

Dear Customer,

We hereby emphasize that the factoring agreement and its annexes published on the website of our Company include the standardized terms of a contract, and explanatory provisions which intend to conduct factoring transactions in a healthy manner, General Rules for International Factoring (GRIF).

In domestic and international practices of factoring transactions, general rules for international factoring (GRIF) and the agreements between factors shall be applicable; therefore, you can also find, on our website, the original texts of said rules and agreements, required to be complied with, and you can examine them accordingly.

We notify, with emphasis, that, if you deem necessary, you should assess, with your legal counsel, the factoring agreement and its annexes, GRIF rules, and the agreements between the factors, which are freely available for you on the website of our company; that the printout date shall also be specified on the agreement set, its annexes, which you can take from the said website.

In case you want to get more information, and to negotiate, we would be pleased if you first take an appointment and visit our Company.

REMARKS REGARDING THE FACTORING AGREEMENT AND ITS ANNEXES:

I- Subject, scope of the Agreement and definitions:

In this section of the Agreement, definitions of the terms used in the Agreement and its annexes, are given, and it is set forth that non-deferred or deferred current, and future receivables arising from sales of goods, and services, can be subject to factoring transactions.

To prevent offering factoring services for sales made, services provided to persons, of whom the customer is a partner directly or indirectly, for unreal receivables, and in case of consignment sales, since a receivable may not arise actually, such situations are excluded from the scope of transactions; to have such receivables be subject to a factoring transaction, prior written consent, approval of the factor shall be needed, conditional upon also a certification of the existence of receivables and the business relation.

II- General provisions on the execution of factoring services:

1. This provision of the Agreement includes the procedure required to be followed to have current or future receivables be subject to factoring transactions; and covers the principles on requirements to make defined receivables transferred to the factor and outlined in the special terms and conditions of the Agreement, subject to factoring transaction, and also the transactions, and the procedure required by the Republic of Turkey Banking Regulation and Supervision Agency.
2. Certification that the receivables transferred to the factor, are based on an actual business relation, is required due to related provisions of the legislation and is based on the objective of preventing the provision of repeated financing for the same receivable. In this provision,

the process which provides that, in case of financing is provided to the customer, such financing can be settled only by way of payment of transferred receivables, accessories thereof, by the obligor actually and willingly; that the Factor shall not be obliged to commence follow-up proceedings, bring a lawsuit against, to make communications such as warning, notice to, the Customer's obligor; is described, and outlined in accordance with international factoring rules. The provision stipulating that collateral should be provided for recovery of the receivables; facilitates recovery of receivables, and is in favor of the Factor as well as the Customer.

3. To provide any factoring service relating to a receivable, essence of a claim, together with all powers contained by it and with its scope, should be transferred to the Factor. To provide collection service in described context, relating to these receivables, especially in overseas transactions and/or where factoring guarantee shall be applicable, to ensure collection of transferred receivables, transfer of related receivables to third persons should have been agreed upon.
4. This provision of the Agreement targets the realization of the purpose intended by the provision of the article (2) above.
5. Provision of this article stipulates that the customer should give collateral for financing and for any accessories thereof that shall be made available in cases where financing is provided. In cases where, at any phase of the factoring service, a gap occurs in the Customer's collaterals or it appears that the obligor is unable to pay its debts; additional collateral shall be taken, and/or it shall be ensured that current collaterals be replaced for sufficiency of current collaterals.

As the essence of factoring transactions and according to the provisions of the Turkish Code of Obligations, transfer of receivable shall also cover the accessories of receivable, and payment means. According to the regulations of the Republic of Turkey Banking Regulation and Supervision Agency, it is required, and is important, that commercial bills within the scope of collateral, should be segregated from the payment means (instruments), since said commercial bills are subject to a procedure required to be followed specially and to ensure that they cannot be made subject to repeated financing.

6. It is like restatement, an explanation of the provision of the Turkish Code of Obligations, relating to the transfer of receivables, and defines the transferor's guarantee obligation.
7. The provision is established about the receivables transferred to the Factor and to prevent termination of the receivable partially or completely. Essentially, the customer shall have no further authority to make any disposal on transferred receivable; on the other hand, it is based on the intention to prevent the execution of transactions that may impede recovery of receivable in the current basic debt relation between the customer and the obligor. Since the customer, a person who is in the position of seller or manufacturer shall be a party to the transaction that gives rise to the receivable, and are merchants; they shall be obliged to bear, on their own, adverse effects which may be caused on the receivable, by the goods,

and services which underlie related receivable. This provision is, at the same time, an explanation in parallel with the provision of article II/6.

8. By the provision of said article, it is intended to identify whether receivables subject to factoring transactions are based on actual business relations, or not, and the obligation to make an investigation in this matter is imposed upon the factoring companies, by the Republic of Turkey Banking Regulation and Supervision Agency. The provision shall, at the same time, assist in the determination of the transaction volumes which can be set for an obligor and a customer, and the ratio of financing that can be made available. Furthermore, the accuracy of the information, and documents required to be published on the companies' websites according to the provisions of the Turkish Commercial Code, is undertaken by the customer, and it is targeted that transactions be conducted within the framework of said information and documents; it is set forth that any act to the contrary shall constitute a material breach of the agreement.
9. By the provision of this article, in the possibility that the risk occurs, an opportunity is provided that the burden of financing used by the Customer, and any accessories thereof, shall be mitigated to the extent of insurance compensation; that the Factor can settle its receivables by the insurance compensation that shall be paid; that any exceeding amount can be claimed from the Customer.
10. The Customer, since it is a party to the underlying relation with its obligor, assumes the obligation to inform the Factor regarding transactions, and developments that shall adversely affect the existence and amount of the receivable, and for this reason and in cases where its transferred receivables are adversely affected, undertakes to close (to settle) the financing used by it, and any accessories thereof. Provision is a restatement of the international factoring rules relating to factoring transactions.
11. This provision is based on the same purpose as article 10, and it is reminded that the customer should not be involved in transactions that shall have an adverse effect on the receivables transferred by the customer, and provides explanatory information for the customer who, upon transfer, shall not have any further authority to make any disposal on related receivable.
- 12, 13. In said provisions, depending on whether the Factor's factoring guarantee comes into force, or not, limits of the collection service are defined; explanations are made that, since the Factor shall not be able to give a response, make defense, healthily, against objections, and pleas arising from a legal relation, which the Factor is not a party to, the customer, who shall be the related party, shall be able to exercise the defense rights much better; and the procedure for transferring the receivables back to the customer, is stipulated. And, it is emphasized that, in such cases, used financing and its accessories should be refunded. It is a provision in compliance with international factoring rules.
14. In case of sales by installment and by retention of title, and in cases where a factoring guarantee applies, it is targeted to mitigate the risk by providing the customer with the opportunity to transfer its rights held by it as per these agreements, to the Factor.

15. It is explained and submitted for the information of the Customer that acts contrary to the principle of honesty, shall constitute a material breach of the agreement also in accordance with the law's fundamental principles, and shall be a cause for termination of the Agreement immediately.
- 16, 17, 18, 19, 20, 21. Said provisions contain explanations, in parallel with international factoring rules, regarding the implementation of factoring transactions; consequences of transactions are clarified within the framework of international factoring rules again.
22. Generally accepted accounting procedures to be followed in factoring transactions are explained.
23. The provision states that the transaction and factoring guarantee limits set forth by the Agreement can be changed by the Factor within the framework of the factoring rules, and describes the provisions which are also included in international factoring rules.
24. However, it is a provision applicable if agreed explicitly by the parties, which allows making available the financing indexed to foreign currency, and which explains the financing indexed to foreign currency.
25. It is a provision that sets forth the procedure for offsetting the collections made about transferred receivables, against the financing made available, and its accessories.
26. It is a provision which stipulates that the information obtained by the Parties about each other, should be kept, which allows the Factor to disclose said information within a certain framework, and which requires that, within the scope of the Law no. 6698 on Protection of Personal Data, personal data of the persons should be obtained legally, otherwise any damages that shall be sustained by the Factor, should be indemnified.

III- Provisions on Factoring Guarantee:

1, 2, 3, 4, 5, 6, 7. Provisions outlined in this section explain the terms and conditions required for coming into force of the guarantee function in factoring transactions, entirely in parallel with international factoring rules and practices, cancellation of the factoring guarantee, and repeal thereof being effective retrospectively. These provisions relating to factoring guarantees, are of a nature peculiar to factoring transactions and are different from factoring guarantee bank letters of guarantee and guarantee agreements. Giving guarantees, suretyship, and collaterals exceeding the factoring guarantee limits relating to the factoring transactions; are prohibited also within the framework of related provisions of the legislation. We recommend that, within the scope of said provisions, the Limit Approval Notice form should also be evaluated within the framework of the original text relating to GRIF rules published on our Company's website; and we remind, with emphasis, that guarantee function of factoring shall not be applicable by any means, apart from these rules.

IV- Term, termination of the Agreement and consequences thereof:

1, 2, 3. In this section, it is set forth that the Agreement can be terminated, one month later, by a one-month prior notice that shall be made in writing; that the circumstances which give the right to terminate immediately, shall be reserved; consequences of termination are explained.

V- Other provisions applicable for export and import factoring:

1, 2, 3, 4, 5, 6. Provisions outlined in this section are complete restatements or explanations of international factoring rules, and it is not possible to make any export or import factoring transaction by amending these rules or by canceling them partially. Similarly, the correspondent Factor's authority to make disposals freely relating to receivables, is among the indispensable provisions of international factoring rules, and it is set forth that authorization is given by the Customer to the correspondent for this purpose; and these rules shall be strictly binding upon the factoring companies, and as explained, they shall be responsible for the application of said rules, against each other.

VI- Miscellaneous:

1. Said article provides that, within the framework of article 193 of the Code of Civil Procedure, in case of disputes between the Parties, the Factor's documents and records shall be accepted as conclusive evidence. It has the legal effect of evidence agreement.
2. In case of a material breach of the obligations undertaken by the Customer by factoring agreement, it provides the Factor the right to terminate the Agreement immediately and to collect its receivables.
3. It is a provision that reminds us that notices between the Parties should be made according to the provisions of the Turkish Commercial Code and the Notification Law.
4. It stipulates that all charges, taxes, and duties relating to the Agreement and its implementation, and penalties which shall be imposed upon the Factor due to the Customer's transactions, any interests, and accessories thereof; shall be borne by the Customer.
5. It reminds us that written form should be complied with also for any amendments that shall be made to the Agreement.
6. This article sets forth the consequences of the possibility that some provisions outlined in the agreement, are, or become, ineffective; provides that effective provisions of the Agreement shall be applicable and that provisions regarding partial conclusive ineffectiveness shall not be applied solely for this reason.
7. In the text of the agreement, the maximum limits of applicable contractual interest rates, are specified. Furthermore, it is set forth that changes in TRLIBOR interest rate during the period to lapse until repayment of financing completely, shall be reflected exactly in the calculation of the contractual interest rate.

8. In the text of the article, it is stipulated that in case the Customer delays repayment of the financing and its accessories, provisions on default shall be applied automatically; the default interest rate and the limits regarding increasing said rate, are specified.
9. In the text of this article, the time when notices shall become effective is described.
10. The provision of the said article contains a regulation in parallel with international factoring rules, regarding cases where the application of the factoring guarantee is agreed upon. By the article, it is targeted to prevent the Customer from making sales aside from the Factoring company relating to the same obligor; to prevent the Customer from making segregation of good, secured, bad, and unsecured receivable and causing the Factor to suffer damages; in cases where factoring guarantee is requested for the same obligor, to prevent exceeding credibility limits; to mitigate the potential of damages which may be suffered by the Customer and Factoring companies; and it is set forth that any act contrary to the provisions of the article, shall be a material breach that shall give the right to terminate the Agreement immediately. It provides that the transactions prohibited in this article can be made only by obtaining written permission from the Factor and/or correspondent Factor.
- 11, 12, 13, 14. In the provisions of said article, it is set forth that the sureties shall be responsible in the capacity of joint and several sureties; that the customer and the joint and several sureties can be resorted to in cases allowed by the laws; and the costs and expenses required to be paid by the Customer, if it causes any lawsuit, follow-up proceeding, and other expenses.
15. Procedure regarding notices between the Parties is defined. An obligation is imposed that a notice address in Turkey, should be declared; that changes should be notified.
16. The Customer and the Sureties are required to certify their authorities; it is provided that changes in authorities should be notified immediately; and that, in case any transaction is made by forged document, the Factor shall not have any responsibility.
- 17, 18. It is the provision that stipulates that costs and taxes shall be paid by the customer.
19. It is set forth that in cases where exemptions and exceptions provided for the Customer by the legislation, are applied, and the Customer fails to fulfill the conditions and responsibilities required to be entitled to those exemptions and exceptions; all current and future financial liabilities shall be paid by the Customer.
20. It is an explanatory provision, that the Financial Crimes Investigation Board requires to be outlined in the agreements, which is consistent with the written announcement displayed at the workplace.
21. In factoring transactions and since they are considered one of the distinctive elements of factoring transactions, changes in the Customer's shareholding structure and management, are extremely important for the Factor. In case of behaviors which can be considered as concealing these transactions, or failure to give information which may adversely affect the Customer's financial condition, that may occur after the Agreement is signed by the

Factor; the Factor shall have the right to terminate the Agreement, immediately, based on these just causes which can constitute a material breach of the Agreement.

22. It is explained, as an essential legal principle that, in case there is more than one Customer, the Customer shall be liable jointly and severally for the entire financing made available to the customer, and any accessories thereof; that, it shall have no significance in this regard, by which customer and in what amount the financing is used.
23. The provision that the contract will be approved electronically without the need for a wet signature, if the transactions are performed by means of remote communication.
24. This article is the provision that contains a jurisdiction agreement, regarding the designation of competent courts, and execution offices within the framework of the provisions of the Code of Civil Procedure.
25. It contains the number of copies and the signing date of the Agreement.
26. The number of pages, sections and articles in the Agreement is specified and it is set forth that all of the customer(s) and joint and several surety (sureties) and the Factor have read the Agreement, and provisions of the Agreement shall apply to them.

SPECIAL TERMS AND CONDITIONS : These are the provisions whereby the Parties can determine domestic/overseas field of implementation, obligors of the factoring transactions, and which contain the information including the Maximum Factoring Volume.