

**THE AGREEMENT ESTABLISHING
THE TURKIC INVESTMENT FUND**

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The Republic of Azerbaijan, the Republic of Kazakhstan, the Kyrgyz Republic, the Republic of Türkiye and the Republic of Uzbekistan (the “Founding Members”) as Members of the Cooperation Council of Turkic Speaking States (hereinafter referred to as the “Organization of Turkic States” based on the decision of the Council of Heads of State taken on November 12, 2021 in Istanbul) established by the Nakhchivan Agreement on the Establishment of the Cooperation Council of Turkic Speaking States on October 3, 2009, have agreed to establish hereby the Turkic Investment Fund, which shall be governed by the following provisions:

Chapter I — DEFINITIONS

Article 1 – Definitions

The following terms wherever used in this Agreement shall have the following meanings, unless the context shall otherwise specify or require:

- a) “Additional Contribution” shall mean additional contributions to the resources of the Fund to be made by the Members upon decision of the Board of Governors on terms and conditions consistent with Section B of Article 5.
- b) “Beneficiary” shall mean a natural person or legal entity that takes part in the implementation of the project and is directly funded by the resources of the Fund.
- c) “Calendar Year” shall mean the year period between January 1 and December 31 based on the Gregorian calendar.
- d) “Central Bank” shall mean the institution that manages the currency and monetary policy of a State or formal monetary union.
- e) “Fund” shall mean the Turkic Investment Fund established by this Agreement.
- f) “Governor” shall mean each member of Board of Governors of the Fund to be composed in accordance with Article 9 of this Agreement.
- g) "Member(s)" shall mean the Founding Members and other OTS Participating States, and third States that have become Members of the Fund through membership procedures pursuant to Article 4 of this Agreement.
- h) “Micro, Small and Medium -Sized Enterprises” shall mean Micro, Small and Medium Enterprises as defined under the national legislation of a State in the territory of which the concerned project is to be implemented.

- i) “Staff” shall mean professional and/or administrative employees, employed by the Fund. The President, Governors, Alternate Governors, Directors, Alternate Directors and General Director are not considered as Staff.
- j) “State” shall mean any State member of the United Nations that is eligible for membership of the Fund in accordance with Article 4 of this Agreement.
- k) “OTS” shall mean the Organization of Turkic States.
- l) “OTS Participating State(s)” shall mean the Members and Observer States of the OTS.

Chapter II — PURPOSE, FUNCTIONS, POWERS AND MEMBERSHIP

Article 2 – Purpose

The purpose of the Fund is to contribute to the economic development of the OTS Participating States through expanding intra-regional trade and supporting economic activities.

Article 3 – Functions and Powers

To fulfill its purpose, the Fund shall have the following functions and powers through investment activities:

- a) to assist in the promotion of intra-regional trade;
- b) to finance projects particularly those of Micro, Small and Medium-sized enterprises;
- c) to cooperate and co-finance with international and national finance and development institutions as well as chambers of commerce, and private entities;
- d) to support the expansion of transport and logistic chains, storage and production capacities;
- e) to support creation and modernization of the physical and digital infrastructure including public private partnership;
- f) to support development projects in the fields of mutual interest, including industrial production, infrastructure, transport, agriculture, information and communication technologies, and tourism;
- g) to finance projects that contribute to green economy by investing in energy efficiency, renewable energy and environmental protection;
- h) to provide assistance and financial support for the preparation of investment projects as deemed necessary;

- i) to undertake such other activities and provide such other services as may advance its purpose.

Article 4 – Membership

The OTS Participating States, which are not Founding Members may become Member of the Fund by accession to this Agreement.

Other States may become Member of the Fund upon the terms and conditions to be determined by the Board of Governors in accordance with the Article 38.

Chapter III — FINANCIAL RESOURCES

Article 5 – Resources of the Fund

As used in this Agreement, the term "Resources" of the Fund shall include the following:

- a) Capital stock of the Fund;
- b) Additional Contributions;

A. Capital Stock and Subscription

The authorized capital stock of the Fund shall be five hundred million dollars [USD 500,000,000]. The authorized capital stock shall be divided into ten thousand [10,000] shares having a nominal value of fifty thousand dollars [USD 50,000] each.

The authorized capital stock shall be divided into paid-in shares and callable shares. Shares having an aggregate par value of three hundred and fifty million dollars [USD 350,000,000] shall be paid-in shares, and shares having an aggregate par value of one hundred and fifty million dollars [USD 150,000,000] shall be callable shares.

Upon entry into force of this Agreement, the Founding Members shall subscribe to the shares of the authorized capital of the Fund equally in accordance with the table as shown in Schedule-1 ("Capital of the Fund"- Appendix I).

Each Member shall pay the initial payment related to its paid-in shares in 90 days after the inaugural meeting in accordance with Schedule-2 ("Initial Payment"- Appendix II). Such amount shall be deposited for the Fund's accounts. The remaining subscription amount shall be payable in 3 (three) annual instalments on each subsequent anniversary of the date of the Initial Payment in accordance with Schedule-2. The payments shall be made in USD. Failure in fulfilment of herein instalment payments shall be deemed as failure of an obligation to the Fund and shall be subject to provision of Article 23 of this Agreement.

In case of accession of any State to this Agreement after its entry into force, the new Member shall subscribe to no less than the number of shares as one Founding Member. Notwithstanding the above, any new Member shall not have more voting rights than a Founding Member.

B. Additional Contributions

In order to assure continuity in the operations of the Fund, the Board of Governors shall periodically, at such intervals as it deems appropriate, review the adequacy of the resources available to the Fund.

If the Board of Governors, as a result of such a review, deems it necessary or desirable, it may decide that the Members make additional contributions to the resources of the Fund.

Article 6 – Conditions Relating to Capital Stock and Limitation of Liability

Shares of capital stock of the Fund itself shall not be attached, pledged or encumbered in any manner whatsoever and they shall not be transferable except to the Fund in accordance with Chapter VII and VIII of this Agreement.

The liability of a Member on shares shall be limited to the unpaid portion of its capital subscription.

No Member, solely for the reason of its membership, shall be liable for the obligations of the Fund.

Chapter IV — ORGANIZATION AND MANAGEMENT

Article 7 – Structure

The Fund shall have the President of the Fund, Board of Governors, Board of Directors, General Director and the Staff.

Article 8 – President of the Fund

The Fund shall have the President of the Fund, appointed by the Board of Governors on rotational basis for the term of four (4) years without prolongation and reappointment. The President shall, however, cease to hold office when the Board of Governors so decides.

The rotation shall be decided by the Board of Governors and it includes the first President of the Fund.

First President of the Fund shall be appointed by Council of Heads of States of the OTS for the term of four (4) years without prolongation and reappointment.

President of the Fund shall be the Chairman of the Board of Directors but shall have no voting rights.

Following requirements shall be sought for the position of the President of the Fund, starting from the second President:

a) minimum fifteen (15) years of experience in economic, investment and financial matters, or 10 years

of high-level experience at managerial level or ten (10) years in international financial organizations;

b) proficiency in English.

The President of the Fund shall be responsible for;

- chairing the meetings of the Board of Directors,
- following up the decisions of Board of Governors,
- representing the Fund at the international arena,
- communicating with the Heads of States and Governments of the Member States,
- seeking co-financing and resource mobilisation opportunities for the Fund,
- working to attract contributions to the Fund,
- facilitating the cooperation mechanisms with international organisations.

President of the Fund shall receive remuneration from the Fund, and the remuneration shall be determined by the Board of Governors.

Article 9 – The Board of Governors

The Board of Governors shall be the highest governing body of the Fund.

A. Composition

Each Member shall be represented on the Board of Governors and shall appoint one Governor and one alternate Governor upon fulfilment of the initial payment. Governors and alternate Governors shall be citizens of the Members from OTS Participating States.

Each Governor and alternate Governor of the Board of Governors shall serve in line with the instructions of the appointing Member. No alternate Governor of the Board of Governors may vote except in the absence of the Governor of the Board of Governors appointed by the same Member.

At each of its annual meetings, the Board shall elect one of the Governors as Chairman who shall hold office until the election of the next Chairman.

In the event of a vacancy in the Board of Governors, such as any vacancy resulting from (i) death, (ii) physical incapacity, (iii) incapacity or mental illness or (iv) resignation or dismissal (provided that the Governors appointed by the Members may be dismissed only by the Member which appointed them), such Member appointing the Governor causing such vacancy shall appoint the new Governor and/or alternate Governor.

Governors and alternate Governors shall not receive remuneration from the Fund, but their out-of-pocket expenses (accommodation and travel) and per diem incurred in attending each meeting of the Board of Governors shall be borne from the resources of the Fund.

B. The Powers of the Board of Governors

The Board of Governors represents the interests of the Members in all matters related to the Fund.

The Board of Governors shall have the power to:

- a) authorize the admission of new members to the Fund and determine the terms and conditions of their subscriptions to the capital;
- b) authorize the introduction of Additional Contributions to the Fund, approve the conditions and procedures;
- c) change the authorized capital, call for payment of callable capital, and determine the terms and conditions of the payment of the callable capital as it may deem necessary;
- d) form the Board of Directors;
- e) review and approve annual reports of the Board of Directors, audit reports, balance sheet and the statement of the income and expenditures of the Fund;
- f) make decision on suspension of the Members;
- g) determine the share of the Members in the Fund's assets with a view to returning it in case the participant withdraws from the Fund;
- h) decide to prolong the Fund;
- i) determine the procedures, terms and conditions for termination of the Fund and distribution of its assets, and decide to terminate the Fund;
- j) amend this Agreement;
- k) appoint and dismiss the President of the Fund;
- l) select external auditors to audit the accounts of the Fund and approve audited financial statement of the Fund;
- m) decide appeals from decisions made by the Board of Directors concerning the interpretation or application of this Agreement.

The Board of Governors, upon unanimous decision, may delegate to the Board of Directors all its powers, except the powers to:

- a) authorize the admission of new Members to the Fund and determine the terms and conditions of their subscriptions to the capital;
- b) change the authorized capital, call for payment of callable capital, and determine the terms and conditions of the payment of the callable capital as it may deem necessary;
- c) make decision on suspension of the Members;
- d) determine the procedures, terms and conditions for termination of the Fund and distribution of its assets, and decide to terminate the Fund;
- e) amend this Agreement;

The Board of Governors may at any time revoke the delegation of any matter to the Board of Directors.

C. Meetings, Procedure and Voting

The Board of Governors shall hold an annual meeting and extraordinary meetings as may be provided for by the Board of Governors or called whenever requested by the majority of the Members of the Board of Directors. The Board of Governors shall adopt working methods to enable it to carry out duties and responsibilities at short notice and rapid turn-around.

The voting power of each Member shall be equal to the number of its subscribed shares in the capital stock of the Fund unless otherwise specified in this Agreement.

Two-thirds of the Governors shall constitute a quorum for any meeting of the Board of Governors, provided such majority includes at least three Founding Members.

Decisions of the Board of Governors shall require at least three-fourth of the voting power provided such majority includes affirmative votes of at least four Founding Members, unless otherwise specified in this Agreement.

The following decisions of the Board of Governors shall require affirmative votes of all Founding Members:

- a) to authorize the admission of new States to the Fund and determine the terms and conditions of their subscriptions to the capital;
- b) to change the authorized capital (increase, additional contribution, decrease), call for payment of callable capital, and determine the terms and conditions of the payment of the callable capital as it may deem necessary;
- c) to amend this Agreement.

Article 10 – Board of Directors

A. Composition

The Board of Directors shall consist of one (1) director as representative from each Member.

Directors shall not be members of the Board of Governors and shall have the following qualifications:

- a) graduates of bachelor degree;
- b) minimum ten (10) years of experience in economic, investment and financial matters, or five (5) years high-level experience at least minimum directorial level, and /or five (5) years in international financial organizations;
- c) not younger than thirty-five (35) and not older than sixty (60) years old at the moment of appointment;
- d) proficiency in English.

Each Governor of the Board of Governors shall appoint a Director and an alternate Director who possesses the above-mentioned requirements with full powers to act for the Director when the Director is not present. Alternate Directors may participate in the meetings of the Board of Directors but may vote only when they are acting in place of their principals.

Directors shall hold office for a term of three (3) years and may be reappointed. A Director shall hold office until his/her successor shall have been designated pursuant to this Article.

Directors and alternate Directors shall not necessarily reside permanently at the location of the headquarters of the Fund and shall not be considered full time employees of the Fund, but their out-of-pocket expenses (accommodation and travel) and per diem incurred in attending each meeting of the Board of Directors shall be borne from the resources of the Fund. No further payment nor remuneration from the Fund shall be made to Directors and alternate Directors.

B. Powers

The Board of Directors shall be responsible for the direction of general operations of the Fund and for this purpose, shall, in addition to the powers assigned to it expressly by this Agreement, exercise all the powers delegated to it by the Board of Governors, and in particular shall have the power to:

- a) establish policies regarding the operations of the Fund;
- b) take decisions concerning the financing to be provided by the Fund under this Agreement;
- c) take decisions concerning the business of the Fund and its operations in conformity with the general directions of the Board of Governors;
- d) review, assess and submit the annual reports for each financial year for the approval of the Board of Governors at each annual meeting;
- e) ensure that the Fund is served in the most efficient and economical manner;
- f) approve the budget and overall financing programme and policies of the Fund, in accordance with the resources and/or free cash available for these purposes;
- g) appoint and dismiss General Director;
- h) make recommendations to the Board of Governors for extraordinary meetings;
- i) establish committees that it may deem necessary for the operations of the Fund;
- j) exercise such other powers as are expressly assigned to the Board of Directors in this Agreement.

C. Meetings, Procedure and Voting

The Board of Directors shall meet as often as the business of the Fund may require but no less than twice a year. The Board of Directors shall adopt working methods to enable it to carry out duties and responsibilities at short notice and rapid turn-around.

The meetings of the Board of Directors shall convene with the participation of the majority of the Directors and the resolutions shall be adopted with the affirmative votes of majority of the participating Directors.

However, the Board of Directors shall approve the principles of investment policy of the Fund with unanimous decision.

Article 11 – General Director

The General Director shall be citizen of one of the OTS Participating States. Governors of the Members from OTS Participating States shall propose a candidate for the General Director position on a rotational basis. General Director shall be appointed by the Board of Directors and shall serve only for a period of four (4) years without prolongation or reappointment.

Following requirements shall be sought for the position of General Director:

- a) graduates of master's degree in relevant spheres;
- b) not younger than thirty-five (35) and not older than sixty (60) years old at the moment of appointment;

c) minimum fifteen (15) years of experience in economic, investment and financial matters, or ten (10) years of high-level experience at managerial level or ten (10) years in international financial organizations;

d) proficiency in English.

General Director shall be under the supervision of the Board of Directors.

General Director shall, in accordance with the guidelines, rules and regulations laid down by the Board of Directors, shall have full executive powers to manage the operations and affairs of the Fund. General Director shall appoint, promote and dismiss Staff and disburse funds in accordance with the plan, policy and budget approved by the Board of Directors.

In appointing Staff of the Fund, the highest standards of efficiency and technical competence and the recruitment of personnel on a balanced geographical distribution from the citizens of the Members from OTS Participating States shall be ensured.

General Director may recommend the Board of Directors to hire advisory/consultancy services from companies located in the territories of the Members from OTS Participating States upon approval of the Board of Directors.

General Director shall attend the meetings of the Board of Directors but shall not have voting rights.

General Director shall:

- a) propose the operating and administrative budgets;
- b) propose the overall financing programme;
- c) arrange for the study and appraisal of projects and programmes for financing by the Fund;
- d) ensure and control the proper organization, staffing and service;
- e) make decisions on providing technical advice and assistance;
- f) perform other duties determined by Board of Directors.

General Director shall receive remuneration from the Fund, and the remuneration shall be determined by the Board of Directors.

Article 12 – International Character of the Fund and Prohibition of Political Activity

The Fund shall not accept any kind of additional resources or assistance that may in any way prejudice, limit, deflect or otherwise alter its purpose or functions.

The Fund, the President of the Fund, General Director, and Staff of the Fund shall, in their decisions, take into account only considerations relevant to the Fund's purpose, functions, and operation as set out in this Agreement. Such considerations shall be weighed impartially in order to achieve and carry out the purpose and functions of the Fund.

The President of the Fund, General Director, and Staff of the Fund, in the discharge of their offices, shall owe their duty entirely to the purposes of the Fund and to no other authority.

Each Member shall respect the international and non-political character of this duty and shall refrain from all attempts to influence any of them in the discharge of their duties.

Article 13 – Headquarters and Offices

The Headquarters of the Fund shall be in Istanbul.

The Board of Governors may decide to establish offices in the territory of any other Member.

Member hosting the Headquarters of the Fund shall sign a Host Country Agreement, where relevant terms, conditions, privileges, and immunities are specified.

Article 14 – Financial Year

The Fund's financial year shall be the Calendar Year.

Article 15 – Channel of Communication, Depositories

Each Member shall designate an appropriate official authority with which the Fund may communicate in connection with any matter arising under this Agreement.

Each Member shall designate its Central Bank, or such other state-owned financial institution as may be agreed upon with the Fund as a depository with which the Fund may keep its holding of currency of that Member State as well as other assets of the Fund.

Article 16 – Auditors and Reports

Upon the recommendations of the Board of Directors and approval of the Board of Governors, qualified external auditors of international reputation registered in one of the OTS Participating States shall be designated to audit the affairs of the Fund for no more than three consecutive years.

General Director shall publish an annual report containing an audited statement of its accounts and shall circulate to the Members of the Fund on quarterly basis a summary statement of the Fund's financial position and an income and expenditures statement showing the results of its operations.

General Director may publish such other reports as it deemed desirable to carry out its purposes upon the approval of the Board of Directors.

Board of Governors may designate state auditors for audit of proper uses of resources and activities of the Fund.

Article 17 – Allocation of Net Income

At least ten (10) per cent of the annual net income of the Fund shall be allocated to the general reserves until the general reserve attains twenty-five (25) per cent of the subscribed capital of the Fund. The Board of Governors may decide to allocate a supplementary amount to form an additional reserve or distribute to Members, provided that no part of the net income of the Fund shall be distributed to Members by way of profit until the General Reserves of the Fund shall have attained the level of twenty-five (25) per cent of the subscribed capital.

Chapter V — OPERATIONS

Article 18 – Use of Resources, Investment and Financial Principles of the Fund

The resources and facilities of the Fund shall be used exclusively to implement the purpose and carry out the functions set forth, respectively, in Articles 2 and 3 of this Agreement.

Investment and financial policies and principles of the Fund shall be determined by the Board of Directors.

The Fund shall ensure fair distribution of its investments among the Members from OTS Participating States.

Article 19 – Considerations Relevant to Financing

In conducting its operations, the Fund shall:

- a) safeguard its interests in respect of its financing;
- b) promote the well-being of the people in the Members from OTS Participating States through economic and social development and the enlargement of opportunities for gainful employment;
- c) respect the law of the respective country of operation and its due process through cooperation with the country's respective authorities;
- d) prioritize projects aimed at supporting the transition to green economies;
- e) prioritize projects that involve Beneficiaries from at least two Members who are OTS Participating States;
- f) observe the principles of free market economy and fair competition.

The Fund shall give special emphasis to regional projects as well as to projects which promote and strengthen economic cooperation among the Members who are OTS Participating States.

Article 20 – Application of Local Rules and Regulations

In view of the regional character of the Fund, and the existence of different laws, regulations and legal procedures in the Members, the Fund shall ensure that all financial facilities granted in any of these countries in any form shall be covered and protected by the provisions of domestic laws so that repayments and collections of the Fund's claims shall be unhindered. However, all financial facilities shall be based on the rules and regulations approved by the Fund.

Article 21 – Review and Evaluation

A comprehensive and continuing review of completed projects, programmes, and activities financed by the Fund shall be carried out to assist the Board of Directors in determining the effectiveness of the Fund in accomplishing its purposes. General Director shall conduct this review and its results shall be reported to the Board of Directors.

Chapter VI — WITHDRAWAL, TERMINATION OF OPERATIONS AND TERM OF THE FUND

Article 22 – Withdrawal by Members

Any Member may withdraw from the membership of the Fund at any time by transmitting a notice in writing to the Fund at its Headquarters.

Withdrawal by a Member shall become effective and its membership shall cease on the date specified in its notice, but in no event less than six (6) months after such notice is received by the Fund. However, at any time before the withdrawal becomes finally effective, the Member may notify the Fund in writing of the cancellation of its notice of intention to withdraw.

Article 23 – Suspension of Membership

If a Member fails to fulfill any of its obligations to the Fund, the Fund may suspend its membership. The suspension of membership shall be made by a decision of the Board of Governors. Within one year after the membership was suspended, the Board of Governors shall reconsider its decision and either restore the membership or prolong suspension of such Member.

A Member, while under suspension, shall not be entitled to exercise any rights under this Agreement, except the right of withdrawal, but shall continue to be liable on all of its obligations.

Article 24 – Settlement of Accounts on Cessation of Membership

After the date on which a Member withdraws from membership (“Cessation of Membership”), it shall remain liable for its direct obligations to the Fund incurred as of that date. It shall also remain responsible for its contingent liabilities to the Funds so long as such a liability accrued before it ceases to be a Member is outstanding. At the time of Cessation of Membership, the Fund shall arrange for the repurchase of such Member's shares by the Fund as a part of the settlement of accounts with such Member in accordance with the provisions of this Article. For this purpose, the repurchase price of the shares shall be the value shown by the books of the Fund on the date of Cessation of Membership.

The payment for shares repurchased by the Fund under this Article shall be governed by the following conditions:

- (a) Any amount due to the Member for its shares shall be withheld so long as the Member has outstanding obligations to the Fund. Any amount due to such Member may, at the option of the Fund, be applied to any such liability as it matures.
- (b) The net amount, equal to the excess of the repurchase price for shares over the aggregate amount of liabilities of the Member concerned to the Fund, shall be payable within a period to be determined by the Board of Directors, upon surrender of the corresponding stock.
- (c) Payments shall be made by the Fund in USD in no more than two (2) years.
- (d) If losses are sustained by the Fund on any liability which was outstanding on the date of Cessation of Membership and the amount of such losses exceeds the amount of the reserve provided against losses on the date, the Member concerned shall repay, upon demand, the

amount by which the repurchase price of its shares would have been reduced if the losses had been taken into account when the repurchase price was determined.

If the Fund terminates its operations pursuant to Article 23 of this Agreement within six (6) months of the date upon Cessation of Membership, all rights of the Member concerned shall be determined in accordance with the provisions of Articles 27 and 28. Such Member shall still be considered as a Member for purposes of such Articles, but shall have no voting rights.

Article 25 – Temporary Suspension of Operations

The Board of Directors may suggest, in emergencies, temporarily suspending the Fund's operations in respect to all investments. It shall call the Board of Governors to an extraordinary meeting to consider the matter and to take a decision in this respect.

If a Member fails to make its share capital payments to the Fund, the Fund shall notify the member in no later than fifteen (15) days after the due date of the payment. If the Member fails to make such payment within ninety (90) days after the notification, no new investment from the resources of the Fund shall be made in the territory of such Member until such payment is made.

Article 26 – Duration of the Fund

The Fund shall be operative for a term of twenty (20) years from the date of the inaugural meeting. The Board of Governors may decide to terminate or prolong the Fund at any time.

In the event that the Board of Governors decides to terminate the Fund, the Fund shall forthwith cease all activities except those incidentals to the orderly realization, conservation and preservation of its assets and settlement of its obligations.

Until final settlement of such obligations and distribution of assets, the Fund shall remain in existence and all mutual rights and obligations of the Fund and its Members shall continue unimpaired.

Article 27 – Liability of Members and Payments of Claims

In the event of termination of the operations of the Fund, the liability of Members for the unpaid portion of the subscribed capital of the Fund shall continue until all claims of creditors, including all contingent claims, shall have been discharged.

All creditors holding direct claims shall first be paid out of the assets of the Fund and then out of payments to the Fund on unpaid subscriptions. Before making any payments to the creditors holding direct claims, the Board of Directors shall make such arrangements as are necessary in its judgment to ensure a pro rata distribution among holders of direct and contingent claims.

Article 28 – Distribution of Assets

No distribution of assets shall be made to Members on account of their subscriptions to the capital of the Fund until all liabilities to creditors shall have been discharged or provided for. Such distribution must be approved by the Board of Governors.

Any distribution of the assets of the Fund to Members shall be in proportion to the capital stock held by each Member and shall be affected at such times and under such conditions as the Fund

shall deem fair and equitable, giving priority to depositors. The share of assets distributed need not be uniform as to type of asset. No Member shall be entitled to receive its share in such a distribution of assets until it has settled all of its obligations to the Fund.

Any Member receiving assets distributed pursuant to this Article shall enjoy the same rights with respect to such assets as the Fund enjoyed prior to the distribution.

Chapter VII — STATUS, IMMUNITIES AND PRIVILEGES

Article 29 – Legal Status

The Fund shall have the status of international financial organization.

The Fund shall possess full juridical personality and full legal capacity:

- a. to contract,
- b. to acquire, lease and dispose of immovable and movable property in accordance with national legislations,
- c. to acquire and dispose of tangible and intangible property,
- d. to institute legal proceedings,
- e. to carry out any transactions within the purpose of the Fund.

Article 30 – Immunities, Privileges and Exemption from Taxes

The Fund and its assets shall enjoy in the territory of the Members immunity from all confiscation measures, as well as from sequestration, moratoria or any form of seizure by executive or legislative action.

The Fund and its assets, property, income and transactions related thereto including goods and vehicles imported for the official use shall be exempt from all direct and indirect taxes, customs duties, fees and charges other than fees for storage and similar services.

Such exemptions in respect of custom duties shall be provided in accordance with the international commitments of the Members that shall not hinder or bring any exclusion to the above-mentioned exemptions.

Member States shall not impose any restrictions on currency conversion and transactions related to receipt, custody, use or transfer of money by the Fund or any of its other beneficiaries in any of Member States. Regular requirements for the provision of documents and information about such transactions shall not be considered as restrictions.

Notwithstanding the above, the exemptions stated in this Article shall not apply to any legal entity or enterprise invested in by the Fund.

The Fund shall enjoy immunity from every legal process except in cases arising out of or in connection with the exercise of its powers, to guarantee obligations, or to buy and sell or underwrite the sale of securities, in which cases actions may be brought against the Fund in a court of competent jurisdiction in the territory of the State in which the Fund has its

Headquarters or in any country where the Fund has appointed an agent for the purpose of accepting service or notice of process or has issued or guaranteed securities.

The President, all Governors and Directors and their alternates, General Director, professional employees, including experts performing missions for the Fund shall be immune from legal process with respect to acts performed by them in their official capacity in all Members except of their own State and when the Fund waives the immunity.

The Fund at its discretion may waive any of the privileges, immunities and exemptions conferred under this Article in any case or instance, in such manner and upon such conditions as it may determine to be appropriate in the best interests of the Fund.

Article 31 – Immunity of Archives

The archives of the Fund and in general all documents belonging to or held by it shall be inviolable wherever located.

Chapter VIII — AMENDMENTS AND ARBITRATION

Article 32 – Amendments

This Agreement may be amended by unanimous decision of the Board of Governors in the form of separate protocols.

Any proposal to amend this Agreement, whether emanating from a Member or the Board of Directors, shall be communicated to the Chairman of the Board of Governors, who shall bring the proposal before the Board of Governors. When an amendment has been adopted, the Fund shall so certify in an official communication addressed to all Members.

Amendments being an integral part of the present Agreement, shall enter into force for all Members three (3) months after the date of the official communication unless the Board of Governors specifies therein a different period.

Article 33 – Language

The working language of the Fund is English.

Article 34 – Interpretation

Any issues arising between Members, Members and the Fund related to interpretation or application of the provisions of this Agreement shall be submitted to the Board of Directors for decision.

In any case where the Board of Directors has given a decision under the first paragraph, any concerned party may request the question be referred to the Board of Governors, whose decision shall be final. Pending the decision of the Board of Governors, the Fund may, so far as it deems necessary, act on the basis of the decision of the Board of Directors.

Article 35 – Arbitration

Disputes arising between the Fund and Members and / or former Members of the Fund shall be resolved, if possible, by the concerned parties through negotiations and consultations. Disputes

on matters related to taxation shall be resolved by the Board of Governors. The decisions of the Board of Governors on disputes related to taxation shall be final.

If such disputes except those related to taxation have not been resolved through negotiations and consultations within at least three (3) months from the date of their occurrence, shall be submitted to arbitration from three (3) arbitrators, one of whom is appointed by the Fund, the other by the appropriate Member or former Member of the Fund, and the third unless the Parties agree otherwise by the chairman of the International Court of Justice. When choosing a third arbitrator, the elected arbitrators are guided by the rule that they should not be a citizen of a State party to the dispute. When resolving a dispute, the Arbitrators shall be governed by the UNCITRAL Arbitration Rules, taking into account the publicly legal nature of the dispute. The language of the arbitration shall be English.

The decision of arbitrators shall be final and binding on the parties to the dispute.

Chapter IX FINAL PROVISIONS

Article 36 – Depositary

The original of this Agreement in a single copy in Azerbaijani, Kazakh, Kyrgyz, Turkish, Uzbek and English languages shall be deposited with the OTS Secretariat ("the Depositary").

Article 37 – Inaugural Meeting

As soon as this Agreement enters into force, each Member shall appoint a Governor, and the President of the Fund shall call the inaugural meeting of the Board of Governors.

At the inaugural meeting:

- i. Members of the Board of Directors of the Fund shall be designated and selected pursuant to Article 9;
- ii. Arrangements shall be made for determining the date on which the Fund shall commence operations;
- iii. the first General Director shall be appointed pursuant to Article 11.

The Fund shall notify all Members of the date of commencement of its operations.

Article 38 – Ratification, Acceptance, Validity, Entry into Force and Miscellaneous

This Agreement shall be subject to ratification, acceptance or approval by the Members of the Fund.

This Agreement shall enter into force on the thirtieth day after the receipt through diplomatic channels of the last written notification by the Depositary on the completion by the Founding Members of internal procedures required for its entry into force.

This Agreement is open for accession of any OTS Participating State, which is not a Founding Member, by submitting its instrument of accession to the Depositary.

This Agreement is open for accession of any other State by submitting its instrument of accession to the Depositary upon approval by the Board of Governors.

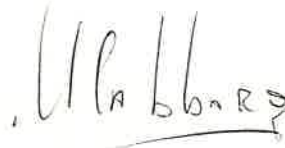
With regard to acceding State, this Agreement shall enter into force on the thirtieth day after the receipt by the Depositary through diplomatic channels of its instrument of accession.

Instrument of ratification, acceptance, approval or accession, when deposited as provided herein, shall specify the number of the shares of the initial capital stock of the Fund to which such Member subscribes as provided in Article 5 of this Agreement. The Depositary shall duly notify all the Members of each deposit, the date thereof, and the number of shares subscribed.

In witness whereof the undersigned, being thereunto duly authorized, have signed this Agreement.

Done at Ankara, on the 16th day of March 2023 in one original copy in the Azerbaijani, Kazakh, Kyrgyz, Turkish, Uzbek and English languages, all texts being equally authentic. In case of divergence between the texts of this Agreement, the English text shall prevail.

On behalf of the Republic of Azerbaijan



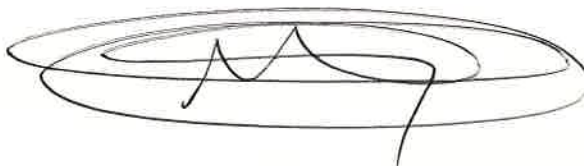
On behalf of the Republic of Kazakhstan



On behalf of the Kyrgyz Republic



On behalf of the Republic of Türkiye



On behalf of the Republic of Uzbekistan



Appendix I

Schedule-1: Capital of the Fund

State	Number of Initial Shares	Aggregate Nominal Value of Paid-in Shares	Aggregate Nominal Value of Callable Shares
The Republic of Azerbaijan	2,000	70,000,000 USD	30,000,000 USD
The Republic of Kazakhstan	2,000	70,000,000 USD	30,000,000 USD
The Kyrgyz Republic	2,000	70,000,000 USD	30,000,000 USD
The Republic of Türkiye	2,000	70,000,000 USD	30,000,000 USD
The Republic of Uzbekistan	2,000	70,000,000 USD	30,000,000 USD

Appendix II

Schedule-2: Subscription

State	Initial Payment (USD)	Due	First Instalment (USD)	Second Instalment (USD)	Third Instalment (USD)
The Republic of Azerbaijan	5,000,000	Within 90 days after the inaugural meeting	18,000,000	23,000,000	24,000,000
The Republic of Kazakhstan	5,000,000	Within 90 days after the inaugural meeting	18,000,000	23,000,000	24,000,000
The Kyrgyz Republic	5,000,000	Within 90 days after the inaugural meeting	18,000,000	23,000,000	24,000,000
The Republic of Türkiye	5,000,000	Within 90 days after the inaugural meeting	18,000,000	23,000,000	24,000,000
The Republic of Uzbekistan	5,000,000	Within 90 days after the inaugural meeting	18,000,000	23,000,000	24,000,000