

ALTERNATİFBANK A.Ş.

USD 200,000,000 PERPETUAL FIXED RATE RESETTABLE ADDITIONAL TIER 1
NOTES

DEED OF COVENANT

THIS DEED OF COVENANT is made on 31 March 2021

BY

(1) **ALTERNATİFBANK A.Ş.** (the "**Issuer**")

IN FAVOUR OF

(2) **THE ACCOUNTHOLDERS** (as defined below); and

(3) **THE PERSONS** for the time being and from time to time registered as holders of the Notes referred to below (the "**Noteholders**" and, together with the Accountholders, the "**Beneficiaries**").

WHEREAS

(A) The Issuer has authorised the creation and issue of USD 200,000,000 in aggregate principal amount of Perpetual Fixed Rate Resettable Additional Tier 1 Notes (the "**Notes**").

(B) The Notes will be in registered form and in the minimum denominations of USD 200,000 and integral multiples of USD 1,000 in excess thereof. The Notes will be represented by a global note (the "**Global Note**"), which will be exchangeable for definitive notes ("**Definitive Notes**") in the circumstances specified therein.

(C) The Issuer will, in relation to the Notes, enter into an agency agreement (as amended or supplemented from time to time, the "**Agency Agreement**") with BNP Paribas Securities Services, Luxembourg Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and the other paying agents and the transfer agents named therein.

(D) The Issuer wishes to make arrangements for the protection of the interests of Accountholders in certain circumstances.

THIS DEED OF COVENANT WITNESSES as follows:

1. **INTERPRETATION**

1.1 **Definitions**

In this Deed of Covenant the following expressions have the following meanings:

"**Accountholder**" means any accountholder or participant with a Clearing System which at the Determination Date has credited to its securities account with such Clearing System one or more Entries in respect of the Global Note, except for either Clearing System in its capacity as an accountholder of the other Clearing System;

"**Clearing System**" means each of Euroclear Bank SA/NV and Clearstream Banking, S.A., Luxembourg;

"**Conditions**" means the terms and conditions of the Notes (as scheduled to the Notes and as modified from time to time in accordance with their terms), and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof;

"**Determination Date**" has the meaning given to it in the Global Note;

"**Direct Rights**" means the rights referred to in Clause 3.1 (*Creation*);

"**Entry**" means, in relation to the Global Note any entry which is made in the securities account of any Accountholder with a Clearing System in respect of Notes represented by the Global Note;

"**Holder**" means a person in whose name a Note is registered in the Register or, in the case of joint holders, the first named thereof; and

"**Principal Amount**" means, in respect of any Entry, the aggregate principal amount of the Notes to which such Entry relates.

1.2 **Other Defined Terms**

Terms defined in the Conditions have the same meanings in this Deed of Covenant.

1.3 **Clauses**

Any reference in this Deed of Covenant to a Clause is, unless otherwise stated, to a clause hereof.

1.4 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Covenant.

1.5 **Legislation**

Any reference in this Deed of Covenant to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

2. **THE NOTES**

The Issuer hereby covenants in favour of each Noteholder that it will duly perform and comply with the obligations expressed to be undertaken by it in each Note Certificate and in the Conditions (and for this purpose any reference in the Conditions to any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to this provision).

3. **DIRECT RIGHTS**

3.1 **Creation**

If the Determination Date occurs in respect of the Global Note in accordance with its terms then, subject to Clause 3.3 (*Notification and No Further Action*), each Accountholder shall acquire rights of enforcement against the Issuer ("**Direct Rights**") to compel the Issuer to perform its obligations to the Holder in respect of the Notes represented by the Global Note, including the obligation of the Issuer to make all payments when due at any time in respect of such Notes in accordance with the Conditions as if such Notes had (where required by the Conditions) been duly presented and surrendered on the due date in accordance with the Conditions.

3.2 **Effect**

Notwithstanding the Direct Rights that may be created under Clause 3.1 (*Creation*):

3.2.1 *Discharge*: payment to the Holder in respect of any Notes represented by the Global Note shall constitute a discharge of the Issuer's obligations to the extent of any such payment; and

3.2.2 *Payment to Holder*: nothing herein shall oblige the Issuer to make any payment under the Notes to or to the order of any person other than the Holder.

3.3 **Notification and No Further Action**

3.3.1 *Notification*: as a condition of exercise of the Direct Rights by an Accountholder, such Accountholder shall, as soon as practicable, give notice of such exercise to the Noteholders in the manner provided for in the Conditions or the Global Note for notices to be given by the Issuer to Noteholders;

3.3.2 *Issuer undertaking*: to facilitate the giving of such notice, the Issuer shall procure that the Registrar delivers the above notice to the Clearing Systems upon the instruction and at the expense of the relevant Accountholder; and

3.3.3 *No Further Action*: subject to Clause 3.3.1 (*Notification*), no further action shall be required on the part of the Issuer or any other person for the Accountholders to enjoy the Direct Rights.

4. **EVIDENCE**

4.1 **Records**

The records of the Clearing Systems shall be conclusive as to the identity of the Accountholders and the respective amounts of Notes credited to their securities accounts and a statement issued by a Clearing System setting out:

4.1.1 *Name*: the name of the Accountholder in respect of which it is issued; and

4.1.2 *Principal Amount*: the Principal Amount of any Entry credited to the securities account of such Accountholder with such Clearing System on any date,

shall be conclusive evidence for all purposes of this Deed of Covenant.

4.2 Determination Date

If a Clearing System determines the Determination Date, such determination shall be binding on the Issuer and all Accountholders with such Clearing System.

5. DEPOSIT OF DEED OF COVENANT

This Deed of Covenant shall be deposited with and held by the Registrar until the date on which all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under this Deed of Covenant) have been discharged in full. The Issuer hereby acknowledges the right of every Beneficiary to the production of this Deed of Covenant.

6. STAMP DUTIES

The Issuer shall pay all stamp, registration and other taxes and duties, if any, (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Covenant, the constitution and issue of the Notes and any action taken by or on behalf of any Beneficiary to enforce this Deed of Covenant, and shall indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

7. BENEFIT OF DEED OF COVENANT

7.1 Deed Poll

This Deed of Covenant shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

7.2 Benefit

This Deed of Covenant shall enure to the benefit of each Beneficiary (and any subsequent successors and assigns), each of which shall be entitled severally to enforce this Deed of Covenant against the Issuer.

7.3 Assignment

The Issuer shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

8. PARTIAL INVALIDITY

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or

enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

9. NOTICES

9.1 Address for Notices

All notices and other communications to the Issuer hereunder shall be made in writing (by letter or email) and shall be sent to the Issuer at:

Alternatifbank A.Ş.
Ayazağa Mah. Azerbaycan Cad. 2D Blok No:3M Ic Kapi No:1 34485 Sarıyer
İstanbul
Turkey

Email: Levent.Guven@alternatifbank.com.tr
fi@alternatifbank.com.tr

Attention: Mr Levent Guven

or to such other address or email address or for the attention of such other person or department as the Issuer has notified to the Noteholders in the manner prescribed for the giving of notices in connection with the Notes.

9.2 Effectiveness

Every notice or other communication sent in accordance with Clause 9.1 (*Address for Notices*) shall be effective upon receipt by the Issuer provided, however, that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Issuer.

In addition to other permissible legal evidence pursuant to the Civil Procedure Code of Turkey (Law No 6100), any notice, demand, request or other communication pursuant to this Agreement that is made by email (including unencrypted email) shall be deemed a document (*belge*) pursuant to Article 199 of the Civil Procedure Code of Turkey (Law No. 6100) and it shall constitute legally written evidence between the parties thereto pursuant to the first sentence of Article 193 and Article 199 of the Civil Procedure Code of Turkey (Law No 6100).

Any communication to or from the Issuer regarding the items described in Article 18 of the Turkish Commercial Code (Law No. 6102) (such items consisting primarily of notices of default or termination) must be delivered via a Turkish notary, by telegram, by registered mail or by email with the registered and certified digital signature.

10. LAW AND JURISDICTION

10.1 Governing Law

This Deed of Covenant and any non-contractual obligations (with respect to non-contractual obligations, to the extent permitted under applicable law) arising out of or

in connection with it are and shall be governed by, and construed in accordance with, English law.

10.2 **English Courts**

The courts of England and Wales sitting in London shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed of Covenant (including a dispute regarding the existence, validity or termination of this Deed of Covenant, any non-contractual obligations (to the extent permitted under applicable law) arising out of or in connection with this Deed of Covenant or the consequences of its nullity) (a "**Dispute**"). The Issuer agrees that the courts of England and Wales sitting in London are the most appropriate and convenient courts to settle any Dispute and accordingly that it will not argue to the contrary.

10.3 **Rights of the Beneficiaries to take proceedings outside England**

Clause 10.2 (*English courts*) is for the benefit of the Beneficiaries only. As a result, nothing in this Clause 10 (*Law and jurisdiction*) prevents the Beneficiaries from taking any suit, action or proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Beneficiaries may take concurrent Proceedings in any number of jurisdictions.

10.4 **Judgment obtained in the English Courts**

The Issuer agrees, without prejudice to the enforcement of a judgment obtained in the courts of England and Wales sitting in London according to the provisions of Article 54 of the International Private and Procedure Law of Turkey (Law No. 5718), that in the event that any action is brought in relation to the Issuer in a court in Turkey in connection with the Notes, in addition to other permissible legal evidence pursuant to the Civil Procedure Code of Turkey (Law No. 6100), any judgment obtained in the courts of England and Wales sitting in London in connection with such action shall be deemed a document (*belge*) pursuant to Article 199 of the Civil Procedure Code of Turkey (Law No. 6100) and it shall constitute conclusive evidence of the existence and amount of the claim against the Issuer, pursuant to the provisions of the first paragraph of Article 193 and Article 199 of the Civil Procedure Code of Turkey (Law No. 6100) and Articles 58 and 59 of the International Private and Procedure Law of Turkey (Law No. 5718).

10.5 **Service of Process**

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to TMF Corporate Services Limited at 6 St Andrew Street, 5th Floor, London EC4A 4AE, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Beneficiary addressed to the Issuer and delivered to the Issuer appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Beneficiary shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the

Issuer. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

11. **MODIFICATION**

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of this Deed of Covenant. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries.

IN WITNESS whereof this Deed of Covenant has been executed by the Issuer and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed)
by **ALTERNATİFBANK A.Ş.**)
acting by)
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