

TURKISH LAW OF OBLIGATIONS

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PART ONE General Provisions

PART ONE Sources of the Debt Relationship

CHAPTER ONE Contractual Obligation Relations

A. Establishment of the contract

I. Will statement

1. In general

ARTICLE 1 - A contract shall be concluded upon the mutual and appropriate declaration of the wills of the parties.

The expression of will may be explicit or implicit.

2. Second order points

ARTICLE 2 - If the parties agree on the essential points of the contract, the contract shall be deemed to have been concluded even if the secondary points have not been discussed.

If the second-order points cannot be agreed upon, the judge shall decide the dispute based on the nature of the matter.

Provisions regarding the form of contracts are reserved.

II. Suggestion and acceptance

1. Timed proposal

ARTICLE 3 - The person who proposes a contract by setting a period for acceptance is bound by his proposal until the expiration of this period.

If the acceptance is not received within this period, the proposer is released from the obligation.

2. Indefinite recommendation

a. Among those ready

ARTICLE 4 - If a suggestion made to a person who is present without setting a time limit for acceptance is not accepted immediately, the proposer shall be released from his/her obligation.

A suggestion made during direct communication by means of a communication device such as a telephone or computer shall be deemed to be made between those present.

b. Among those not ready

ARTICLE 5 - A proposal made to an absent person without setting a time limit for acceptance shall bind the proposer until such time as a timely and duly sent response can be expected.

The proposer may consider his/her proposal to have been received on time.

If a timely acceptance reaches the proposer late and the proposer does not wish to be bound by it, he must immediately notify the acceptor.

3. Implicit acceptance

ARTICLE 6 - If the proposer is not obliged to wait for an explicit acceptance due to the law or the nature of the business or the situation, the contract shall be deemed to have been concluded unless the proposal is rejected within an appropriate period of time.

4. Sending something that was not ordered

ARTICLE 7 - Sending something that has not been ordered is not considered as a suggestion. The person who receives this thing is not obliged to send it back or keep it.

5. Non-binding proposal and public proposal

ARTICLE 8 - If the proposer expressly states that he reserves the right not to be bound by his proposal or if it is understood from the nature of the business or the necessity of the situation that he does not intend to be bound, his proposal shall not bind him.

The display of goods or the sending of tariffs, price lists or the like shall be deemed to be an offer unless the contrary is clearly and easily understood.

6. Promising a reward through an advertisement

ARTICLE 9 - Anyone who announces through an announcement that he/she will give a reward in return for the realization of a result is obliged to fulfill his/her promise.

If the promisee reneges on his promise before the realization of the result or prevents the realization of the result, he is obliged to pay the expenses incurred in accordance with the rules of good faith shall be liable. However, the sum of the expenses payable to one or more persons may not exceed the value of the prize.

Award promise giver, expenses to be paid those who want expected if it proves that they cannot realize the result, it is released from the obligation to pay the costs.

7. Withdrawal of the proposal and acceptance

ARTICLE 10 - If the withdrawal explanation is received by the other party before or at the same time with the proposal, or if it is received later but learned by the other party before the proposal, the proposal shall be deemed not to have been made.

This rule also applies to revocation of acceptance.

III. Moment of validity of a contract between unprepared parties

ARTICLE 11 - Contracts concluded between those who are not present shall become effective starting from the moment the acceptance is sent.

Where an express acceptance is not required, the contract may be concluded from the moment of receipt of the proposal.

shall take effect from the date of commencement.

B. Form of contracts

I. General rule

ARTICLE 12 - Unless otherwise provided by law, the validity of contracts shall not be subject to any form.

The form stipulated in the law for contracts is, as a rule, the form of validity. Contracts concluded without complying with the prescribed form shall not be valid.

II. Written form

1. Legal form

a. Scope

ARTICLE 13 - It is obligatory to comply with the written form in the amendment of a contract which is stipulated to be made in written form in the Law. However, supplementary clauses that do not contradict the text of the contract are exempt from this rule.

This rule also applies to forms of validity other than the written form.

b. Elements

ARTICLE 14 - In the contracts foreseen to be concluded in written form, the signatures of those who are under obligation are obligatory.

Unless otherwise provided by law, a signed letter, a telegram signed by those who are under obligation, a fax or similar means of communication, provided that they are confirmed, or texts that can be sent and stored by secure electronic signature shall also be deemed to be a written form.

c. Signature

ARTICLE 15 - The signature must be in the handwriting of the person under obligation. A secure electronic signature shall have all the legal consequences of a handwritten signature.

A signature in a medium other than handwriting shall be deemed sufficient only in cases accepted by custom and usage, and especially in the signing of negotiable instruments issued in large numbers.

(Amended paragraph: 13/2/2011-6111/213 Art.) If visually impaired persons request, a witness shall be sought for their signatures. Otherwise, it is sufficient for the visually impaired to sign their signatures in handwriting.

d. Signature substitutes

ARTICLE 16 - Those who cannot sign may use a fingerprint, a sign made by hand or a seal instead of a signature, provided that it is duly approved.

Provisions regarding bills of exchange are reserved.

2. Voluntary shape

ARTICLE 17 - If it is agreed by the parties to a contract which is not bound to a form in the law to be executed in a certain manner, the contract which is not executed in the specified manner shall not bind the parties.

If a written form has been agreed upon without any specification, the provisions regarding the legal written form shall apply.

C. Debt recognition

ARTICLE 18 - A recognition of debt is valid even if it does not include the reason for the debt.

D. Interpretation of contracts, collusive transactions

ARTICLE 19 - In determining and interpreting the type and content of a contract, the true and common will of the parties shall be taken as basis, regardless of the words used by mistake or to conceal their true intentions.

The debtor cannot claim that this transaction is collusive against the third party who has acquired the receivable by relying on a written acknowledgment of debt.

E. General transaction terms

I. In general

ARTICLE 20 - General terms and conditions are the provisions of a contract which the drafter prepares and submits to the other party in advance, alone, in order to use them in a large number of similar contracts in the future. The fact that these terms are included in the text of the contract or in its annex, their scope, type of writing and form shall not be important in the characterization.

The fact that the texts of the contracts organized for the same purpose are not identical does not prevent the provisions contained in these contracts from being considered as general terms and conditions.

A record in the contract containing general terms or in a separate contract stating that each of these terms has been discussed and accepted does not, by itself, exclude them from being general terms.

The provisions relating to general terms and conditions shall also apply to the contracts prepared by persons and entities that perform the services they provide with the permission granted by law or by the competent authorities, regardless of their nature.

II. Scope

1. Deemed unwritten

ARTICLE 21 - The inclusion of general transaction terms contrary to the interests of the counterparty in the scope of the contract depends on the issuer's explicitly informing the counterparty about the existence of these terms and providing the opportunity to learn their content, and the counterparty's acceptance of these terms during the conclusion of the contract. Otherwise, the general transaction terms shall be deemed to be unwritten.

General terms and conditions that are foreign to the nature of the contract and the

nature of the business shall also be deemed to be unwritten.

2. Effect of deemed unwritten on the contract

ARTICLE 22 - The provisions of the contract other than the general terms and conditions deemed to be unwritten shall remain valid. In this case, the organizer cannot claim that he would not have concluded the contract with the other provisions had it not been for the terms deemed to be unwritten.

III. Interpretation

ARTICLE 23 - If a provision in the general terms and conditions is not clear and comprehensible or has more than one meaning, it shall be interpreted against the issuer and in favor of the counterparty.

IV. Prohibition of substitution

ARTICLE 24 - Any record in a contract containing general terms and conditions or in a separate contract which unilaterally **authorizes** the drafter to change a provision of the contract containing general terms and conditions or to **introduce** a new regulation shall be deemed to be unwritten.

V. Content moderation

ARTICLE 25 - Provisions to the detriment of the other party or aggravating his/her situation may not be included in the general terms and conditions in violation of the rules of good faith.

F. Content of the contract

I. Freedom of contract

ARTICLE 26 - The parties may freely determine the content of a contract within the limits prescribed by law.

II. Absolute nullity

ARTICLE 27 - Contracts which are contrary to the mandatory provisions of the Law, morality, public order, personal rights or the subject matter of which is impossible shall be null and void.

The nullity of some of the provisions contained in the contract does not affect the validity of the others. However, if it is clearly understood that the contract cannot be concluded without these provisions, the entire contract shall be absolutely null and void.

III. Overutilization

ARTICLE 28 - If there is a clear disproportion between the mutual performances in a contract, if this disproportion is realized by taking advantage of the injured party's being in a difficult situation or his thoughtlessness or inexperience, the injured party may, depending on the nature of the situation, either request the return of his performance by notifying the other party that he is not bound by the contract or the elimination of the disproportion between the performances by adhering to the contract.

The injured party may exercise this right within one year from the date on which he

learns of his recklessness or inexperience, or in the case of hardship, within one year from the date on which this situation ceases to exist, and in any case within five years from the date of conclusion of the contract.

IV. Pre-Contract

ARTICLE 29 - Contracts relating to the future establishment of a contract shall be valid.

Except for the exceptions provided by law, the validity of the preliminary agreement depends on the form of the future agreement.

G. Disorders of willpower

I. Error

1. Provisions of mistake

ARTICLE 30 - The party who has made a fundamental mistake during the conclusion of the contract is bound by the contract

It

won't

happen.

2. States of error

a. Error in explanation

ARTICLE 31 - In particular, the following cases of mistake are material:

1. If the wrongdoer has expressed his/her will for a contract other than the one he/she intended to conclude.
2. If the wrongdoer has expressed his/her will for something other than what he/she wanted.
3. If the wrongdoer has expressed his/her intention to conclude a contract to someone other than the person with whom he/she actually intended to conclude a contract.
4. If the wrongdoer has considered a person with certain qualifications when concluding the contract, but has expressed his/her will for another person.
5. The wrongdoer has expressed his or her will for an act that is substantially more than he or she actually intended to undertake or for a counter-acting act that is substantially less than he or she actually intended.

Simple miscalculations do not affect the validity of the contract; it is sufficient to correct them.

b. Mistake in motive

ARTICLE 32 - Mistake in motive shall not be considered as a fundamental mistake. If the mistaken party considers the motive to be the basis of the contract and this is in accordance with the rules of honesty applicable in business relations, the mistake shall be deemed to be fundamental. However, this situation must also be known by the other party.

c. Error in forwarding

ARTICLE 33 - The provisions of mistake shall also be applied in the event that the will for the conclusion of the contract is incorrectly communicated by an intermediary or an instrument such as a messenger or translator.

3. Rules of honesty in mistake

ARTICLE 34 - The wronged person shall not assert that he is wrong in violation of the rules of honesty.

In particular, if the other party expresses its consent to the conclusion of the contract in the sense intended by the wrongdoer, the contract shall be deemed to have been concluded in that sense.

4. Fault in error

ARTICLE 35 - If the wronged party is at fault in his mistake, he is obliged to compensate the damage arising from the nullity of the contract. However, if the other party knows or should have known of the mistake, compensation cannot be demanded.

In cases where equity so requires, the judge may order a performance not to exceed the expected benefit of the performance.
provided that the court may award more compensation.

II. Deception

ARTICLE 36 - If one of the parties has entered into a contract as a result of the deception of the other, he is not bound by the contract, even if the deception is not material.

A party who enters into a contract as a result of the deception of a third party is not bound by the contract if the other party knew or could have known of the deception at the time.

III. Intimidation

1. Ruling

ARTICLE 37 - If one of the parties has entered into a contract as a result of intimidation by the other party or a third person, he is not bound by the contract.

If the intimidator is a third party and the other party does not know or is not in a position to know about the intimidation, the intimidated party who does not want to be bound by the contract is obliged to pay compensation to the other party, if equity so requires.

2. Conditions

ARTICLE 38 - Intimidation shall be deemed to have taken place if the intimidated is justified in believing that there is a grave and imminent danger of harm to his or one of his relatives' personal rights or property in terms of the situation he is in.

When a contract is concluded with the intimidation that a right or a power arising from the law will be exercised, the existence of intimidation is accepted if the party who declares that he will exercise this right or power derives an excessive benefit from the other party being in a difficult situation.

IV. Elimination of impaired willpower

ARTICLE 39 - A party who enters into a contract due to mistake or deception or as a result of intimidation shall be deemed to have ratified the contract if he does not notify that he is not bound by the contract within one year starting from the moment he learns of the mistake or deception or the effect of intimidation disappears, or if he does not demand back what he has given.

Ratification of a contract that is not binding due to deception or intimidation does not eliminate the right to compensation.

H. Representation

I. Authorized representation

1. In general

a. Ruling on representation

ARTICLE 40 - The consequences of a legal transaction executed by an authorized representative on behalf of and on account of another person shall bind the person directly represented.

If the representative does not declare his/her capacity when concluding a legal transaction, the consequences of the legal transaction shall belong to him/her. However, if the other party deduces or should deduce the existence of a representation relationship from the situation, or if it makes no difference whether the legal transaction is made by the representative or the represented party, the consequences of the legal transaction shall directly belong to the represented party.

In other cases, the provisions on transfer of receivables or assumption of liabilities shall apply.

b. Content and degree of representation authority

ARTICLE 41 - If the representation on behalf of and on account of another person arises from public law, the content and degree of representation authority shall be determined in accordance with the legal provisions on this subject; if the representation arises from a legal transaction, the content and degree of representation authority shall be determined in accordance with that legal transaction.

If the power of representation has been notified to third parties, the content and degree of the power of representation shall be determined according to this notification.

2. Authorization arising from a legal transaction

a. Limitation and withdrawal of authorization

ARTICLE 42 - The represented person may at any time limit or withdraw the representation authorization arising from a legal transaction. However, the rights that may arise from legal relations such as service, proxy or partnership agreements between the parties are reserved.

The represented party cannot waive this right in advance.

If the represented person has explicitly or implicitly notified third parties of his/her authorization, he/she cannot assert the revocation of the authorization against bona fide third parties, unless he/she notifies them that he/she has revoked this authorization in whole or in part.

b. Death, incapacity and other circumstances

ARTICLE 43 - Unless otherwise agreed by the parties or unless otherwise understood from the nature of the business, the power of representation arising from a legal transaction shall terminate in the event of death, absenteeism, loss of capacity to act or bankruptcy of the represented person or the representative.

This provision shall also apply in the event of the dissolution of a legal entity. The mutual personal rights of the parties are reserved.

c. Return of the authorization certificate

ARTICLE 44 - If a certificate of authorization has been given to the representative, in the event of termination of the authorization, the representative is obliged to return this document to the person represented or to leave it at the place to be determined by the judge.

If the represented person or his or her successors do not do what is necessary for the representative to return the document, are therefore obliged to compensate the damages of third parties in good faith.

d. Failure to assert the termination of the authorization

ARTICLE 45 - Unless the representative knows that his authorization has expired, the represented person or his successors shall be bound by the results of the legal transactions made by the representative.

This rule does not apply where third parties know that the authorization has expired.

II. Unauthorized representation

1. In case of ratification

ARTICLE 46 - If a person makes a legal transaction as a representative without authorization, this transaction shall bind the person represented only if he approves it.

The other party with whom the unauthorized representative has entered into a transaction may request the represented party to notify the other party within an appropriate period of time whether or not he/she approves the legal transaction. If the transaction is not ratified within this period, the other party is released from being bound by this transaction.

2. In case of disapproval

ARTICLE 47 - In the event that the represented party explicitly or implicitly fails to approve the legal transaction, the unauthorized representative may be asked to compensate the damage arising from the invalidity of this transaction. However, if the unauthorized representative proves that the other party knew or should have known that he was unauthorized at the time of the transaction, he cannot be asked to compensate the damage.

If equity so requires, recovery of other damages from the negligent unauthorized agent may be requested.

Rights arising from unjust enrichment are reserved.

III. Reserved provisions

ARTICLE 48 - Provisions regarding the authority of the representatives and organs of the partnership and commercial proxies are reserved.

PART TWO

Obligation Relations Arising from Torts

A. Responsibility

I. In general

ARTICLE 49 - Whoever harms another person by a negligent and unlawful act is liable to compensate for this damage.

Even if there is no rule of law prohibiting the harmful act, anyone who intentionally harms another person by an immoral act is obliged to compensate for this harm.

II. Proof of damage and fault

ARTICLE 50 - The injured party is under the burden of proving the damage and the fault of the damaging party.

If the exact amount of the damage cannot be proved, the judge shall determine the amount of the damage in accordance with equity, taking into account the ordinary course of events and the measures taken by the injured party.

III. Compensation

1. Determination

ARTICLE 51 - The judge shall determine the scope and the manner of payment of compensation, taking into account the necessity of the situation and especially the gravity of the fault.

If compensation is ordered to be paid in the form of liquidated damages, the debtor is obliged to provide security.

2. Download

ARTICLE 52 - If the injured party has consented to the act that caused the damage or has been effective in the occurrence or increase of the damage or has aggravated the situation of the indemnitee, the judge may reduce or completely remove the indemnity.

If the indemnitee, who caused the damage with slight negligence, will fall into poverty when the indemnity is paid and equity requires it, the judge may reduce the indemnity.

IV. Special cases

1. Death and bodily harm

a. Death

ARTICLE 53 - The damages suffered in case of death are especially the following:

1. Funeral expenses.
2. If death is not immediate, medical expenses and losses arising from loss or impairment of earning capacity.
3. Losses incurred by persons deprived of the support of the deceased.

b. Bodily harm

ARTICLE 54 - Bodily damages are in particular the following:

1. Treatment expenses.
2. Loss of earnings.
3. Losses resulting from the reduction or loss of earning capacity.
4. Losses arising from the disruption of economic prospects.

c. Determination

ARTICLE 55 - Losses for deprivation of support and bodily damages shall be calculated in accordance with the provisions of this Law and the principles of liability law. Social security payments which are partially or wholly non-recourse and payments which are not intended for performance shall not be taken into consideration in the determination of such damages and shall not be deducted from the damages or compensation. The calculated compensation cannot be increased or decreased on the basis of the amount with the

consideration of equity.

The provisions of this Law shall also apply to claims and lawsuits for damages related to the partial or total loss of bodily integrity or the death of a person caused by all kinds of administrative actions and transactions and other reasons for which the administration is responsible.

d. Moral compensation

ARTICLE 56 - In the event of damage to the physical integrity of a person, the judge may, taking into account the characteristics of the case, decide to pay an appropriate amount of money to the injured person as non-pecuniary damages.

In cases of serious bodily harm or death, an appropriate amount of money may also be awarded as non-pecuniary damages to the relatives of the injured person or the deceased.

2. Unfair competition

ARTICLE 57 - A person whose customers have decreased or who faces the danger of losing them due to the dissemination of untrue news or the making of such announcements or other behaviors contrary to the rules of honesty may request the cessation of these behaviors and, in case of fault, the compensation of the damage.

The provisions of the Turkish Commercial Code on unfair competition in commercial business are reserved.

3. Damage to the right of personality

ARTICLE 58 - The person who has suffered damage to his right of personality may request the payment of a sum of money under the name of moral compensation for the moral damage he has suffered.

In lieu of payment of such compensation, the judge may order other forms of redress or add to it; in particular, he or she may issue an order condemning the attack and order its publication.

4. Temporary loss of the power of discrimination

ARTICLE 59 - A person who temporarily loses the power of discernment is liable to compensate for the damages caused during this period. However, if he proves that he is not at fault in the loss of the power of discernment, he shall be released from liability.

V. The multiplicity of causes of liability

1. Competition of causes

ARTICLE 60 - If the liability of a person may be based on more than one cause, the judge shall decide according to the cause of liability that provides the best remedy to the injured party, unless the injured party has requested otherwise or unless otherwise stipulated by law.

2. Joint and several liability

a. External relationship

ARTICLE 61 - If more than one person causes a damage together or is responsible for the same damage for various reasons, the provisions on joint and several liability shall apply

to them.

b. Internal relationship

ARTICLE 62 - In apportioning the compensation among the joint debtors liable for the same damage, all circumstances and conditions, especially the gravity of the fault attributable to each of them and the intensity of the danger created by them shall be taken into consideration.

A person who pays more than his or her share of the compensation shall be liable for this overpayment to the other shall have the right of recourse against the jointly responsible parties and shall be subrogated to the rights of the injured party.

VI. Circumstances that remove the illegality

1. In general

ARTICLE 63 - An act based on the authority granted by the law and within the limits of this authority shall not be considered unlawful, even if it causes damage.

The act shall not be deemed unlawful in cases of consent of the injured party, superior private or public interest, justifiable defense of the behavior of the harmed party, protection of one's right with one's own power if the intervention of the competent public authorities cannot be provided in a timely manner, or in cases of necessity.

2. Responsibility

ARTICLE 64 - The one who acts in justified defense shall not be held responsible for the damage caused by the attacker to his person or property.

Other means of protecting oneself or another person from a clear or imminent danger of harm

The judge determines the obligation of a person who damages the property of another person to compensate for this damage according to equity.

A person who has to protect his or her rights with his or her own power, depending on the situation and circumstances.

cannot be held liable for the damage he/she has caused if he/she is unable to provide the assistance of law enforcement in a timely manner and if there is no other way to prevent the loss of his/her right or significant difficulty in exercising it.

B. Flawless liability

I. Equity responsibility

ARTICLE 65 - If equity so requires, the judge shall decide that the damage caused by the person who lacks the capacity to distinguish shall be fully or partially compensated.

II. Duty of care

1. Employer's liability

ARTICLE 66 - The employer is obliged to compensate for the damage caused by the employee to others during the performance of the work assigned to him.

The employer shall not be liable if he proves that he exercised due care to prevent the

occurrence of damage while selecting, instructing, supervising and controlling his employees.

The person who employs a person in an enterprise is obliged to compensate for the damage caused by the activities of that enterprise, unless he proves that the working order of the enterprise is suitable to prevent the occurrence of the damage.

The employer shall have recourse to the injured employee for the compensation paid only to the extent that the employee is personally liable.

2. Liability of the animal keeper

a. Elimination obligation

ARTICLE 67 - A person who permanently or temporarily undertakes the care and management of an animal is obliged to repair the damage caused by the animal.

The animal keeper is not liable if he proves that he exercised due care to prevent this damage from occurring.

If the animal is startled by another person or an animal belonging to another person, the owner of the animal reserves the right of recourse to these persons.

b. Right of detention

ARTICLE 68- If a person's animal causes damage on the immovable property of another person, the possessor of the immovable property may capture that animal, detain it until the damage is eliminated, or even neutralize the animal by other means if the situation and conditions justify it.

In this case, the owner of the immovable property shall immediately inform the owner of the animal and inform the owner.

If he or she does not know, he or she must take steps to find him or her.

3. Responsibility of the building owner

a. Elimination obligation

ARTICLE 69 - The owner of a building or other works of construction is obliged to repair the damage arising from defects in their construction or deficiencies in their maintenance.

The owners of usufruct and residence rights are jointly and severally liable with the owner for damages arising from deficiencies in the maintenance of the building.

The right of recourse of those responsible to other persons who are liable to them for these reasons reserved.

b. Preventing the danger of harm

ARTICLE 70 - A person who is in danger of being damaged by the building or other works of construction belonging to another person may request the right holders to take the necessary measures to eliminate this danger.

Public law rules on the protection of persons and property are reserved.

III. Hazard liability and compensation

ARTICLE 71 - In the event of any damage arising from the operation of an enterprise that poses a significant danger, the owner and, if any, the operator shall be jointly and severally liable for such damage.

An enterprise shall be deemed to be a significantly dangerous enterprise if, in view of its nature or the materials, tools or forces used in its operation, it is capable of causing frequent or serious damage even if all due care is exercised by a person skilled in the art. In particular, if any law provides for a special hazard liability for similarly hazardous enterprises, this

an enterprise is also considered to be a significantly endangered enterprise.

Special liability provisions foreseen for a particular case of danger are reserved.

Even if such activity of an enterprise that poses a significant danger is permitted by the legal order, the injured parties may demand compensation for the damages caused by the activity of such an enterprise at an appropriate price.

C. Statute of Limitations

I. Rule

ARTICLE 72 - The claim for compensation shall be time-barred upon the expiration of two years starting from the date the injured party learns of the damage and the person liable for compensation, and in any case upon the expiration of ten years starting from the date the act is committed. However, if the compensation has arisen from an act requiring a penalty for which a longer statute of limitations is prescribed by the criminal law, this statute of limitations shall apply.

If an obligation arises for the injured party as a result of the wrongful act, the injured party may always refrain from fulfilling this obligation, even if the claim for compensation arising from the wrongful act is time-barred.

II. Request for recourse

ARTICLE 73 - The recourse claim shall be time-barred after the expiration of two years starting from the date the indemnity is paid in full and the jointly responsible person is learned, and in any case after the expiration of ten years starting from the date the indemnity is paid in full.

The person who is asked to pay the compensation must notify the persons to whom he is jointly liable. Otherwise, the statute of limitations starts to run on the date on which such notification could have been made in good faith.

D. Judgment

I. In relation to criminal law

ARTICLE 74 - The judge, while deciding on whether the injured party is at fault or not and whether he has the power of discernment or not, is not bound by the provisions of the criminal law on liability, nor is he bound by the acquittal decision rendered by the criminal judge.

Likewise, the criminal judge's decision on the assessment of fault and determination of damages is not binding on the civil judge.

II. Modification of the compensation provision

ARTICLE 75 - If the extent of the bodily harm cannot be fully determined at the time of the decision, the judge may reserve the authority to change the compensation award within two years starting from the finalization of the decision.

III. Temporary payments

ARTICLE 76 - If the injured party submits convincing evidence showing the justness of his claim and the economic situation requires it, the judge may, upon request, order the defendant to make a temporary payment to the injured party.

Any interim payments made by the defendant shall be offset against the compensation awarded; if no compensation is awarded, the judge shall order the plaintiff to return the interim payments received, together with legal interest.

PART THREE

Obligation Relations arising from Unjust Enrichment

A. Conditions

I. In general

ARTICLE 77 - Whoever, without a just cause, is enriched from the assets or labor of another, is obliged to return this enrichment.

This obligation arises in particular where the enrichment is based on an invalid or unrealized or expired cause.

II. Performance of performance not owed

ARTICLE 78 - A person who voluntarily performs an act which he is not obliged to perform may demand it back only if he proves that he performed it thinking himself to be an obligor.

The fulfillment of a time-barred obligation or the fulfillment of a moral duty enrichment arising from the fact that a person has been enriched cannot be reclaimed.

The provisions of other laws regarding the recovery of performance that has been paid when it is not an obligation are reserved.

B. Scope of restitution

I. Liability of the enriched

ARTICLE 79 - The unjustly enriched person is obliged to give back the remainder except for the part which he proves to have left his hands during the recovery of the enrichment.

If the enriched person has disposed of the enrichment without good faith, or if, when disposing of the enrichment, he should have taken into account that he might have to return it in the future, he is obliged to return the entire enrichment.

II. Right to claim expenses

ARTICLE 80 - If the enriched person is in good faith, he may request the obligatory and useful expenses he has incurred from the person requesting restitution.

If the enriched person is not in good faith, only the reimbursement of his/her necessary and useful expenses may ask for payment of the increase in value available at the time of grant.

The enriched person cannot demand payment of his other expenses, regardless of whether he acted in good faith or not. However, if no compensation is offered to him, he may separate the additions which he has incorporated into the thing and which can be separated harmlessly before returning it.

C. Not being asked back

ARTICLE 81 - The thing given for the realization of a result contrary to law or morality cannot be demanded back. However, in the lawsuit filed, the judge may order that this thing be forfeited to the State.

D. Statute of Limitations

ARTICLE 82 - The right of claim arising from unjust enrichment shall expire with the expiration of two years starting from the date the right holder learns that he has the right to claim back, and in any case with the expiration of ten years starting from the date the enrichment is realized.

If the enrichment is realized by the enriched party gaining a right to a claim, the other party may always refrain from performing this obligation, even if the right to claim is time-barred.

PART TWO

Provisions of the Debt Relationship

CHAPTER ONE

Execution of Obligations

A. In general

I. No obligation to perform in person

ARTICLE 83 - Unless the creditor has an interest in the performance of the obligation by the debtor personally, the debtor is not obliged to personally perform his obligation.

II. Subject of performance

1. Partial fulfillment

ARTICLE 84 - If the entire debt is certain and due and payable, the creditor may refuse partial performance.

If the creditor accepts partial performance, the debtor may not refrain from performing the part of the debt acknowledged by him.

2. Indivisible debt

ARTICLE 85 - If an indivisible debt has more than one creditor, each of the creditors

may request the performance of the debt to all of the creditors. The debtor shall be obliged to fulfill his obligation to all of the creditors.

If there is more than one debtor of an indivisible debt, each of the debtors is obliged to fulfill the entire debt.

Unless the circumstances indicate otherwise, the debtor who performs shall be subrogated to the creditor and may claim the receivables from the other debtors in proportion to their shares.

3. Variety debt

ARTICLE 86 - Unless otherwise understood from the legal relationship and the nature of the work, the choice of the performance belongs to the debtor. However, the performance to be chosen by the debtor may not be lower than the average quality.

4. Optional debt

ARTICLE 87 - In optional obligations, the choice of one of the obligations belongs to the debtor, unless otherwise understood from the legal relationship and the nature of the business.

5. Interest

ARTICLE 88 - The annual interest rate to be applied to the obligation to pay interest shall be determined in accordance with the provisions of the legislation in force on the date the interest obligation arises, unless agreed in the contract.

The annual interest rate to be agreed upon by contract may not exceed fifty percent more than the annual interest rate determined pursuant to the first paragraph.

B. Place of performance

ARTICLE 89 - The place of performance of the obligation shall be determined according to the express or implied will of the parties.

In the absence of an agreement to the contrary, the following provisions apply;

1. Money debts, at the creditor's place of residence at the time of payment,
2. Partial obligations, where the subject of the obligation was located at the time the contract was concluded,
3. All other obligations shall be performed at the place of residence of the debtor at the time of their birth.

If the performance of an obligation that must be performed at the creditor's place of residence is significantly difficult due to the creditor's change of residence after its birth, the obligation may be performed at the creditor's previous place of residence.

C. Time of execution

I. Untimed debt

ARTICLE 90 - Unless the time of performance is agreed upon by the parties or unless it is understood from the nature of the legal relationship, every debt shall be due and payable at the time of its birth.

II. Time-bound debt

1. Maturity for periods related to the month

ARTICLE 91 - If the beginning or the end of a month is determined for the performance of the obligation, the first and the last day of the month shall be understood from this; if the middle of the month is determined, the fifteenth day of the month shall be understood from this.

If only the month is specified for the performance of the obligation without specifying the day, the last day of that month is understood.

2. Maturity for other periods

ARTICLE 92- If an obligation or any obligation falling to one of the parties must be performed at the end of a certain period of time starting from the conclusion of the contract, the time of performance shall be determined as follows:

1. A period determined in days shall expire on the last day of that period, without counting the day on which the contract is concluded. A period of eight or fifteen days, on the other hand, does not mean one or two weeks, but eight or fifteen days.

2. The period determined in weeks shall expire on the day of the last week that corresponds to the day on which the contract was concluded.

3. A period determined as a month or as a time including more than one month such as a year, semester and quarter of a year shall expire on the corresponding day of the last month, whichever day of the month is the day on which the contract is concluded. If there is no corresponding day in the last month, the period shall expire on the last day of this month.

4. A half-month is a period of fifteen days. The day on which a period of one or more months and half months expires shall be determined by adding fifteen days to the last month.

These rules also apply in cases where the term starts to run from a moment other than the conclusion of the contract.

The obligor is obliged to fulfill an obligation that must be fulfilled within a certain period of time before the expiration of that period.

3. Vacation days

ARTICLE 93 - If the time of performance or the last day of the term falls on a day recognized as a holiday in the laws, it shall automatically pass to the first day following this day which is not a holiday.

On the contrary, the agreement is valid.

III. Performance during business hours

ARTICLE 94 - The obligation shall be performed and accepted during customary business hours.

IV. Extension of time

ARTICLE 95 - If the term is extended, the new term shall commence on the first day following the expiration of the previous term, unless otherwise agreed.

V. Early fulfillment

ARTICLE 96 - Unless it is understood from the provisions or the nature of the contract or the necessity of the situation that the parties intended otherwise, the debtor may fulfill his obligation before the expiration of the term. However, the debtor may not make a discount for early performance unless it is required by law or contract or custom.

VI. In contracts imposing mutual obligations

1. Order of execution

ARTICLE 97 - The party requesting the performance of a contract imposing a mutual obligation must have performed or proposed the performance of his own obligation, unless he has the right to perform it later according to the conditions and characteristics of the contract.

2. Inability to perform

ARTICLE 98 - In a contract imposing a mutual obligation, if the right of the other party is jeopardized due to the inability of one of the parties to fulfill its obligation and especially due to its bankruptcy or the ineffectiveness of the attachment proceedings against it, this party may refrain from the performance of its own performance until the performance of the counter performance is secured.

The party whose rights are jeopardized may also withdraw from the contract if the assurance requested is not provided within a reasonable time.

D. Payment

I. In national currency

ARTICLE 99 - Debt which is in money shall be paid in the money of the country.

If payment in a currency other than the national currency has been agreed, the debt may also be paid in the national currency at the current rate on the day of payment, unless the contract provides for payment in kind or a statement to that effect.

Unless the obligation is denominated in a currency other than the national currency and the contract provides for payment in kind or an expression to that effect, the creditor may demand payment of the obligation in kind or in the national currency at the market price on the due or actual payment date.

II. Offset

1. Partial payment

ARTICLE 100 - If the debtor has not delayed in the payment of interest or expenses, he has the right to deduct the partial payment from the principal debt. No agreement to the contrary may be made.

If the creditor has obtained a surety, pledge or other security for part of the receivable, the debtor is not entitled to set off the partial payment against the secured or better secured part.

2. Multiple debts

a. According to the debtor and creditor's notification

ARTICLE 101 - A debtor who has more than one debt may notify the creditor which of these debts he wishes to pay on the day of payment.

If the debtor fails to give notice, the payment shall be deemed to have been made for the debt indicated by the creditor in the receipt, unless immediately objected to by the debtor.

b. According to the law

ARTICLE 102 - In the absence of a legally valid explanation or clarification in the receipt, the payment shall be deemed to have been made for the debt due. If more than one debt is due, the payment shall be deemed to have been made for the debt that is first pursued against the debtor. If no proceedings have been initiated, the payment shall be deemed to be made for the debt that is due first.

If more than one debt is due at the same time, the set-off shall be made pro rata; if none of the debts is due, the payment shall be deemed to be made for the debt with the least security.

III. Return of receipts and promissory notes

1. Borrower's right

ARTICLE 103 - The debtor who has paid the debt may request the return or cancellation of a receipt and, if the debt has been paid in full, of the related promissory note.

If the debt has not been paid in full or if the promissory note grants other rights to the creditor, the debtor may only request a receipt and the payment to be recorded in the promissory note.

2. Provisions

ARTICLE 104 - If a receipt is given by the creditor without reservation for one of the periodical performances such as interest or rent, the performances belonging to the previous periods shall also be deemed to have been performed.

If the creditor has given a receipt for the full principal amount, it is deemed to have received the interest.

It is

done. If the promissory note is returned to the debtor, the debt is considered terminated.

3. Failure to return the promissory note

ARTICLE 105 - If the creditor claims that he has lost the promissory note, upon the request of the debtor, he is obliged to give him, at the time of payment of the debt, an officially issued or duly approved document showing that the promissory note has been canceled and the debt has been terminated.

Provisions regarding the cancellation of negotiable instruments are reserved.

E. Default of the creditor

I. Conditions

ARTICLE 106 - If the creditor to whom an act of making or giving is duly offered refrains, without a justifiable reason, from accepting it or from performing the preparatory acts required to be performed by him for the debtor to be able to fulfill his obligation, he shall be in default.

If the creditor defaults against one of the joint debtors, the creditor is also in default

against the others.

II. Provisions

1. Acts relating to the delivery of something

a. Deposit right

ARTICLE 107 - In the event of default of the creditor, the debtor may be released from his obligation by depositing the thing to be delivered, the damages and expenses of which shall be borne by the creditor.

The place of deposit is determined by the judge at the place of performance. However, commercial goods may also be deposited in a warehouse without a judge's decision.

b. Right to sell

ARTICLE 108 - If the nature of the thing which is the subject matter of the contract or the nature of the business is not suitable for its delivery or if the thing to be delivered may deteriorate or if its maintenance, protection or delivery requires a significant expense, the debtor may, with the permission of the judge, have it sold through auction and deliver its value, provided that the creditor is notified in advance.

If the thing to be delivered is listed on a stock exchange or has a market price, or if its value is small in proportion to the expenses to be incurred, it is not obligatory to conduct the sale through an auction, and the judge may authorize the sale without requiring prior notice.

c. Withdrawing the subject matter of the assignment

ARTICLE 109 - Unless the creditor has declared that he has accepted the thing deposited or the deposit has resulted in the elimination of a pledge, the debtor may recover the thing deposited.

As soon as the thing entrusted is taken back, the receivable continues to exist with all its subsidiary rights.

2. In other acts

ARTICLE 110 - If the subject matter of the obligation does not require the delivery of a thing, the debtor may rescind the contract in case of default of the creditor in accordance with the provisions regarding the default of the debtor.

F. Other impediments to performance

ARTICLE 111 - If, without the fault of the debtor, the debt cannot be performed to the creditor or its representative due to a doubt as to to whom the receivable belongs or the identity of the creditor, or due to any other personal reason arising from the creditor, the debtor may exercise his right of assignment or rescission of the contract, as in the default of the creditor.

PART TWO

Consequences of Non-performance of Obligations

A. Non-performance of debt

I. I go debt

1. In general

ARTICLE 112 - If the obligation is not fulfilled at all or as required, the debtor is obliged to compensate the creditor's loss arising therefrom, unless he proves that no fault can be attributed to him.

2. Obligations to do and not to do

ARTICLE 113 - If the obligation to perform is not performed by the debtor, the creditor may request that the performance be **allowed** to be performed by himself or by someone else at the expense of the debtor; the right to request any kind of remedy is reserved.

The debtor who violates the obligation not to perform is obliged to compensate for the damage caused by this violation.

The creditor may also request that the breach of the obligation be removed or that the debtor be authorized to do so at the debtor's expense.

II. Scope of liability and remedy obligation

1. In general

ARTICLE 114 - The debtor is generally liable for all kinds of defects. The extent of the liability of the debtor shall be determined according to the special nature of the work. If the work does not particularly benefit the debtor, the liability shall be considered lighter.

The provisions on tort liability shall also apply to breach of contract by analogy.

2. Treaty of irresponsibility

ARTICLE 115 - **The** prior agreement that the debtor shall not be liable for the gross negligence of the debtor is absolutely null and void.

Any prior agreement of the debtor with the creditor that the debtor will not be liable for any debt arising out of the service contract is absolutely null and void.

If a service, profession or art requiring expertise can only be carried out with the permission granted by law or by the competent authorities, the prior agreement that the debtor will not be liable for slight negligence is absolutely null and void.

3. Liability for the acts of auxiliaries

ARTICLE 116 - Even if the debtor has left the performance of the obligation or the exercise of the right arising from an obligation relationship to his assistants such as his cohabitants or his employees in accordance with the law, he is obliged to compensate the damage caused by them to the other party during the execution of the work.

Liability for the acts of auxiliaries may be fully or partially extinguished by prior agreement.

If a service, profession or art requiring expertise can only be carried out with the permission granted by law or by the competent authorities, the agreement that the debtor will not be **liable** for the acts of assistants is absolutely null and void.

B. Default of the debtor

I. Conditions

ARTICLE 117 - The debtor of an outstanding debt shall be in default upon the notice of the creditor.

If the day on which the obligation is to be fulfilled has been determined jointly or if one of the parties has determined it by giving a proper notice based on a right reserved in the contract, the debtor is in default with the expiration of this day; in tort, on the date the act is committed, and in unjust enrichment, on the date the enrichment occurs. However, in cases where the unjust enrichment is in good faith, notification is required for default.

II. Provisions

1. In general

a. Delay compensation

ARTICLE 118 - Unless the defaulting debtor proves that he is not at fault in defaulting, he is obliged to compensate for the damage suffered by the creditor due to the late performance of the debt.

b. Responsibility for the unexpected

ARTICLE 119 - The defaulting debtor shall be liable for the loss arising from the contingency.

The debtor has not been at fault in defaulting or has fulfilled its obligation on time even if it were, it may be relieved from this liability by proving that the contingency would have damaged the thing subject to performance.

2. Default interest

a. In general

ARTICLE 120 - The annual default interest rate to be applied shall be determined in accordance with the provisions of the legislation in force on the date the interest obligation arises, if not agreed upon in the contract.

The annual default interest rate to be agreed upon by the contract may not exceed one hundred percent more than the annual interest rate determined pursuant to the first paragraph.

If a contractual interest rate has been agreed upon, but no default interest rate has been agreed upon in the contract, and the annual contractual interest rate is higher than the interest rate specified in the first paragraph, the contractual interest rate shall apply to the default interest rate.

b. Default interest on interest, income and forgiveness

ARTICLE 121 - The debtor who has defaulted in the payment of interest or annuity or a sum of money which he has donated shall be obliged to pay default interest starting from the day enforcement proceedings are initiated or a lawsuit is filed.

Agreements made in violation of this provision shall be subject to penalty clauses. Default interest may not be charged on default interest.

3. The harm of love

ARTICLE 122 - If the creditor suffers a loss exceeding the default interest, the debtor is obliged to compensate this loss unless the debtor proves that he has no fault.

If the amount of damages in excess of the default interest can be determined in the pending lawsuit, upon the plaintiff's request, the judge shall also rule on the amount of such damages when ruling on the merits.

4. In contracts imposing mutual obligations

a. Granting time

ARTICLE 123 - In contracts imposing mutual obligations, if one of the parties defaults, the other party may grant an appropriate period of time for the performance of the obligation or may request the judge to grant an appropriate period of time.

b. Situations that do not require a deadline

ARTICLE 124 - There is no need to grant a deadline in the following cases:

1. If it appears from the debtor's situation or behavior that granting a deadline would be ineffective.
2. If the performance of the debt is useless for the creditor as a result of the default of the debtor.
3. If it is understood from the contract that performance will no longer be accepted upon non-performance of the obligation at a certain time or within a certain period of time.

c. Optional rights

ARTICLE 125 - If the defaulting debtor has not fulfilled his obligation within the given period of time or if there is a situation which does not require a given period of time, the creditor is always entitled to demand the performance of the obligation and compensation for delay.

The creditor may also immediately notify that he waives his right to demand performance of the obligation and delay compensation, and may demand compensation for the damages arising from the non-performance of the obligation or rescind the contract.

In case of rescission of the contract, the parties are mutually released from the obligation of performance and may demand back the performances they have already performed. In this case, if the debtor cannot prove that he is not at fault for defaulting, the creditor may also request the compensation of the damages suffered due to the nullity of the contract.

d. Continuous performance contracts

ARTICLE 126 - In case of default of the debtor in continuous performance contracts, the creditor may request performance and delay indemnity, as well as the compensation for damages incurred due to the premature termination of the contract by terminating the contract.

PART THREE

Effects of Debt Relationships on Third Parties

A. Subrogation to the creditor

ARTICLE 127 - The third person who performs for the creditor shall be subrogated to the rights of the creditor to the extent of his performance in the following cases:

1. If he releases something pledged for another person's debt and he has ownership or other rights in rem over it.

2. If the third party who performs to the creditor is notified by the debtor to the creditor before the performance.

The provisions of law regarding other forms of succession are reserved.

B. Assumption of the act of a third party

ARTICLE 128 - The person who undertakes the act of a third person against another person is obliged to compensate the damage arising from the non-realization of this act.

In the case of an undertaking for a certain period of time, it may be agreed that the undertaker's liability shall terminate if the undertaker is not requested in writing to perform its obligation until the expiration of the period.

C. Contract for the benefit of a third party

I. In general

ARTICLE 129 - A person who concludes a contract on his own behalf may request the performance of the performance to the third person, if he has included a performance obligation for the benefit of the third person in the contract.

The third party or the successors to the third party may also demand the performance of the performance if it is in accordance with the purpose of the parties or custom and usage. In this case, after the third party or its successors notify the debtor that they wish to exercise this right, the creditor cannot release the debtor, nor can it change the nature and scope of the obligation.

II. In liability insurance

ARTICLE 130 - If the person who employs another person has taken out insurance to secure his legal liability against the person he employs, the rights arising from the insurance shall directly belong to the employee.

However, the insurance compensation to be paid to the employee shall be deducted from the compensation to be paid according to the general provisions.

The provisions of laws regarding other legal liability insurances are reserved.

PART THREE

Termination of Debts and Debt Relationships, Statute of Limitations

CHAPTER ONE

States of Termination

A. Termination of rights and obligations attached to the principal debt

ARTICLE 131 - If the principal obligation is terminated by performance or for any other reason, the rights and obligations attached thereto such as pledge, surety, interest and penalty condition shall also be terminated.

If the right to demand performance of the accrued interest and penalty clause is reserved by contract or by a notice to be given until the time of performance, or if it is understood from the facts and circumstances that it is reserved, such interest and penalty clause may be demanded.

Special provisions regarding pledge of immovable property, negotiable instruments and concordat are reserved.

B. Release

ARTICLE 132- Even if the transaction giving rise to the obligation is subject to a certain form by law or by the parties, the obligation may be completely or partially eliminated by the release agreement to be made by the parties without any form.

C. Renewal

I. In general

ARTICLE 133 - The termination of an existing obligation by a new obligation shall only be with the express will of the parties in this respect.

In particular, the issuance of a bill of exchange for an existing debt, or the issuance of a new bill of credit or a new surety bond shall not be deemed a renewal unless there is an express renewal intention of the parties.

II. Current accounts

ARTICLE 134 - The mere recording of miscellaneous items in a current account does not mean that the debt has been renewed.

However, if the account has been discontinued and the result of the account has been accepted by the other party, the debt is renewed.

If one of the items is secured, unless otherwise agreed, the account will be deducted and the result acceptance does not terminate the guarantee.

D. Merger

ARTICLE 135 - The debt shall terminate upon the merger of the titles of creditor and debtor in the same person. However, the pre-existing rights of third parties on the receivable shall not be affected by the merger.

If the merger ceases to exist with retroactive effect, the debt continues to exist.

Special provisions regarding pledge of immovable property and negotiable instruments are reserved.

E. Impossibility of performance

I. In general

ARTICLE 136 - If the performance of the obligation becomes impossible due to reasons for which the debtor cannot be held responsible, the obligation is terminated.

In mutual obligation contracts, the debtor who is released from the obligation due to impossibility is obliged to return the performance received from the other party in accordance with the provisions of unjust enrichment, and loses the right to demand the performance that has not yet been performed to him. Cases where the creditor is obliged by law or contract to pay the damage arising before the performance of the obligation are excluded from this provision.

If the debtor does not notify the creditor of the impossibility of performance without delay and does not take the necessary measures to prevent the increase of the damage, he is obliged to compensate the damages arising therefrom.

II. Partial impossibility of performance

ARTICLE 137 - If the performance of the obligation becomes partially impossible due to reasons for which the debtor cannot be held responsible, the debtor shall be released only from the part of the obligation which has become impossible. However, if it is clearly understood that such an agreement would not have been concluded by the parties if this partial impossibility of performance had been foreseen in advance, the entire obligation shall be discharged.

In contracts imposing mutual obligations, if the obligation of one party becomes partially impossible and the creditor consents to partial performance, the counter performance shall be performed to that extent. If the creditor does not consent to such performance or if the counter performance is indivisible, the provisions of total impossibility shall apply.

III. Excessive difficulty of performance

ARTICLE 138 - If an extraordinary situation, which was not foreseen by the parties at the time of the conclusion of the contract and which is not expected to be foreseen, arises for a reason not arising from the debtor and changes the facts existing at the time of the conclusion of the contract to the detriment of the debtor to the extent that it would be contrary to the rules of good faith to require performance and the debtor has not yet performed his obligation or has performed by reserving his rights arising from the excessive difficulty of performance, the debtor has the right to ask the judge to adapt the contract to the new conditions, and if this is not possible, to rescind the contract. In continuous performance contracts, the debtor, as a rule, uses the right of termination instead of the right of rescission.

The provisions of this Article shall also apply to foreign currency debts.

F. Barter

I. Conditions

1. In general

ARTICLE 139 - If two persons mutually owe each other a sum of money or other identical acts, each of them may exchange his receivable for his debt if both debts are due.

Settlement may be asserted even if one of the claims is disputed.

Settlement of a time-barred receivable may only be asserted if it is not yet time-barred at the time of settlement.

2. In case of surety

ARTICLE 140 - As long as the principal debtor has the right to assert settlement, his surety may also refrain from performing to the creditor.

3. In case of a contract for the benefit of a third party

ARTICLE 141 - A person who has incurred an obligation for the benefit of a third party may not exchange this obligation for his receivables from the other party to the contract.

4. In case of bankruptcy of the debtor

ARTICLE 142 - In case of bankruptcy of the debtor, creditors may exchange their receivables with their debts to the bankrupt, even if they are not due.

II. Provisions

ARTICLE 143 - Settlement is realized only when the debtor notifies the creditor of his intention to settle. In this case, both debts shall be extinguished by the amount of the lesser debt at the time they can be exchanged.

Special customs of trade relating to the current account are reserved.

III. Receivables that can be exchanged with the consent of the creditor

ARTICLE 144 - The following receivables may be exchanged only with the consent of the creditors after the birth of the right of exchange:

1. Claims relating to the return of deposited goods or their value.
2. Restitution of property wrongfully taken or withheld as a result of deception receivables related to the delivery or price.
3. Receivables such as alimony and workers' wages, which are necessary for the maintenance of the debtor and his/her family and which, due to their special nature, should be given directly to the creditor.

IV. Waiver of clearing

ARTICLE 145 - The debtor may also waive his right of settlement in advance.

PART TWO

Statute of Limitations

A. Periods

I. Ten-year statute of limitations

ARTICLE 146 - Unless otherwise provided in the Law, every receivable is subject to a prescription period of ten years.

II. Five-year statute of limitations

ARTICLE 147 - Five-year statute of limitations shall apply for the following receivables:

1. Other periodic payments such as rents, interest on the principal and wages.
2. Accommodation costs in hotels, motels, pensions and holiday villages and food and beverage costs in restaurants and similar places.
3. Receivables arising from small art works and small-scale retail sales.
4. In a partnership, receivables arising out of the partnership agreement and between the partners or themselves and the partnership; receivables between the managers, representatives, auditors of a partnership and the partnership or the partners.
5. Receivables arising from agency, commission and brokerage agreements, except for commercial brokerage fee receivables.

6. Claims arising out of the contract of work, except where the contractor has failed to fulfill its obligations at all or properly due to gross negligence.

III. Certainty of deadlines

ARTICLE 148 - The limitation periods set forth in this section may not be changed by contract.

IV. Commencement of statute of limitations

1. In general

ARTICLE 149 - The statute of limitations starts to run upon the receivable becoming due. In cases where the due date of the receivable depends on a notification, the statute of limitations starts to run from the day this notification can be made.

2. Periodic acts

ARTICLE 150 - For lifetime income and similar periodical performances, the statute of limitations for the entire receivable starts to run on the day on which the first unperformed periodical performance becomes due.

If the entire receivable is time-barred, the unperformed periodic performances the statute of limitations expires.

V. Calculation of time periods

ARTICLE 151 - While calculating the periods, the day on which the statute of limitations starts shall not be counted and the statute of limitations shall be realized only when the last day of the period has passed without exercising the right.

The calculation of limitation periods shall be governed by the provisions on the calculation of limitation periods for the performance of obligations.

B. Statute of limitations for subordinated receivables

ARTICLE 152 - When the principal receivable becomes time-barred, the interest and other receivables attached thereto shall also become time-barred.

C. Suspension of statute of limitations

ARTICLE 153- In the following cases, the statute of limitations shall not start to run, and if it has started, it shall stop:

1. For claims of children against their parents during custody.
2. During guardianship, for the receivables of the persons under guardianship from the guardian or from the State due to guardianship proceedings.
3. For claims of one spouse against the other as long as the marriage continues.
4. For claims of domestic servants against their employers during the service relationship.
5. As long as the debtor has a beneficial interest in the receivable.
6. As long as there is no possibility to assert the claim in Turkish courts.
7. In the event of a merger of the creditor and debtor titles in the same person, in the

event that the merger is eliminated with retroactive effect in the future, for the period until the occurrence of this situation.

The statute of limitations shall commence to run at the end of the day on which the reasons suspending the statute of limitations cease to exist, or shall continue to run as it had already commenced before the suspension.

D. Interruption of the statute of limitations

I. Reasons

ARTICLE 154 - The statute of limitations shall lapse in the following cases:

1. If the debtor has acknowledged the debt, in particular if he has paid interest or made partial performance, or has pledged or provided a surety.

2. The creditor has applied to the court or arbitrator by way of lawsuit or defence, has filed enforcement proceedings, or has applied to the bankruptcy estate.

II. Impact on co-borrowers

ARTICLE 155 - When the statute of limitations is interrupted against one of the joint debtors or against one of the debtors of an indivisible debt, it shall also be interrupted against the others.

When the statute of limitations is interrupted against the principal debtor, it is also interrupted against the surety. When the statute of limitations expires against the surety, it does not expire against the principal debtor.

III. Start of new period

1. In case of acknowledgment or judgment of debt

ARTICLE 156 - Upon the interruption of the statute of limitations, a new period starts to run.

If the obligation is evidenced by a deed or a court or arbitral award, the new period is always ten years.

2. In case of the creditor's act

ARTICLE 157 - The statute of limitations, which has been interrupted through a lawsuit or a defense, shall start to run again after each action of the parties to the proceedings or after each decision of the judge.

If the statute of limitations is interrupted by the execution proceedings, it starts to run again after each transaction related to the pursuit of the receivable.

If the statute of limitations has been interrupted due to the application to the bankruptcy estate, it shall commence to run again from the date of the possibility of re-claiming the receivable according to the provisions regarding bankruptcy.

E. Additional time for case dismissal

ARTICLE 158 - If the lawsuit or defense is dismissed due to the court not having jurisdiction or jurisdiction, or due to a mistake that can be corrected, or due to the fact that it was filed prematurely, and in the meantime the statute of limitations or prescription period has

expired, the creditor may exercise his rights within an additional period of sixty days.

F. In receivables secured by movable pledge

ARTICLE 159 - The fact that the receivable is secured by a movable pledge shall not prevent the running of the statute of limitations for this receivable; however, the creditor shall continue to be authorized to collect his right from the pledge.

G. Waiver of statute of limitations

ARTICLE 160 - The statute of limitations cannot be waived in advance.

The waiver of one of the joint debtors cannot be asserted against the others.

The same provision applies if one of the debtors of an indivisible debt has waived.

The principal debtor's waiver cannot be asserted against the surety.

H. Forwarding

ARTICLE 161 - Unless the statute of limitations is asserted, the judge cannot automatically take it into consideration.

SECTION FOUR

Special Situations in Debt Relations

CHAPTER ONE

Succession

A. Joint and several indebtedness

I. Emergence

ARTICLE 162 - If each of more than one debtor declares that he accepts to be responsible for the entire debt against the creditor, joint and several indebtedness shall arise.

If there is no such notification, joint and several indebtedness may only be incurred in cases provided by law

is born.

II. External relationship

1. Provisions

a. Liability of debtors

ARTICLE 163 - The creditor may demand the performance of the whole or part of the debt from all of the debtors or from only one of them.

The liability of debtors continues until the debt is paid in full.

b. Debtors' defenses

ARTICLE 164 - One of the joint debtors may assert against the creditor only the defenses and objections arising from the personal relations between him and himself or from the cause or subject matter of the joint debt.

If one of the joint debtors does not assert common defenses and objections, he/she shall be liable to the others.

c. Individual behavior of borrowers

ARTICLE 165 - Unless otherwise determined by law or contract, one of the debtors may not aggravate the situation of the other debtors by his own behavior.

2. Termination of debt

ARTICLE 166 - If one of the debtors has extinguished the whole or part of the debt by performance or exchange, it shall also release the other debtors from the debt at this rate.

If one of the debtors is released from the obligation without performing to the creditor, the other debtors may benefit from this only to the extent permitted by the situation or the nature of the obligation.

The release agreement concluded by the creditor with one of the debtors releases the other debtors from the debt in proportion to the released debtor's share of participation in the debt in the internal relationship.

III. Internal relationship

1. Share

ARTICLE 167 - Unless otherwise agreed or unless otherwise understood from the nature of the legal relationship between the debtors, each of the debtors shall be liable to each other in equal shares for the performance made to the creditor.

The debtor who has performed more than his/her share has the right to claim the excess amount from the other debtors. In this case, the debtor may recourse to each debtor only in proportion to his share.

The other debtors are equally obliged to bear the amount that cannot be collected from one of the debtors.

2. Subrogation to the creditor

ARTICLE 168 - Each of the debtors having the right of recourse to the others shall be subrogated to the rights of the creditor in proportion to the amount performed.

If the creditor improves the situation of one debtor at the expense of the others, will suffer the consequences.

B. Joint and several creditors

ARTICLE 169 - A joint creditor shall arise in cases where the debtor grants each of the creditors the right to claim the entire amount of the debt or where the law so determines.

The debtor is relieved of its obligation to all creditors by its performance to one of the creditors

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Unless notified, the debtor may perform to any one of them.

Unless otherwise agreed or unless the nature of the legal relationship between the creditors indicates otherwise, the rights of each creditor to the performance are equal.

The creditor who has obtained more than his/her share is obliged to pay this excess to the other creditors who have not received their share.

PART TWO

Conditions

A. Delaying condition

I. In general

ARTICLE 170 - If the execution of a contract is left to an unknown fact whether it will be realized or not, the contract shall be subject to a delaying condition.

Unless otherwise agreed, a contract subject to a delaying condition shall become effective only from the moment the condition is fulfilled.

II. State when the condition is suspended

ARTICLE 171 - Until the condition is fulfilled, the debtor is obliged to refrain from any behavior that may prevent the proper performance of the obligation.

A creditor whose contingent claim is jeopardized may take measures to protect the rights of creditors whose claims are not contingent.

Disposals made prior to the fulfillment of the condition shall be invalid to the extent that they impair the provisions of the condition.

III. Benefits received until the condition is met

ARTICLE 172 - The creditor to whom the thing constituting the subject matter of the obligation is given before the realization of the condition shall, if the condition is realized, become the owner of the benefits obtained until the realization of the condition.

If the condition is not met, the creditor is obliged to return the benefits obtained.

B. Disruptive condition

ARTICLE 173 - A contract, the termination of which is left to an event which is not known whether it will be realized or not, shall be deemed to be subjected to a revocable condition.

The provisions of a contract subject to a condition precedent shall cease to exist as soon as the condition is fulfilled.

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up. Unless otherwise agreed or the nature of the business indicates otherwise, termination is retroactive

will not be effective.

C. Common provisions

I. Fulfillment of the condition

ARTICLE 174 - If the condition is not an act that one of the parties is required to fulfill personally, in case of the death of that party, his heir may act in his place.

II. Blocking against good faith

ARTICLE 175 - If one of the parties prevents the realization of the condition in violation of the rules of good faith, the condition shall be deemed to have been realized.

If one of the parties ensures the fulfillment of the condition in violation of the rules of good faith, the condition shall be deemed not to have been fulfilled.

III. Prohibited conditions

ARTICLE 176 - If a condition is imposed in order to ensure an act of doing or not doing that is contrary to law or morality, the legal transaction subject to this condition shall be null and void.

PART THREE

Attachment Money, Withdrawal Money and Penalty Clause

A. Bonding money

ARTICLE 177 - A sum of money given by a person during the conclusion of a contract shall be deemed to have been given as evidence of the conclusion of the contract and not as withdrawal money.

Unless there is a contract or local custom to the contrary, the attachment money shall be deducted from the original claim.

B. Withdrawal fee

ARTICLE 178 - If a withdrawal fee has been agreed upon, each of the parties shall be deemed authorized to withdraw from the contract; in this case, if the party who has given the money withdraws, he shall keep what he has given; if the party who has received the money withdraws, he shall return double of what he has received.

C. Penalty condition

I. Creditor's rights

1. The relationship between the penalty and the performance of the contract

ARTICLE 179 - If a penalty is agreed for non-performance of a contract, the creditor may demand either the performance of the obligation or the penalty, unless otherwise agreed in the contract.

If the penalty is agreed for non-performance of the obligation at the specified time or place

The creditor may demand the performance of the penalty together with the principal debt, unless the creditor has expressly waived its right or accepted the performance without reservation.

The debtor reserves the right to prove that he is authorized to terminate the contract by rescission or termination by performing the agreed penalty.

2. The relationship between punishment and harm

ARTICLE 180 - Even if the creditor has not suffered any damage, the agreed penalty must be performed.

If the damage suffered by the creditor exceeds the agreed penalty amount, the creditor may request that the debtor cannot claim the excess amount unless he/she proves that he/she is **at** fault.

3. Burning of partial performance

ARTICLE 181 - The provisions relating to the penalty clause shall also apply to the agreements stipulating that the creditor shall keep the part of the performance in case of revocation.

Provisions regarding sale in installments are reserved.

II. Amount, invalidity and reduction of penalty

ARTICLE 182 - The parties may freely determine the amount of the penalty.

If the principal obligation is invalid for any reason or becomes impossible for a reason for which the debtor cannot be held responsible unless otherwise agreed, the performance of the penalty cannot be requested. The invalidity of the penalty clause or its subsequent impossibility for a reason for which the debtor cannot be held responsible does not affect the validity of the principal obligation.

The judge shall automatically reduce the penalty clause he deems excessive.

SECTION FIVE

Changes of Parties in Debt Relationships

CHAPTER ONE

Transfer of Receivables

A. Conditions

I. Voluntary transfer

1. In general

ARTICLE 183 - Unless prevented by law, contract or the nature of the business, the creditor may transfer his receivable to a third party without seeking the consent of the debtor.

The debtor may not assert the defense of non-assignability of the receivable against a third party who has taken over the receivable by relying on a written acknowledgment of debt that does not contain a prohibition of assignment.

2. Shape

ARTICLE 184 - The validity of the assignment of a receivable depends on the fact that it is made in writing. Promise to transfer a receivable is not subject to form.

II. Legal or judicial transfer and its effect

ARTICLE 185 - If the assignment of the receivable has been realized pursuant to the law or court decision, such assignment may be asserted against third parties without the need for a special form and the prior creditor's consent.

B. Provisions of the transfer

I. Borrower's situation

1. Good faith performance

ARTICLE 186 - If the transfer of the receivable has not been notified to the debtor by the transferor or transferee, the debtor shall be released from his obligation by performing in good faith to the previous creditor; if the receivable has been transferred several times, to one of the previous transferees instead of the last transferee.

2. Avoidance of performance and delivery

ARTICLE 187 - The debtor of a disputed receivable may refrain from performance and shall be released from the obligation by depositing the subject matter of the receivable at the place designated by the judge.

If the debtor performs despite knowing that the receivable is disputed, he shall be liable for the consequences arising therefrom.

If the dispute that is the subject of the lawsuit has not yet been concluded by the court and the debt is due, either party may force the debtor to deliver the performance.

3. Defenses of the debtor

ARTICLE 188 - The debtor may also assert against the transferee the defenses he had against the transferor at the time he learned of the transfer.

The debtor may exchange his/her receivable that is not due at the time he/she learns of the transfer for his/her debt, provided that it is due before or at the same time as the transferred receivable.

II. Priority rights and transition of subsidiary rights

ARTICLE 189 - Upon the transfer of the receivable, the priority rights other than those specific to the personality of the transferor and the subsidiary rights shall also pass to the transferee.

The principal receivable is deemed to be transferred together with the accrued interest.

III. Delivery of deeds and documents and providing information

ARTICLE 190 - The transferor is obliged to deliver to the transferee the bill of receivables and other documents related to proof and to provide the necessary information for the assertion of the receivable.

IV. Guarantee

1. In general

ARTICLE 191 - If the receivable is transferred in return for a performance, the transferor guarantees the existence of the receivable and the debtor's solvency at the time of transfer.

If the receivable has been transferred without consideration or has been assigned by operation of law, the assignor or the previous creditor is not responsible for the existence of the receivable and the solvency of the debtor.

2. Transfer for performance

ARTICLE 192 - If the creditor has transferred his receivable for the performance of the debt but has not determined the amount to be set off against the debt, the transferee is obliged to set off against his own receivable only the amount he has received from the debtor or the amount he could have received if he had exercised due diligence.

3. Scope of liability

ARTICLE 193 - The transferee may make the following requests from the transferor who is obliged to guarantee:

1. The return of the counter-performance with interest.
2. Expenses caused by devolution.

3. Expenses incurred by the debtor in its fruitless attempts to obtain the receivable it has taken over against the debtor.

4. Other damages incurred unless the transferor proves its fault.

C. Reservation of special provisions

ARTICLE 194 - Provisions laid down by law specific to the transfer of certain rights are reserved.

PART TWO

Assumption of Debt

A. Internal assumption agreement

ARTICLE 195 - The person who enters into an internal assumption agreement with the debtor shall be under the obligation to release the debtor from his obligation by personally performing the obligation or by assuming the obligation with the consent of the creditor.

Unless the debtor fulfills its obligations arising from the internal assumption agreement, it cannot ask the other party to fulfill its obligation.

If the debtor is not released from its obligation, it may request security from the other party.

B. External underwriting agreement

I. Suggestion and acceptance

ARTICLE 196 - The replacement of the debtor and the release of the debtor from his debt shall be by a contract to be concluded between the person assuming the debt and the creditor.

The notification of the internal assumption agreement to the creditor by the undertaker or, with its authorization, by the debtor, shall constitute a proposal for the conclusion of an external assumption agreement.

The creditor's acceptance may be express or implied. The creditor shall be deemed to have accepted the assumption of the obligation if he accepts the performance of the assumption without reservation or consents to any other action taken by him in his capacity as the obligor.

II. Binding nature of the proposal

ARTICLE 197 - The proposal regarding the assumption of the debt may be accepted by the creditor at any time. However, the assumer or the previous debtor may set a time limit for acceptance. If the creditor remains silent until the expiration of this period, the proposal shall be deemed rejected.

If a new internal assumption agreement is concluded before the acceptance of the proposal by the creditor and a proposal is made to the creditor regarding this second assumption, the first proposer is released from being bound by its proposal.

C. Consequences of a change of debtor

I. Related rights and obligations

ARTICLE 198 - Even if the debtor has changed, the creditor's subsidiary rights other than those specific to the debtor's personality shall remain reserved.

However, the liability of the third party pledging the pledge as security for the debt and of the surety shall continue only if they consent in writing to the assumption of the debt.

II. Defenses

ARTICLE 199 - The right to assert the defenses related to the assumed debt shall pass to the new debtor.

Unless otherwise stipulated in the external assumption agreement, the new debtor cannot assert personal defenses against the creditor that the previous debtor could have asserted.

The new debtor cannot assert the defenses arising from the internal assumption agreement against the creditor.

D. Nullity of the contract

ARTICLE 200 - If the foreign undertaking agreement becomes null and void, without prejudice to the rights of bona fide third parties, the old debt shall continue to exist together with all its subsidiary debts.

Furthermore, unless the obligor proves that no fault can be attributed to him in the nullity of the assumption agreement and the creditor's loss, the creditor may demand from the obligor the compensation of the loss suffered by him due to the loss of the security previously provided or for any other reason.

E. Participation in debt

ARTICLE 201 - Participation in debt is a contract concluded between the participant and the creditor in order to take part in an existing debt alongside the debtor, which results in the participant being liable for the debt together with the debtor.

The debtor and the debtor shall be jointly and severally liable to the creditor.

F. Acquisition of assets or business

ARTICLE 202 - The transferee of an asset or a business together with its assets and liabilities shall be liable to the creditors for the debts in the asset or business starting from the date on which he notifies the creditors or announces the same through an announcement to be published in the Trade Registry Gazette for commercial enterprises and in one of the newspapers distributed throughout Turkey for others.

However, for a period of two years, the previous debtor is also jointly and severally liable with the transferee shall remain liable. This period starts to run from the date of notification or announcement for debts that are due and payable, and from the due date for debts that will become due and payable later.

The consequences of such assumption of obligations are identical to the consequences arising from an external assumption contract.

Unless the obligation to notify or announce is fulfilled by the transferee, the two-year period provided for in paragraph 2 shall not begin to run.

G. Mergers and changes in the form of businesses

ARTICLE 203 - If an enterprise is merged with another enterprise by mutual acquisition of assets and liabilities or by one of them joining the other, the creditors of both enterprises shall have the rights arising from the acquisition of an asset and may receive all their

receivables from the new enterprise.

The same provision shall also apply to the debts of an enterprise owned by a single person and converted into a collective or limited partnership.

H. Reservation of special provisions

ARTICLE 204 - The special provisions regarding the assumption of the debt regarding the division of the inheritance and the transfer of pledged immovables are reserved.

PART THREE

Contract Assignment and Contract Participation

A. Transfer of contract

ARTICLE 205 - Assignment of a contract is an agreement between the assignee and the assignor and the party remaining in the contract, which transfers to the assignee all the rights and obligations of the assignor together with the title of being a party arising from this contract.

An agreement between the assignee and the assignor, which is based on the prior authorization granted or subsequently approved by the other party remaining in the contract, shall also be subject to the provisions on assignment of the contract.

The validity of the assignment of the contract depends on the form of the assigned contract. The cases of subrogation arising from the law and other special provisions are reserved.

B. Joining the contract

ARTICLE 206 - Participation in a contract is an agreement concluded between the participant and the parties to an existing contract in order to take part alongside one of the parties to the contract, which results in the participant having the rights and obligations of the party with which the participant takes part.

Unless otherwise agreed in the agreement, the party participating in the agreement and the party with whom he/she participates in the agreement shall be jointly and severally creditor and debtor against the other party to the agreement.

The validity of the contractual participation depends on the form of the contract subject to the participation.

PART TWO

Special Debt Relationships

PART ONE

Sales Contract

CHAPTER ONE

General Provisions

A. Definition and provisions

ARTICLE 207 - A contract of sale is a contract whereby the seller undertakes the obligation to transfer the possession and ownership of what is sold to the buyer and the buyer undertakes the obligation to pay a price in return.

Unless otherwise agreed by contract or unless there is a custom to the contrary, the

seller and the buyer are obliged to perform their obligations at the same time.

The price that can be determined according to the circumstances and conditions shall be deemed to be the agreed price.

B. Benefit and damage

ARTICLE 208 - Except for the exceptions arising from the law, the necessity of the situation or the special conditions stipulated in the contract, the benefit and damage of the sold thing belongs to the seller until the transfer of possession in movable sales and until the moment of registration in immovable sales.

In movable sales, in the event that the buyer defaults in the transfer of possession of the goods, the benefit and damage of the goods shall pass to the buyer as if the transfer of possession has taken place.

If the seller, at the request of the buyer, ships the goods to a place other than the place of performance, the benefit and damage shall pass to the buyer at the time of delivery of the goods to the carrier.

PART TWO

Movable Sale

A. Subject

ARTICLE 209 - Sale of movables is the sale of things other than those deemed immovable pursuant to the Turkish Civil Code and specified as movables in other laws.

The sale of integral parts of the immovable property, such as products, the ruins of a building and stones to be extracted from a quarry, the ownership of which will be transferred after they are separated from the immovable property, is also a sale of movables.

B. Seller's debts

I. Transfer of possession

1. Rule

ARTICLE 210 - The seller is obliged to transfer the possession to the buyer in order to transfer the ownership of the sold thing.

2. Transfer and transportation expenses

ARTICLE 211 - Unless there is a contract or custom to the contrary, the transfer expenses such as measuring and weighing belong to the seller, and the expenses incurred to take over the sold thing and the transportation expenses belong to the buyer when the sold thing has to be transported to another place other than the place of performance.

If a transfer **without expenses** is agreed, the seller shall be deemed to have assumed the costs of carriage.

If the transfer is agreed without port and customs charges, the seller shall be deemed to have assumed the export, transit and import duties, but shall not be deemed to have assumed the excise duties paid at the time of acquisition of the goods by the buyer.

3. Default of the seller

a. Rule and discrete case

ARTICLE 212 - In case of default of the seller, the general provisions regarding the default of the debtor shall apply.

In commercial sales where a certain period of time has been set for the transfer of

possession, if the seller defaults, it is accepted that the buyer waives the request for transfer and requests compensation for the damage arising from the non-performance of the debt.

If the buyer intends to request the transfer of the property, he must notify the seller immediately upon expiry of the specified period.

b. Remediation obligation and its scope

ARTICLE 213 - The seller who fails to fulfill his obligation is obliged to compensate the damage incurred by the buyer because of this.

If the seller fails to fulfill its obligation, the buyer may request compensation for the damages to be calculated according to the difference between the sale price and the price paid by the buyer in good faith to purchase another one instead of the one that was not transferred to him.

If the goods sold are listed on the stock exchange or have a market price, the buyer may demand compensation for the damage calculated according to the difference between the sale price and the market price on the day of performance, without being obliged to purchase another instead.

II. Liability for possession

1. Subject.

ARTICLE 214 - The seller shall be liable to the buyer if all or part of the goods sold are taken away from the buyer by a third party due to a right existing at the time of the conclusion of the sales contract.

If the buyer knew of the danger of forfeiture at the time of the conclusion of the contract, the seller shall not be liable for it, unless he has undertaken it separately.

If the seller has concealed the third party's right, the agreement to remove or limit its liability is null and void.

2. Trial procedure

a. Notification of the case

ARTICLE 215 - When the buyer, who is in danger of being deprived of the sold goods, notifies the seller of the lawsuit filed against him, the seller is obliged, according to the necessity of the situation and in accordance with the procedure of the proceedings, either to participate in the lawsuit on behalf of the buyer or to follow and defend the lawsuit against the third party by taking the place of the buyer.

If the notification was made at a time convenient for participation and defense of the action, the judgment against the buyer shall not apply to the seller unless it is proved that the judgment was rendered due to his gross negligence.

also have consequences.

If the seller is not notified of the lawsuit for reasons that cannot be attributed to him, the seller shall be relieved of liability to the extent that he proves that a more favorable judgment could have been obtained had he been notified in time.

b. Do not give what is sold without a court order

ARTICLE 216 - The liability of the seller for seizure continues in the following cases:

1. The buyer, without waiting for a court decision, recognized the third party's right in good faith and gave him the thing sold.

2. If the buyer, without waiting for the third party to file a lawsuit against him, warned the seller without delay to resolve the dispute regarding his claim on the sold goods through litigation, otherwise he would resort to arbitration, and since he could not get results from this, he resorted to arbitration.

The seller's liability continues even if the buyer proves that he is obliged to give the goods to a third party.

3. Buyer's rights

a. In full restraint

ARTICLE 217 -If all of **what has been** sold is taken away from the buyer, the sales contract shall be deemed to be automatically terminated and the buyer may make the following claims against the seller:

1. The return of the sale price paid, together with interest, less the value of the products obtained or omitted to be obtained from the sale.
2. Expenses that cannot be claimed from the third party who took the sold item.
3. All costs and expenses other than those that can be avoided by notifying the seller of the case.
4. Other damages suffered directly as a direct result of the complete disposal of the goods sold.

Unless the seller proves that no fault can be attributed to him, he is also obliged to compensate the buyer for any other damages suffered by the buyer as a result of the taking of the goods.

b. In case of partial seizure

ARTICLE 218 - If a part of what has been sold has been taken away or if what has been sold has been burdened with a limited right in rem, the buyer may only ask for the compensation of the damage he has suffered because of this.

However, in cases where the buyer would not have bought the item if he had known about it, and

If it is clear from the circumstances, the buyer may ask the judge to decide on the termination of the contract. In this case, the buyer is obliged to return to the seller the part of the sold property that remains in his/her possession, together with the benefits he/she has obtained until that time.

III. Liability for defects

1. Subject.

a. In general

ARTICLE 219 - **The** seller shall be liable to the buyer for the non-existence of the qualities declared by him in any way, as well as for the presence of material, legal or economic defects that are contrary to the quality or quantity affecting the quality, that eliminate or significantly reduce its value in terms of its intended use and the benefits that the buyer expects from it.

The seller is liable for these defects even if he did not know of their existence.

b. Animal sales

ARTICLE 220 - In the sale of animals, the seller shall not be liable for the defect unless he undertakes it in writing or unless he is grossly negligent.

2. Treaty of irresponsibility

ARTICLE 221 - If the seller is grossly negligent in transferring the sold goods in a defective condition, any agreement that removes or limits his liability for the defect shall be null and void.

3. Defects known to the buyer

ARTICLE 222 - The seller is not responsible for defects known by the buyer at the time of the conclusion of the sales contract.

The seller is also liable for defects that the buyer can see by adequately inspecting the goods only if he has undertaken that such defects do not exist.

4. Review and notify the vendor

a. In general

ARTICLE 223 - The buyer is obliged to review the condition of the sold goods as soon as he has the opportunity according to the ordinary course of business and if he sees a defect in the sold goods that requires the seller's liability, he is obliged to notify him within an appropriate period of time.

If the buyer neglects to inspect and notify, he shall be deemed to have accepted the sale. However, this provision shall not apply if there is a defect in the goods that cannot be discovered by an ordinary inspection. If such a defect is discovered later, it must be immediately notified to the seller; if not, the sale is deemed to be accepted with this defect.

b. Animal sales

ARTICLE 224 - In the sale of animals, if the period for which the seller shall be liable is not determined in writing and the defect is not related to the pregnancy of the animal, the seller shall be liable only if the defect is notified to him within nine days starting from the day on which the transfer is made or the buyer's default in the transfer is realized, and also if the animal is requested from the competent authority to be inspected by experts within the same period.

5. Consequences of gross negligence of the seller

ARTICLE 225 - The seller who is grossly negligent shall not be relieved from liability, even partially, by claiming that the defect in the goods has not been notified to him in due time.

The same provision also applies to defects that should be known by persons who are engaged in the profession of salesmanship.

6. Shipment of goods from elsewhere

ARTICLE 226 - The buyer claiming that the goods shipped from another place are defective is obliged to temporarily take the necessary measures for the protection of the goods if there is no representative of the seller in his place. The buyer may not send the goods back to the seller without taking the necessary measures for the protection of the goods which he

claims to be defective.

The buyer is obliged to have the condition of the goods duly ascertained without delay. If he fails to do so, the burden of proof shall be on the buyer to prove that the alleged defect existed at the time the goods were delivered to him.

If the thing sold is in danger of deteriorating within a short period of time, the buyer is authorized to have it sold through the court in the place where it is located, and even obliged to have it sold if the seller's interest so requires. If the buyer fails to notify the seller as soon as possible, he shall be liable for damages arising therefrom.

7. Purchaser's optional rights

a. In general

ARTICLE 227 - In cases where the seller is responsible for the defects of the sold goods, the buyer may exercise one of the following optional rights:

1. Returning from the contract by declaring that you are ready to return the goods.
2. Retaining the goods and asking for a discount in the sale price in proportion to the defect.
3. Request free of charge repair of the goods sold at the seller's expense, unless it requires an excessive expense.
4. If it is possible, do not ask for the replacement of the sold item with a similar one without defects.

The buyer reserves the right to claim compensation according to general provisions.

The seller may prevent the buyer from exercising his optional rights by immediately providing the buyer with a defect-free substitute of the same goods and compensating the full amount of the damage suffered.

In the event that the buyer exercises the right to rescind the contract, the judge may decide to repair the sale or reduce the sale price, unless the situation does not justify this.

If the deficiency in the value of the sold goods is very close to the sales price, the buyer may only exercise one of the rights to rescind the contract or to demand the replacement of the sold goods with a similar one without defects.

b. Destruction or serious damage to the goods sold

ARTICLE 228 - The destruction or severe damage of the sold goods transferred to the buyer as defective due to defect, contingency or force majeure does not prevent the buyer from exercising his right to withdraw from the contract. In this case, the buyer is obliged to return whatever is left of the sold goods.

If the thing sold has been destroyed by a cause attributable to the buyer, or if the buyer has given it to someone else or has changed its form, the buyer may only ask for a deduction from the sale price for the deficiency in its value.

8. Consequences of conversion

a. In general

ARTICLE 229 - The buyer who returns from the sales contract is obliged to return the

sold goods to the seller together with the benefits derived therefrom. In return, the buyer may make the following requests from the seller:

1. Return of the sale price paid with interest.

2. Payment of the costs of the proceedings and the expenses incurred for the seller, as in the case of full possession of the sold property.

3. Recovery of direct damages arising from defective goods.

The seller is also obliged to compensate the buyer for other damages, unless he proves that no fault can be attributed to him.

b. Sale of multiple goods

ARTICLE 230 - If more than one good or a good consisting of more than one part is sold together and some of them are defective, the right of return may be exercised only for the defective ones. However, if it is not possible to separate the defective part from the other without causing any significant damage to the buyer or the seller, the right of return must cover the whole of the goods sold.

Reversal of the sale for the original, even if they were sold at separate sale prices, also covers the attachments, but the return for the attachments does not cover the original thing sold.

9. Statute of Limitations

ARTICLE 231 - Unless the seller has undertaken for a longer period of time, unless the seller has undertaken for a longer period of time, all kinds of actions relating to liability arising from the defect of the sold goods shall be time-barred after two years starting from the transfer of the sold goods to the buyer, even if the defect in the sold goods is revealed later. The right of defense arising from the defect notified by the buyer within two years starting from the transfer of the goods to him shall not be extinguished by the expiration of this period.

If the seller is grossly negligent in transferring the goods defectively, he cannot benefit from the two-year limitation period.

C. Buyer's debts

I. Payment of the sale price and acquisition of the property sold

ARTICLE 232 - The buyer is obliged to pay the sales price as agreed in the sales contract and to take over the sold goods offered to him.

If there is no local custom or agreement to the contrary, the sale must be taken over immediately.

II. Determination of the sale price

ARTICLE 233 - If the buyer, without specifying the sale price, has definitely declared that he will buy the goods, the sale shall be deemed to have been made at the average market price at the place and time of performance.

If the sale price is calculated according to the weight of what is sold, the tare is deducted.

In the sale of certain merchandise, it shall be customary to make a deduction by

quantity or percentage from the tare weight or to determine the price on the basis of the tare weight.

III. Due date and interest on the sale price

ARTICLE 234 - If there is no contract to the contrary, the sale price shall become due when the sold is in the possession of the buyer.

If there is a custom that interest may be charged, or if the buyer is entitled to interest on the goods, product or other or if it has the possibility of obtaining yields, or if the default is recognized after the expiry of a certain day. in the event of the realization of the sale price, interest may be demanded on the sale price without the need for a separate notice.

IV. Buyer's default

1. Seller's right of return

ARTICLE 235 - If the buyer defaults in cases where the sold goods should be transferred only after the sale price is paid or at the time of payment, the seller may withdraw from the sale without any transaction.

The seller who wishes to exercise this right must notify the buyer without delay.

If the possession of the sold goods has been transferred to the buyer without payment of the sale price, the seller's right to take back the sold goods by exercising the right of return due to the buyer's default depends on the explicit reservation of this right in the contract.

2. Calculation and elimination of loss

ARTICLE 236 - The buyer who fails to fulfill his obligation is obliged to compensate the damage incurred by the seller because of this.

The seller may ask the buyer, who has defaulted in the payment of the sale price, to compensate for the damage to be calculated according to the difference between this price and the price obtained from the sale of the sold item to another person in accordance with the rules of honesty.

If the goods sold are listed on the stock exchange or have a market price, the seller may, without the need for such a sale, ask the buyer to compensate for the loss calculated according to the difference between the sale price and the price of the goods on the specified payment day.

PART THREE

Sale of Immovable Property and Sale Related Rights

A. Figure

ARTICLE 237 - In order for the sale of immovable property to be valid, the contract must be drawn up officially.

Contracts of promise for the sale, repurchase and purchase of immovable property shall not be valid unless they are drawn up in an official form.

The validity of the pre-emption agreement depends on the written form.

B. Rights giving rise to a sales relationship

I. Duration and annotation

ARTICLE 238 - Pre-emption, repurchase and purchase rights may be agreed for a maximum period of ten years and may be annotated in the land registry for the period determined by law.

II. Transfer and inheritance

ARTICLE 239 - Unless otherwise agreed, the rights of pre-emption, purchase and repurchase arising out of a contract shall not be transferable, but shall be inherited.

If it is agreed by contract that these rights may be transferred, the transfer shall not be valid unless it is made in the manner prescribed for the establishment of the right.

III. Right of pre-emption

1. Forwarding

ARTICLE 240 - The right of pre-emption may be exercised in cases of sale of immovable property or any transaction economically equivalent to sale.

The right of pre-emption cannot be exercised in cases where the immovable property is allocated to one of the heirs in the division of the inheritance, sold through forced auction, and acquired for the fulfillment of public services and similar purposes.

2. Terms and conditions

ARTICLE 241 - The seller or the buyer is obliged to notify the owner of the pre-emption right through a notary public that the sales contract has been concluded and its contents.

If the sales contract is abrogated after the pre-emption right is exercised, or if it is not approved due to reasons arising from the buyer's personality, this situation cannot be asserted against the owner of the pre-emption right.

Unless otherwise stipulated in the contract establishing the right of pre-emption, the owner of the right of pre-emption acquires the immovable property on the terms of sale agreed by the seller with the third party.

The above provisions shall also apply to transactions that are economically equivalent to sales.

3. Use and provisions

ARTICLE 242 - The right holder who wishes to exercise the right of pre-emption arising from the contract is obliged to file a lawsuit against the buyer if this right has been annotated and the ownership of the immovable has been registered in the name of the buyer; otherwise, against the seller within three months starting from the date of notification of the sale or another transaction economically equivalent to the sale, and in any case within two years starting from the date of the sale.

C. Sale of immovable property

I. Conditional sale and reservation of title

ARTICLE 243 - In the conditional sale of an immovable property, registration cannot be made in the land registry unless the condition is realized.

The reservation of title in the sale of immovable property **cannot be** registered.

II. Responsibility

ARTICLE 244 - Unless there is an agreement to the contrary, if the immovable sold does not cover the area written in the sales contract, the seller is obliged to pay compensation to the

buyer for the deficiency.

If the immovable property sold does not include the amount of surface area recorded in the land registry based on an official measurement, the seller is not liable for compensation unless he has specifically undertaken to do so.

Claims arising out of the defect of a building are time-barred after five years from the transfer of ownership and twenty years if the seller is grossly negligent.

III. Benefit and damage

ARTICLE 245 - If a time period is determined by the contract for the delivery of the sold thing by the buyer at a time after the registration, its benefit and damage shall pass to the buyer upon delivery. This provision shall also apply in case the buyer defaults in taking delivery of the sold goods.

The validity of this agreement depends on it being in writing.

IV. Application of the rules on the sale of movable property

ARTICLE 246 - The rules relating to the sale of movables shall also apply to the sale of immovable property by analogy.

FOURTH PILLAR

Some Types of Sales

A. Sale on sample

I. Definition

ARTICLE 247 - Sale on sample is a sale made by the parties agreeing that the goods which are the subject matter of the contract conform to a sample left to the buyer or a third party or to a good they have identified.

II. Burden of proof

ARTICLE 248 - In a sale by way of sample, the party to whom a sample is given is not under the burden of proving that the sample in his hand is the sample given to him, and even if the form of the sample has changed, if this change is a compulsory result of the review, the claim of the buyer shall be deemed true. However, the other party shall in any case have the right to prove the contrary.

If the sample deteriorates or is destroyed while in the hands of the buyer, the burden of proof is on the buyer to prove that what is sold does not conform to the sample, even if he is not at fault.

B. Sale on like-for-like condition

I. Definition

ARTICLE 249 - Sale on the condition of liking is a sale made on the condition that the buyer likes what is sold by trying or reviewing it.

II. Provisions

ARTICLE 250 - In a sale on the condition of liking, the buyer is free to accept what is sold or to return it without giving any reason.

Even if the thing sold has passed into the possession of the buyer, the ownership of the thing sold remains with the seller until the moment the condition of liking is fulfilled.

III. Trial or review

1. Next to the seller

ARTICLE 251 - If the trial or review is required to be made in the presence of the seller and the buyer does not disclose whether he has accepted the goods sold within the required period of time according to the contract or custom, the seller shall be released from the contractual obligation.

If such a period is not set, the seller may, after an appropriate period of time has elapsed, give notice to the buyer to inform him whether he accepts the goods or not; if this notice is not responded to immediately, the seller is released from the contractual obligation.

2. Next to the buyer

ARTICLE 252 - If the thing sold is given to the buyer without being tried or reviewed, the condition of liking shall be deemed to have been fulfilled if the buyer does not immediately notify that he does not like the thing sold or does not return it within the time required by the contract or custom, or if there is no such time, upon the seller's warning.

The condition of liking is also fulfilled when the buyer pays the whole or part of the sale price without any reservation, or when the buyer uses what is sold in a way that exceeds the purpose of testing or reviewing it.

C. Partial payment sales

I. Sale in installments

1. Definition, form and content

ARTICLE 253 - Sale by installments is a sale where the seller undertakes to deliver the sold movable to the buyer before the payment of the sale price and the buyer undertakes to pay the sale price in parts.

An installment sales contract shall not be valid unless it is made in writing.

If the goods are sold within the scope of the seller's commercial activity, the following issues shall be specified in the contract:

1. Name and place of residence of the parties.
2. Subject of the sale.
3. The cash sale price of what is sold.
4. Additional fee to be specified due to payment in installments.
5. Total sales price.
6. Any other performance undertaken by the buyer in cash or in kind.
7. The amount of the down payment and installments, the maturity and the number of installments, but not less than two.
8. The right of the buyer to withdraw the declaration of will to conclude a contract within seven days.

9. If stipulated, records of agreements on reservation of title or transfer of the receivable for the sale price.

10. In case of default or postponement of maturity, interest payable not exceeding thirty percent above the legal interest rate.

11. The place and date the contract was established.

2. Consent of the legal representative

ARTICLE 254 - The validity of an installment sale contract made by a minor or a restricted person who has the power of discernment depends on the written consent of the legal representative. In this case, the consent must be given at the latest at the time of the conclusion of the contract.

3. Execution of the contract and its consequences and revocation explanation

ARTICLE 255 - For the buyer, the installment sale agreement shall come into force seven days after the receipt of a copy of the agreement signed by the parties. The buyer may notify the seller in writing that he withdraws his declaration of will within this period. This right cannot be waived in advance. It is sufficient for the notice of withdrawal to be postmarked on the last day of the period for it to be effective.

If the seller has transferred the goods to the buyer within the take-back period, the buyer may use the goods only to the extent required by an ordinary inspection; otherwise, the contract shall have come into force and effect.

If the buyer exercises his right of withdrawal, he cannot be asked for a withdrawal fee.

4. Rights and obligations of the parties

a. Down payment obligation and duration of the contract

ARTICLE 256 - The buyer is obliged to pay at least one tenth of the sales price in advance at the latest at the time of delivery and the remaining part of the sales price within three years following the conclusion of the contract.

The President of the Republic may halve the down payment amount and the legal payment periods depending on the type of property sold.
as much as twice as much.¹

transfers the sold property to the buyer without receiving the minimum down payment specified in the law in full
the seller loses the right to claim the unpaid portion of the down payment.

Any increase in the sale price in return for foregoing the down payment shall be null and void.

b. Buyer's defenses

ARTICLE 257 - The buyer may not waive in advance the right to exchange the seller's receivables arising from the sale in installments with the seller's receivables from the seller.

In the event of a transfer of the receivable, the buyer's defenses regarding the sale price receivable cannot be limited or eliminated.

¹ With Article 190 of the Decree Law No. 700 dated 2/7/2018, the phrase "Council of Ministers" in

this paragraph has been changed to "President".

c. Full payment of the sale price

ARTICLE 258 - Unless the installment debt is tied to a bill of exchange, the buyer may always get rid of his debt by paying the remaining part of the sale price at once. In this case, the part of the amount added to the cash sale price corresponding to the unpaid installments shall be reduced in accordance with the shortening of the payment period, but not less than half.

5. Buyer's default

a. Seller's optional right

ARTICLE 259 - If the buyer defaults in the payment of the down payment, the seller may demand only the down payment or rescind the contract.

If the buyer defaults in the payment of the installments, the seller shall pay the due installments or may demand payment of the entire remaining sales price at once or may rescind the contract. The seller may demand the full amount of the remaining sales price or rescind the contract only if the seller has expressly reserved this right and the buyer has defaulted in the payment of at least two consecutive installments constituting at least one tenth of the agreed sales price or one installment constituting at least one quarter of the agreed sales price or the last installment. However, if the amount that the seller may claim for rescission is equal to or more than the amount of the installments paid, the seller may not rescind the contract.

The seller is obliged to give the buyer a period of at least fifteen days before exercising the right to demand full payment of the remainder of the sale price or to withdraw from the contract.

b. Returning from the contract

ARTICLE 260 - If the seller returns from the contract after the transfer of the sold to the buyer due to the buyer's default in paying the installments, both parties are obliged to return what they have received. The seller may also demand an equitable use price and compensation in case of diminution in value due to unusual use of the sold thing. However, the seller cannot ask for more than he would have obtained if the contract had been performed on time.

If the seller rescinds the contract before the transfer of the sale due to the buyer's default in the payment of the down payment, the seller may demand from the buyer only legal interest on the unpaid down payment, which will run until the date of rescission of the contract, and compensation for the loss of value of the sale after the conclusion of the contract. If a penalty clause is agreed, it cannot exceed ten percent of the cash sale price.

c. Judge intervention

ARTICLE 261 - The judge may grant payment facilities to the buyer and prohibit the seller from taking back what has been sold, provided that the defaulting buyer gives assurance that he will pay his debts and the seller does not suffer any loss due to this new arrangement.

6. Competent court and arbitration

ARTICLE 262 - A buyer whose domicile is in Turkey may not waive the jurisdiction of the court in his domicile in advance with respect to disputes arising out of the installment sale contract to which he is a party, nor may he enter into an arbitration agreement.

7. Field of application

ARTICLE 263 - The provisions relating to sale in installments shall also apply to transactions made for the same economic purpose.

In the case where the seller transfers the sales price receivable to the lender together with or independently of the reservation of ownership in the loan agreements made for the purpose of acquiring a movable, or if the seller and the lender otherwise agree to ensure the delivery of the goods so that the buyer can pay the sales price in installments later, the provisions regarding the sale by installments shall apply by analogy. The loan agreement must include the matters that are obligatory to be included in the installment sale agreements. However, instead of the cash sales price and the total sales price, the amount borrowed and the total amount of the loan to be paid to the lender shall be shown.

In installment lending agreements in connection with cash sales, if the legal minimum down payment is paid to the lender and the cash sale price is fully covered without any additions during the execution of the lending agreement, the provisions regarding the sale in installments shall not apply.

The buyer is acting in the capacity of a merchant or the goods are used for the needs of a commercial enterprise or

In case of purchase for professional purposes, only the provisions of the second paragraph of Article 259, the first paragraph of Article 260 and the provisions of Article 261 shall apply.

II. Prepaid installment sales

1. Definition, form and content

ARTICLE 264 - Sale in installments with prepayment is a sale where the buyer undertakes to pay the sale price of a movable good in parts in advance, and the seller undertakes to transfer the sold good to the buyer after the price is fully paid.

A prepaid installment sales contract is not valid unless it is made in writing.

The following points shall be specified in the contract:

1. Name and place of residence of the parties.
2. Subject of the sale.
3. Total sales price.
4. Number of installments, amount, term and duration of the contract.
5. Bank authorized to accept installments.
6. The amount of interest owed to the buyer.
7. The right of the buyer to withdraw the declaration of will to conclude a contract within seven days.

8. The buyer's right to withdraw from the contract and the withdrawal fee to be paid for this reason.
9. The place and date the contract was established.

2. Rights and obligations of the parties

a. Securing payments

ARTICLE 265 - In contracts with a payment term longer than one year or indefinite, the buyer is obliged to deposit the payments into an income generating savings or investment account to be opened in his name at a bank specified in the contract.

The bank must take into account the interests of both parties. Payments can be made from the opened account with the consent of both parties. This consent cannot be given in advance.

In contracts with a payment term of more than one year or indefinite, if the buyer withdraws from the contract pursuant to Article 269 until the transfer of the goods sold, the seller loses all rights on this account.

b. Right of the buyer to request the transfer of the goods

ARTICLE 266 - After the buyer has paid the full amount of the sale price, he may at any time request the goods to be transferred to him. However, if the seller is going to transfer the goods by obtaining them from someone else, the buyer is obliged to give him a suitable period of time for this.

In order for the seller to transfer the goods to the buyer, the conditions for sale in installments must be complied with.

If the buyer has purchased more than one thing or has reserved his right of choice, he may request the partial transfer of the sold thing only after paying the minimum down payment stipulated in Article 256. In cases where the goods sold constitute a collection of goods, this request cannot be made. In the event that the sale price is not paid in full, the seller may be requested to partially transfer the sold goods only on condition that ten percent of the remaining portion is left to him as security.

c. Payment of the sale price

ARTICLE 267 - In contracts with a payment period longer than one year or indefinite, the sale price must be fully paid at the time of transfer of the sold goods. The buyer who wishes to transfer the sold goods may release at most one third of the sale price from the balance in his account in favor of the seller. However, no commitment to this effect may be made during the establishment of the contract.

d. Determination of the sale price

ARTICLE 268 - All records reserving the right of the seller to demand an additional price to the total sales price determined at the time of the conclusion of the contract shall be invalid.

If the total sales price to be paid is determined in the contract, but the goods to be transferred have not been determined in advance and the seller has given the buyer the right to

choose these goods, the seller is obliged to fully comply with the choice made by the buyer, taking into account the usual prices in cash sales.

Agreements contrary to this are only valid to the extent that they benefit the buyer.

3. Termination of the contract

a. Right of withdrawal

ARTICLE 269 - In contracts with a payment term longer than one year or indefinite, the buyer may withdraw from the contract at any time until the transfer of the goods.

The withdrawal fee to be paid by the buyer in case of withdrawal from the contract, shall be determined by taking into account the nature of the situation and the time elapsed between the conclusion of the contract and the withdrawal. However, this amount cannot be less than two percent and more than five percent of the seller's total receivable. The buyer may request that the part of the payments made in excess of the withdrawal money be returned to him together with the returns.

If the buyer is unable to make prepayments due to death or permanent deprivation of earnings, or if the seller does not accept the buyer's proposal to replace the contract with an installment sale contract to be made on ordinary terms, the withdrawal money cannot be requested.

b. Duration of the contract

ARTICLE 270 - The obligation to fulfill prepayments ends with the expiration of five years.

In contracts with a payment term longer than one year or indefinite, if the buyer does not request the transfer of the sold goods after eight years, the seller shall warn him and give him a period of three months. If the buyer remains indifferent within this period, the seller shall have the rights granted to the buyer in case of withdrawal from the contract.

c. Buyer's default

ARTICLE 271 - If the buyer defaults in one or more prepayments, the seller may only demand the payments which are due. However, if two consecutive prepayments constituting at least one tenth of the total receivable or a single prepayment constituting at least one fourth of the total receivable or the last prepayment is due, the seller shall also be entitled to rescind the contract after the expiration of the one-month payment period to be granted to the buyer.

If the seller reneges on a contract with a payment term of one year or less, Article 260 The provision of the second paragraph shall be applied by analogy. In contracts with a term exceeding one year, the seller may only claim the withdrawal money stipulated in the second paragraph of Article 269 and the compensation of the damages exceeding the average bank deposit interest to be paid to the buyer.

In contracts with a term longer than one year, if the buyer who has defaulted requests the transfer of the goods, the seller may demand the legal principal interest and the compensation of the diminution in the value of the goods after the transfer request. If a penalty condition is stipulated, its amount may not exceed ten percent of the sale price.

In cases where the sold property has been transferred, the first paragraph of Article 260 paragraph shall apply.

4. Limitation of the field of application

ARTICLE 272 - Articles 264 to 271 shall not apply if the buyer acts as a merchant or if the goods are purchased for the needs of a commercial enterprise or for professional purposes.

III. Common provisions

ARTICLE 273 - Among the provisions relating to sale by installments, those relating to the consent of the legal representative, to the contract's coming into force and its consequences, to the declaration of revocation, to the buyer's defenses, to the transfer of the seller's receivables, to the payment facilities provided by the judge, and to the competent court and arbitration shall also apply to sale by prepaid installments.

If the buyer is obliged to make payments before the transfer of the sold goods in installment sales with a transfer period longer than one year or indefinite, the provisions regarding prepaid installment sales shall be applied by analogy.

D. Sale by auction

I. Definition

ARTICLE 274 - Sale by auction is a sale made by determining the place, time and conditions in advance, with the highest bidder among those present.

II. Establishment

ARTICLE 275 - Unless the seller has made a statement of will to the contrary in the conditions of the auction, the sales contract shall be concluded by the auctioneer making a tender to the person who offers the highest price in the optional auctions in which everyone may participate.

A sale by compulsory auction is established when the officer conducting the auction makes a tender to the person who offers the highest price.

III. Provisions

1. The moment the auction participant is connected

a. In general

ARTICLE 276 - The person participating in the auction is bound by his proposal within the framework of the conditions set for the sale.

In the absence of a contrary condition, the commitment of the proposer shall be terminated by the making of a higher proposal or by the failure to accept the proposal immediately upon being asked whether there is a higher proposal and being informed that there is no such proposal.

b. In the sale of immovable property through auction

ARTICLE 277 - In the sale of immovable property through auction, the tender or its rejection must be made immediately after the auction.

A condition stipulating that the bidder's commitment continues after the auction is void. However, this rule does not apply to forced auctions and where the auction must be approved by a public official.

2. Requirement of payment in advance

ARTICLE 278 - Unless otherwise agreed in the auction conditions, the tender price must be paid in advance.

If the tender price is not paid in cash or in accordance with the auction conditions, the seller may immediately withdraw from the sale.

3. Transfer of ownership

ARTICLE 279 - The person who buys a movable property at the auction acquires its ownership at the time of the auction. The ownership of the immovable property purchased at the auction shall pass to the buyer only upon registration in the land registry.

The auctioneer shall immediately register the immovable property shown in the sales report in the name of the buyer.

notifies the land registry office.

Special conditions regarding the transfer of ownership in auctions held as a result of a forced auction provisions are reserved.

Transfer of ownership in optional private auctions is subject to general provisions.

4. Liability for possession and defects

ARTICLE 280 - The provisions relating to liability for seizure and defect shall not apply in forced auctions.

A person who buys goods at an auction shall be entitled to the goods in accordance with the land registry or the terms and conditions of sale or the law.

and owns it together with its status, rights and burdens, which are determined according to the law.

In voluntary auctions, the seller is responsible for the possession and defects of the goods sold. However, except in cases of deception, the seller may be relieved from this responsibility by clearly stating and announcing it in the auction conditions.

IV. Cancellation of auction

ARTICLE 281 - If the realization of the tender has been ensured by resorting to unlawful or immoral means, each interested party may request the annulment of the tender from the court within ten days starting from the day he learns the reason for annulment and in any case within one year following the date of the tender.

Special provisions on forced auctions are reserved.

PART TWO

Goods Exchange Agreement

A. Definition

ARTICLE 282 - An exchange of goods contract is a contract whereby one party undertakes to transfer the possession and ownership of one or more things to the other party, and the other party undertakes to transfer the possession and ownership of one or more other things as a counter performance.

B. Subject to the provisions

ARTICLE 283 - The provisions relating to the contract of sale shall also apply to the contract of exchange of goods; accordingly, each of the parties shall be the seller in terms of what he undertakes to give and the buyer in terms of what is undertaken to be given to him.

C. Liability for possession and defects

ARTICLE 284 - The provisions of the sales contract relating to liability for possession and defects shall also apply to the goods exchange contract to the extent appropriate.

PART THREE

Donation Agreement

A. Definition

ARTICLE 285 - A contract of donation is a contract in which the donor undertakes to make a gratuitous gift from his property to the donee in order to produce inter vivos results.

Waiving a right that has not yet been acquired or refusing an inheritance is not forgiveness.

The fulfillment of a moral duty is not forgiveness either.

B. Capacity to forgive

I. For the donor

ARTICLE 286 - Everyone who has the capacity to act may make a donation, without prejudice to the limitations arising from the property regime between spouses or inheritance law.

If, as a result of a proceeding initiated within one year following the donation, the donor is restricted because of his extravagance, the court may annul the donation.

II. For the donor

ARTICLE 287 - A person who lacks the capacity to act may accept the donation if he has the power of discernment. However, if the legal representative of the donee prohibits this person from accepting the donation or orders the return of the thing donated, the donation is annulled.

C. Establishment

I. Promise to forgive

ARTICLE 288 - The validity of a promise to donate depends on the written form of this agreement.

The validity of a promise to donate an immovable property or a real right in rem over an immovable property depends on its being made in an official form.

A promise to donate, which is invalid due to non-compliance with the form, is deemed to be a manual donation when it is fulfilled by the donor. However, this provision does not apply to donations whose validity is subject to an official form.

II. Hand forgiveness

ARTICLE 289 - A donation by hand is established when the donor delivers a movable to the donee.

III. Conditional forgiveness

ARTICLE 290- Forgiveness may be made subject to a condition.

In the case of a donation, the execution of which is conditional upon the death of the donor, the provisions on wills shall apply.

IV. Implied forgiveness

ARTICLE 291 - The donor may impose obligations on his donation.

The donor may demand the fulfillment of the obligations accepted by the donee under the contract.

Fulfillment of an obligation imposed on the donation for the public good
After the death of the donor, the authority to request it passes to the relevant public institution.

If the value of the subject matter of the donation does not cover the costs of fulfilling the obligation and the excess is not paid to him, the donor may refrain from fulfilling the obligation.

V. Conditional forgiveness with return to the donor

ARTICLE 292 - The donor may stipulate that the subject of the donation shall return to him in case the donor dies before him.

If the subject of the donation is an immovable property or a right in rem on an immovable property, the condition of return to the donor may be annotated in the land registry.

VI. Withdrawal of the offer of forgiveness

ARTICLE 293 - Even if a person has actually separated a property which he proposes to donate to another person from his other properties, he may withdraw his proposal of donation until the acceptance of the donor.

D. Responsibility of the donor

ARTICLE 294 - The donor shall not be liable to the donee for the damage arising out of the donation, unless he caused such damage by his gross negligence.

If the donor has also promised a guarantee for the thing donated or the receivable, he is liable for it.

E. Withdrawal of forgiveness

I. Revocation of forgiveness

ARTICLE 295 - The donor may revoke the donation by hand or the promise of donation fulfilled by him if one of the following conditions has occurred, and may request the return of the subject matter of the donation to the extent of the enrichment of the donor at the date of the request:

1. The forgiven has committed a serious offense against the forgiver or one of his/her relatives.
2. The donee has materially breached his or her obligations under the law towards the donor or a member of his or her family.

3. If the donee fails to fulfill the obligation without a justifiable reason.

II. Revocation of the promise of forgiveness and avoidance of performance

ARTICLE 296 - The promisor of a promise of forgiveness may withdraw his promise and refrain from its performance in the following cases:

1. If there is one of the reasons why a person may ask for the return of property donated by hand.
2. If his or her financial situation has changed to such an extent that the fulfillment of the promise would be extraordinarily burdensome for him or her.
3. New family obligations have arisen or become significantly heavier for him/her after he/she has promised to forgive.

If the promisor is found to be insolvent or is declared bankrupt, the obligation to perform is extinguished.

III. Duration of the right of redemption and transfer to heirs

ARTICLE 297 - The donor may revoke the donation within one year starting from the day he learns the reason for revocation.

If the donor dies before the expiration of the one-year period, the right of revocation passes to his heirs, who may exercise this right until the expiration of this period.

If the donor did not learn the reason for revocation during his/her lifetime, his/her heirs may exercise the right to revoke the donation within one year after his/her death.

If the donee intentionally and unlawfully kills the donor or prevents him from exercising his right of revocation, his heirs may revoke the donation.

IV. Death of the donor

ARTICLE 298 - Unless otherwise agreed, a donation containing periodical performances shall terminate upon the death of the donor.

SECTION FOUR

Lease Agreement

CHAPTER ONE

General Provisions

A. Definition

ARTICLE 299 - A lease agreement is a contract whereby the lessor undertakes to leave the use of a thing or the utilization of a thing together with its use to the lessee and the lessee undertakes to pay the agreed rent in return.

B. Lease term

ARTICLE 300 - A lease agreement may be concluded for a definite or indefinite period.

A lease agreement that will expire without notice upon expiration of the agreed term is for a definite term; other lease agreements are deemed to be for an indefinite term.

C. Lessor's debts

I. Delivery debt

ARTICLE 301 - The lessor is obliged to deliver the leased property on the agreed date in a condition suitable for the use intended in the agreement and to keep it in this condition during the term of the agreement. This provision cannot be changed to the detriment of the lessee in residential and roofed workplace leases; in other lease agreements, arrangements contrary to this provision cannot be made against the lessee through general transaction conditions.

II. Obligation to bear taxes and similar liabilities

ARTICLE 302 - **The** lessor shall bear the obligatory insurance, tax and similar obligations related to the leased property, unless otherwise agreed or stipulated by law.

III. Obligation to bear ancillary costs

ARTICLE 303 - The lessor is obliged to bear the ancillary expenses incurred by him or a third party in connection with the use of the leased property.

IV. Landlord's liability for defects of the leased property

1. Liability for defects of the leased property at the time of delivery

ARTICLE 304 - In case the leased property is delivered with significant defects, the lessee may apply to the provisions regarding the default of the debtor or the responsibility of the lessor arising from the subsequent defective condition of the leased property.

In the case of delivery of the leased property with non-significant defects, the lessee may apply to the provisions regarding the responsibility of the lessor for the defects that subsequently arise in the leased property.

2. Liability for the subsequent defective condition of the leased property

a. In general

ARTICLE 305 - If the leased property subsequently becomes defective, the lessee may demand from the lessor the elimination of the defects or a discount proportionate to the defect from the rental price or the elimination of the damage. However, the request for compensation of the damage does not prevent the use of other optional rights.

In case of significant defects, the lessee reserves the right to terminate the contract.

b. Request for remedy of defect and termination

ARTICLE 306 - **The** lessee may request the lessor to remove the defect in the leased property within an appropriate period; if the defect is not removed within this period, the lessee may have the defect removed on behalf of the lessor and may deduct the receivable arising therefrom from the rent or may request the replacement of the leased property with a similar one without defects.

In the event that the defect eliminates or significantly prevents the suitability of the leased property for the intended use and is not remedied within the given period, the lessee may terminate the agreement.

The lessor may replace the defect in the leased property with a similar one without defects within an appropriate period of time.

The lessor shall immediately provide the lessee with a defect-free substitute of the same goods and may prevent him/her from exercising his/her optional rights by compensating the full amount of the damage.

c. Reduction of the rental price

ARTICLE 307 - In case of defects affecting the use of the leased property, the lessee may request a discount proportional to the defect from the rental price for the period from the time the lessor learns of these defects until the defect is eliminated.

d. Loss elimination

ARTICLE 308 - Unless the lessor proves that he is not at fault, he is obliged to pay to the lessee the damages arising from the defective lease.

V. Liability for rights asserted by a third party

1. Liability for possession

ARTICLE 309 - In the event that a third party asserts a right in the leased property that is incompatible with the right of the lessee, the lessor is obliged to undertake the lawsuit upon the notification of the lessee and to compensate any damages incurred by the lessee.

2. The third party has superior rights after the conclusion of the contract

a. Change of ownership of the leased property

ARTICLE 310 - If the leased property changes hands for any reason after the conclusion of the contract, the new owner becomes a party to the lease contract.

Provisions regarding expropriation are reserved.

b. The third party is the owner of a limited real right

ARTICLE 311 - If, after the conclusion of the contract, a third person acquires a right in rem affecting the lessee's right on the leased property, the provisions relating to the change of ownership of the leased property shall be applied by analogy.

c. Annotation to land registry

ARTICLE 312 - In immovable leases, it may be agreed by contract that the tenant's right of tenancy shall be annotated in the land registry.

D. Lessee's debts

I. Obligation to pay rent

1. In general

ARTICLE 313 - The lessee is obliged to pay the rent.

2. Time of execution

ARTICLE 314 - The lessee is obliged to pay the rent and, if necessary, ancillary expenses at the end of each month and at the latest at the end of the lease term, unless there is a contract and local custom to the contrary.

3. Default of the lessee

ARTICLE 315 - If the lessee fails to fulfill his obligation to pay the rent or ancillary expenses due after the delivery of the leased property, the lessor may give a written notice to the lessee and notify him that he will terminate the agreement in case of non-performance within this period.

The period to be given to the lessee is at least ten days, and at least thirty days for residential and roofed workplace leases. This period starts to run from the day following the date of written notification to the lessee.

II. Duty of care and respect for neighbors

ARTICLE 316 - The lessee is obliged to use the leased property diligently in accordance with the agreement and to show the necessary respect to the neighbors and the persons residing in the immovable property where the leased property is located.

In the event that the lessee violates this obligation, the lessor, in the case of residential and roofed workplace leases, shall give at least thirty days' notice in writing to the lessee to remedy the breach, otherwise the lessor shall terminate the agreement. In other lease relationships, the lessor may terminate the agreement immediately with a written notice without prior notice to the lessee.

In residential and roofed workplace leases, the lessee intentionally causes serious damage to the leased property,
In cases where it is understood that the period to be given to the lessee will be useless or the lessee's behavior contrary to this obligation is unbearable for the lessor or the persons living in the same immovable or neighbors, the lessor may terminate the contract immediately with a written notice.

III. Obligation to pay cleaning and maintenance costs

ARTICLE 317 - The lessee is obliged to pay the cleaning and maintenance expenses necessary for the ordinary use of the leased property. Local customs are also taken into consideration in this regard.

IV. Obligation to notify the lessor of defects

ARTICLE 318 - The lessee is obliged to notify the lessor without delay of any defects which he is not obliged to remedy; otherwise he is liable for the damages arising therefrom.

V. Obligation to repair defects and to show the leased property

ARTICLE 319 - The lessee is obliged to bear the works to eliminate the defects of the leased property or to prevent damages.

The lessee is obliged to allow the lessor and a third party designated by the lessor to inspect the leased premises to the extent necessary for maintenance, sale or subsequent rental.

The lessor is obliged to notify the lessee of the works and the visit of the leased premises before a suitable period of time and to take into account the interests of the lessee during these activities.

The lessee's rights regarding the reduction of the rental fee and the elimination of the loss are reserved.

E. Special cases

I. Renovation and modification of the leased property

1. By the lessor

ARTICLE 320 - The lessor may make innovations and changes in the leased property which do not require the termination of the lease agreement and which the lessee may be expected to bear.

The lessor is obliged to consider the interests of the lessee during these innovations and changes. The lessee's rights regarding the reduction of the rental fee and compensation of damages are reserved.

2. By the tenant

ARTICLE 321 - The lessee may make innovations and changes in the lease with the written consent of the lessor.

Lessor consenting to innovations and changes, agreed in writing unless it is not, the lessee cannot demand the return of the leased property in its former condition.

Unless there is a written agreement to the contrary, the lessee cannot demand the value increase arising in the lease due to the innovations and changes made with the consent of the lessor.

II. Sublease and transfer of the right of use

ARTICLE 322 - The lessee may lease the leased property in whole or in part to another person, as well as transfer the right of use to another person, provided that it does not lead to a change that will harm the lessor.

In residential and roofed workplace leases, the lessee may not lease the leased property to another person or transfer the right of use without the written consent of the lessor.

If the sub-lessee uses the leased property in a manner other than that granted to the lessee, the lessee shall be liable to the lessor. In this case, the lessor may exercise the rights it has against the lessee against the sub-lessee or the transferee of the right of use.

III. Transfer of the lease ²

ARTICLE 323 - The lessee may not transfer the lease relationship to another person unless he obtains the written consent of the lessor. The lessor may not refrain from giving this consent unless there is a just cause in workplace leases.

² This article shall not be applied for 8 years as of 1/7/2012. In this case, the provisions of the lease agreement shall be applied in accordance with the freedom of contract regarding the issues specified

in these articles in the lease agreements. In cases where there is no provision in the lease agreements, the provisions of the abrogated Code of Obligations shall apply.

The person to whom the lease relationship is transferred with the written consent of the lessor replaces the lessee in the lease agreement and the transferring lessee is released from his/her obligations to the lessor.

In workplace leases, the transferor lessee is jointly and severally liable with the transferee until the end of the lease agreement and for a maximum period of two years.

IV. Non-use of the leased property

1. In general

ARTICLE 324 - As long as it is kept available for use, the lessee is obliged to pay the rent even if the leased property is not used or is used in a limited manner due to a reason arising from the lessee itself. In this case, the **expenses** that the lessor is relieved from making are deducted from the rent.

2. Return of the leased property before the end of the contract⁽²⁾

ARTICLE 325 - If the lessee returns the leased property without complying with the term of the agreement or the termination period, the obligations arising from the lease agreement shall continue for a reasonable period of time during which the leased property can be rented under similar conditions. In the event that the lessee finds a new lessee who is capable of payment and ready to take over the lease relationship, who **can be expected to accept from the lessor** before the expiration of this period, the lessee's obligations arising from the lease agreement shall cease.

The lessor is obliged to deduct from the rental price the expenses he has avoided incurring and the benefits he has obtained or deliberately refrained from obtaining by using the leased property in another way.

V. Prohibition of waiver of clearing

ARTICLE 326 - Lessee and lessor cannot waive their right to exchange their receivables arising from the lease agreement in advance.

F. Termination of the contract

I. Passage of time

ARTICLE 327 - If a period of time is determined explicitly or implicitly, the lease agreement shall automatically terminate at the end of this period.

In this case, if the parties continue the lease relationship without an explicit agreement, the lease agreement becomes an indefinite-term contract.

II. Notice of termination in indefinite term lease agreements

1. In general

ARTICLE 328 - In indefinite term lease agreements, each party may terminate the agreement by complying with the **legal termination** periods and termination notice periods, unless a longer termination notice period or another termination period has been agreed upon. In the calculation of the termination periods, the starting date of the lease agreement is taken as basis.

If the termination period or notice period specified in the contract or the law is not

complied with, the notice shall be valid for the next termination period.

2. For leases of immovable and movable structures

ARTICLE 329 - Each party may terminate the lease agreement for an immovable or movable structure for the end of the lease period determined by local custom, or in the absence of such custom, for the end of the six-month lease period, subject to a three-month termination notice period.

may terminate in compliance.

3. For movable leases

ARTICLE 330 - Each party may terminate the lease agreement relating to a movable at any time by complying with the termination notice period of three days in advance.

For the private use of the lessee, which the lessor rents due to the lessee's professional activity

The lessee of a movable property that is useful may terminate the lease agreement with a notice of termination at least one month in advance for the end of the three-month lease period. In this case, the lessor is not entitled to claim compensation for damages.

III. Extraordinary termination

1. Important reasons³

ARTICLE 331 - Each party may terminate the agreement at any time by complying with the legal termination notice period in case of the existence of significant reasons that make the continuation of the lease relationship unbearable for him.

The judge, taking into account the facts and circumstances, may decide on the monetary value of the extraordinary termination notice.
decides on the results.

2. Bankruptcy of the lessee

ARTICLE 332 - If the lessee becomes bankrupt after the delivery of the leased property, the lessor may request security for the future rent.

The lessor shall give the lessee and the bankruptcy estate a reasonable period of time in writing to provide security. If no security is given within this period, the lessor may terminate the agreement immediately without any notice period.

3. Death of the tenant

ARTICLE 333 - In case the lessee dies, his heirs may terminate the agreement for the end of the nearest termination period by complying with the legal termination notice period.

G. Return of the lease

I. In general

ARTICLE 334 - The lessee is obliged to return the leased property in the same condition in which it was received at the end of the lease agreement. However, the lessee is not responsible for the obsolescence and deterioration of the leased property due to the use in accordance with the contract.

³ This article shall not be applied for 8 years starting from 1/7/2012. In this case, the provisions of the lease agreement shall be applied in accordance with the freedom of contract regarding the issues

specified in these articles in the lease agreements. In cases where there is no provision in the lease agreements, the provisions of the abrogated Code of Obligations shall apply.

Agreements where the lessee undertakes in advance that the lessee will pay any other compensation in the event of termination of the contract, other than the compensation of damages arising from the use in violation of the contract, are invalid.

II. Inspection of the lease and notification to the tenant

ARTICLE 335 - The lessor is obliged to review the condition of the leased property during the return and to immediately notify him in writing of the deficiencies and defects for which the lessee is responsible. If this notification is not made, the lessee shall be released from all kinds of liability. However, in case of deficiencies and defects that cannot be determined by ordinary inspection at the time of delivery, the lessee's liability shall continue. The lessor shall notify such deficiencies and When it determines the defects, it must immediately notify the lessee in writing.

H. Lessor's right of imprisonment

I. Subject.

ARTICLE 336 - In immovable leases, the lessor shall have the right of imprisonment over the movables in the leased premises and used for furnishing or using the leased premises, as security for one year's rent and six months' rent.

The lessor's right of imprisonment also covers the movables of the same nature brought by the sub-lessee to the leased property, provided that they do not exceed the sub-lessee's rent debt to the main lessee.

The right of confiscation cannot be exercised on the tenant's goods that cannot be seized.

II. Property belonging to third parties

ARTICLE 337 - The rights of third parties on the goods which the lessor knows or should have known that they do not belong to the lessee, and on the goods which have been stolen, lost or otherwise removed from the possession of the owner against his will, take precedence over the lessor's right of imprisonment.

If the lessor learns that the movables brought by the lessee to the leased property are not in the possession of the lessee during the continuation of the lease agreement, if he does not terminate the agreement for the end of the nearest termination period, he loses his right of imprisonment on these goods.

III. Exercise of the right

ARTICLE 338 - If the lessee wishes to move or move the movables in the leased property to another place, the lessor may retain the movables in an amount that will enable him to secure his receivables, by the decision of the judge of the peace or the executive director.

If the goods that are the subject of the detention order are taken away secretly or forcibly, they shall be returned to the lessor with the assistance of law enforcement within ten days of their removal.

PART TWO

Residential and Roofed Workplace Rents

A. Field of application

ARTICLE 339 - The provisions relating to the leases of dwelling houses and roofed workplaces shall also apply to the goods, the use of which is left to the lessee. However, these provisions shall not apply to the lease of immovable properties which are dedicated for temporary use for six months or less.

These provisions shall also apply to all lease agreements made by public institutions and organizations, regardless of the procedures and principles.

B. Linked ^{contract4}

ARTICLE 340 - In residential and roofed workplace leases, if the establishment or continuation of the contract is conditioned on the lessee incurring an obligation that is not directly related to the use of the leased premises, without the benefit of the lessee, the contract in connection with the lease is invalid.

C. Utilization expenses

ARTICLE 341 - In residential and roofed workplace leases, the lessee is obliged to bear the utility expenses such as heating, lighting and water, unless otherwise stipulated in the contract or there is a local custom to the contrary.

The party incurring the expenses shall be obliged to provide a copy of the documents proving these expenses to the other party upon request.

D. Assurance by the lessee⁽⁴⁾

ARTICLE 342 - In residential and roofed workplace leases, if the contract imposes an obligation to provide security to the lessee, this security cannot exceed three months' rent.

If money or negotiable instruments are agreed to be given as security, the lessee deposits the money in a time deposit account and deposits the negotiable instruments in a bank, so as not to be withdrawn without the lessor's consent. The bank may return the security only with the consent of both parties or upon the finalization of the enforcement proceedings or on the basis of a finalized court decision.

The lessor may, within three months following the termination of the lease agreement the bank has not notified the bank in writing that it has filed a lawsuit related to the contract or has initiated proceedings through execution or bankruptcy, the bank is obliged to return the security upon the request of the lessee.

E. Rental cost

I. In general ⁽⁴⁾

ARTICLE 343 - The lease agreements cannot be amended to the detriment of the lessee, except for the determination of the rental price.

II. Determination ⁽⁴⁾

ARTICLE 344 - The agreements of the parties regarding the rental price to be applied in the renewed lease periods are valid provided that they do not exceed the rate of change in the consumer price index according to the twelve-month averages in the previous lease year. This rule shall also apply to lease agreements with a term longer than one year.⁵

⁴ This article shall not be applied for 8 years starting from 1/7/2012. In this case, the provisions of the lease agreement shall be applied in accordance with the freedom of contract regarding the issues specified in these articles in the lease agreements. In cases where there is no provision in the lease agreements, the provisions of the abrogated Code of Obligations shall apply.

⁵ By Article 56 of the Law dated 17/1/2019 and numbered 7161, the phrases "increase in the producer price index" in the first and second paragraphs of this article have been amended as "change in the consumer price index according to twelve-month averages".

If the parties have not made an agreement on this matter, the rent shall be determined by the judge in accordance with equity, taking into account the condition of the leased property, provided that it does not exceed the rate of change in the consumer price index of the previous lease year according to the twelve-month averages.⁽⁵⁾

Regardless of whether an agreement has been made by the parties in this respect or not. In lease agreements with a term or renewed after five years and **at the end of each five years** thereafter, the rent to be applied in the new lease year shall be determined by the judge in an equitable manner, taking into account the rate of change in the consumer price index according to the twelve-month averages, the condition of the leased property and the comparable rental prices. The rent determined in this manner in the lease year after each five years may be changed according to the principles in the previous paragraphs.⁶

If the rental fee is agreed in foreign currency in the contract, the provisions dated 20/2/1930 and

Without prejudice to the provisions of the Law No. 1567 on the Protection of the Value of Turkish Currency, the rental price cannot be changed until five years have elapsed. However, the provision of Article 138 of this Law titled "Excessive difficulty of performance" is reserved. In determining the rental price after five years, the provision of the third paragraph shall be applied by taking into consideration the changes in the value of the foreign currency.⁽⁶⁾

III. Time limit for filing a lawsuit and the effect of the decision

ARTICLE 345 - A lawsuit regarding the determination of the rent may be filed at any time.

However, if this lawsuit is filed **at the latest thirty days** before the beginning of the new lease period or if it is filed until the end of the following new lease period, provided that the lessor has notified the lessee in writing that the rent will be increased within this period, the rent to be determined by the court shall bind the lessee as of the beginning of this new lease period.

If there is a provision in the contract that the rent will be increased in the new lease period, the rent to be determined by the court in the lawsuit to be filed until the end of the new lease period shall be valid from the beginning of this new period.

IV. Prohibition of arrangement against the ^{plaintiff}

ARTICLE 346 - No other payment obligation other than the rent and ancillary expenses may be imposed on the lessee. In particular, agreements that a penalty condition will be paid in case the rent is not paid on time or that the subsequent rent will be due and payable are invalid.

⁶ By Article 56 of the Law dated 17/1/2019 and numbered 7161, the phrase "increase in the producer price index" in the third paragraph of this article has been amended as "change in the consumer price index according to the twelve-month averages" and the phrase "provided that the provisions of the Law on the Protection of the Value of Turkish Currency dated 20/2/1930 and numbered 1567 are reserved," has been added to the fourth paragraph of the article after the phrase "if agreed,".

⁷ This article shall not be applied for 8 years starting from 1/7/2012. In this case, the provisions of the lease agreement shall be applied in accordance with the freedom of contract regarding the issues

specified in these articles in the lease agreements. In cases where there is no provision in the lease agreements, the provisions of the abrogated Code of Obligations shall apply.

F. Termination of the contract in residential and roofed workplace leases

I. Through notification

1. In general

ARTICLE 347 - In residential and roofed workplace leases, unless the lessee notifies at least fifteen days before the expiration of the term of the fixed term contracts, the contract is deemed to be extended for one year with the same conditions. The lessor may terminate the contract based on the expiration of the contract period.

cannot terminate the agreement. However, at the end of the ten-year extension period, the lessor may terminate the agreement without giving any reason, provided that the lessor gives notice at least three months before the end of each extension year following this period.

In indefinite-term lease agreements, the lessee may terminate the agreement at any time and the lessor may terminate the agreement with a notice of termination in accordance with the general provisions after ten years from the beginning of the lease.

In cases where the right of termination can be exercised according to the general provisions, the lessor or the tenant can terminate the contract.

2. Validity of the notification

a. Figure

ARTICLE 348- The validity of the termination notice in residential and roofed workplace leases depends on its being made in writing.

b. Family residence

ARTICLE 349 - In immovable properties leased to be used as a family residence, the lessee cannot terminate the lease agreement without the explicit consent of his spouse.

If it is not possible to obtain this consent or the spouse does not give consent without just cause the lessee may ask the judge to make a decision on this matter.

In the event that the non-tenant spouse becomes a party to the lease agreement by notifying the lessor, the lessor is obliged to notify the lessee and the spouse separately of the termination notice and a payment period subject to the termination notice.

II. Through litigation

1. For reasons arising from the lessor

a. Need, reconstruction and reconstruction

ARTICLE 350 - The lessor, the lease agreement;

1. If there is an obligation to use the leased property for himself/herself, his/her spouse, his/her children, his/her descendants, his/her ascendants or other persons who are legally dependent on him/her due to the need for a residence or a workplace,

2. If substantial repair, extension or alteration of the leased property is necessary for the purpose of reconstruction or reconstruction and the use of the leased property is impossible during these works,

In the case of fixed-term contracts, it may terminate the contract at the end of the term,

and in the case of indefinite-term contracts, it may terminate the contract by filing a lawsuit within one month starting from the date to be determined by complying with the termination period and the periods stipulated for the termination notice in accordance with the general provisions regarding the lease.

b. New owner's requirement

ARTICLE 351 - If the person who subsequently acquires the leased property is obliged to use it for himself, his wife, his spouse, his descendants, his ascendants or other persons he is legally obliged to take care of due to the need for housing or workplace, he **may terminate** the lease agreement with a lawsuit to be filed after six months, provided that he notifies the lessee in writing within one month starting from the date of acquisition.

The person who subsequently acquires the leased property may, if he wishes, terminate the agreement due to necessity

may also **exercise** this right by filing a lawsuit within one month starting from the end of the contract period.

2. For reasons arising from the tenant

ARTICLE 352 - If the **lessee** has undertaken in writing to vacate the leased premises on a certain date after the delivery of the leased premises, but has not vacated the leased premises, the lessor **may terminate** the lease agreement within one month starting from this date by applying for execution or filing a lawsuit.

The lessee, within the lease term for lease agreements with a term of less than one year; one year and more

In the case of long-term lease agreements, if the lessor has caused two justified notices to be given to him in writing for not paying the rent within one lease year or for a period exceeding one lease year, the lessor may terminate the lease agreement through a lawsuit within one month starting from the end of the lease period and the lease year in which the notices were made for leases with a term longer than one year.

In the event that the lessee or his/her spouse has a dwelling suitable for residence within the municipal boundaries of the same district or town, if the lessor does not know this at the time of the conclusion of the lease agreement, he/she **may terminate** the agreement through litigation within one month starting from the end of the agreement.

3. Prolonged litigation

ARTICLE 353 - If the lessor has notified the lessee in writing that he will file a lawsuit within the period stipulated for the filing of the lawsuit at the latest, the period for filing a lawsuit shall be deemed extended for one lease year.

4. Limitation of causes of ^{action}⁸

ARTICLE 35 4- The provisions regarding the termination of the lease agreement through litigation cannot be changed against the lessee.

5. Ban on re-lease

ARTICLE 355 - When the lessor ensures the evacuation of the leased property for the purpose of necessity, he may not rent the leased property to anyone other than the former lessee unless three years have passed without just cause.

⁸ This article shall not be applied for 8 years starting from 1/7/2012. In this case, the provisions of the

lease agreement shall be applied in accordance with the freedom of contract regarding the issues specified in these articles in the lease agreements. In cases where there is no provision in the lease agreements, the provisions of the abrogated Code of Obligations shall apply.

Immovable properties vacated for reconstruction and reconstruction purposes may not be leased to another person in their former condition for a period of three years without just cause. The former lessee has the right of priority to lease the immovable immovables that have been reconstructed and reconstructed with the new condition and new rental price. This right must be exercised within one month following the written notification by the lessor; unless this priority right is terminated, the immovable cannot be leased to another person before three years have passed.

If the lessor acts in violation of these provisions, the lessor may charge the former lessee for the last lease year.
is obliged to pay compensation not less than one year's rent paid.

6. Continuation of the contract in case of death of the lessee

ARTICLE 356 - The partners of the deceased tenant or the heirs of these partners practicing the same profession and art and those who reside in the same dwelling with the deceased tenant may continue the lease agreement as a party as long as they comply with the agreement and the provisions of the law.

PART THREE

Product Rent

A. Definition

ARTICLE 357 - A crop lease is a contract whereby the lessor undertakes to leave to the lessee the use of a thing or right that yields a crop and the harvesting of the crop in return for a consideration.

A crop rent is a crop rent in which the rent is agreed as a certain percentage of the crop to be harvested. If this rate is not agreed by contract, it is determined according to local custom.

B. Application of general provisions

ARTICLE 358 - Unless there is a special provision on product lease in this section, the general provisions regarding the lease agreement shall apply.

C. Record keeping

ARTICLE 359 - If the lease agreement also includes tools and equipment, animals, transferred goods or stocked goods, the parties are obliged to assess their values together and to give them to each other by signing and recording them in the minutes to be prepared in duplicate.

D. Lessor's debts

I. Delivery debt

ARTICLE 360 - The lessor is obliged to deliver the leased property to the lessee in a condition suitable for use and operation in accordance with the purpose of the contract and to keep it in this condition for the duration of the contract, including the movables leased

together.

II. Major repairs

ARTICLE 361 - The lessor is obliged to make the essential repairs that are obligatory to be made within the lease period as soon as they are notified by the lessee, at his own expense.

E. Lessee's debts

I. Obligation to pay rent and ancillary costs

1. In general

ARTICLE 362 - The lessee is obliged to pay the rent and ancillary expenses at the end of each lease year and at the latest at the end of the lease term, unless there is a contrary provision in the agreement or local custom.

The lessee shall pay the rent or ancillary expenses due after the delivery of the leased property.

If the lessor fails to pay, the lessor may notify the lessee in writing that it will give the lessee a notice of at least sixty days and terminate the agreement if the lessee fails to pay within this notice.

2. Reduction of rent in extraordinary circumstances

ARTICLE 363 - If the usual yield of an agricultural immovable is significantly reduced due to extraordinary disaster or natural events, the lessee may request a proportionate amount to be deducted from the rent.

Waiver of this right at the outset, but during the determination of the rental price, such the possibility of the occurrence of such circumstances has been taken into account or the resulting damage has been covered by insurance.

II. Obligation to use and operate the leased property

ARTICLE 364 - The lessee is obliged to operate the leased property in a good manner and in accordance with the purpose for which it is intended, and especially to keep it in a condition suitable for yielding products.

The lessee may not, without the consent of the lessor, change the method of operation of the leased property in such a way that its effect may be seen after the end of the lease term.

III. Maintenance debt

ARTICLE 365 - The lessee is obliged to ensure the proper maintenance of the leased property.

The tenant is obliged to make minor repairs in accordance with local custom and to replace low-value tools and equipment that break down or are destroyed by use.

F. Prohibition of sublease and transfer of right of use

ARTICLE 366 - The lessee may not lease the leased property to another person without the consent of the lessor, nor may he transfer the right of use and operation to another person. However, the lessee may lease some parts of the leased premises provided that it does not require a change that would cause damage to the lessor.

The rules regarding sublease shall be applied by analogy to these lease agreements concluded by the lessee with another person.

G. Termination of the contract

I. Reasons for termination

1. Passage of time

ARTICLE 367 - A fixed term lease agreement shall automatically terminate at the end of the term. However, if the parties implicitly continue the agreement, unless otherwise agreed,

the lease agreement is deemed to be renewed for one year.

The renewed lease agreement can be terminated at the end of each lease year, subject to the legal notice period.

2. Notice of termination

ARTICLE 368 - In an indefinite term contract, if the termination notice period is not determined by the contract or local custom, either party may terminate the contract, provided that a notice period of at least six months is observed.

In the absence of an agreement to the contrary, a notice of termination may be given for the spring or fall seasons for crop leases for agricultural immovables, and for any other crop leases at any time.

3. Extraordinary termination

a. Important reasons

ARTICLE 369 - One of the parties may terminate the agreement at any time by complying with the legal termination notice period in the presence of significant reasons that make the continuation of the lease relationship unbearable for him.

The judge, taking into account the facts and circumstances, may decide on the monetary value of the extraordinary termination notice.

decides on the results.

b. Bankruptcy of the lessee

ARTICLE 370 - In the event of the bankruptcy of the lessee, the contract shall terminate automatically at the time of the opening of the bankruptcy. However, the lessor is obliged to continue the contract until the end of the lease year if sufficient security is given for the rent in progress and the goods recorded in the minutes.

c. Death of the tenant

ARTICLE 371 - In case of the death of the lessee, his heirs and the lessor may terminate the agreement, provided that they comply with the six-month legal termination notice periods.

II. Consequences of termination

1. Giving back

ARTICLE 372 - At the end of the lease term, the lessee is obliged to return the leased property together with all the items recorded in the report and in the condition in which they were found.

The lessee is obliged to pay compensation for value deficiencies that could have been

avoided in good management.

The lessee cannot claim compensation for the value increases that occur within the framework of the care he is obliged to show to the leased property.

2. Recorded goods

ARTICLE 373 - If the value has been appraised for the goods recorded in the minutes when the leased property is delivered, the lessee is obliged to return them in identical type and value or to compensate the value deficiencies when the lease agreement is terminated.

The lessee may demand the return by proving the lessor's fault or the existence of force majeure.
or pay compensation.

The tenant may claim compensation for the increase in value resulting from his or her own expenses or labor.

3. Crop and growing costs

ARTICLE 374 - The lessee of an agricultural immovable shall not assert any right on the crops that have not yet been harvested at the time of the termination of the lease agreement.

However, the lessee may demand from the lessor the amount to be determined by the judge as compensation for the agricultural expenses incurred for the cultivation of the crops, and this compensation shall be deducted from the accrued rents.

4. Straw, manure and the like

ARTICLE 375 - The lessee who returns the leased property is obliged to leave the last year's hay, animal bedding, dry grass and fertilizers in the leased property as required by a regular business.

If the lessee leaves more than he has taken, he is entitled to compensation for the excess; if he leaves less than he has taken, he is obliged to complete the deficiencies or compensate for the lack of value.

H. Animal rent

I. Subject.

ARTICLE 376 - In the lease of ruminants which are not connected with the lease of an agricultural immovable, unless there is an agreement or local custom to the contrary, all products of the leased animals during the lease period shall belong to the lessee.

The lessee is obliged to feed the leased animals, take good care of them and pay the lessor money or a share of the produce from the animals.

II. Responsibility

ARTICLE 377 - Unless there is an agreement or local custom to the contrary, the lessee is liable for any damage suffered by the leased animals, unless he proves that this damage has occurred even though care and diligence has been exercised in protection.

The lessee may claim compensation from the lessor for extraordinary protection costs not caused by his own fault.

The lessee shall notify the lessor without delay of any serious accidents or illnesses. is liable.

III. Termination

ARTICLE 378 - Unless there is an agreement or local custom to the contrary, either party may terminate a contract concluded for an indefinite period at any time.

However, the termination cannot be made at an inconvenient time and contrary to the rules of good faith.

SECTION FIVE

Loan Agreements

CHAPTER ONE

Usage Lending

A. Definition

ARTICLE 379 - A loan for use contract is a contract whereby the lender undertakes to leave the use of a thing to the borrower free of charge and the borrower undertakes to return the thing after using it.

B. Provisions

I. Borrower's right of use

ARTICLE 380 - The borrower may use the subject matter of the loan only in the manner agreed upon in the contract, or if there is no provision in the contract, according to its nature or the purpose for which it is specific.

The borrower may not make the subject matter of the loan available to anyone else.

In cases where the borrower acts contrary to these provisions, he shall also be liable for damages arising from unexpected circumstances. However, if he proves that the damage would have occurred even if he had complied with these provisions, he shall be released from liability.

II. Maintenance and protection costs

ARTICLE 381 - The borrower is obliged to meet the ordinary maintenance and protection expenses of the subject of the loan.

The borrower may demand payment of extraordinary expenses incurred for the benefit of the lender.

III. Joint and several liability

ARTICLE 382 - Those who borrow something together shall be jointly and severally responsible for it.

C. Termination

I. Purpose-determined use

ARTICLE 383 - Unless a certain period of time is stipulated for utilization, the contract shall terminate when the borrower has utilized the subject matter of the loan in accordance with the contract or when a time sufficient to utilize it has elapsed.

If the borrower uses the object of the loan in breach of the contract, spoils it or gives it to another person for use, or if the lender's urgent need arises due to a previously unknown circumstance, the lender may demand it back earlier.

II. Unintended use

ARTICLE 384 - If the subject matter of the loan is given without determining the period of use and the purpose for which it will be used, the lender may demand it back at any time.

III. Death of the borrower

ARTICLE 385 - The use lending agreement shall automatically terminate upon the death of the borrower.

PART TWO

Consumption Lending

A. Definition

ARTICLE 386 - A consumption loan agreement is an agreement whereby the lender undertakes to transfer a sum of money or something consumable to the borrower, and the borrower undertakes to return the same quality and amount of thing.

B. Provisions

I. Interest

1. In general

ARTICLE 387 - In a non-commercial consumption loan agreement, interest cannot be demanded unless agreed upon by the parties.

In a commercial consumption loan agreement, interest may be demanded even if it has not been agreed by the parties.

2. Special rules on interest

ARTICLE 388 - If the interest rate is not determined in the consumption loan agreement, as a rule, the interest rate applicable to such loans at the time and place of borrowing shall apply.

Unless otherwise stipulated in the contract, interest is payable annually.

Interest may not be added to the principal and interest may not be charged again.

II. Z aman Transportation

ARTICLE 389 - The claims of the borrower for the delivery of the subject matter of the loan and the claims of the lender for the receipt of the same shall become time-barred upon the expiration of six months starting from the default of the other party in this respect.

III. Borrower's inability to pay

ARTICLE 390 - If the borrower becomes insolvent after the conclusion of the loan agreement, the lender may refrain from delivery of the subject matter of the loan.

The lender has the same right if the lender learns later that the borrower was insolvent before the conclusion of the contract.

C. Substitutes for money

ARTICLE 391 - If negotiable instruments or commercial goods are given to the borrower instead of the money agreed upon in the contract, the amount of the debt shall be calculated over the stock exchange or market value at the time and place of their delivery; any contract to the contrary shall be invalid.

D. Time to give back

ARTICLE 392 - If no specific day or notification period has been agreed for the return of the loan, or if it has not been agreed that the debt shall be due and payable as soon as it is requested, the borrower is not obliged to return the loan until six weeks have elapsed starting from the first request.

SECTION SIX

Service Contracts

CHAPTER ONE

General Service Agreement

A. Definition

ARTICLE 393 - A service contract is a contract whereby the worker undertakes to perform work for a definite or indefinite period of time dependent on the employer and the employer undertakes to pay him wages according to the time or work performed.

Contracts in which the employee undertakes to perform a service for the employer on a regular basis on a part-time basis are also service contracts.

The provisions relating to the general service contract shall also apply to the apprenticeship contract by analogy; the provisions of special laws are reserved.

B. Establishment

ARTICLE 394 - Unless otherwise provided by law, the service contract is not subject to a special form.

If a person performs a job for a certain period of time that can only be done for a fee according to the requirements of the situation and this job is accepted by the employer, a service contract is deemed to have been established between them.

A service contract whose invalidity is later recognized shall have all the terms and consequences of a valid service contract until the service relationship is terminated.

C. Worker's debts

I. Debt to work in person

ARTICLE 395 - Unless otherwise understood from the contract or from the necessity of the situation, the worker is obliged to do the work undertaken personally.

II. Duty of care and loyalty

ARTICLE 396 - The worker is obliged to perform the work undertaken diligently and to act loyally in protecting the employer's legitimate interest.

The worker is obliged to use the machinery, tools and equipment, technical systems, facilities and vehicles belonging to the employer properly and to take care of the materials delivered to him for the performance of the work.

As long as the service relationship continues, the employee may not provide services to a third party for a fee in violation of the duty of loyalty, and in particular may not engage in competition with his own employer.

The employee may not use for his own benefit or disclose to others the information he learns during the course of his employment, especially production and business secrets, during the continuation of the service relationship. To the extent necessary for the protection of the rightful interest of the employer, the employee is obliged to keep secrets even after the termination of the service relationship.

III. Duty to deliver and accountability

ARTICLE 397 - The worker is obliged to immediately deliver to the employer the things and especially the money received from the third party for the employer during the performance of the work undertaken by him and to account for them.

The worker is also obliged to immediately hand over to the employer what he has received as a result of the performance of the service.

IV. Owing overtime work

ARTICLE 398 - Overtime work is work performed above the normal working time determined in the relevant laws and with the consent of the worker. However, if the necessity arises to fulfill a work that requires more than the normal working time, the worker is capable of doing it and at the same time it is against the rules of honesty to avoid it, the worker is obliged to fulfill the overtime work, provided that he is compensated.

The provisions of special laws are reserved.

V. Obligation to comply with regulations and instructions

ARTICLE 399 - The employer may make general regulations and give specific instructions regarding the performance of work and the behavior of workers at the workplace. Workers are obliged to comply with these to the extent required by the rules of honesty.

VI. Worker's responsibility

ARTICLE 400 - The worker is liable for any damage caused to the employer by his fault.

In determining this responsibility; whether the work is dangerous or not, whether it requires expertise and training or not, and the skills and qualifications of the worker that are known or should be known by the employer are taken into consideration.

D. Employer's obligations

I. Wage payment arrears

1. Fee

a. In general

ARTICLE 40 1- The employer is obliged to pay the worker the prevailing wage determined in the contract or collective labor agreement; in cases where there is no provision in the contract, not less than the minimum wage.

b. Overtime pay

ARTICLE 402 - The employer is obliged to pay the worker at least fifty percent more than the normal working wage for overtime work.

With the consent of the employee, the employer may, instead of overtime pay, grant leave at an appropriate time in proportion to the overtime work.

c. Share in the outcome of the work

ARTICLE 403 - If it is agreed by contract to give the worker a certain share of the production, turnover or profit together with the wage, this share shall be determined at the end of the accounting period by taking into consideration the legal provisions or generally accepted commercial principles.

In cases where it has been agreed to give a certain share to the worker, if the calculation of the share cannot be agreed upon, the employer is obliged to provide information to the worker or, on his behalf, to the expert jointly agreed or appointed by the judge, and to submit the books and documents related to the enterprise that form the basis of the information to his examination; if it has been agreed to give a share of the profit, the employer is also obliged to provide the worker with the year-end profit and loss statement upon his request.

d. Brokerage fee

ARTICLE 404 - If it has been agreed that the employer will pay a fee to the worker in return for his intermediation in certain works, the worker's right to claim arises upon the valid establishment of the intermediated transaction with the third party.

In contracts where obligations are to be performed in parts and in insurance contracts, it may be agreed in writing that the claim for remuneration for each part shall arise upon the due date or fulfillment of the obligation relating to that part.

If the contract established between the employer and a third party through the mediation of the employee is not performed by the employer without fault or if the third party fails to fulfill its obligations, the right to claim wages is terminated. In case of only partial performance, the wage shall be deducted proportionately.

If the contract does not obligate the employee to keep an account of the brokerage fee to be paid to him, the employer is obliged to provide the employee with a written account for each period in which the fee is due, including the transactions subject to this fee.

If the need to review the account arises, the employer is obliged to provide information to the employee or, on his behalf, to the expert jointly agreed upon or appointed by the judge, and to submit the books and documents related to the enterprise that form the basis of the information to his examination.

e. Bonus

ARTICLE 405 - The employer may give special bonuses to his workers on the occasion of certain days such as holidays, New Year and birthdays. However, the right of the workers to claim the bonus arises in the presence of an agreement or working condition or unilateral commitment of the employer.

If the service contract is terminated before the period in which the bonus is paid, the portion of the bonus reflecting the period of employment is paid.

2. Payment of the fee

a. Payment term

ARTICLE 406- Unless there is no custom to the contrary, the wage of the worker is paid at the end of each month. However, shorter payment periods may be determined by the service contract or collective labor agreement.

The brokerage fee shall be paid at the end of each month, unless a shorter payment period has been agreed upon or it is customary to the contrary. However, if the execution of the transactions requires a period longer than six months, payment may be postponed to a later date by written agreement, if the brokerage fee is agreed in addition to the original fee.

In cases where it is foreseen to give a share of the production in addition to the main fee, the share of the product must be determined and paid as soon as it is determined, and in cases where it is decided to give a share from the turnover or profit, the share must be determined and paid within three months following the accounting period at the latest.

The employer is obliged to give the employee an advance in proportion to his/her service in the event of a compelling need and if he/she is able to pay it in equity.

b. Wage protection

ARTICLE 407 - Regarding the payment of the wages, premiums, bonuses and all kinds of rations of this nature of the workers employed within that month by depositing them into a specially opened bank account; the type of tax liability to which it is subject, the size of the

enterprise, the workers it employs

The Presidency is authorized to oblige business owners by taking into account the number of employees, the province where the workplace is located and similar factors, and to determine whether the wages, premiums, bonuses and all kinds of remuneration of this nature to be deposited in the bank account will be based on the gross amount or the net amount remaining after deducting the legal deductions. Business owners who are obliged to pay the wages, premiums, bonuses and all kinds of such remuneration of their employees through specially opened bank accounts shall not pay the wages, premiums, bonuses and all kinds of such remuneration of their employees other than through specially opened bank accounts. In each payment period, the worker shall be given an account receipt. Workers' wages, premiums, bonuses and

Other procedures and principles regarding the payment of all kinds of rations by depositing them into a specially opened bank account shall be regulated by a regulation to be issued jointly by the said ministries.⁹

The employer may not exchange the wage debt with the receivable from the employee without the consent of the employee.

However, receivables arising from a judicially determined damage caused intentionally by the worker may be settled up to the garnishable portion of the wage.

Agreements that the wage will be used in favor of the employer are invalid.

3. Wages in case of obstruction of the performance of the performance of work

a. In case of default of the employer

ARTICLE 408 - If the employer prevents the fulfillment of the performance of the performance of work by his fault or defaults in accepting the performance, he is obliged to pay the worker his wage and cannot ask the worker to fulfill this performance later. However, the expenses that the worker is saved from incurring due to this obstruction and the benefits that the worker earns or deliberately avoids earning by doing another job are deducted from his wage.

b. If the worker stops working

ARTICLE 409 - In a long-term service relationship, if the worker is unable to perform his/her labor for a short period of time in proportion to the time he/she has been working, without any fault of his/her own, due to illness, military service or work arising from the law and similar reasons, the employer is obliged to pay the worker an equitable wage for that period, unless it is compensated in another way.

4. Attachment, transfer and pledge of wage receivables

ARTICLE 410 - No more than one fourth of the workers' wages may be attached, transferred to another person or pledged. However, the amount to be assessed by the judge for the dependent family members of the worker is not included in this ratio. The rights of alimony creditors are reserved.

Any assignment or pledge of future wage claims is void.

⁹ With Article 190 of the Decree Law No. 700 dated 2/7/2018, the phrase "jointly by the Ministry of

Labor and Social Security, the Ministry of Finance and the State Ministry responsible for the Undersecretariat of Treasury" in this paragraph has been amended as "Presidency".

5. Piece work or lump sum

a. Job creation

ARTICLE 411 - If the worker has undertaken to perform only piecework or lump sum work for only one employer pursuant to a contract, the employer is obliged to give him sufficient work.

The employer shall pay wages to the worker on a time basis if, through no fault of his own, he is unable to provide the piece-rate or lump-sum work provided for in the contract or if business conditions temporarily require it. In this case, if the wage to be paid on a time basis has not been determined in the agreement or in the service or collective bargaining agreement, the employer is obliged to pay the worker a wage equivalent to the average wage previously received on a piece-rate or lump-sum basis.

An employer who is unable to provide piecework or lump-sum or time-based work is obliged to pay at least the wage he would have paid for time-based work in accordance with the provisions on default in acceptance of the performance of work.

b. Unit fee

ARTICLE 412 - If the worker undertakes to work on a piecework or lump sum basis pursuant to the contract, the employer is obliged to notify him of the unit wage to be paid before the commencement of each work.

The employer who fails to make this notification is obliged to pay the unit wage for the same or similar work.

II. Work tools and materials

ARTICLE 413 - Unless there is an agreement or local custom to the contrary, the employer is obliged to provide the worker with the necessary tools and materials for this work.

If the worker, by agreement with the employer, devotes his own tools or materials to the performance of the work, the employer is obliged to pay the worker an appropriate compensation for this, unless otherwise agreed in the agreement or local custom exists.

III. Expenses

1. In general

ARTICLE 414 - The employer is obliged to pay all kinds of expenses required for the performance of the work and, if the worker is employed outside the workplace, the expenses necessary for his subsistence.

In a written service or collective bargaining agreement, by the worker himself The employee may be paid daily, weekly or monthly on a lump sum basis for the expenses agreed to be covered. However, this payment cannot be less than the amount to cover the mandatory expenses.

Partial or full reimbursement of mandatory expenses by the worker himself/herself agreements are invalid.

2. Transportation vehicles

ARTICLE 415 - If the worker uses a means of transportation provided by the employer or by himself or herself in agreement with the employer for the performance of the work, the ordinary expenses required for the operation and maintenance of the vehicle shall be borne by the employer to the extent that it is used for service.

If the worker, by agreement with the employer, uses his/her own motor vehicle for the performance of the work, the employer is also obliged to pay the tax, the compulsory liability insurance premium and an appropriate compensation for the wear and tear of the vehicle to the worker to the extent that it is used for service.

If the worker, in agreement with the employer, uses other means of transportation and animals belonging to the worker in the performance of the service, the employer is obliged to cover the ordinary expenses required for their use and maintenance to the extent that they are used for the service.

3. Payment of expenses

ARTICLE 416 - The worker's receivable arising from the expenses incurred shall be paid together with the wage each time, unless a shorter period has been agreed or there is a local custom.

T h e worker regularly incurs expenses to fulfill his contractual obligations he/she shall receive an appropriate advance at regular intervals, at least once a month.

IV. Protection of the personality of the worker

1. In general

ARTICLE 417 - **The** employer is obliged to protect and respect the personality of the worker in the service relationship and to ensure an order in the workplace in accordance with the principles of honesty, in particular to take the necessary measures to prevent workers from being subjected to psychological and sexual harassment and to prevent further damage to those who have been subjected to such harassment.

The employer is obliged to take all necessary measures to ensure occupational health and safety in the workplace and to keep the tools and equipment in full supply; workers are obliged to comply with all measures taken regarding occupational health and safety.

Compensation for **damages** arising from the death of the employee, damage to bodily integrity or violation of personal rights due to the employer's breach of law and contract, including the above provisions, is subject to the provisions on liability arising from breach of contract.

2. Working in a household setting

ARTICLE 418 - If the worker lives with the employer in a household, the employer is obliged to provide adequate food and suitable shelter.

If the worker is unable to perform his/her work due to reasons such as illness or accident through no fault of his/her own, the employer is obliged to provide care and treatment for two weeks for the worker who has worked for up to one year and who cannot benefit from social insurance benefits. For each year of **service** exceeding one year, this

period is increased by two days, not exceeding four weeks.

The employer shall fulfill the same obligations during pregnancy and childbirth of the employee to bring it to life.

3. In the use of personal data

ARTICLE 419 - The employer may use the personal data belonging to the worker only to the extent that it is related to the worker's aptitude for the job or is mandatory for the performance of the service contract.

Special provisions of law are reserved.

V. Penalty clause and release

ARTICLE 420 - A penalty clause inserted in service contracts only against the employee shall be invalid.

The release agreement regarding the employee's receivables from the employer must be in writing, the date of release a period of at least one month must have elapsed since the termination of the contract, the type and amount of the receivable subject to the release must be clearly stated, and the payment must be made in full compared to the amount of the right and through a bank. Release agreements or releases that do not have these elements are absolutely null and void.

Release agreements that do not contain the actual payment of the right or other payment documents containing a statement of release shall be deemed as receipts limited to the amount they contain. Even in this case, payments must be made through a bank.

The provisions of the second and third paragraphs shall also apply to all compensation receivables arising from the employment contract, including those that may be claimed by those deprived of support and other relatives of the employee.

VI. Vacation and holidays

1. Week holiday and work search leave

ARTICLE 421 - The employer is obliged to give the worker one full working day off every week, as a rule on Sunday or, if the circumstances and conditions do not allow this, one full working day.

In the event of termination of an indefinite-term service contract, the employer is obliged to give the employee two hours of job search leave per day within the notice period, without any deduction in wages.

In determining the hours and days of leave, the legitimate interests of the workplace and the worker shall be taken into consideration.

2. Annual leave

a. Duration

ARTICLE 422 - The employer is obliged to grant at least two weeks paid annual leave to workers who have worked for at least one year and at least three weeks paid annual leave to workers under the age of eighteen and to workers over the age of fifty.

b. Discount

ARTICLE 423 - If the worker fails to perform the service for more than one month in total within a service year through his own fault, the employer may deduct one day from the annual paid leave period for each full month not worked.

The employer may not deduct from the annual paid leave period if the worker is unable to perform his/her work for a maximum of three months within a service year due to personal reasons such as illness, accident, fulfillment of a legal obligation or public duty without his/her own fault.

The employer may not deduct from the annual paid leave period of a female employee who is unable to fulfill her employment obligations for a maximum period of three months due to pregnancy and childbirth.

Provisions contrary to the provisions of the second and third paragraphs shall not be made in service or collective labor agreements to the detriment of the employee.

c. Utilization

ARTICLE 424 - Annual paid leave shall, as a rule, be granted continuously; however, it may be divided into two parts by agreement of the parties.

The employer shall determine the dates of annual paid leave, to the extent compatible with the interests of the workplace or the household, taking into account the wishes of the employee.

d. Fee

ARTICLE 425 - The employer is obliged to pay in advance or advance the wage for the period of annual paid leave to each worker who uses his annual paid leave before the relevant worker starts his leave.

As long as the service relationship continues, the worker cannot waive his/her right to annual paid leave in exchange for money or other benefits from the employer.

In the event that the service contract is terminated for any reason, the employee is entitled to

The remuneration for the annual leave periods that he/she could not use shall be paid to him/her or his/her beneficiaries based on the remuneration at the date of termination of the contract. The statute of limitations for this wage starts to run on the date of termination of the service contract.

VII. Proof of service

ARTICLE 426 - The employer is obliged to provide, at any time upon the request of the worker, a certificate of service including the type and duration of the work.

If the worker explicitly requests it, the certificate of service shall also state his/her skill in the work and his/her attitude and behavior.

The employee or the new employer who hired the employee who is harmed by the failure to provide the service certificate on time or the presence of inaccurate information in the certificate may claim compensation from the former employer.

E. Industrial and intellectual property rights

ARTICLE 427 - The provisions of special laws shall apply to the rights of the employee and the employer on service inventions, their acquisition and other industrial and intellectual property rights.

F. Transfer of service relationship

I. Transfer of the whole or part of the workplace

ARTICLE 428 When the whole or part of the workplace is transferred to another person by a legal transaction, the service contracts existing in the workplace or part of it on the date of transfer shall pass to the transferee together with all rights and obligations.

In terms of the rights of the employee based on the length of service, the date on which the employee started to work for the transferor employer shall be taken as the basis.

In the event of a transfer in accordance with the above provisions, the transferor and transferee employers shall be jointly and severally liable for the debts arising before the transfer and due for payment on the date of transfer. However, the liability of the transferor employer for these obligations is limited to two years from the date of transfer.

II. Transfer of contract

ARTICLE 429 - A service contract may be transferred to another employer permanently only with the written consent of the employee.

With the transfer, the transferee, together with all its rights and obligations, shall be entitled to become the employer party. In this case, the date on which the employee started to work for the transferor employer shall be taken as the basis for the rights of the employee based on the length of service.

G. Termination of the contract

I. In a fixed-term contract

ARTICLE 430 - Unless otherwise agreed, a fixed-term service contract shall automatically terminate at the end of the term without the need for a notice of termination.

A fixed-term contract becomes an indefinite-term contract if it is implicitly continued after the expiry of its term. However, in the presence of a substantial reason, a fixed-term service contract may be concluded consecutively.

Either party may terminate a service contract with a term of more than ten years after the expiration of ten years by giving six months' notice of termination. The termination shall take effect only at the beginning of the month following this period.

If it has been agreed that the contract will end with a notice of termination and neither party has given a notice of termination, the contract becomes an indefinite-term contract.

II. In an indefinite term contract

1. Right of termination in general

ARTICLE 431 - Each party has the right to terminate an indefinite term contract by complying with the termination periods.

2. Termination notice period

a. In general

ARTICLE 43 2- Before the termination of service contracts of indefinite duration, the other party must be notified of the situation.

The service contract shall terminate after two weeks for an employee with a service period of up to one year, four weeks for an employee with a service period of one to five years and six weeks for an employee with a service period of more than five years, starting from the date of receipt of the notice by the other party.

These periods cannot be shortened, but may be increased by contract.

The employer may terminate the service contract by giving the wage for the termination notice period in advance.

Termination notice periods must be the same for both parties; in the contract If different periods are stipulated, the longest termination notice period shall apply to both parties.

In cases where the service contract is suspended, the termination notice periods do not run.

b. During the trial period

ARTICLE 433 - The parties may include a trial period in the service contract, provided that it does not exceed two months. If a trial period has been set, the parties may terminate the service contract without compensation within this period without having to comply with the termination period.

Wages and other rights of the worker for the days worked are reserved.

III. Protection against termination

ARTICLE 434 - In cases where the service contract is terminated by abusing the right of termination, the employer is obliged to pay the employee a compensation amounting to three times the wage for the termination notice period.

IV. Immediate termination

1. Conditions

a. Justified reasons

ARTICLE 435 - Either party may terminate the contract immediately for just cause.

The party terminating the contract must notify the reason for termination in writing.

All circumstances and conditions under which the terminating party cannot be expected to continue the service relationship according to the rules of good faith shall be deemed just cause.

b. Employer's insolvency

ARTICLE 436 - In the event of insolvency of the employer, the employee may immediately terminate the contract if his contractual rights are not secured by the employer within an appropriate period of time.

2. Results

a. Termination for just cause

ARTICLE 437 - If the just cause of termination arises from the non-compliance of one

of the parties to the contract, that party is obliged to compensate the damage it has caused, taking into consideration all rights based on the service relationship.

In other cases, the judge shall freely assess the material consequences of termination for just cause, taking into account all the facts and circumstances.

b. Termination without just cause

ARTICLE 438 - If the employer terminates the service contract immediately without just cause, the employee may claim as compensation the amount he would have earned if these periods had been complied with, in case of failure to comply with the termination notice period in indefinite term contracts and the contract period in fixed term contracts.

In a fixed-term service contract, the amount saved by the employee due to the termination of the service contract and the income obtained from another job or intentionally avoided from obtaining another job are deducted from the compensation.

The judge, taking into account all the facts and circumstances, may also freely determine the amount the compensation to be determined; however, the amount of compensation to be determined cannot be more than six months' wage of the worker.

c. Unjustified failure of the employee to start or quit work

ARTICLE 439 - In the event that the worker does not start work or suddenly quits work without just cause, the employer has the right to demand a compensation equal to one fourth of the monthly wage. The employer shall also have the right to demand compensation for additional damages.

If the employer has not suffered any damage or the damage suffered is less than a quarter of the employee's monthly wage, the judge may reduce the compensation.

If the right to claim compensation is not terminated by way of exchange, the employer is obliged to exercise this right within thirty days of the employee's failure to start work or quitting work, by way of lawsuit or proceedings. Otherwise, the right to claim compensation is forfeited.

V. Death of the worker or employer

1. Death of a worker

ARTICLE 440 - The contract shall terminate automatically upon the death of the worker. The employer shall provide one month's notice to the surviving spouse and minor children of the worker, or his dependents, starting from the day of death, or two months' notice if the service relationship has continued for more than five years. is obliged to make a payment in the amount of a monthly fee.

2. Death of the employer

ARTICLE 441 - In case of the death of the employer, his heirs shall take his place. In this case, the provisions regarding the transfer of the service relationship realized by the transfer of the whole or part of the workplace shall be applied by analogy.

If the service contract is mainly based on the personality of the employer, it terminates automatically upon his death. However, the employee may claim an equitable compensation from the heirs for the damage suffered due to the premature termination of the contract.

VI. Consequences of contract termination

1. Debts are due and payable

ARTICLE 442 - Upon termination of the contract, all debts arising from the contract shall become due and payable.

The moment of due date, in legal relations established through the mediation of the employee, the third party

The obligation undertaken may be postponed by a written agreement for up to six months if the obligation is to be performed in whole or in part after the termination of the service contract; up to one year in relations involving periodic performances; up to two years in insurance contracts or in works whose performance is spread over a period longer than six months.

In cases where it is foreseen to give a share from the production, as soon as the product share is determined, from the turnover

or in cases where it is decided to give a share from the profit, the share becomes due at the end of three months following the accounting period at the latest.

2. Obligation to return

ARTICLE 443 - In the event of termination of the contract, each party is obliged to return what it has received from the other or from a third party for the account of the other in connection with the service.

In particular, the worker is obliged to return motor vehicles and traffic permits and, to the extent that they are in excess of the receivables, wage and expense advances.

The parties reserve their right of imprisonment.

VII. Non-competition

1. Conditions

ARTICLE 444 - A worker who has the capacity to act may undertake in writing to refrain from competing with the employer in any manner whatsoever after the termination of the contract, in particular from opening a competing enterprise on his own account, from working in another competing enterprise or from entering into any other kind of beneficial relationship with the competing enterprise.

A non-competition clause is only valid if the service relationship provides the employee with the opportunity to obtain information about the employer's customer environment or production secrets or the employer's business, and at the same time, the use of this information is likely to cause significant damage to the employer.

2. Limitation

ARTICLE 445 - The prohibition of competition may not include inappropriate restrictions in terms of place, time and type of work in a way that would unfairly jeopardize the economic future of the worker and its duration may not exceed two years except for special circumstances and conditions.

The judge may limit the excessive prohibition of competition in terms of its scope or duration, by freely evaluating all the circumstances and conditions and taking into account the

counter-performance that the employer may have undertaken in an equitable manner.

3. Consequences of misconduct

ARTICLE 446 - The employee who violates the non-competition clause is obliged to compensate all damages incurred by the employer as a result thereof.

If the breach of the prohibition is subject to a penalty clause and there is no contrary provision in the contract, the employee may be released from the non-competition obligation by paying the prescribed amount; however, the employee must compensate for the damage exceeding this amount.

In addition to the penalty clause and the payment of any additional damages that may arise, the employer may also demand the cessation of the behavior contrary to the prohibition, provided that it is expressly reserved in writing in the contract, if the importance of its interests that have been violated or threatened and the behavior of the employee justify it.

4. Termination

ARTICLE 447 - The prohibition of competition shall be terminated if it is determined that the employer has no real benefit in maintaining this prohibition.

If the contract is terminated by the employer without just cause or by the employee for a reason attributable to the employer, the non-competition shall cease.

PART TWO

Marketing Contract

A. Definition and establishment

I. Definition

MADE 448 - A marketing contract is a contract whereby the marketer undertakes to mediate all kinds of transactions on behalf of the employer who owns a commercial enterprise and outside the enterprise, or if there is a written agreement, to perform the transactions specified in this agreement, and the employer undertakes to pay a fee in return.

II. Establishment

ARTICLE 449 - The marketing agreement shall include the duration of the agreement, its termination, the powers of the marketer, how the fees and expenses shall be paid, the applicable law and the competent court if one of the parties is domiciled in a foreign country.

If the matters stipulated to be included in the contract pursuant to the paragraph above are not determined by the parties, the provisions of the law and customary conditions of service shall apply.

B. The obligations and powers of the marketer

I. Obligations

ARTICLE 450 - The marketer is obliged to visit the customers in accordance with the instruction given to him, unless there is a justifiable reason that obliges him not to comply with the instruction; he cannot make transactions or act as an intermediary on behalf of himself or third parties without the permission of the employer.

If the marketer is authorized to transact, he must abide by the prices and other terms and conditions stipulated in the instruction; he may not modify them unless the employer consents.

The marketer is obliged to provide detailed information about marketing activities on a regular basis, to deliver the orders received to the employer immediately and to report important events concerning the customer environment.

II. Guarantee

ARTICLE 451 -The marketer , customers for non-payment or agreements that the receiver will be liable for the non-performance of other obligations or that the receiver will fully or partially cover the costs to be incurred for the collection of the receivable shall be null and void.

If the marketer deals with his own circle of customers, he may undertake in writing to cover the employer's losses in the event of non-performance by the customers, not exceeding one quarter of the losses incurred by the employer in each transaction, provided that an appropriate additional commission is agreed upon.

Marketers acting as intermediaries in insurance contracts may undertake in writing that they will cover at most half of the expenses to be incurred for this purpose in the event that a lawsuit or enforcement proceeding is initiated for the collection of a premium due to non-payment of all or part of the premium.

III. Authorities

ARTICLE E 452- Unless otherwise agreed in writing, the marketer is only authorized to intermediate transactions.

If the marketer is authorized to carry out transactions, his/her authorization shall include the covers all ordinary legal transactions and acts; cannot collect from customers and change payment dates unless specifically authorized.

C. Special obligations of the employer

I. Field of activity

ARTICLE 453 - Unless the marketer has been authorized to operate in a specific marketing area or in a specific customer circle and a written agreement to the contrary has been made, the employer may not authorize others to operate in the same area or circle; however, he may engage in transactions with third parties.

If there is a reason to change the provision of the contract regarding the marketing area or customer circle, the employer may unilaterally change the said provision without complying with this period, even if the termination notice period is stipulated in the contract; however, in this case, the marketer reserves the right to compensation and the right to terminate the service contract for just cause.

II. Fee

1. In general

ARTICLE 454 - The employer is obliged to pay the marketer a fee consisting only of a certain amount or this amount plus a commission.

A written agreement that all or a substantial part of the remuneration will consist of commission is valid, provided that the agreed commission constitutes appropriate remuneration for the marketer's activity.

The remuneration to be paid for the trial period may be freely agreed. However, the trial period may not exceed two months.

2. Commission

ARTICLE 455 - If the marketer is only authorized to operate in a certain marketing area or in a certain customer circle, he may demand the payment of the agreed or customary commission for all the works performed by him or his employer in this area or circle.

Authorization to operate in a specific marketing area or around specific customers If it is given to others together with the marketer, the marketer is only authorized to act as an intermediary himself.

commission is paid for the works he/she has performed or performed himself/herself.

If, at the time the commission is due, the value of the work has not yet been ascertained with certainty, the commission shall be paid first at its customary minimum value and the remainder at the latest upon the performance of the work.

3. Prevention of marketing activity

ARTICLE 456 - If it becomes impossible for the marketer to carry out the marketing works without his own fault and it is required by the contract or the law that he should be paid remuneration even in this case, the remuneration shall be determined according to the fixed fee and the appropriate compensation that may be paid due to the loss of the commission. However, if the commission is less than one-fifth of the fee, it may be agreed in writing that no compensation shall be paid for the loss of commission.

If the marketer is unable to carry out marketing activities through no fault of his own, but has received his full salary, he is obliged, upon the employer's request, to carry out the work that he can do himself and that can be expected of him in his enterprise.

III. Expenditures

ARTICLE 457 - If the marketer operates on behalf of more than one employer at the same time, each employer is obliged to participate equally in the expenses of the marketer, unless otherwise agreed in writing.

Agreements to include expenses in whole or in part in the fixed fee or commission are null and void.

IV. Right to imprisonment

ARTICLE 458 - In order to secure the receivables due arising out of the marketing relationship and the receivables that are not yet due in case the employer becomes insolvent, the marketer has the right of lien on movables, negotiable instruments and the money received from the customers based on his collection authority.

The marketer may not retain vehicle and transportation documents, price tariffs, customer records and other documents.

D. Termination

I. Special termination period

ARTICLE 459 - If the commission constitutes at least one-fifth of the fixed wage and is affected by significant seasonal fluctuations, the employer may terminate the contract of the marketer who has continued to work with him since the end of the previous season, during the new season, observing the two-month termination period.

Under the same conditions, the marketer may terminate the contract against the employer who has employed him until the end of the previous season and continues to employ him thereafter, until the start of the next season, subject to a two-month termination period.

II. Specific results

ARTICLE 460 - In the event of termination of the contract, commission shall be paid for all transactions that the marketer has personally performed or mediated and for all orders transmitted to the employer until the termination of the contract, regardless of the time of acceptance and fulfillment.

In the event of termination of the contract, the marketer is obliged to return to the employer the samples and models, price tariffs, records of customers and other documents given to him for marketing activities. However, the marketer's right of imprisonment is reserved.

PART THREE

Home Service Agreement

A. Definition and working conditions

I. Definition

ARTICLE 461 - A domestic service contract is a contract whereby the employee undertakes to perform the work assigned by the employer in his own home or in another place to be determined by the employer, in person or together with his family members, for a fee.

II. Notification of working conditions

ARTICLE 462 - The employer shall notify the worker of the specific characteristics of the work other than the general working conditions at each new assignment; if necessary, he shall also notify the worker in writing of the material to be provided by the worker, the amount of payment to be made to him for the provision of this material and the wage to be paid for the work.

If the price to be paid for the material and the price to be paid for the work have not been notified in writing before the assignment of the work, the customary price and price applied in these works shall be paid.

III. Special debts of the worker

1. Carrying out the work

ARTICLE 463 - The worker is obliged to start work on time, to finish the work at the agreed time and to deliver the result of the work to the employer.

If the work is found to be defective due to the fault of the worker, the worker is obliged to repair the defects that can be repaired at his own expense.

2. Materials and work tools

ARTICLE 464 - If materials and work tools are provided by the employer, the worker is obliged to use them with due diligence, to account for them, and to deliver the remaining materials and work tools to the employer.

If, during the performance of the work, the worker determines that the materials or work tools delivered to him/her are defective, he/she shall immediately notify the employer and await his/her instructions before proceeding with the work.

If the worker renders the materials or work tools delivered to him unusable through his own fault, he shall be liable to the employer for the fair market value of the materials or work tools on the day they become unusable.

IV. Special debts of the employer

1. Acceptance of the product

ARTICLE 465 - The employer inspects the product produced and delivered by the worker and notifies the worker of the defects, if any, within one week starting from the delivery. If no notification is made in due time, the product shall be deemed to be accepted in its present condition.

2. Fee

a. Payment

ARTICLE 466 - The wage for the work performed is paid every fifteen days if the worker is employed continuously by the employer or once a month with the consent of the worker; if the worker is employed intermittently, it is paid at each delivery of the product.

The worker shall receive a statement of account at each wage payment. The statement of account shall also show the amount and reason for deductions, if any.

b. In case of obstruction of work

ARTICLE 467 - The employer who employs the worker continuously is obliged to pay him his wage in accordance with the provisions regarding the payment of wages in case of obstruction of the performance of service, if he defaults in accepting the product or if the work is prevented due to reasons arising from the personality of the worker and without his fault. In other cases, the employer is not obliged to pay wages in accordance with these provisions.

V. Termination

ARTICLE 468 - If the worker is given a trial job, unless otherwise agreed, the contract shall be deemed to have been established for the trial period.

If the employee is continuously employed by the employer, the contract shall be deemed to have been concluded for an indefinite period, unless otherwise agreed; in other cases, the contract shall be deemed to have been concluded for a definite period.

B. Application of general provisions

ARTICLE 469 - In cases where there are no provisions regarding the marketing contract and the home service contract, the general provisions of the service contract shall apply.

CHAPTER SEVENTH

Work Contract

A. Definition

ARTICLE 470 - A work contract is a contract where the contractor undertakes to create a work and the owner undertakes to pay a price in return.

B. Provisions

I. Contractor's obligations

1. In general

MADE 471 - The contractor is obliged to fulfill the obligations undertaken with loyalty and diligence, observing the rightful interests of the owner.

In determining the responsibility of the contractor arising from the duty of care, the behavior in accordance with the professional and technical rules that a prudent contractor undertaking works in a similar field should show is taken as basis.

The contractor shall be obliged to perform the work directly himself or to have it performed under his own management. However, if the personal characteristics of the contractor are not important in the creation of the work, he may also outsource the work to others.

Unless there is a custom or agreement to the contrary, the contractor must provide the tools and equipment to be used for the creation of the work.

2. In terms of material

ARTICLE 472 - If the material is provided by the contractor, the contractor is liable to the owner of the work against the defective material like the seller.

If materials are provided by the owner, the contractor is obliged to use them with due care and to return the account and surplus.

During the creation of the work, the materials provided by the owner or the materials used for the creation of the work

If it becomes apparent that the place shown by the contractor is defective or if any other situation arises which may jeopardize the proper or timely performance of the work, the contractor shall **immediately** notify the owner of the work; if he fails to do so, he shall be liable for the consequences arising therefrom.

3. Initiation and execution

ARTICLE 473 - If the contractor fails to start the work on time or delays the work in violation of the provisions of the contract or if it is clearly understood that the contractor will not be able to complete the work at the agreed time according to all estimates due to the delay arising from a reason that cannot be attributed to the business owner, the business owner may withdraw from the contract without having to wait for the day determined for delivery.

If, during the execution of the work, it is evident that the work will be defective or in breach of the contract due to the fault of the contractor, the owner may, within an appropriate period of time to be given or caused to be given by the contractor to prevent this, notify the contractor to remedy the defect or breach; otherwise, the repair or continuation of the work shall be entrusted to a third party at his own expense and expense.

4. Liability for defect

a. Identification of the defect

ARTICLE 474 - After the delivery of the work, the owner of the work is obliged to inspect the work as soon as he has the opportunity according to the ordinary course of business and if there are defects, to notify the contractor within an appropriate period of time.

Either party may, at its own expense, request that the work be reviewed by an expert and the result determined in a report.

b. Optional rights of the owner

ARTICLE 475 - In cases where the contractor is responsible for defects in the work, the owner may exercise one of the following optional rights:

1. If the work is defective to the extent that the owner cannot use it or cannot be compelled to accept it in equity, or if it is in breach of the terms of the contract to the same extent, rescission of the contract.

2. Retaining the work and asking for a discount in proportion to the defect.

3. Request that the work be repaired free of charge at the contractor's sole expense, unless this would entail an excessive expense.

The right of the owner to claim compensation according to general provisions is reserved.

If the work is constructed on the property of the owner and its dismantling and removal would cause excessive damage, the owner cannot exercise the right to rescind the contract.

c. Responsibility of the owner

ARTICLE 476 - If the defective work arises from the instructions given by the owner of the work or can be attributed to the owner of the work for any reason whatsoever, despite the explicit warning given by the contractor, the owner of the work cannot use his rights arising from the defective work.

d. Acceptance of the work

ARTICLE 477 - After the explicit or implicit acceptance of the work, the contractor shall be relieved from all kinds of liability; however, his liability shall continue for the defects which were deliberately concealed by him and which could not be recognized during a proper inspection.

If the owner neglects to review and give notice, he accepts the work
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If the defect in the work is discovered later, the owner shall notify the contractor without delay.

If it does not, it is deemed to have accepted the work.

e. Time transmission

ARTICLE 478 - If the contractor has produced a defective work, the lawsuits to be filed for this reason shall be time-barred after the expiration of two years starting from the date of delivery for works other than immovable structures, five years for immovable structures, and if the contractor has gross fault, twenty years regardless of the nature of the defective work.

II. Obligations of the owner

1. Due and payable

ARTICLE 479 - The obligation of the owner to pay the price becomes due at the time of delivery of the work. If the work is agreed to be delivered in parts and the price is determined according to the parts, the price of each piece is due upon its delivery.

2. Bedel

a. Lump sum

ARTICLE 480 - If the price is determined as a lump sum, the contractor is obliged to produce the work at that price. Even if the work requires more labor and expenditure than stipulated, the contractor cannot request an increase in the price determined.

However, if circumstances that could not have been foreseen at the outset, or that could have been foreseen but were not taken into consideration by the parties, prevent or make it extremely difficult to perform the work at the lump sum price determined by the parties, the contractor has the right to ask the judge to adapt the contract to the new conditions, and if this is not possible or cannot be expected from the other party, the contractor has the right to rescind the contract. In cases required by the rules of good faith, the contractor may only exercise the right of termination.

The owner shall be obliged to pay the full amount even if the work requires less labor and expense than stipulated.

b. Price according to value

ARTICLE 481 - If the price of the work is not predetermined or is determined approximately, the price shall be determined by looking at the value of the work and the contractor's expenses at the time and place where and when the work is done.

C. Termination of the contract

I. Exceeding the approximate cost

ARTICLE 482 - If it is understood that the price determined approximately at the beginning will be excessively exceeded without the fault of the owner of the work, the owner of the work may withdraw from the contract before or after the work is completed.

If the work is being constructed on the land of the owner, the owner may request an appropriate amount to be deducted from the price, or if the work is not yet completed, he may terminate the contract by preventing the contractor from continuing the work and paying an equitable price for the completed part.

II. Destruction of the work

ARTICLE 483 - If the work is destroyed as a result of an unexpected event before delivery, the contractor cannot demand the payment of the wages and expenses of the work unless the owner of the work is in default in taking delivery of the work. In this case, the damage to the material belongs to the supplier.

In the event that the work is destroyed due to the defect of the materials provided by the owner or the land provided by the owner, or due to the work being performed in accordance with the instructions of the owner, the contractor may demand the value of the work and the payment of the expenses not included in this value, if he has notified the negative consequences that may arise in time. If the owner is at fault, the contractor is also entitled to claim compensation for damages.

III. Termination for compensation

ARTICLE 484 - The owner may terminate the contract on condition that he pays for the part of the work done before the completion of the work and compensates all damages of the contractor.

IV. Impossibility of performance due to the employer

ARTICLE 485 - If the completion of the work becomes impossible due to an unexpected event related to the owner of the work, the contractor may claim the value of the work and the expenses not included in this value.

If the owner is at fault for the impossibility of performance, the contractor is also entitled to compensation.

V. Death or incapacity of the contractor

ARTICLE 486 - The contract concluded by taking into consideration the personal characteristics of the contractor shall automatically terminate in the event of his death or loss of ability to complete the work without any fault on his part. In this case, if the owner can benefit from the completed part of the work, he shall be obliged to accept it and to pay for it.

CHAPTER EIGHT

Publication Agreement

A. Definition

ARTICLE 487 - A publishing contract is a contract whereby the author of a work of intellectual property or art or his successor undertakes to leave that work to the publisher for publication and the publisher undertakes to reproduce and publish it.

B. Shape

ARTICLE 488 - The validity of a publishing contract depends on the fact that it is made in writing.

C. Provisions

I. Transition of the right to publish and responsibility

ARTICLE 489 - With a publishing contract, the rights of the author shall pass to the

publisher to the extent and for the period required by the performance of the contract.

The author is liable to the publisher for the lack of the right to publish the work at the time of the conclusion of the contract, as well as for the lack of copyright if the work is protected.

The whole or part of the work has been left to another publisher for publication or If it is published under the knowledge of the publisher, the publisher is obliged to notify the other party before the conclusion of the publication contract.

II. Right of disposition of the publisher

ARTICLE 490 - The publisher may not dispose of the whole or part of the work to the detriment of the publisher, unless the period agreed upon in the contract expires or, if no period has been determined, the customary period for the exhaustion of the agreed number of copies has elapsed.

Short articles in periodicals are published by the publisher at any time, elsewhere can also be published.

The publisher may not republish his own parts of a collected work or long articles published in magazines until three months have elapsed since the end of publication.

III. Determining the number of editions and number of prints

ARTICLE 491 - If the number of editions is not specified in the contract, the publisher has the right to make only one edition.

The parties must agree on the duration of the contract or the number of editions.

Where the contract authorizes the publisher to make a certain number of editions or all new editions, if the publisher neglects to make a new edition when the number of editions of the work has been exhausted, the publisher shall give the publisher an appropriate period of time for the new edition. If the publisher fails to make a new edition within the given period, the publisher may withdraw from the contract.

IV. Replication and distribution

ARTICLE 492 - The publisher is obliged to reproduce the work in an appropriate form without any abbreviation, addition or alteration; he is also obliged to carry out the necessary publicity and distribution in order to increase sales and to take all kinds of measures in this regard.

The publisher determines the selling price, provided that it does not make it difficult to sell the work.

V. Correction and improvement

ARTICLE 493 - Provided that the interests of the publisher are not harmed and his responsibility is not increased, the author may make corrections and improvements in the work, and his successors may only make updates. Expenses not foreseen in the contract, even though these corrections and improvements are required, shall be borne by the publisher.

The publisher may not publish a new edition or reproduce the work without giving the author the opportunity to improve it and its successors the opportunity to update it.

VI. Co-publication and separate publication

ARTICLE 494 - The right to publish more than one work of an author separately does not authorize the publisher to publish them together.

Likewise, the right of the author to publish all his works or only one type of them together does not give the publisher the right to print and disseminate each of them separately.

VII. Translation rights

ARTICLE 495 - The transfer of the right of translation to the publisher depends on the fact that this is expressly stated in the contract.

VIII. Right to demand remuneration

1. Determination of the price

ARTICLE 496 - Unless otherwise agreed in the contract, the publisher may demand payment of a fee.

If the amount to be paid is not clear in cases where a price must be paid, the price shall be determined by the judge.

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If the publisher has the right to publish more than one edition, it shall be deemed accepted that the price and other conditions agreed for the first edition shall also apply to subsequent editions.

2. Time of payment of consideration, sale accounts and right to receive free of charge

ARTICLE 497 - If the work is to be published as a whole, the entire work shall be paid; if the work is to be published in sections such as volumes, fascicles and spreads, the price shall be paid after each section is printed and made ready for sale.

If the parties have tied the consideration to the amount of the sale, the publisher shall keep the sales accounts, and to prepare proof documents in accordance with customary practice.

Unless otherwise agreed, the publisher shall be entitled to receive the work free of charge in the amount required by custom.

D. Termination

I. Destruction of the work

ARTICLE 498 - Even if the work is destroyed as a result of unexpected circumstances after delivery to the publisher, the publisher is obliged to pay the price.

If the author has another copy of the work, he is obliged to deliver it to the publisher; if there is no other copy, but it can be reproduced with little effort, the author is obliged to produce the work and deliver it. In both cases, the author may demand an appropriate remuneration.

II. The extinction of the Ba sila

ARTICLE 499 - If all or part of the completed edition of the work is destroyed as a result of unforeseen circumstances before it is put up for sale, the publisher may reprint the destroyed amount at his own expense, without paying a separate price to the publisher.

The publisher is obliged to do so if it can replace the destroyed ones without excessive expense.

III. Termination for personal reasons

ARTICLE 500 - If the author dies before completing the work, or loses the ability to complete the work, or if it becomes impossible for him to complete the work without his own fault, the contract shall automatically terminate. However, if it is found possible and equitable to fulfill the whole or part of the contract, the judge may decide to continue the contractual relationship and to make the necessary changes for this purpose.

If the publisher becomes bankrupt, the publisher may assign the work to another publisher; however, bankruptcy the publisher may not give the work to another publisher if assurance is given that the debt that has not yet become due will be fulfilled.

E. Bespoke publishing contract

ARTICLE 501 - If one or more persons undertake to produce a work according to the plan determined by the publisher, they shall be entitled only to the fee agreed upon by the contract.

In this case, the financial rights subject to the contract shall belong to the publisher.

CHAPTER NINE

Agency Relations

CHAPTER ONE

Power of Attorney Agreement

A. Definition

ARTICLE 502 - A power of attorney agreement is an agreement whereby the attorney undertakes to perform an act or a transaction of the principal.

The provisions relating to agency shall, to the extent appropriate to their nature, also apply to contracts of employment not regulated in this Law.

If there is a contract or custom, the attorney is entitled to a fee.

B. Establishment

ARTICLE 503 - If the person to whom a work is proposed to be performed has an official capacity to perform such work, or if the performance of the work is a requirement of his profession, or if he has announced that he will accept such work, a contract of agency shall be deemed to have been concluded unless this proposal is immediately rejected by him.

C. Provisions

I. Scope of the power of attorney

ARTICLE 504 - The scope of the power of attorney shall be determined according to the nature of the work to be performed, unless it is explicitly indicated in the contract.

Power of attorney includes, in particular, the authority to take the necessary legal actions for the performance of the work undertaken by the attorney.

Unless specifically authorized, the attorney cannot file a lawsuit, conciliate, apply to an arbitrator, request bankruptcy, postponement of bankruptcy and concordat, make a bill of exchange commitment, make a donation, become a surety, transfer real estate or limit it with a right.

II. Deputy's debts

1. Execution as instructed

ARTICLE 505 - The attorney is obliged to comply with the explicit instruction of the principal. However, when there is no possibility to obtain permission from the principal, the agent may depart from the instruction in cases where it is clear that he would have given permission if he had known the situation.

Otherwise, if the agent deviates from the instructions, he does not fulfill his fiduciary obligation, even if he has performed the work, unless he compensates for the loss arising therefrom.

2. Personal performance, loyalty and diligence

a. In general

ARTICLE 506 - The attorney is obliged to perform the proxy obligation personally. However, in cases where the agent is authorized or where the situation is mandatory or made possible by custom, the agent may have the work done by someone else.

The attorney is obliged to carry out the work and services undertaken with loyalty and diligence, observing the rightful interests of the principal.

In determining the responsibility of the agent arising from the duty of care, the behavior of a prudent agent undertaking works and services in a similar field is taken as a basis.

b. In case the work is outsourced to a third party

ARTICLE 507 - When the agent causes another person to perform the work by exceeding his authorization, he is responsible for his act as if he had done it himself.

If the agent is authorized to give power of attorney to another person, only in selecting and giving instructions is obliged to exercise due diligence.

In both cases, the attorney-in-fact may assert the rights that the attorney-in-fact has against the person whom the attorney-in-fact has put in his place, directly against that person.

3. Accountability

ARTICLE 508 - The attorney is obliged to give an account of the work carried out upon the request of the attorney and to give to the attorney what he has received in relation to the power of attorney.

The agent is also obliged to pay interest on the money that he has delayed in delivering to the principal.

4. Transfer of acquired rights to the power of attorney

ARTICLE 509 - The receivables of the attorney in third parties arising out of the works performed by the attorney on his own behalf and on behalf of the principal shall automatically pass to the principal as soon as the principal fulfills all his debts against the attorney.

In the event of the bankruptcy of the attorney, the attorney may also assert against the bankruptcy estate that this receivable has passed to him.

The attorney-in-fact may request that the movable property acquired by the attorney-in-fact on his behalf and on behalf of the attorney-in-fact be separated from the bankruptcy estate and given to him. The bankruptcy estate also benefits from the right of imprisonment of the attorney.

III. Debts of the power of attorney

ARTICLE 510 - The principal is obliged to pay the expenses incurred and advances given by the attorney for the proper performance of the power of attorney, together with interest thereon, and to release him from the debts incurred.

The agent may request from the principal the compensation of the damages incurred due to the performance of the power of attorney.

However, the principal may be relieved of this liability by proving that he is not at fault.

IV. Liability of joint powers of attorney and joint agents

ARTICLE 511 - Those who give power of attorney to a person jointly are jointly and severally liable to the attorney.

Those who jointly undertake the power of attorney are jointly and severally liable for the performance of the power of attorney; and

Unless they have the right to delegate their powers to others, they can only put the principal under obligation by their joint acts and transactions.

D. Termination

I. Reasons

1. Unilateral termination

ARTICLE 512 - The principal and the attorney may unilaterally terminate the contract at any time. However, the party who terminates the contract at an inappropriate time is obliged to compensate the other party for the damages arising therefrom.

2. Death, loss of capacity and bankruptcy

ARTICLE 513 - Unless it is otherwise understood from the contract or the nature of the work, the contract shall be automatically terminated upon the death, loss of capacity or bankruptcy of the attorney or attorney-in-fact. This provision shall also apply to the termination of this legal entity if one of the parties is a legal entity.

If the termination of the power of attorney jeopardizes the interests of the principal, the principal or his heir or representative shall be obliged to continue to perform the power of attorney until the principal or his heir or representative is able to manage the affairs on his own.

II. Provisions

ARTICLE 514 - The principal or his heirs shall be liable for the acts performed by the attorney before he learns that the contract has been terminated, as if the contract is still in

force.

PART TWO

Letter of Credit and Credit Order

A. Letter of credit

ARTICLE 515 - A letter of credit is a document containing the power of attorney of the sender of a letter to give money and similar things to a certain person who will benefit from the letter of credit, with or without setting an upper limit. A letter of credit is subject to the provisions of power of attorney and remittance.

In the case of a letter of credit without an upper limit, if the beneficiary of the letter makes an excessive request that is clearly not in accordance with the relationship between those concerned, the sender of the letter must notify the sender and **postpone** the payment until a reply is received.

Power of attorney granted by letter of credit, but only for a specific amount by the sender is valid if it is accepted.

B. Credit order

I. Definition and shape

ARTICLE 516 - If a person has received and accepted an order to open a credit or renew a credit to a third party under the responsibility of the person who gave the credit order in his own name and account, the person who gave the order shall be liable for the credit debt like a surety, unless the credit order exceeds his power of attorney. However, unless the credit order is in writing, the order-giver shall not be liable.

II. Incompetence of the beneficiary of the credit order

ARTICLE 517 - The issuer of a credit order shall not be relieved from liability against the beneficiary of the credit order by asserting the incapacity of the beneficiary of the credit order.

III. Prior notice by the person to whom the credit order is given

ARTICLE 518 - If the person to whom a credit order has been given gives an advance to the beneficiary of the credit order spontaneously or neglects to apply to the beneficiary of the credit order even though he has been instructed to do so, the person to whom the credit order has been given shall be released from liability.

IV. The relationship between the parties

ARTICLE 519 - The relationship between the issuer of a credit order and the beneficiary of the credit order shall be governed by the provisions regulating the relationship between the guarantor and the principal debtor.

PART THREE

Brokerage Agreement

A. Definition and shape

ARTICLE 520 - A brokerage agreement is a contract where the broker undertakes to

prepare or mediate the possibility of the conclusion of a contract between the parties and is entitled to a fee in the event of the conclusion of this contract.

As a rule, the provisions on agency shall apply to the brokerage agreement.
A brokerage agreement on immovable property shall not be valid unless it is made in writing.

B. Fee

I. Time to earn it

ARTICLE 521 - A broker is entitled to a fee only if a contract is concluded as a result of his activity.

If the contract established as a result of the broker's activity is subject to a delaying condition, the fee shall be paid upon the realization of the condition.

If it is agreed in the brokerage agreement that the expenses of the broker shall be paid to the broker, the expenses shall be paid even if the activity of the broker has not resulted in the conclusion of the contract.

II. Determination of remuneration

ARTICLE 522 - The fee shall be paid according to the tariff if it is not determined, and according to custom if there is no tariff.

III. Loss of broker's rights

ARTICLE 523 - If the broker acts for the benefit of the other party by acting contrary to the obligation he has undertaken or if he receives a promise of remuneration from the other party in violation of the rules of honesty, he loses his rights relating to the remuneration and the expenses he has incurred.

IV. Marriage brokering

ARTICLE 524 - No lawsuit may be filed and no proceedings may be instituted for the fee arising from marriage brokerage.

V. Fee reduction

ARTICLE 525 - If an excessive fee is agreed upon in the contract, upon the request of the debtor, this fee may be reduced by the judge in accordance with equity.

SECTION TEN

Unauthorized Business Transaction

A. Rights and obligations of the employee

I. Work execution

ARTICLE 526 - A person who performs work on behalf of another without a power of attorney is obliged to perform that work in accordance with the owner's interest and assumed will.

II. Responsibility

ARTICLE 527 - The unauthorized laborer is liable for all kinds of negligence. However, if the employee has performed this work in order to eliminate the damage or danger of damage faced by the business owner, his liability shall be considered lighter.

If the employee has done the work despite the explicit or implicit prohibition of the employer, and if the prohibition of the employer is not contrary to law or morality, the employee shall also be liable for contingency. However, even if the employee had not done that work, if he proves that this damage would have occurred as a result of the contingency, he is released from liability.

III. Incompetence of the employee

ARTICLE 528 - If the employee lacks the capacity to contract, he shall be liable for the transaction only to the extent that he is enriched or the amount of enrichment that he disposes of without good faith.

More extensive liability for torts is reserved.

B. Rights and obligations of the owner

I. If the work is carried out for the benefit of the owner

ARTICLE 529 - In the event that the work is carried out for his own benefit, the owner shall pay all the expenses of the employee, which are compulsory and useful according to the necessity of the situation, with interest and the work performed to fulfill the obligations undertaken by him and to compensate the damages to be assessed by the judge. This provision also applies to the employee who has exercised due diligence in performing the work, even if the expected result is not realized.

If the employee is not able to recover the expenses incurred, he/she has the right to recover them according to the unjust enrichment provisions.

II. If the work is performed for the benefit of the employee

ARTICLE 530 - The owner of the work has the right to obtain the benefits arising from the performance of the work, even if it is not performed for his own benefit; however, to the extent that he is enriched, he is obliged to pay the expenses of the worker and to release him from the debts he has incurred.

III. If the work is approved by the owner

ARTICLE 531- If the owner of the work finds the work to be appropriate, the provisions of proxy shall apply.

CHAPTER ELEVEN

Commission Agreement

A. Buying or selling brokerage

I. Definition

ARTICLE 532 - A purchase or sale brokerage is a contract whereby the broker undertakes the purchase or sale of negotiable instruments and movables on his own behalf and on behalf of the principal in return for a fee.

Without prejudice to the provisions of this section, the provisions of agency shall apply to commission agreements.

II. Broker's debts

1. Obligation to notify and insure

ARTICLE 533 - The broker is obliged to inform the principal about the work performed and in particular to inform him immediately that his instructions have been fulfilled.

Unless instructed by the principal, the broker is not obliged to insure the subject matter of the contract.

2. Debt of care

ARTICLE 534 - If the goods sent to him for sale are clearly defective, the broker is obliged to do what is necessary for the protection of the rights of the principal against the carrier, to have the damage determined, to take the goods under protection as much as possible and to inform the principal immediately; otherwise, he shall be liable for the damages arising from any negligence.

If the goods sent to be sold are of a nature that may deteriorate in a short time, the broker is obliged to sell the goods provided that the principal is informed immediately.

3. The price determined by the power of attorney

ARTICLE 535 - The broker who sells goods below the price determined by the principal is obliged to compensate the difference between the price determined and the sale price, unless he proves that the principal would have suffered more damage if he had not sold the goods and that the situation is not suitable to receive instructions again. In addition, if the broker is at fault, he is also liable for other damages incurred by the principal due to his breach of his instructions.

A broker who buys goods below or sells goods above the price determined by the principal cannot retain the difference arising from these transactions.

4. Selling on credit and payment without delivery

ARTICLE 536 - If the broker sells the goods on credit without the permission of the principal or pays the price without taking delivery of the goods, he is obliged to bear the loss arising therefrom. However, unless the principal prohibits it, he may also sell the goods on credit according to the commercial custom at the place of sale.

5. Broker's guarantee

ARTICLE 537 - Except for selling goods on credit without authorization, the broker shall not be liable for the non-payment and non-performance of other debts by the debtors with whom he deals. However, the broker **shall be liable** if he has given an express guarantee or if the commercial custom in the place where he is located **so requires**.

The guarantee broker is entitled to charge a fee for this.

III. Broker's rights

1. Money paid and expenses incurred

ARTICLE 538 - The broker may claim all expenses incurred and money paid for the benefit of the principal together with interest.

The broker may charge the warehouse and transportation fees to the agent's account, but may not charge the wages of his own employees.

2. Commission fee

a. Right to request

ARTICLE 539 - The broker may request the payment of his fee when he performs the work assigned to him, as well as when the failure to perform the work is caused by a reason attributable to the attorney.

In the event that the work cannot be performed for other reasons, the broker may only demand the compensation for his labor, which shall be determined according to local custom.

b. Disappearance

ARTICLE 540 - If the broker acts in breach of the rules of honesty towards the principal, especially if he informs him of a price more than what he has bought or less than what he has sold, he loses his right to receive remuneration.

If the price is different from the actual price, the principal has the right to consider the broker as the buyer or seller of the goods at the actual price.

3. Right to imprisonment

ARTICLE 541 - The broker has the right of imprisonment over the price of the goods sold and the goods purchased.

4. Sale of goods by auction

ARTICLE 542 - In the event that the goods given to the broker cannot be sold or the order for sale is withdrawn, if the attorney is excessively delayed in taking back the goods or in taking other actions regarding the goods, the broker may have the goods sold by auction by obtaining a decision from the court where the goods are located. However, if the goods are listed on a stock exchange or have a market price, or if the value of the goods is small in relation to the expenses to be incurred, the judge may order the sale to be conducted by another means.

If the power of attorney or its representative is not present at the place where the property is located, the sale decision may be made without hearing the power of attorney.

Except in the case of rapid depreciation of the property, the time and place of the auction shall be determined by the court.

It is obligatory to notify the proxy giver.

5. Broker trading with the broker itself

a. Price and remuneration

ARTICLE 543 - A broker authorized to sell or purchase bills of exchange or other negotiable instruments or commercial goods, which are listed in the stock exchange or have a market price, may sell his own goods instead of the goods to be purchased or may purchase the goods for himself. In these cases, the values at the time the broker transacts with him shall be taken as basis; the broker shall be entitled to demand the fees and expenses customary in the commission business even in these cases.

The broker is obliged to notify the principal of such a transaction on the same day. In other cases, the provisions of sale shall apply.

b. Being deemed to have made the transaction with itself

ARTICLE 544 - In cases where the broker himself may be a direct buyer or seller, if he notifies the proxy giver that the proxy has been fulfilled without showing the other party to the contract, he shall be deemed to have made the transaction with him.

c. Loss of the right to make the transaction with him/her

ARTICLE 545 - As soon as the broker receives the news that the principal has revoked the power of attorney, the right of the broker to execute the transaction with him shall be forfeited. However, this provision shall not apply if the broker has sent the notification of the execution of the transaction before this news reaches him.

B. Other commission business

ARTICLE 546 - The commission works on the movables to be manufactured in order to be provided by the owner of the business, even if the goods are not of similar goods, shall be deemed as purchase and sale brokerage.

The provisions of this section shall also apply to the buying and selling broker who undertakes the works that are not considered as buying and selling brokerage on his own behalf and on the account of the principal in return for a fee, and to the merchant who does not make commission works his profession but undertakes them from time to time.

Special provisions on transportation business brokerage are reserved.

CHAPTER TWELVE

**Commercial Representatives, Commercial Agents and Other
Merchant Assistants**

A. Commercial agent

I. Definition and authorization

ARTICLE 547 - A commercial representative is a person who is explicitly or implicitly authorized by the business owner to manage the commercial enterprise and to represent him/her in the transactions related to the enterprise under the trade name, with the authority of commercial representation.

The business owner is obliged to register the authorization of commercial representation with the trade registry; however, the liability of the business owner for the acts of the commercial representative does not depend on the registration.

II. Scope of representation authority

ARTICLE 54 8- The commercial representative shall be deemed authorized to make foreign exchange commitments on behalf of the business owner and to carry out all kinds of transactions that fall within the purpose of the business on behalf of the business owner against bona fide third parties.

Unless expressly authorized, the commercial representative may not transfer

immovable property or convey a right
cannot limit it.

III. Limitation of representation authority

ARTICLE 549 - Representation authority may be limited to the affairs of a branch.

Representation authority may also be limited on the condition that more than one person signs together. In this case, the signature of one of the representatives without the participation of the others shall not bind the business owner.

The above-mentioned limitations on the power of representation shall not be effective against third parties in good faith unless they are registered in the trade registry.

Other limitations on the power of representation, even if registered, may be imposed on bona fide third parties.
cannot be asserted against persons.

IV. Termination of representation authority

ARTICLE 550 - Even if the authorization of representation is not registered in the trade registry, its termination shall be registered.

Unless the termination of the representation authority is registered and announced in the trade registry, this authority remains valid for bona fide third parties.

B. Commercial proxy

ARTICLE 551 - A commercial proxy is a person authorized by the owner of a commercial enterprise to manage his enterprise or to carry out some of the affairs of his enterprise, without authorizing him as a commercial representative.

This authorization covers all customary transactions of the business. However, unless the commercial agent is expressly authorized, he/she may not borrow money or the like, make foreign exchange commitments, file a lawsuit or pursue a lawsuit unless he/she is expressly authorized to do so.

C. Other merchant assistants

ARTICLE 552 - The officers or servants of commercial enterprises engaged in wholesale, semi-wholesale or retail sales are authorized for the following transactions within that commercial enterprise, in a place where customers can easily see and in a form that they can easily read, unless otherwise announced in writing:

1. To make all the usual sales transactions of the commercial enterprise.
2. Signing invoices for transactions for which they are authorized.
3. To make notices or other explanations on behalf of the business owner regarding the performance of the debts arising from the customary transactions of the commercial enterprise or the failure to perform them at all or properly; to accept notices or other explanations of this nature, especially defect notices regarding the goods delivered due to the customary transaction, on behalf of the commercial enterprise.

Unless authorized in writing, the officers or servants of commercial enterprises engaged in wholesale, semi-wholesale or retail sales may not demand and receive sales prices outside the enterprise, and if cashiers are appointed, they may not demand and receive sales prices inside the enterprise. These persons are also authorized to close invoices or issue

receipts in cases where they are authorized to receive sales prices.

D. Non-competition

ARTICLE 553 - Commercial representatives, commercial agents or other merchant assistants who manage all the affairs of an enterprise or who are in the service of the owner of the enterprise shall not, without the permission of the owner of the enterprise, directly or indirectly, perform any business of the type carried out by the enterprise on their own account or on behalf of a third party, nor shall they have third parties perform such transactions on their own account.

If they act contrary to this, the business owner, without prejudice to the rights arising from the legal relationship between them, may request compensation for the damage suffered, or instead, may request that the works performed by the commercial representative, commercial agent or other merchant assistant on his own account or outsourced to third parties be deemed to have been performed on his own account and that the remuneration received for these works be given or the receivable arising from the same works be transferred.

E. Termination of the powers of commercial representatives, commercial agents and other merchant assistants

ARTICLE 554 - The business owner may withdraw the authorizations of commercial representatives, commercial agents and other merchant assistants at any time, without prejudice to their rights arising from service, proxy, partnership and similar agreements between them.

Loss of capacity or death of the business owner, commercial representatives, commercial
does not terminate the authority of attorneys and other merchant assistants.

SECTION THIRTEENTH

Remittance

A. Definition

ARTICLE 555 - A remittance is a legal transaction in which the remitter authorizes the remittance payer to give money, negotiable instruments or other movable property to the remittance receiver on its own account and the remittance receiver to accept the same on its behalf.

B. Provisions

I. The relationship between the remitter and the remittance recipient

ARTICLE 556 - If the remittance is made for the purpose of fulfillment of the remitter's obligation to the remittance recipient, this obligation shall be terminated only upon the performance of the obligation by the remittance payer.

Having accepted the remittance, the remittance recipient may contact the remittance payer to

If he fails to obtain his claim within the specified period, he may re-assert this claim against

the remitter.

If the remitter, who is the creditor, does not wish to accept the remittance, he is obliged to notify the remitter, who is the debtor, without delay; if he fails to do so, he is obliged to compensate for the damage caused thereby.

II. Remittance payer's debt

ARTICLE 557 - If the remittance payer notifies the remittance recipient that he accepts the remittance without reservation, he shall be liable for performance and may only assert defenses against him arising out of the relationship between them or the content of the remittance; he may not assert defenses arising out of the relationship between the remitter and himself.

If the remittance payer is indebted to the remitter, it is obliged to perform the debt to the remittance recipient, unless the performance of the debt to the remitter would impose a greater burden than the performance to the remitter. In this case, unless otherwise agreed between the remitter and the payee, the remittance payer need not disclose to the remittance recipient that it has accepted the remittance before performance.

III. Notification in case of non-performance

ARTICLE 558 - If the remittance payer refrains from performance despite the request of the remittance recipient or announces in advance that he will not perform the subject matter of the remittance, the remittance recipient is obliged to notify the remitter without delay; if he fails to do so, he shall be liable for the loss incurred by the remitter.

C. Retrieval

ARTICLE 559 - The remitter may always withdraw the authorization given to the remittance recipient. However, he cannot revoke the authorization given for the benefit of the remitter, especially for the purpose of obtaining his receivable.

The remittance, unless the remittance payer discloses to the remittance recipient that it has accepted the remittance who can revoke the authorization he has given him.

In the event of the bankruptcy of the remitter, the remittance that has not yet been accepted shall automatically terminate.

D. Remittance of negotiable instruments

ARTICLE 560 - The provisions of this section shall apply to written remittances made for the purpose of payment of the receivable attached to negotiable instruments to the bearer. In this case, every bearer shall be deemed to be the payee of the money order vis-à-vis the payer of the money order. On the other hand, the rights inherent in the relationship between the remitter and the payee shall arise only between the transferor and the transferee of the receivable.

Special provisions on checks and policy-like remittances are reserved.

CHAPTER FOURTEEN

Custody Contracts

A. General custody agreement

I. Definition

ARTICLE 561 - A custody agreement is a contract whereby the custodian undertakes to

take under custody in a safe place a movable left to him by the depositor.

Where expressly provided for or where the facts and circumstances so require, the
depository shall pay

can ask for it.

II. Debts of the custodian

ARTICLE 562 - The depositor is obliged to pay all expenses necessitated by the performance of the contract.

The custodian is obliged to compensate the damages of the depositor arising out of the deposit, unless the depositor proves that it is not due to **its own fault**.

III. Debts of the depositor

1. Prohibition of use

ARTICLE 563 - The custodian may not use what is stored without the permission of the depositor.

If it violates this prohibition, it shall be liable to pay an appropriate usage fee to the depositor, and shall also be liable for the damages arising from the contingency, unless it proves that this damage would have arisen even if it had not used it.

2. Giving back

a. In general

ARTICLE 564 - Even if a period of time has been determined in the custody agreement, the custodian is obliged to return the stored thing together with all its reproductions upon the request of the depositor, which may be asserted at any time. However, the depositor, taking into account the time period determined by the depositary shall be liable to pay the costs incurred.

b. Special cases

ARTICLE 565 - The custodian may not return what is kept before the expiration of the specified period. However, the depositary may return it before the expiration of the specified period if the continuation of the contract is dangerous for the depositee or harmful for itself due to unforeseen circumstances.

If no time limit is set, the depositor may return the deposited item at any time.

If more than one person gives something to be kept, the keeper shall not be relieved from liability by returning the thing to one of them, unless the contract provides otherwise or unless they all consent.

c. Return location

ARTICLE 566 - What is kept shall be returned at the place where it should be kept, at the expense and damage of the keeper.

3. Responsibility of those who hide

ARTICLE 567 - Those who take something to store it together shall be jointly and severally liable.

4. Third party claims

ARTICLE 568 - Even if a third party claims a right in rem on the stored property, the depositor is obliged to return it to the depositor unless the stored property is seized or an

action for appropriation is filed against the depositor.

In the event of a seizure or a forfeiture action, the custodian must immediately notify the depositor.

IV. Leave it to a trusted person

ARTICLE 569 - If more than one person, in order to protect their rights, leave a thing whose legal status is disputed or uncertain to a trustee, this person cannot return it to any of them unless he has the consent of all of the depositors or the decision of the judge.

B. Storage of things of value

ARTICLE 570 - If it is expressly or implicitly agreed that the custodian shall return the money left to him in kind without being obliged to return it in kind, the benefit and damage of that money shall belong to him.

If the money is left unsealed and open, it is considered an implicit agreement.

The custodian may not dispose of other movable property or negotiable instruments unless expressly authorized by the custodian.

C. Leave it to the warehouseman

I. Promissory note issuance

ARTICLE 571 - A warehouseman who clearly notifies the public that he has accepted commercial goods for safekeeping may request from the competent authority to be allowed to issue a bill representing the goods being safekept.

II. Storekeeper's duty of custody

ARTICLE 572 - The warehouseman is obliged to keep the goods left to him as diligently as a broker and if there is a change in the goods requiring additional measures to be taken, he is obliged to notify the custodian of the situation to the extent possible.

The storekeeper must allow the custodian to inspect the condition of the goods and take samples at customary business times and at all times to take the necessary conservation measures.

III. Mixing of things left behind

ARTICLE 573 - Unless expressly authorized, the bidder may not mix identical things of the same kind and quality.

Each of the custodians may claim a proportionate share in such things mixed on the basis of the authorization.

In this case, the custodian may allocate the share of each of the custodians without the custodians having to be present together.

IV. The rights of the warehouseman

ARTICLE 574 - The warehouseman may demand the agreed or customary warehouse fee and all expenses such as maintenance, transportation and customs not arising from the storage.

These costs shall be paid immediately and the storage fee shall be paid quarterly and in any case at the time of the return of all or part of the goods.

As long as the depositor is in possession of the goods or has the authority to dispose of them by means of any deed representing the goods, he has the right of lien on these goods for his claims.

V. Return of goods

ARTICLE 575 - The custodian is obliged to return the commercial goods as in the general custody agreement. However, for reasons that the custodian cannot foresee in the contract, the custodian is obliged to

Even where the warehouseman is authorized to return the goods before the end of the agreed period, the warehouseman must keep the goods until the end of the agreed period.

D. Leaving it to the operators of accommodation, garages, parking lots and similar places

I. Responsibility of accommodation operators

1. Terms and scope

ARTICLE 576 - The operators of places such as hotels, motels, pensions and holiday villages are liable for the destruction, damage or theft of the goods brought by the guests. However, the operators shall be relieved from this liability by proving that the damage arises from the fault, force majeure or the nature of the goods which can be attributed to the guest himself or to the person visiting him or to the person accompanying him or in his service.

This liability shall not be imposed on the hosts unless fault is attributable to the operators or their employees.

cannot exceed three times the daily accommodation fee for each person.

2. Valuables

ARTICLE 577 - If valuable goods or a substantial amount of money or negotiable instruments are not left to the operator for safekeeping, the operator shall be liable only in case of fault of himself or his employees.

If the operator has taken or refrained from taking them for safekeeping, he is liable for the full value of the goods.

Money and similar items that the host must keep with him/her the rule of liability for his other property shall apply to him.

3. Release of liability

ARTICLE 578 - If the host does not notify the operator as soon as he learns of the damage, he loses his right to claim.

Even if the operator announces by any means that he has not assumed such a responsibility or that he has conditioned the responsibility on a condition not specified in this Law, he cannot be released from liability.

II. Responsibility of operators of garages, parking lots and similar places

ARTICLE 579 - Operators of garages, parking lots and similar places are liable for the destruction, damage or theft of animals, carriages, their harnesses and similar goods and motor vehicles and their attachments left to them or accepted by their employees. However, the operators shall be liable for the damage caused by the fault attributable to the keeper or the visitor or the person accompanying or serving him, force majeure or the damage caused by they are relieved of this responsibility by proving that it arises from their qualifications.

However, the liability of the operators of garages, parking lots and similar places cannot exceed ten times the daily storage fee charged for each of the stored items, unless a fault is attributed to them or their employees.

Even if the operator announces by any means that he has not assumed such a responsibility or that he has conditioned the responsibility on a condition not specified in this Law, he cannot be released from liability.

III. Right to imprisonment

ARTICLE 580 - The operators have the right of imprisonment on the goods or animals left to them or placed in accommodation places, garages, parking lots and similar places in order to secure their receivables arising from their fees or storage expenses.

The provisions regarding the lessor's right of imprisonment shall also apply here by analogy.

CHAPTER FIFTEEN

Surety Agreement

A. Definition

ARTICLE 581 - A suretyship agreement is a contract whereby the surety undertakes to be personally liable to the creditor for the consequences of the debtor's failure to fulfill his obligation.

B. Conditions

I. Principal debt

ARTICLE 582 - A suretyship agreement may be concluded for an existing and valid debt. However, a suretyship agreement may also be concluded for a debt which will arise in the future or which is conditional, in order to be effective when this debt arises or when the condition is realized.

A person who gives personal guarantee for a debt for which the debtor is not liable due to mistake or incompetence shall be liable according to the provisions of the law on suretyship, if at the time of entering into the obligation, he knew of the deficiency that crippled the contract. The same rule shall also apply to a person who vouches for a debt which is time-barred as regards the debtor.

Unless otherwise provided by law, the surety may not waive the rights granted to him under this section in advance.

II. Figure

ARTICLE 583 - A suretyship agreement shall not be valid unless it is made in writing and unless the maximum amount for which the surety shall be liable and the date of suretyship are specified. The surety is required to indicate in his own handwriting in the suretyship agreement the maximum amount for which he is liable, the date of suretyship and, in case he is a joint surety, that he is under obligation in this capacity or with any expression that means this.

Giving special authorization to be a surety on behalf of oneself and promising to be a surety to the other party or a third party are subject to the same formal requirements. The parties may agree to limit the liability of the surety to a certain amount of the debt by complying with the written form.

Subsequent amendments to the suretyship agreement that increase the surety's liability shall not be effective unless the form prescribed for the suretyship is complied with.

III. Spousal consent

ARTICLE 584 - Unless there is a separation decree issued by a court or unless the right to live legally separately has arisen, one of the spouses may be a surety only with the written consent of the other; this consent must be given before or at the latest at the time of the conclusion of the contract.

The consent of the spouse is not required for subsequent amendments to the suretyship agreement that do not lead to an increase in the amount for which the surety will be liable or to the conversion of ordinary suretyship into joint and several suretyship or to a significant decrease in the guarantees in favor of the surety.

(Additional paragraph: 28/3/2013-6455/77 Art.) Sureties to be given by the owner of the commercial enterprise registered in the trade registry or by the partner or manager of the commercial company in relation to the enterprise or company, sureties to be given by the tradesmen or craftsmen registered in the tradesmen and craftsmen registry in relation to their professional activities, **Law No. 5570 dated 27/12/2006 on Interest-Backed Credit Utilization Conducted by Public Capital Banks** guarantees to be provided for loans to be used within the scope of agricultural credit, agricultural sales and tradesmen and

The consent of the spouse is not sought for the guarantees to be given for the loans to be extended to the cooperative members by the credit and surety cooperatives for craftsmen and artisans and public institutions and organizations.

C. Contents

I. By type

1. Ordinary bail

ARTICLE 585 - In ordinary suretyship, the creditor cannot pursue the surety unless he applies to the debtor; however, he may apply directly to the surety in the following cases:

1. Obtaining a final certificate of insolvency as a result of the proceedings against the debtor.
2. It becomes impossible or significantly difficult to prosecute the debtor in Turkey.

3. Decision on the bankruptcy of the debtor.
4. The debtor has been granted a concordat deadline.

If the receivable is also secured by a pledge before or during the suretyship, the surety in ordinary suretyship may request that the receivable be taken primarily from the subject of the pledge. However, this provision shall not apply if the debtor has been declared bankrupt or granted a concordat deadline.

If the surety is provided only to cover the deficit, the surety may be applied to directly in the event that the proceedings against the debtor result in a final certificate of insolvency, or the proceedings against the debtor become impossible in Turkey, or the concordat becomes final. In these cases, it may be agreed in the contract that the creditor must first apply to the principal debtor.

2. Joint and several suretyship

ARTICLE 586 - If the surety has accepted to be under obligation as a joint surety or with any expression that means this, the creditor may pursue the surety without pursuing the debtor or foreclosing the pledge of immovable property. However, for this purpose, the debtor must be in default of performance and the notice must be ineffective or he must be manifestly insolvent.

If the receivable is secured by a pledge of movable property subject to delivery or a pledge of receivables, the surety may not be applied before the pledge is redeemed. However, in cases where it is determined by the judge in advance that the receivable cannot be fully satisfied through the foreclosure of the pledge, or the debtor becomes bankrupt or is granted a concordat deadline, the surety may be applied for before the foreclosure of the pledge.

3. Co-bailment

ARTICLE 587 - In case more than one person is joint surety for the same debt, each of them shall be liable as an ordinary surety for his own share and as a surety for the share of others.

Obligation as joint surety together with the debtor or among themselves
Each of the sureties shall be liable for the entire debt. However, a surety may refrain from paying more than his share, unless proceedings have been instituted against all other sureties who are jointly and severally liable with him before or at the same time and who are traceable in Turkey. A surety may also exercise this right if the other sureties have paid their share or provided security in kind. Without prejudice to agreements to the contrary, the surety who has paid the debt may refrain from paying more than its share to the extent that the other sureties have not already paid their share.

has the right of recourse against the sureties. This right may also be exercised before recourse to the debtor.

If the creditor knows or should know that the surety has assumed that other persons are or will be sureties for the same receivable, the surety shall be released from the surety obligation if this assumption is subsequently not realized or if one of the sureties is released from the surety obligation by the creditor or if the surety's surety is decided to be null and void.

he'll be saved.

Each of the sureties independently of each other for the same debt shall be liable for the entire surety debt. However, the surety who pays the debt has the right of recourse to the others in proportion to their share in the total surety amount, unless otherwise agreed.

4. Surety to surety and surety to recourse

ARTICLE 588 - The surety who gives assurance to the creditor for the debt of the surety is liable together with the surety as if he were an ordinary surety.

A recourse surety is a surety who guarantees the surety's recourse against the debtor.

II. Common provisions

1. The relationship between the guarantor and the creditor

a. Scope of liability

ARTICLE 589 - In any case, the surety is liable up to the maximum amount specified in the surety agreement.

Unless otherwise agreed in the contract, the surety shall be limited to the maximum amount specified is responsible for the following:

1. The legal consequences of the principal debt and the debtor's fault or default.
2. The costs of prosecution and litigation against the debtor, provided that the creditor has notified the surety in good time in order that the surety may prevent such prosecution and litigation by paying the debt, and, where necessary, the costs of surrendering the pledges to the surety and transferring the pledge rights.
3. Contractual interest for one year and the year in progress and, if necessary, interest for one year and the year in progress on the principal lent against bonds.

Unless expressly agreed in the contract, the surety is only liable for the debts of the debtor after the conclusion of the surety contract.

Agreements stipulating that the surety shall be liable for the damages and penalty clauses caused by the nullity of the principal debt relationship are absolutely null and void.

b. Follow-up of the guarantor

ARTICLE 590 - Even if the principal debt becomes due before due date due to the bankruptcy of the debtor, no proceedings may be instituted against the surety before the specified maturity.

In all types of suretyship, the surety, in return for security in kind, may ask the judge to grant the surety until the existing pledges are converted into money and a final certificate of insolvency is obtained as a result of the proceedings against the debtor, or may request a decision to suspend the proceedings against him/her until the concordat decision.

If the maturity of the principal debt is dependent on the creditor or debtor's prior notification of a period of time, this period of time for the surety debt starts to run on the date the notification is made to the surety.

If the payment of the debt of the debtor whose domicile is in a foreign country has become impossible or limited due to the legal regulations of that foreign country, such as prohibitions on foreign currency transactions or remittances, the surety whose domicile is in Turkey may object to the proceedings on this ground.

c. Defiler

ARTICLE 591 - The surety has the right to assert against the creditor all defenses which belong to the principal debtor or his heirs and which do not arise from the insolvency of the principal debtor, and is obliged to assert them. This provision shall not apply in the case of suretyship knowingly for a debt for which the obligor is not liable due to mistake or incapacity to contract or a debt which has become time-barred.

Even if the principal debtor waives a defense that belongs to him, the surety may still assert this defense against the creditor.

If the surety makes a payment without knowing the existence of the defenses of the principal debtor, recourse shall have the right of recourse. On the other hand, if the principal debtor proves that the surety knew or should have known of these defenses, the surety loses his right of recourse to the extent that he would have been relieved from the payment if these defenses had been raised.

In the case of a surety for a debt arising from gambling or betting, the surety may assert the same defenses as the principal debtor, even if he/she is aware of this nature of the debt.

d. Due diligence, pledge and delivery of promissory notes

ARTICLE 592 - If the creditor reduces the pledge rights, security and priority rights existing at the time of suretyship or subsequently obtained from the principal debtor as special security for the receivable, to the detriment of the surety, the surety's liability shall be reduced by an amount corresponding thereto, unless the creditor proves that the damage is less. The surety's extra payment reserves the right to demand the return of the amount.

In the case of a surety for employees, if the creditor neglects the supervision it is obliged to exercise over the employees or fails to exercise due diligence, and if the debt arises or increases to an extent that it would not have reached if it had exercised such diligence, it cannot claim this debt or the increased part of the debt from the surety.

The creditor is obliged to deliver to the surety who pays the debt the debt instruments that may be used to exercise his rights and to provide the necessary information. The creditor is also obliged to deliver to the surety the pledges and other securities existing at the time of the surety or subsequently provided by the principal debtor for the receivable, or to take the necessary actions for their transfer. Creditor, pledge and imprisonment rights due to other receivables are reserved to the extent that they take precedence over the rights of the surety.

If the creditor fails to fulfill its obligations without a justifiable reason or, through gross negligence, forfeits the existing documents or pledges or other securities for which it is responsible, the surety shall be released from its obligation. In this case, the surety may demand the return of what he/she has paid and the compensation of additional damages, if any.

e. Request acceptance of payment

ARTICLE 593 - Even if it is due to the bankruptcy of the debtor, if the debt is due, the surety may always request the creditor to accept the payment to be made. For a debt more than

one

In the case of multiple sureties, the creditor is obliged to accept the partial payment to be made by one of the sureties, provided that it is not less than the share of the surety who proposed it.

If the creditor refrains from accepting the payment without a justifiable reason, the surety is released from his/her obligation; in joint and several suretyship, the liability of the sureties is reduced by the amount of their share.

If the creditor consents, the surety may pay the principal debt before it becomes due. However, in this case, the surety **cannot exercise** his right of recourse against the principal debtor before the debt becomes due.

f. Notification, registration in bankruptcy and concordat

ARTICLE 594 - If the principal debtor is six months late in the payment of the principal or the interest for a half-year period or in the principal payments foreseen to be made annually, the creditor is required to notify the surety of the situation. Upon request, the creditor is always obliged to inform the surety about the scope of the principal debt.

If the principal debtor has been declared bankrupt or the debtor has requested concordat, the creditor is obliged to register his/her receivables and to do what is necessary to protect his/her rights. **As soon as** the creditor learns that the debtor is bankrupt or that the debtor has been granted a concordat deadline, **the creditor must notify the surety.**

If the creditor fails to fulfill one of the requirements set forth in the preceding paragraphs the guarantor loses his rights against the guarantor to the extent of the loss suffered by the guarantor.

2. The relationship between the guarantor and the debtor

a. The right to request security and release from debt

ARTICLE 595 - In the following cases, the surety may request the principal debtor to provide security and, if the debt is due and payable, to be released from the debt:

1. If the principal debtor has breached the obligations undertaken against the surety, in particular the promise to release him/her from the debt within a certain period of time.

2. The principal debtor is in default or has transferred its domicile to another country, making the proceedings significantly more difficult.

3. If, as a result of the deterioration of the financial situation of the principal debtor, the depreciation of the collateral or the debtor's fault, the danger to the surety has increased significantly compared to the date of the surety.

b. Surety's right of recourse

ARTICLE 596 - The surety shall be subrogated to the rights of the creditor to the extent that he performs for the creditor.

The surety may exercise these rights when the principal debt becomes due.

Unless otherwise agreed, the surety shall be subrogated to pledge rights and other guarantees provided for the same receivable only to those that existed at the time of the suretyship or that were granted by the principal debtor specifically for this receivable. A surety who partially performs for the creditor shall be subrogated only to the part of the pledge right that covers this part. The creditor's remaining right to the pledge shall take

precedence over the surety's right to the pledge.

Claims and defenses arising from the legal relationship between the surety and the principal debtor are reserved.

If the pledge securing a receivable is converted into money or the debt is paid by the pledging owner, the owner may exercise his right of recourse against the surety only if there is such an agreement between the surety and the surety or if the pledge is subsequently given by a third party.

The statute of limitations regarding the surety's right of recourse starts to run at the moment the surety performs to the creditor.

If the surety makes a payment for a debt that does not give a right of action or does not bind the principal debtor due to mistake or incapacity, he shall not have the right of recourse against the principal debtor. However, if the surety has undertaken to be liable for a time-barred principal debt as an agent of the principal debtor, the principal debtor shall be liable to him in accordance with the provisions of the proxy agreement.

c. Surety's notification obligation

ARTICLE 597 - The surety who pays the debt in whole or in part is obliged to notify the debtor.

If the surety fails to make this notification and the debtor, who did not know or should not have known about the payment, performs to the creditor, he loses his right of recourse.

The surety's right of action against the creditor arising from unjust enrichment is reserved.

D. Termination

I. According to the law

ARTICLE 598 - For whatever reason, when the principal obligation is terminated, the surety shall also be released from his obligation.

If the status of debtor and surety are combined in the same person, the special rights arising from the suretyship for the creditor benefits remain reserved.

Any suretyship granted by a natural person shall automatically lapse upon the expiration of ten years from the date of the execution of the relevant agreement.

Even if the suretyship is granted for a period of more than ten years, the surety may only be pursued until the expiry of the ten-year period, unless it has been extended or a new surety has been granted.

The suretyship period may be extended for a new maximum period of ten years by the surety's written declaration in accordance with the form of the suretyship agreement, provided that it is made one year before the expiration of the suretyship at the earliest.

II. Revocation of bail

ARTICLE 599 - In suretyship for a debt to be incurred in the future, if the financial condition of the debtor prior to the incurrance of the debt has deteriorated significantly after the execution of the suretyship agreement, or if it has become evident that his financial condition is much worse than the surety had assumed in good faith at the time of suretyship,

the surety may revoke the suretyship agreement at any time by giving a written notice to the creditor, as long as the debt is not incurred.

The surety is obliged to compensate for the damage caused by the creditor's reliance on the surety.

III. Temporary suretyship

ARTICLE 600 - The surety shall be released from his obligation at the end of the term.

IV. Non-durational suretyship

ARTICLE 601 - In the case of a non-periodic surety, the surety may, when the principal debt becomes due, at any time in the case of ordinary suretyship and in the case of joint and several suretyship, in the cases stipulated by the law, request the creditor to use his rights of action and proceeding against the debtor within one month, to proceed with the proceeding through foreclosure of the pledge, if any, and to continue the proceeding without interruption.

If the debt becomes due upon the creditor's notification to the debtor, the surety, One year after the date of establishment of the suretyship agreement, the creditor may request the creditor to make this notification and, when the debt becomes due and payable, to exercise its rights to pursue and sue in accordance with the provisions of the paragraph above.

If the creditor does not fulfill these requests of the guarantor, the guarantor shall be released from his/her debt.

V. Guaranteeing employees

ARTICLE 602 - In non-durational suretyship for employees, the surety may notify the termination of the contract every three years, to be effective at the end of the following year.

E. Field of application

ARTICLE 603 - The provisions relating to the form of suretyship, the capacity to be a surety and the consent of the spouse shall also apply to other agreements made by natural persons under other names in relation to the provision of personal guarantee.

CHAPTER SIXTEEN

Gambling and Betting

A. Inability to sue and pursue the receivable

ARTICLE 604 - No lawsuit may be filed and no proceedings may be initiated for the receivables arising from gambling and betting.

The same provision shall also apply to advances and loans knowingly given for gambling or betting, and to forward sales of goods, foreign currencies and negotiable instruments traded on the stock exchange on the basis of price difference, if they are in the nature of gambling and betting.

B. Promissory note issuance and willing payment

ARTICLE 605 - Even if the ordinary debt or bill of exchange signed by the person gambling or betting has been transferred to a third person, no one can file a lawsuit or pursue a proceeding based on them. The rights provided by negotiable instruments to bona fide third parties are reserved.

Voluntary payments for gambling and betting debts are not recoverable. However, a voluntary payment may be recovered if the proper conduct of the gambling or betting was prevented by an unforeseen event or an act of the other party, or if the other party cheated the

gambling or betting.

C. Lotteries and other games of chance

ARTICLE 606 - Unless authorized by law or by the competent authorities, no lawsuit may be filed and no proceedings may be instituted for receivables arising from lotteries and other games of chance.

Where not authorized, the provisions on gambling shall also apply to lotteries and other games of chance.

Lotteries and other games of chance organized in foreign countries in accordance with their own rules shall not benefit from legal protection unless the competent authorities in Turkey have authorized the sale of tickets for such games.

CHAPTER SEVENTEEN

Lifetime Income and Maintenance Contracts

CHAPTER ONE

Lifetime Income Contract

A. Definition

ARTICLE 607 - A lifetime income contract is a contract where the income debtor undertakes to make certain periodical performances to the income creditor during the lifetime of one of them or a third person.

In the absence of an express provision to the contrary, the contract is concluded during the life of the annuitant.

Sort of.

Income that is limited to the lifetime of the income debtor or a third party, Unless otherwise agreed, it passes to the heirs of the income creditor.

B. Shape

ARTICLE 608 - A lifetime income contract shall not be valid unless it is made in writing.

C. Rights of the income creditor

I. Exercise of the right

ARTICLE 609 - Unless otherwise agreed in the contract, lifetime income is paid every six months and in advance.

Even if the person to whom the duration of the income is tied to his/her lifetime dies before the end of the period for which prepayment is provided, the entire income for that period is deemed to be owed by the income debtor.

If the income debtor becomes insolvent, the income creditor shall be entitled to have a sum of money equal to the principal amount payable by the relevant social security institution in order to obtain the periodic income for which the income debtor is liable registered in the bankruptcy estate.

II. Transferability

ARTICLE 610 - Unless otherwise agreed by contract, the income creditor may transfer his rights to another person.

PART TWO

Contract of Maintenance for Life

A. Definition

ARTICLE 611 - A maintenance contract until death is a contract in which the maintenance debtor undertakes to take care of the maintenance creditor until death and the maintenance creditor undertakes the obligation to transfer an asset or some asset values to him.

If the care debtor has been appointed as heir by the care creditor, the maintenance until death provisions regarding inheritance contracts shall apply to the contract.

B. Shape

ARTICLE 612 - A maintenance contract until death, even if it does not include the appointment of an heir, shall not be valid unless it is made in the form of an inheritance contract.

If the contract is concluded by a State-recognized care institution in compliance with the conditions laid down by the competent authorities, the written form is sufficient for its validity.

C. Assurance

ARTICLE 613 - A maintenance creditor who has transferred an immovable to a maintenance debtor shall have a legal mortgage right on this immovable as a seller in order to secure his rights.

D. Subject.

ARTICLE 614 - The maintenance creditor becomes a member of the family community of the maintenance debtor upon the conclusion of the contract. The care debtor is obliged to fulfill to the care creditor the acts required by equity according to the value of the goods received and the social status of the care creditor before.

In particular, the care obligor is obliged to provide the care recipient with adequate food and housing, to care for him/her with due diligence in the event of illness and to provide him/her with treatment.

Institutions established for the purpose of providing end-of-life care to people they accept

The scope and performance of the duty of care shall be determined by general regulations drawn up by them and approved by the competent authorities. These regulations shall be considered as part of the contract.

E. Cancellation and revocation

ARTICLE 615 - If the maintenance creditor loses the opportunity to fulfill his obligation against the persons to whom he is obliged to provide maintenance according to the law due to the contract of maintenance until death, those who are deprived of this may request the annulment of the contract.

Instead of annulling the agreement, the judge may order the maintenance creditor to pay alimony to the persons to whom the maintenance creditor is obliged to pay alimony, to be set off against the obligations to be performed by the maintenance obligor.

The rights of heirs to file for equalization and creditors to file for annulment are reserved.

F. Termination

I. Termination with notice

ARTICLE 616 - If there is a significant disproportion between the performances of the parties and the party receiving the excess cannot prove that it was intended to donate to him, the other party may terminate the contract at any time, provided that he gives notice six months in advance. In the determination of this disproportion, the relevant social security institution shall take as basis the difference between the principal value of what is given to the care debtor and the annuity to be paid.

The performances performed until the termination of the contract, together with the principal and interest, shall be returned to the creditor as a result of the equalization.

II. Termination without notice

ARTICLE 617 - If the continuation of the contract becomes unbearable due to breach of contractual obligations or if other important reasons make the continuation of the contract impossible or excessively difficult, either party may terminate the contract without giving any notice. If the contract is terminated on the basis of one of these grounds, the party at fault shall return what it has taken and shall compensate the party at fault with an appropriate compensation for the loss it has suffered thereby.
is obliged to pay.

The judge may find it appropriate to terminate the contract without prior notice, or, at the request of one of the parties or on his/her own motion, terminate their living in the family community and grant a lifelong income to the care recipient.

III. Death of the care debtor

ARTICLE 618 - If the maintenance debtor dies, the maintenance creditor may request the termination of the contract within one year. In this case, the maintenance creditor may request the heirs of the maintenance debtor to pay him a sum of money equal to the amount he may request from the bankruptcy estate in case of bankruptcy of the maintenance debtor.

G. Request in case of non-assignability, bankruptcy and foreclosure

ARTICLE 619 - The maintenance creditor cannot transfer his right to another person.

In the event of the bankruptcy of the care debtor, the care creditor shall be entitled to credit the bankruptcy estate with a sum of money equal to the principal value of the periodic income that the debtor is obliged to pay, which must be paid by the relevant social security institution.

The maintenance creditor may, in order to meet this receivable, be liable to the debtor by third parties

may participate in the foreclosure in progress.

CHAPTER EIGHTEEN

Ordinary Partnership Agreement

A. Definition

ARTICLE 620 - An ordinary partnership agreement is an agreement in which two or more persons undertake to combine their labor and property to achieve a common purpose.

A partnership shall be deemed to be an ordinary partnership subject to the provisions of this Chapter if it does not have the distinctive characteristics of partnerships regulated by law.

B. Relationship between partners

I. Participation share

ARTICLE 621 - Each partner is obliged to contribute a contribution to the partnership in the form of money, receivables or other property or labor.

Unless otherwise agreed in the agreement, the participation shares must be equal to each other and of the importance and quality required by the purpose of the partnership.

If a shareholder's participation share consists of the use of a thing, the provisions of the lease agreement shall apply by analogy; if it consists of the ownership of a thing, the provisions of the sales contract regarding liability for damage, defect and possession shall apply by analogy.

II. Profit and loss

1. Sharing the gains

ARTICLE 622 - The partners are obliged to share among themselves all the profits belonging to the partnership due to their nature.

2. Participation in gains and losses

ARTICLE 623 - Unless otherwise agreed in the agreement, the share of each partner in the profit and loss is equal regardless of the value and nature of the participation share.

If the contract specifies one of the partners' share of profit or loss, this specification also refers to the share in the other.

An agreement that a partner will participate only in the profits and not in the losses is valid only for the partner who has contributed only his or her labor as a contribution.

III. Decisions of the partnership

ARTICLE 624 - The decisions of the partnership shall be taken unanimously by all partners.

If the agreement states that decisions shall be taken by majority of votes, the majority shall be determined according to the number of partners.

IV. Management of the partnership

ARTICLE 625 - Unless the management is left to only one or more partners or to a third person by contract or decision, all partners have the right to manage the partnership.

If the partnership is managed by all or some of the partners, **each of them** may carry out the transaction without the participation of the others; however, each partner authorized to manage the partnership may prevent such transaction from being carried out by objecting to the transaction before its completion.

The unanimous vote of all shareholders is required for the appointment of a general authorized representative and for the conduct of extraordinary affairs of the partnership. However, in cases where delay is inconvenient, each of the managing partners is authorized in this regard.

V. Responsibility between partners

1. Non-competition

ARTICLE 626 - The partners may not, for their own benefit or for the benefit of third parties, engage in any business that hinders or harms the purpose of the partnership.

2. Expenses and works performed by the partners

ARTICLE 627 - **The** other partners shall be liable for the expenses incurred or debts assumed by one of the partners for the affairs of the partnership; the other partners shall be obliged to compensate the damages incurred directly by this partner due to the management affairs and the damages incurred as a result of the dangers arising from the management of the partnership.

A partner who advances money to the partnership may demand interest starting from the day of advance.

A partner who has performed labor for the affairs of the partnership, even though he is not liable to do so, may demand an equitable remuneration.

3. Debt of care

ARTICLE 628 - Each partner is obliged to show effort and diligence in the affairs of the partnership to the same extent as in his own affairs.

Each partner shall be obliged to compensate the others for the damages caused by his own fault, without the right to set off such damages against the benefits provided to the partnership in other businesses.

The partner who carries out the affairs of the partnership for a fee shall be liable according to the provisions of proxy.

VI. Abrogation and limitation of management authority

ARTICLE 629 - **The** management authority granted to one of the partners by the partnership agreement cannot be removed or limited by the other partners without a justifiable reason.

Even if there is a provision in the partnership agreement that the authority cannot be revoked, if there is a justifiable reason, each of the other partners may revoke the management authority.

Justifiable reasons exist in particular in cases where the managing partner has grossly neglected his or her duties or has lost the ability necessary for good management.

VII. Relationship between managing partners and other partners

1. In general

ARTICLE 630 - Unless otherwise provided in this section of the Law or in the partnership agreement, the relations between the managing partners and the other partners shall be subject to the provisions regarding the proxy agreement.

In cases where a partner who does not have the authority to manage the partnership conducts the affairs of the partnership or exceeds the authority of the partner who has this authority, the provisions on acting without a power of attorney shall apply.

Managing partners are obliged to submit an account at least once a year and to pay their share of profits to the partners. Any agreement to extend the accounting period shall be null and void. The same rule shall apply if the managing partner is not one of the partners.

2. Reviewing partnership work

ARTICLE 631 - Each shareholder has the right to obtain information about the operation of the partnership, to examine its books and records, to take samples thereof and to make a summary of its financial situation, even if he has no management authority.

Contracts to the contrary are absolutely null and void.

VIII. Changes in shareholder and ownership structure

1. New partner recruitment and sub-participation

ARTICLE 632 - The admission of a new partner to the partnership is subject to the consent of all partners.

If one of the partners unilaterally makes a third party a partner in the partnership or transfers his/her share to him/her, this third party shall not be entitled to the title of partner.

2. Exit and dismissal from the partnership

a. In general

ARTICLE 633 - In the event that a partner gives notice of dissolution, is restricted, bankrupt, his/her share in the liquidation is liquidated through enforcement or dies, if there is a provision in the agreement stipulating that the partnership shall continue with the other partners, that partner or his/her representative or the heir of the deceased partner may leave the partnership or may be removed from the partnership by a written notification to be made by the other partners when one of these situations occurs.

b. Liquidation of partnership interest

ARTICLE 634 - In the event that a partner leaves or is dismissed from the partnership, his/her share shall automatically pass to the other partners in proportion to their shares.

The other partners are obliged to return to the partner who has left or been removed from the partnership the property the use of which he left to the partnership, as well as to release him from the joint and several liability arising from the outstanding debts of the partnership and to pay the liquidation share which would have been payable if the partnership had been liquidated on the date of termination of his partnership. For the debts of the partnership which are not yet due and payable, the other partners may, instead of releasing the exiting or dismissed partner from liability, provide him/her with a guarantee.

The liquidation share of the exiting or excluded shareholder shall be calculated by an expert in financial affairs as of the date of termination of the shareholding. If the parties cannot agree on the expert, this person shall be appointed by the judge.

c. Insufficient assets

ARTICLE 635 - If the assets of the partnership are insufficient to cover the debts of the partnership at the date of termination of the partnership title, the exiting or dismissed partner is obliged to pay the debt amount falling to his share to the other partners within the framework of the regulations regarding participation in loss.

d. Unfinished work

ARTICLE 636 - The exiting or excluded partner shall participate in the profit or loss arising from the works that have not yet been finalized during the period in which he was a partner.

The person whose status as a partner is terminated may request the share of profit, if any, that will fall to him from the partnership due to the completed works as of the end of that accounting year, and the necessary information about the ongoing works.

C. Relationship of shareholders with third parties

I. Representation

ARTICLE 637 - A shareholder who enters into a transaction with a third person in his own name and on behalf of the partnership shall be personally creditor and debtor against such person.

If one of the partners enters into a transaction with a third party on behalf of the partnership or all partners, the other partners shall become the creditor or debtor of such person only in accordance with the provisions on representation.

The shareholder who is entrusted with the management of the partnership or all of its shareholders representation authority against persons shall be deemed to exist. However, the authorization regarding the significant saving transactions to be made by the managing shareholder with the power of representation must be granted unanimously by all shareholders and this matter must be clearly stated in the authorization certificate.

II. Consequences of representation

ARTICLE 638 - Things, receivables and real rights acquired for the partnership or transferred to the partnership shall belong to all partners in the form of unity within the framework of the partnership agreement.

Unless otherwise provided in the partnership agreement, the creditors of a shareholder may exercise their rights only on the share of that shareholder in the liquidation.

Unless otherwise agreed, the partners shall be jointly and severally liable to a third party, either jointly or through a representative, for the obligations undertaken by them within the framework of the partnership relationship.

D. Termination of partnership

I. Reasons for termination

1. In general

ARTICLE 639 - A partnership shall terminate in the following cases:

1. Realization or realization of the purpose stipulated in the partnership agreement impossible.

2. If there is no provision in the contract for the continuation of the partnership with heirs, upon the death of one of the partners.

3. Unless there is a provision in the contract that the partnership shall continue, by the restriction of a partner, bankruptcy or the forfeiture of his/her share in the liquidation through enforcement.

4. By unanimous decision of all partners.

5. At the end of the agreed period for the partnership.

6. If the right to give notice of dissolution is reserved in the partnership agreement or if the partnership is established for an indefinite period or for the life of one of the partners, by a partner giving notice of dissolution.

7. In case of justified reasons, always by court decision upon a request for termination, without any further conditions.

2. Indefinite partnership

ARTICLE 640 - If the partnership is established for an indefinite period of time or for the lifetime of one of the partners, each of the partners may give notice of termination six months in advance.

The notice of termination may be given in breach of good faith and in particular in an inappropriate manner. The notice of termination shall only take effect at the end of the accounting year.

If the partnership is continued after the expiry of the period stipulated in the contract with the implicit will of the partners, it becomes an indefinite partnership.

II. Effect of dissolution on the management of the partnership

ARTICLE 641 - If the partnership is terminated by any means other than a notice of dissolution, the authority of a partner to manage the affairs of the partnership shall continue in respect of himself until the time he learns of the termination or could have learned of it if he had exercised the due diligence required by the situation.

If the partnership is terminated by the death of one of the partners, the heir of the deceased partner may immediately notify the other partners. Until the necessary measures are taken, the heir shall continue to carry out the business previously carried out by the deceased partner within the framework of the rules of good faith. The other partners shall temporarily continue to carry out the affairs of the partnership in the same manner.

III. Liquidation

1. Action to be taken for co-payment

ARTICLE 642 - A shareholder who has put in the ownership of a thing as a participation share cannot take back that thing as it is as a result of the liquidation to be made upon the termination of the partnership; however, he may demand the value of the participation share he has put in.

If this value has not been determined, the redemption is based on the value of the thing at the time it was put in as a contribution.

2. Sharing of gains and losses

ARTICLE 643 - If anything remains after the debts of the partnership have been paid and the advances given by each of the partners to the partnership and the expenses incurred for the partnership and the participation share contributed by each of the partners have been returned, this gain shall be shared among the partners.

If the assets of the partnership remaining after the payment of debts, expenses and advances are insufficient for the return of the participation shares contributed by the partners, the loss shall be shared among the partners.

3. Liquidation procedure

ARTICLE 644 - In the event of termination of the partnership, liquidation shall be carried out unanimously by all partners, including the non-managing partners. However, if the partnership agreement stipulates that certain transactions shall be performed by one of the partners on his own behalf and on behalf of the partnership, this partner is obliged to perform those transactions alone and to account to the others even after the termination of the partnership.

The partners may appoint a liquidator to carry out the liquidation affairs. In case they cannot agree on this matter, each of the partners may request the appointment of the liquidator by the judge.

The remuneration to be paid to the liquidator may be determined by a provision in the agreement or by the shareholders.

If there is no unanimous decision, it shall be determined by the judge by taking into consideration the labor required for the liquidation and the income of the partnership assets, and shall be paid from the partnership assets, or if this is not possible, jointly and severally from the partners.

Regarding the liquidation procedure or the share to be distributed to each shareholder as a result of the liquidation disputes that may arise shall be resolved by the judge upon the request of those concerned.

IV. Liability to third parties

ARTICLE 645 - The termination of the partnership does not change the obligations towards third parties.

Relationship with the Turkish Civil Code

ARTICLE 646 - This Law is the Fifth Book of the Turkish Civil Code dated 22/11/2001 and numbered 4721 and is its complement.

Repealed Law

ARTICLE 647 - The Code of Obligations dated 22/4/1926 and numbered 818 has been repealed.

PROVISIONAL ARTICLE 1- (Additional :8/6/2022-7409/4 Art.)

Agreements regarding the rental price to be applied in the lease periods renewed between the date of entry into force of this article and 1/7/2023 (including this date) in terms of residential rents are valid provided that they do not exceed twenty-five percent of the rental price of the previous lease year. If the rate of change in the consumer price index of the previous lease year according to the twelve-month averages is below twenty-five percent, the rate of change shall apply. This rule also applies to lease agreements with a term longer than

one year. Agreements made in excess of these rates are invalid in terms of excess amount. The provision of this paragraph shall also apply to the decisions to be made by the judge pursuant to the second paragraph of Article 344.

Enforcement

ARTICLE 648 - This Law shall enter into force on July 1, 2012.

Execution

ARTICLE 649 - The provisions of this Law shall be executed by the Council of Ministers.

PROVISIONS NOT INCORPORATED INTO LAW NO. 6098**1- Provision of the Law dated 31/3/2011 and numbered 6217:****PROVISIONAL ARTICLE 2 - (Amended: 4/7/2012-6353/53 Art.)**

Articles 323, 325, 331, 340, 342, 343, 344, 346 and 354 of the Turkish Code of Obligations dated 11/1/2011 and numbered 6098 shall not be applied for 8 years as of 1/7/2012 in workplace leases where the lessee is the persons deemed as merchants in the Turkish Commercial Code and private law and public law legal entities. In this case, the provisions of the lease agreement shall be applied in accordance with the freedom of contract regarding the issues specified in these articles in the lease agreements.

In cases where there is no provision in the lease agreements, the provisions of the abrogated Code of Obligations shall apply.

**TABLE SHOWING THE ENTRY INTO FORCE DATES OF THE
LEGISLATION OR CONSTITUTIONAL COURT DECISIONS
INTRODUCING ADDITIONS AND AMENDMENTS TO THE LAW NO. 6098**

Amending Law/Decree Law or Canceling Number of the Constitutional Court Decision	Amended or Annulled Articles of Law No. 6098	Date of Entry into Force
6111	15	1/7/2012
6217	Unworkable Provision	14/4/2011
6353	Unworkable Provision	12/7/2012
6455	584	11/4/2013
EXECUT IVE DECRE E/700	256, 407	Grand National Assembly of Turkey held together on 24/6/2018 The date on which the President takes oath of office as a result of the elections to the Parliament and the Presidency (9/7/2018)

7161	344	On the date of publication, effective from 1/1/2019
7409	Provisional Article 1	11/6/2022