

| TYPE/ SUBJECT OF THE CONTRACT | CAN THE PRICE ¹ BE DETERMINED IN FOREIGN CURRENCY ² ? | BASIS |
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| | | Article 8 |
| AGREEMENT OF SALE IN RESPECT OF IMMOVABLE ASSETS ³ | NO | <i>Paragraph 1</i> |
| AGREEMENT OF LEASE IN RESPECT OF IMMOVABLE ASSETS | NO | <i>Paragraph 2</i> |
| EMPLOYMENT CONTRACTS | NO | <i>Paragraph 3</i> |
| Labor contracts to be performed abroad | YES | <i>Paragraph 3</i> |
| Labour contracts signed with the parties that do not hold the Turkish citizenship but are residents ⁴ in Turkey. | YES | <i>Paragraph 11</i> |
| Individuals who are not residents in Turkey but who directly/indirectly own %50 and more shares in a company, branch, representative office, liaison office established in Turkey or are parties of the employment contracts within the companies activating in free zones. | YES | <i>Paragraph 16</i> |
| SERVICE CONTRACTS ⁵ | NO | <i>Paragraph 4</i> |
| Consultancy, brokerage and transportation contracts | NO | <i>Paragraph 4</i> |
| Service contracts whose parties do not have the bond of citizenship with The Republic of Turkey | YES | <i>Paragraph 4</i> |
| Service contracts established in the field of exports, transit trade, sales and deliveries that are considered as export, services and activities that are determined in foreign exchange. | YES | <i>Paragraph 4</i> |
| Service contracts within the scope of the activities to be carried out abroad by residents in Turkey | YES | <i>Paragraph 4</i> |
| Service contracts related to electronic communications started to be performed in Turkey and terminated abroad or started abroad but terminated in Turkey concluded between Turkish residents. | YES | <i>Paragraph 4</i> |
| Individuals who reside abroad but who directly/indirectly own %50 and more shares in a company, branch, representative office, liaison office established in Turkey or are parties of the service contracts within the companies activating in free zones. | YES | <i>Paragraph 16</i> |
| Service contracts related to hardware and software produced abroad within the scope of information technologies | YES | <i>Paragraph 8</i> |

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¹ The concept of **PRICE** here includes the contract price as well as the other (secondary) payment obligations arising from the contract. Moreover, it is not possible to establish the price foreign exchange of the negotiable instruments arising from the contracts or any secondary obligations related to these contracts.

² The concept of **FOREIGN EXCHANGE** here includes the contracts in foreign currency or contracts whose price is determined according to the value of precious metals and / or commodities indexed in international markets and those contracts whose price is directly/indirectly indexed in foreign currency.

³ The concept of **REAL ESTATE** is to express real property located within the territory of Turkey even though they are located in the free trade zone.

⁴ The concept of **RESIDENTS IN TURKEY** includes real and legal persons including workers, individual business owners and self-employed individuals who reside abroad but have the intention to settle in Turkey and who reside in Turkey continuously for more than 6 months in a calendar year. Companies and legal entities that allocated their capital by establishing companies, opening branches or merging with another companies in accordance with the Turkish laws are considered Turkish Residents.

⁵ The Communiqué does not provide a detailed description of **the SERVICE CONTRACTS**. In order to determine whether the contracts for employment other than the service contracts specified in the Communiqué are within the scope of the service contract each contract must be examined separately. Consider to request information via contact information in the letterhead. However, in general terms, it is possible to draw a framework for the service contracts not mentioned in the Communiqué with the definition of the service contract specified in Article 393 of the Turkish Code of Obligations. According to this provision 'The service contract is a contract in which the employee is dependent on the employer to work for a certain or unspecified period and that the employer also undertakes to pay him / her the time or the work done'.

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| Contract for work ⁶ | NO | <i>Paragraph 5</i> |
| Contract for work concluded for the construction, repair and maintenance of ships as defined in the Law No. 4490 and Law on Amending the Decree No. 491 | YES | <i>Paragraph 5</i> |
| Contract for sale related to movable property | YES | <i>Paragraph6</i> |
| Contracts for sale of construction equipment and vehicles | NO | <i>Paragraph6</i> |
| Contracts for lease related to movable property | YES | <i>Paragraph7</i> |
| Contracts for leasing of construction equipment and vehicles | NO | <i>Paragraph7</i> |
| Financial lease agreements for defined vessels in accordance with the Law No. 4490 and Law on Amending the Decree No. 491 | YES | <i>Paragraph9</i> |
| Leasing contracts within the scope of Articles 17 and 17 / A of Decision No. 32 | YES | <i>Paragraph10</i> |
| Car rental contracts, including construction machinery, which were concluded before 13.9.2018 | YES | <i>Paragraph22</i> |
| SOFTWARE AND HARDWARE SALES, LICENSE AND SERVICE CONTRACTS within the INFORMATION TECHNOLOGIES | NO | <i>Paragraph8</i> |
| License and service contracts related to sales contracts, software and hardware related to software produced abroad within the scope of information technologies | YES | <i>Paragraph8</i> |
| Contracts where the parties are companies under Government Authority and Turkish Armed Forces | YES | <i>Paragraph 12</i> |
| Contracts related to sales/leasing of immovable property where the parties are the companies under Government Authority and Turkish Armed Forces | NO | <i>Paragraph12</i> |
| Contracts concluded between Contractors and Third Parties within the scope of the execution of Foreign-Indexed Auctions or auction in foreign currency, international contracts, where the parties are Public Institutions and Organizations | YES | <i>Paragraph13</i> |
| Contracts related to sales/leasing of immovable property and employment contracts within the scope of the above-mentioned article. | NO | <i>Paragraph13</i> |
| Contracts whose parties are Banks in Terms of Transactions Carried Out by the Ministry of Treasury and Finance under Law No. 4749 | YES | <i>Paragraph14</i> |
| The contracts related with the export, sale, purchase or movement in foreign currencies of Capital Market Instruments (Including Foreign Capital Market Instruments and Warehouse Certificates and Foreign Investment Fund Shares) Within the Framework of Capital Market Legislation | YES | <i>Paragraph15</i> |

⁶ In the Turkish Code of Obligations, in order to determine the limits of the type of contract specified as **CONTRACT FOR WORK**, it would be more appropriate to define the concept of **CONSTRUCTION, MAINTENANCE, REPAIR AND LOADING** in the classical sense. Accordingly, it will be more accurate to see the contracts related to technical services such as installation, maintenance and repair within the scope of the contracts for work. However, when it is taken into consideration that each contract should be examined under its own conditions, on this issue it is requested to obtain contract based information from our communication channels.

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| (I) Commercial Airline Operations that provide transportation services of passengers residing in Turkey as well as cargo and mail transport services; | YES | <i>Paragraph17</i> |
| (ii) companies providing technical maintenance services for air transport vehicles, engines and parts thereof; | | |
| (iii) Agreements according to which the parties have at least 50% direct or indirect equity in companies and enterprises created by organizations that provide ground handling services at airports that hold a working license in a given area or authorized government agencies or institutions in the status of a legal entity under private law under civil aviation legislation | | |
| Contracts of sale or lease within the above-mentioned scope. | NO | <i>Paragraph17</i> |
| ADDITIONAL INFORMATION; | - | |
| In case of contracts that cannot be determined in terms of foreign currency, the contract prices are required to be re-determined by the parties as Turkish Lira. | - | <i>Paragraph23</i> |
| If the parties cannot agree to determine the new price of contracts in Turkish lira, signed before 09/12/2018, the new contract value in Turkish lira indicates the price of foreign currency, determined on 01.01.2018 of the Central Bank of the Republic of Turkey, calculated using the effective rate by increasing the amount for each month the consumer price index determined by the Statistical Institute of Turkey before the date of automatic renewal of the contract price. ⁷ | - | <i>Paragraph24</i> |
| The prices of rental contracts for housing and an indoor enterprise signed before 12/09/2018 will be determined in Turkish lira for 2 years. However, from the end of the lease year in which this definition is adopted as Turkish currency; if the parties cannot agree, the rental price is determined by a monthly increase in the CPI based on monthly changes in rates established by TSI from the moment it is determined until the end of the rental year. If the parties cannot reach an agreement for the next rental year, the rental price for the previous rental year is determined by increasing the monthly CPI based on the monthly change rate determined by TSI and this definition is valid until the end of the two years mentioned in the above mentioned paragraph. | - | <i>Paragraph24</i> |
| The re-determination process in Turkish Lira is not applied for the receivables that have been collected or overdue. | - | <i>Paragraph24</i> |
| In the event that the parties have their demands for the contracts to be made with the request of the parties related to the exempted agreements or for the existing contracts, the costs in the contracts are determined in Turkish Lira. | - | <i>Paragraph25</i> |

⁷ It is interpreted as the date when parties could not reach an agreement and when the negotiations proved unfavorable.