

## Schedule B – Bond Terms

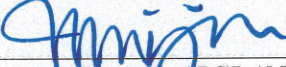
### Terms and Conditions (T&C) of the Bonds


The Bonds are governed by Turkish law, issued and offered by way of sales to qualified investors (“**Qualified Investors**”) as described under the Capital Markets Board of Turkey’s (CMB) “Communiqué on Sales of Capital Market Instruments (II-5.2)” and “Communiqué on “Principles of Establishment and Activities of Investment Firms” (III-39.1)” (hereafter (the “**Communiqués**”)).

The terms of the Bonds set out below constitute valid and binding obligations of the Issuer, enforceable in accordance with their terms, and the Issuer irrevocably undertakes with each Bond Investor to comply with them in all respects.

The Issuer hereby represents and warrants to all Bond Investors that all information specified herein is true and accurate in all respects and that the terms of the Bonds have been duly authorised by the Issuer.

Signed by YDA İnşaat Sanayi ve Ticaret A.Ş on 22 July 2016

  
Name: Hüseyin ARSLAN  
Title: Chairman

  
Name: Cüneyt ARSLAN  
Title: Vice Chairman

<b>Country of Issuance</b>	Republic of Turkey
<b>Country of Sale</b>	Republic of Turkey
<b>Project</b>	Financing of (i) the equity commitments under the Konya Karatay Integrated Health Campus PPP into ATM Sağlık Konya Yatırım ve İşletme A.Ş., a joint stock company registered with the Ankara Trade Registry under registration number 359839; and. (ii) refinancing of short term loans.
<b>Issuer</b>	YDA İnşaat Sanayi ve Ticaret A.Ş. (the “ <b>Company</b> ”)
<b>Issue Size</b>	Up to TRY 300 million
<b>Issue Date (Settlement Date)</b>	26 July 2016.

<b>ISIN</b>	ISIN code of the First Tranche: <b>TRSYDAT71814</b> ISIN code of the Second Tranche: <b>TRSYDAT72010</b>
<b>Issue Market/Issue Method</b>	TRY domestic/sales to qualified investors
<b>Issue Type</b>	Bonds
<b>Legal Framework of Issuance</b>	The Turkish Capital Markets Law No. 6362, the Communiqué of the CMB No. II-5.2 on the Sale of Capital Markets Instruments, the Communiqué of the CMB No. II-31.1 on the Debt Instruments, the Communiqué of the CMB No. II-5.1 on the Offering Circular and Issuance Certificate and other applicable laws.
<b>Bond investors</b>	Qualified investors (in Turkish, “ <i>nitelikli yatırımcılar</i> ”) described under the CMB’s Communiqué on Sales of Capital Market Instruments (II-5.2)", "Communiqué on “Principles of Establishment and Activities of Investment Firms” (III-39.1)" and relevant regulations as may be amended, modified or replaced from time to time.
<b>Maturity Date</b>	<b>First Tranche:</b> <b>24 July 2018</b> (being the last Coupon Payment Date) <b>Second Tranche:</b> <b>22 July 2020</b> (being the last Coupon Payment Date)

<p><b>Pricing</b></p>	<p><b>First Tranche:</b></p> <p>Floating rate Bonds priced over the reference government bond ("CMTR").</p> <p>Reference Annual Compound Yield is calculated by using the last three traded days' weighted average compound yield (same day value) of the CMTR as of the book-closing date.</p> <p><i>Reference Quarterly Simple Yield = ((Reference Annual Compound Yield +1)^(Number of Days within the relevant coupon period/365))-1</i></p> <p>If the "Benchmark" has been issued for the first time and has not been exchanged on Borsa Istanbul for the last three traded days during the coupon payment dates, the calculations will be based on the preceding CMTR.</p> <p>"<b>Quarterly Coupon Rate</b>" will be calculated by adding Reference Quarterly Simple Yield to the quarterly spread, which is ¼ of Annual Spread.</p> <p><i>Quarterly Coupon Rate = Reference Quarterly Simple Yield + (Annual Spread / 4).</i></p> <p>Four digits after the decimal point are taken into account for the aforementioned calculations.</p> <p><b>Second Tranche:</b></p> <p>Floating rate Bonds priced based on the Benchmark Rate and Margin specified below.</p> <p>The "Coupon Rate" of the Bonds will be calculated in accordance with the formula below:</p> <p><i>Coupon Rate = Benchmark Rate + Margin * Actual Day Count /365.</i></p> <p>Six digits after the decimal point are taken into account for the aforementioned calculations.</p>
<p><b>Margin</b></p>	<p><b>First Tranche Margin: 350 bps per annum.</b></p> <p><b>Second Tranche Margin: 350 bps per annum.</b></p>
<p><b>Book-building Date</b></p>	<p>22 July 2016.</p>

<b>Benchmark Rate for the First Tranche of the Issuance</b>	<p>The Benchmark Rate for the pricing of the First Tranche will be CMTR.</p> <p>For purposes of these Bond Terms:</p> <p>"<b>CMTR</b>" means constant maturity treasury reference</p> <p>- 2 year maturity fixed coupon government bond (in Turkish, "<i>devlet iç borçlanma senedi</i>") issued as benchmark bond by the Department Undersecretariat of Treasury of Turkey (<i>T.C. "Hazine Müsteşarlığı"</i>). In case the CMTR Bond's maturity is amended as shorter than 1,5 years or longer than 2,5 years by the Undersecretariat of Treasury, the CMTR shall be determined as the benchmark government bond that has a maturity of 2 years or the closest maturity to 2 years.</p> <p>"<b>First Tranche</b>" means the first tranche of the Issuance amounting up to TRY 150,000,000 (as may be amended) which tranche will be based on CMTR as a benchmark rate and will have a maturity of two years.</p> <p>"<b>Issuance</b>" means the issue of the Bonds in the amount of up to TRY 300,000,000 (as may be amended).</p>
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<p><b>Benchmark Rate for the Second Tranche of the Issuance</b></p>	<p>The Benchmark Rate for the pricing of the Second Tranche will be the 3 month TRLIBOR rate on the TRLIBOR website (www.trlibor.org) at 11:15 AM Turkish time/EEST on the Book-building Date. This Benchmark Rate is to be utilised for the determination of the first coupon payment.</p> <p>For the determination of remaining coupon rates, 3 month TRLIBOR rate is going to be taken from TRLIBOR website (www.trlibor.org) 2 Business Days before the first day of each Interest Period (beginning with 2nd Interest Period) at 11:15 AM Turkish Time/EEST in order to fix the following coupon rate.</p> <p><i>Benchmark Rate fixing and final determination of the first coupon rate will be done on the Book-building Date</i></p> <p>For purposes of these Bond Terms:</p> <p>"<b>Second Tranche</b>" means the second tranche of the Issuance in the amount of up to TRY 150,000,000 (the "<b>Second Tranche</b>"), which tranche will be based on TRLIBOR as a benchmark rate and will have a maturity of 4 years.</p>
<p><b>Interest Determination Date</b></p>	<p><b>First Tranche:</b> 1 Business Day before the first day of each Interest Period.</p> <p><b>Second Tranche:</b> 2 Business Days before the first day of each Interest Period.</p>

<b>Interest Period/Coupon Payment Dates</b>	<p><b>First Tranche:</b>  Quarterly/first coupon payment date: <b>25.10.2016</b>; second coupon payment date: <b>24.01.2017</b>; third coupon payment date: <b>25.04.2017</b>; fourth coupon payment date: <b>25.07.2017</b>; fifth coupon payment date: <b>24.10.2017</b>; sixth coupon payment date: <b>23.01.2018</b>; seventh coupon payment date: <b>24.04.2018</b>; and eighth coupon payment date: <b>24.07.2018</b></p> <p><b>Second Tranche:</b>  Quarterly/first coupon payment date: <b>25.10.2016</b>; second coupon payment date: <b>24.01.2017</b>; third coupon payment date: <b>25.04.2017</b>; fourth coupon payment date: <b>25.07.2017</b>; fifth coupon payment date: <b>24.10.2017</b>; sixth coupon payment date: <b>23.01.2018</b>; seventh coupon payment date: <b>24.04.2018</b>; eighth coupon payment date: <b>24.07.2018</b>; ninth coupon payment date: <b>23.10.2018</b>; tenth coupon payment date: <b>22.01.2019</b>; eleventh coupon payment date: <b>24.04.2019</b>; twelfth coupon payment date: <b>24.07.2019</b>; thirteenth coupon payment <b>23.10.2019</b>; fourteenth coupon payment <b>22.01.2020</b>; fifteenth coupon payment <b>22.04.2020</b>; and sixteenth coupon payment <b>22.07.2020</b>.</p>
<b>Business Day</b>	Means a day (other than a Saturday or a Sunday) on which commercial banks are open for the transaction of general business in, and on which commercial banks and foreign exchange markets settle payments in TRY in Istanbul, Turkey.
<b>Business Day convention</b>	Following.
<b>Day count convention</b>	Interest will accrue from and including the second day of the Interest Period up to and including the last day of such Interest Period on the basis of ACT/365.
<b>Repayment schedule</b>	Principal repaid in single bullet repayment on Maturity Date.

<b>Status</b>	The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank <i>pari passu</i> (without any preference among themselves) with the claims of all other unsecured creditors of it other than those claims which are expressly preferred by laws of the Republic of Turkey of general application to companies.
<b>Trading</b>	The Bonds will be traded on Outright Purchases and Sales Market under Borsa Istanbul's Debt Securities Market.
<b>Payment and Discharge:</b>	1) <b>Payments:</b> All payments in respect of the Bonds shall be made to the Central Registration Agency's account at the Settlement and Custody Bank (in Turkish " <i>Takasbank</i> ") to be credited to the accounts of the relevant Bond Investors. 2) <b>Currency of account:</b> All payments shall be made in Turkish Lira (TRY).
<b>Form of demand to purchase Bonds:</b>	Demands to purchase Bonds should be issued in minimum denominations of TRY 100,000 and in integral multiples of TRY 10,000.
<b>Par value</b>	TRY 100.

<p><b>Furnishing of Information</b></p>	<p>The Issuer must disclose its audited annual financial reports within 70 days following the end of each of its financial years pursuant to the Communiqué on Principles of Financial Reporting in Capital Markets (II-14.1). In case the Issuer submits a request for extension of the disclosure period of 70 days, which is accepted by the Capital Markets Board ("<b>CMB</b>"), then the extended period shall apply.</p> <p>As the Bonds will be issued by way of sales to Qualified Investors, the Issuer is exempt from the obligation to prepare interim financial reports. However, the Issuer hereby undertakes to prepare and disclose audited semi-annual financial reports within 120 days following the end of the first half of each of its financial years.</p> <p>The Issuer's financial reports shall be prepared in accordance with the IFRS and shall be publicised on the KAP.</p> <p>The Issuer also hereby undertakes, as soon as available but, in any event, within 210 days after the end of each financial year of the Issuer and no later than the Issue Date to publicly disclose by announcing on KAP the credit rating report on the Issuer by prepared by one of the following credit rating agencies: (i) Standard &amp; Poor's; (ii) Moody's; (iii) Fitch; (iv) Japan Credit Rating Agency; and (v) TurkRating.</p> <p>For the purposes of these Bond Terms:</p> <p>"<b>KAP</b>" means Public Disclosure Platform (in Turkish, "<i>Kamuyu Aydınlatma Platformu</i>") operated by the Central Registry Agency (in Turkish "<i>Merkezi Kayıt Kuruluşu</i>").</p> <p>"<b>IFRS</b>" means International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and consistently applied.</p>
<p><b>Financial Covenant</b></p>	<p>The Issuer will, at all times, maintain a ratio of (i) Non-Project Finance Net Financial Debt, to (ii) Non-Project Finance EBITDA for the 12 months preceding the date of calculation, of not more than <b>2.95 to 1.0</b>.</p> <p>For the purposes of this financial covenant:</p> <p>"<b>Cash</b>" means cash on hand and demand deposits.</p>

**"Cash Equivalents"** means short-term, highly liquid investments that are readily convertible to known amounts of Cash and which are subject to an insignificant risk of changes in value.

**"Debt"** means, with respect to any person, all obligations of such person, whether incurred as principal or surety and whether present, future, actual or contingent, for the payment or repayment of money, including:

- (a) any amounts payable by such person under leases or similar arrangements over their respective periods;
- (b) any credit to such person from a supplier of goods or under any instalment purchase or other similar arrangement; and
- (c) any liabilities and obligations of third parties to the extent that they are guaranteed by such person or such person has otherwise assumed or become liable for the payment of such liabilities or obligations or to the extent that they are secured by any security interest upon property owned by such person whether or not such person has assumed or become.

**"EBITDA"** means profit or loss of the Issuer, for any relevant period, before (i) any interest, commissions, discounts and other financing fees and costs and any interest earned, (ii) any provision for taxation, (iii) any depreciation on fixed assets and amortisation and any amounts attributable to amortisation of goodwill and other intangible assets and (iv) excluding any exceptional items.

**"Financial Debt"** means, with respect to any person, any Debt of such person for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would in accordance with IFRS, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of borrowing;

(g) any derivative transaction engaged with any financial institution entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above

**"Non-Project Finance EBITDA"** means (i) EBITDA of the Issuer excluding EBITDA which is generated by a subsidiary of the Issuer established as a special purpose vehicle in the form of a limited liability company for an investment (an "SPV") for the purposes of implementing that specific investment.

**Non-Project Finance Net Financial Debt"** means: (i) any Financial Debt other than Financial Debt;

	<p>(a) which is incurred by a subsidiary of the Issuer established as an SPV in the form of a limited liability company for a specific investment for the purposes of financing that specific investment;</p> <p>(b) whose terms provide that the proceeds of that Debt must be used by that SPV exclusively to finance those specific investments and contemplates repayment through future cash flows of those specific investments;</p> <p>(c) in respect of which no full guarantees have been provided by any person; and</p> <p>(d) which is unsecured except for any security granted by the SPV and its subsidiaries and security over the shares or participatory interest in the capital of the SPV and otherwise in respect of which the relevant creditors have no recourse or limited recourse to the Issuer, any of its affiliates or their assets;</p> <p>minus (ii) Cash and Cash Equivalents.</p>
<p><b>Change of Control</b></p>	<p>The Issuer shall ensure that at all times during the tenor of the Bonds, the Arslan Family shall retain and maintain the Control of the Issuer.</p> <p>For purposes of these Bond Terms, the following terms shall have the following meanings:</p> <p><b>"Control"</b> means the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to direct or cause the direction of the management and policies of such person, including without limitation, the power to:</p> <p>(a) cast, or control the casting of more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the Issuer; or</p> <p>(b) appoint or remove all, or the majority, of the directors or other equivalent officers of the Issuer; or</p> <p>(c) give directions with respect to the operating and financial policies of the Issuer with which the directors or other equivalent officers of the Issuer are obliged</p>

	<p>to comply; and</p> <p>(d) the holding directly or indirectly of more than 50 per cent of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).</p> <p>"Arslan Family" means each of: (i) Hüseyin Arslan, unique identification no. *****; (ii) Cüneyt Arslan, unique identification no. *****; and legal heirs of any person specified above.</p>
<p><b>Environmental and Social Compliance</b></p>	<p>The Issuer shall diligently implement and adhere to the Environmental and Social Action Plan and monitor the implementation of such plan in accordance with the monitoring provisions contained in such plan.</p> <p>For purposes of these Bond Terms:</p> <p><b>"Environmental and Social Action Plan"</b> means the plan of environmental and social mitigation and improvement measures adopted in the form agreed by EBRD in relation to Konya Karatay Integrated Health Campus Hospital PPP.</p>
<p><b>Indemnity</b></p>	<p>The Issuer assumes liability for, and agrees to and shall indemnify and hold harmless the Bond Investors against and from, any and all reasonable liabilities, obligations, losses, damages, penalties, claims, actions, taxes, suits, costs and expenses (including, reasonable legal counsel's fees and expenses and costs of investigation) (and including, without prejudice to the generality of the foregoing, those arising in contract or tort (including negligence) or by strict liability or otherwise), which are imposed on, incurred by or asserted against any of the Bond Investors and which in any way relate to or arise out of any failure by the Issuer to comply with its undertaking given in these Bond Terms, and, if capable of remedy, such failure to comply is not remedied within a remedy period, if applicable, and provided that the Bond Investors shall not have any right to be indemnified hereunder for (i) their own gross negligence or wilful misconduct, (ii) consequential losses (in Turkish, "<i>dolaylı zarar</i>") such as loss of profit, loss of business or loss of opportunity. The Bond Investors shall not be entitled to recover damages or obtain payment, reimbursement,</p>

	restitution or indemnity more than once in respect of the same loss.
<b>Early Redemption</b>	<p>Upon written notice by any Bond Investor to the Issuer, the principal amount of all Bonds held by that Bond Investor plus that Bond Investor's Unwinding Costs (if any), together with interest accrued to the date of repayment shall become immediately due and payable within no less than 3 Business Days after the written notice to the Issuer, in any of the following events (each an "<b>Early Redemption Event</b>"): </p> <ul style="list-style-type: none"> <li>(a) the Issuer does not pay principal or interest in respect of the Bonds on its due date and such default continues for 3 days;</li> <li>(b) it becomes unlawful under any applicable laws for the Issuer to remain as the issuer;</li> <li>(c) the occurrence of any event or circumstance which would be reasonably likely to cause the partial or total invalidity, illegality or unenforceability of the Bonds;</li> <li>(d) the Issuer fails to comply with the terms of any undertakings it makes to the Bond Investors under these Bond Terms other than those in relation Environmental and Social Compliance and does not remedy such within 3 Business Days;</li> <li>(e) the Issuer is in breach of the Financial Covenants;</li> <li>(f) any proceedings under liquidation, konkordato, insolvency, composition or reorganisation or other similar laws are initiated by the Issuer or by a third party against the Issuer (unless, if initiated by a third party against the Issuer, such proceedings are frivolous or vexatious and are dismissed within 5 days of commencement);</li> <li>(g) a change of Control of the Issuer as defined herein occurs;</li> <li>(h) the Issuer fails to comply with the terms of any undertakings it makes to the Bond Investors under these Bond Terms in relation to Environmental and Social</li> </ul>

	<p>Compliance in any material respect and does not remedy such within 30 Business Days or fails to submit to Bond investors a remedial plan to maintain the compliance to such Bond Terms in relation to Environmental and Social Compliance within such 30 Business Days; and</p> <p>(i) the Issuer does pay on the due date any amount payable by it pursuant to the Existing EBRD Bonds at the place and in the currency in which it is expressed to be payable or the Existing EBRD Bond becomes due and payable prior to its specified maturity or any bondholder or creditor under the Existing EBRD Bond becomes entitled to declare the Existing EBRD Bond due and payable prior to its specified maturity.</p> <p>For these purposes of these Bond Terms:  <b>“Existing EBRD Bond”</b> means the TRY 200,000,000 bond issued by the Issuer on 16 December 2014 and maturing on 12 December 2017 that was subscribed by the EBRD for TRY 40,000,000.</p> <p><b>"Unwinding Costs"</b> means any cost (including any termination, close out or other costs of any nature whatsoever under or in connection with the currency hedging arrangements related to the purchase of the Bonds) as calculated by the relevant Bond Investor incurred or arising by that Bond Investor as a result of the occurrence of any Early Redemption Event, including, without limitation, any such cost, loss or liability as may be incurred by such Bond Investor if, following the occurrence of an Early Redemption Event, that Bond Investor elects (which election shall be in its sole discretion) to terminate or close out all or part of any currency hedging arrangement related to the purchase of the Bonds.</p>
<p><b>Governing Law and Jurisdiction</b></p>	<p>The Bonds will be governed by, and shall be construed in accordance with, the laws of the Republic of Turkey.</p>
<p><b>Sale and Transfer Principles:</b></p>	<p>The Bonds have been approved by the CMB for sale to Qualified Investors. Therefore, the Issuer shall not accept demands to purchase the Bonds from any person who is not a Qualified Investor. All purchasers of these Bonds will benefit from the</p>

	<p>same terms as set out herein. Upon request of a Bond Investor, the Issuer will promptly provide evidence satisfactory to that Bond Investor (acting reasonably) that the same terms have been offered to, and accepted by, all Bond Investors.</p>
<b>Permitted Transfers:</b>	<p>The Bonds may only be traded between Qualified Investors.</p> <p>All rights in respect of the Bonds as evidenced herein will pass to any subsequent purchaser of the Bonds and all terms and conditions herein will inure to the benefit of and be enforceable by any such subsequent investor.</p>
<b>Allocation process</b>	<p>The following order of events shall occur to complete the allocation of the Bonds to the Bond Investors:</p> <ul style="list-style-type: none"> <li>(a) bids to be made by each investor for the Bonds by submitting subscription form(s) provided by the intermediary institution;</li> <li>(b) signing and dating of these terms and conditions and publication of the same (and the Issuer's Presentation) on the KAP;</li> <li>(c) allocation of trade tickets to such investors by the intermediary institution and confirmation of the Margin within 2 hours after close of the book-building; and</li> <li>(d) settlement on the Issue Date.</li> </ul>