and standards of interest-free banking.

### **8. Corporate Website through which the Customer may obtain more Comprehensive Information about the Products and Services:**

You may have access to more comprehensive information about our products and services and permission (ijazah) certificates through the website of our Bank at [www.ziraatkatilim.com.tr](http://www.ziraatkatilim.com.tr).

**Information Form Delivery Date: ..... /..... /.....**

**Name/Surname/Title of the Customer** :.....

**Turkish ID Number/Tax ID Number** :.....

(Information may be provided face-to-face and remotely through remote means of communication/in electronic environment/from a distance, and while providing information face-to-face, the expression **“I was provided verbal and written information and my declaration of intent has been received”** must be inserted and undersigned on the information form with your handwriting.)

**Seal/Signature:**

<sup>1</sup> *Communique on the Principles and Procedures Concerning Providing Information to the Customers & Public under the scope of the Principles & Standards of Interest-Free Banking Published by Banking Regulation and Supervision Agency (BRSA) in the Official Gazette on November 30, 2021.*

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