

## **CUSTOMER INFORMATION FORM ON PROFIT AND LOSS SHARING (MUSHARAKAH) CONTRACT**

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

**1. Contract Type:** Profit – Loss Partnership (Musharakah)

### **2. Basic Features of the Contract:**

Musharakah is the partnership established by two or more parties by investing a definite amount of capital with a view to do business together and share the profit and loss that may thereby occur. Briefly it is a profit-loss or capital partnership.

The parties participate in the loss in proportion to their share and in the profit according to the agreement between themselves.

In the musharakah contract, the parties and the scope of partnership must be specific and well defined. Furthermore, the area of business where the capital will be used must conform to the principles of participation banking and the parties must submit a declaration of intent (offer and acceptance).

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

Musharakah is a contractual partnership contract and its legitimacy is based on the basic principles of the 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:**

Participation bank and the customer are in the position of capital owners in the partnership established.

### **5. Process and Functioning:**

The customer submits its request for partnership to the participation bank. Participation bank makes the necessary evaluation about the customer, industry and partnership. Participation bank transfers the partnership price to the customer after the signing of the partnership contract and other documents by the parties. The price, which is the subject of partnership, shall be used for carrying out the activities agreed on at the beginning. The customer will inform the participation bank about all kinds of negative/positive factors affecting the course of the partnership.

### **6. Rights and Obligations of the Parties Arising from the Contract and Agency Contract (Wakala):**

The parties may not withdraw from the musharakah contract unilaterally.

Participation bank is responsible for the transfer of the partnership price to the customer and the customer is responsible for carrying out the partnership activities in line with the principles of participation banking after the relevant transactions are duly made. Participation bank may appoint the customer as its attorney-in-fact for the purpose of carrying out the partnership activities.

Participation bank may request a pledge from the customer for the purpose of the indemnification of the losses related to the partnership activities if the client acts with malicious intent, negligence or contrary to the terms and conditions of this contract.

**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 failure of payment of the profit obtained from the partnership activities in proportion to the relevant share and/or the share of capitals after the termination of the partnership on specified dates after the termination of the partnership, 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.*