



August, 2019

## WAKALA SUKUK

### In the name of Allah, the Most Gracious, the Most Merciful

1- Albaraka Türk ("the Bank") as the managing agent is to manage the Portfolio Assets, collect payments under the Sukuk and provide certain services those are specified under the Management Agreement. The Bank will invest the proceeds received from Bereket İarlık Kiralama Şirketi ("the SPV") - Asset Leasing Company, legal representative of the Investors- in the Portfolio Assets, which is not less than 33% of the face value of issued amount of Sukuk. The revenue generated from Sukuk investments will be distributed between the Bank and the Sukuk holders.

The asset portfolio shall comprise of:

- Turkish Lira Sukuk, or Foreign Currency Sukuk
- Certain Lease Assets identified in the Management Agreement.
- The Real Estate Investment Funds in the Bank (Regarding to the capital market board regulation number III-52.3).
- All type of the Real Estate Assets owned by the Bank.

2- The SPV will transfer at least 33 % of the Sukuk issuance amount to the Bank which is acting as the managing agent (Wakıl), and the interests, rights, benefits and entitlements of the Asset Portfolio shall be transferred to the Sukuk holders in the same day.

The SPV shall use maximum 67 % of the Sukuk issuance amount to buy Shari'a compliant commodities from the London Metal Exchange through a Brokerage Company (Copper, platinum, palladium, zinc, lead, aluminum, nickel etc.), and sell it to another party by deferred payment with profit margin (gold and silver excluded).

- The Bank as the managing agent will be paid a fee of 100 TL (one hundred Turkish Lira only) for its services by SPV.

3- The Bank will transfer all of the interests, rights, benefits and entitlements of the asset portfolio to the SPV, which appoints the Bank as its agent to manage this asset portfolio.

4- Following payment of periodic distribution amounts in full of all of the Certificates, the managing agent shall be entitled to retain any amounts standing for its own account as an incentive payment for acting as the managing agent. The Bank does not grant or undertake to pay the periodic distribution amounts or principal amount to Sukuk holders at maturity date, in case of the generating profit of asset portfolio (minimum 33 %) is not enough to pay periodic distribution amounts, the difference will be paid from deferred Murabahada profit.

5- In accordance with the Management Agreement between the Bank and the SPV, the Bank accepts to pay Sukuk amount (at least 33 %) to the SPV to buy back the asset portfolio at maturity, and in some time, the bank undertakes to pay the deferred sales price of the commodities according to the Purchase and Sales Agreement at the periodic distribution dates and in amounts specified in the Terms and Conditions of the certificates.

Within the framework of the structure explained above, issuing Sukuk and trading in this Sukuk is suitable for interest-free finance standards.

ALBARAKA TÜRK PARRICIPATION BANK

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