

From Capital Markets Board:

**ISTANBUL STOCK EXCHANGE
STOCK MARKET
REGULATION**

Purpose

Article 1 - The purpose of this Regulation is to set forth the rules and operation principles for the Stock Market of the Istanbul Stock Exchange.

Legal Ground and Abbreviations

¹ **Article 2** - This Regulation has been issued pursuant to article 19 of the Istanbul Stock Exchange Regulation.

For the purposes of this Regulation;

| | |
|---------------------------|--|
| CMB | : Means the Capital Markets Board; |
| Exchange or ISE: | : Means the Istanbul Stock Exchange; |
| Executive Council | : Means the Executive Council of the Istanbul Stock Exchange; |
| Listing Regulation | : Means the Listing Regulation of the ISE issued on 13/3/1995; |
| Takasbank | : Means ISE Settlement and Custody Bank Inc.; |
| ISE Regulation | : Means the ISE Regulation published on the Official Journal dated 19/2/1996 and No.22559; |
| System | : Means ISE Electronic Trading System; |
| Chairman | : Means the Chairman of ISE; |
| Bulletin | : Means the daily bulleting published by the ISE; |
| ² Market Maker | : Means any intermediary institution that is a member of the Exchange, authorized by the Executive Board to engage in activities aimed at fostering a fair, orderly and effective operation of the stock market for which it is responsible and contributing to liquidity. |

Stocks to be Traded

Article 3 - The stocks listed on the Exchange and trading of which are approved by the Executive Council are traded on the Stock Market.

Different markets may be established regarding the qualifications of the stocks upon resolution of the Executive Council. The markets may be abolished in accordance with the same method employed for their establishment.

¹ This is the amended article and heading amended with the Regulation published on the Official Journal dated 28/01/1997.

² Inserted in this article with the Regulation published on the Official Journal dated 22/03/2009.

¹ The stocks which are not listed on the Exchange are traded on the Exchange within the framework of the principles and rules set forth in the Listing Regulation.

² The Executive Council may resolve to establish a market within the body of the Stock Market for securities other than stocks.

³ **Requirements for the traders on the market and the market makers**

Article 4 - Banks and intermediary institutions which are Exchange members in accordance with article 6 of the ISE Regulation can trade on the Stock Market. The banks and intermediary institutions willing to trade on the Market are required to sign the "Stock Market Letter of Undertaking" prepared by the Istanbul Stock Exchange and approved by the CMB, and to meet the other requirements set forth in the ISE Regulation relating to membership. Among the Exchange members applying to become a market maker, those that are determined to be meeting the conditions sought by the Executive Board have to sign the "Market Making" letter of undertaking prepared by the Exchange and approved by the CMB. Otherwise, they cannot start market making activities.

A market maker can be assigned as the market maker of more than one security. The Executive Council of the Exchange may limit the number of securities for which a market maker member can execute market making activity.

Upon the request of the market maker member, or if it loses its qualifications, its market making authorization shall be cancelled within the frame of the principles set by the Executive Board. In both cases, the Executive Council determines which trading method shall apply to the trades of the relevant security.

Qualifications of the Member Representatives

⁴ **Article 5** - Those who satisfy all qualifications and requirements specified in article 11 of the Istanbul Stock Exchange Regulation and who have attended the training programs that are deemed compulsory by the Exchange at certain periods throughout the year and obtained a certificate of accomplishment are entitled to function as member representatives and assistant member representatives in the Stock Market.

The certificate requirement does not apply to and is not sought for those persons willing to become a representative who have actively worked in a position as a specialist or in a higher position at the CMB and the Exchange for minimum three years with a positive track record, those who have actively worked as general managers, assistant general managers, securities department directors in banks or worked as the representative of an Exchange member for minimum three years; those who worked as a broker member regardless of the duration of work; those who have actively worked in a member intermediary institution for minimum five years providing they have served minimum three years of that duration as the chairman of the board of directors or the managing director. Those who are not required to hold a certificate are entitled to become a member representative provided that they attend the "Electronic Trading Training Program"

¹ This is the amended subparagraph amended with the Regulation published on the Official Journal dated

² This subparagraph was inserted with the Regulation published on the Official Journal dated 28/01/1997.

³ This is the amended text of the article amended with the Regulation published on the Official Journal dated 22/03/2009.

⁴ This is the amended article amended with the Regulation published on the Official Journal dated 28/01/1997.

Collateral for the Stock Market

Article 6 - The collaterals of the Exchange members the amounts of which are calculated over the average of their daily traded volume in the Stock Market based on the ratios and periods determined by the Executive Council pursuant to article 12 of the ISE Regulation are required to be deposited to the Exchange within a specified time or to be complemented in case they fall below the required amount.

If the collateral amount is not complemented within the required period of time and remains short, the members are not allowed to carry out transactions on the Stock Market until the shortage is covered. The Executive Council of the Exchange may allow maximum two months to a member to reinstate the shortage of the collateral.

Trading Session

¹ **Article 7** – A session is defined as the time period between the beginning and end of trading on the Stock Market both of which are signaled by an authorized personnel of the Exchange. The Executive Council of the Exchange may decide that different sessions be held on a time basis and change the duration of the session for any market.

The Unit of Trading

Article 8 - The unit of trading for stocks called a "lot" refers to the minimum number or value or its multiples with which a stock can be traded. The Executive Council determines whether the unit of trading will be the minimum number or the minimum value of a stock depending on the characteristics of that stock and announces it on the Bulletin.

² Opening Session and Opening Price

Article 9 – The opening session is the period of time in which orders conveyed to the Exchange are matched prior to the session.

The opening price is the price calculated according to the transactions that take place during the opening session.

The opening time and period of the opening sessions, the trading method to apply during the opening session, and principles of calculating opening price are determined by the Executive Council of the Exchange.

³ Closing Price and Closing Session

Article 10 - The closing price is the last price registered by the Exchange in that session.

⁴ Executive Council can decide to determine the closing price by holding a closing session.

¹ This is the amended article amended with the Regulation published on the Official Journal dated 19/10/2006.

² This is the amended article and heading amended with the Regulation published on the Official Journal dated 19/10/2006.

³ This is the amended heading amended with the Regulation published on the Official Journal dated 12/08/2010.

⁴ This subparagraph was inserted with the Regulation published on the Official Journal dated 12/08/2010.

¹ Closing session is the preset time period when outstanding orders submitted beforehand are matched with new orders submitted within this period in order to determine the closing price.

¹ The time and period of the closing session, the trading method to apply during the closing session and principles of calculating closing price are determined by the Executive Council of the Exchange.

Closing Price Settlement Committee

Article 11 - The Committee is comprised of six members; three member representatives who actively work at the trading floor, the relevant market expert, the trading floor supervisor and the Director of the Stock Market or the Assistant Director, in the absence of the Director. The three members of the Committee who are member representatives of intermediary institutions and their three substitutes are elected by the Executive Council.

In case of a dispute, the closing price is the price settled by the Committee. No abstention vote is cast. In case of equality of votes, the closing price is settled in accordance with the opinion of the group which includes the Stock Market Director.

Reference Price

² **Article 12** - The reference price is calculated only to be used as a reference value by the members until the base price is computed in cases where the dividend payment is undetermined during capital increases and does not constitute a base for setting the upper and lower price limits at which the stocks can be traded.

³ **Base Price Margins and Price Ticks Applicable to Trading**

Article 13 – Matching of supply and demand formed in the markets is conducted at prices which correspond to the price ticks to be determined according to the base price range of stocks.

The Executive Council may change the base price range and the relevant price ticks applicable in that range, announcing the change on the Bulletin at latest by one week in advance.

Base Price Method

Article 14 – ⁴ The base price of a stock is the price which constitutes a base for determining the upper and the lower price limits of a stock between which a stock can be traded during a session. The base price of a stock is determined by rounding the weighted average price of that stock, derived from the transactions conducted and registered during the previous session, to the nearest price tick.

In case of dividend payments and capital increases, the base price is determined by the department assigned by the Chairman of the Exchange. The Executive Council decides on the method to be used for determining the base price and announces it on the Bulletin.

¹ This subparagraph was inserted with the Regulation published on the Official Journal dated 12/08/2010.

² This is the amended article amended with the Regulation published on the Official Journal dated 28/01/1997.

³ This is the amended article and heading amended with the Regulation published on the Official Journal dated 28/01/1997.

⁴ This is the amended paragraph amended with the Regulation published on the Official Journal dated 28/01/1997.

Limits for Price Change

¹ **Article 15** – ² The prices for each stock determined according to single price or multiple price method, cannot differ by more than 10% in each session from the base price defined in this Regulation. The Executive Council may set different limits for price changes on a market and order type basis.

The Director of the Stock Market may increase these limits up to twofold for a session upon the application of minimum three Exchange members or on his/her own accord when it is necessitated by market conditions. The Chairman of the Exchange may cancel or change the price limits upon the application of minimum five Exchange members or by his/her own initiative when market conditions necessitate it.

In case of dividend payments and capital increases, the price limits may not be applied.

Prices Registered by the Exchange

Article 16 - The price of a stock traded on the Exchange is registered by the Exchange only if the traded amount is one lot or above. The Exchange Management may change the minimum amount of trading required for registration of the prices, by announcing the change at least one week in advance. .

³ In the event that the amount or value of a stock in a transaction is less than the amount or value specified in the first paragraph, the price of that transaction is not registered by the Exchange, although it is executed.

⁴ The Executive Council is authorized to change the minimum amount of trading required for registration of the prices, on the basis of criteria based upon the concentration of trading value and/or volume of the market in general and of the stocks individually

⁵ Announcement of the Prices Formed

Article 17 – ⁶ The prices and the trading volume registered by the Exchange for each stock following the execution of the transactions in the markets are announced on the Bulletin with such content determined by the Exchange, latest by the next business day following the closing of the relevant session. In these announcements, prices are stated as the lowest, highest and closing prices registered during the session.

⁷

In the event that no price is registered for a stock during that session, it is also disclosed on the Exchange Bulletin.

¹ This is the amended article amended with the Regulation published on the Official Journal dated 28/01/1997.

² This is the amended article amended with the Regulation published on the Official Journal dated 19/10/2006.

³ This is the amended paragraph amended with the Regulation published on the Official Journal dated 28/01/1997.

⁴ This paragraph was inserted with the Regulation published on the Official Journal dated 28/01/1997.

⁵ This is the amended heading and 1st paragraph amended with the Regulation published on the Official Journal dated 28/01/1997.

⁶ This is the amended paragraph amended with the Regulation published on the Official Journal dated 19/10/2006.

⁷ This paragraph was revoked with the Regulation published on the Official Journal dated 28/01/1997.

Determination of the Executed Transactions

Article 18 – ¹ At the end of a session, trade reports including information on price, value and volume of all transactions realized during the session are distributed to members electronically.

²

³ Members create their own statutory records by using the trade reports distributed by the Exchange. Any dispute on the information given by the trade reports will be settled with reference to the records of the Exchange.

Exchange Orders

⁴ **Article 19** - Exchange orders are submitted to the System by the member representatives or via order submission interfaces assigned to the members as stated by the Exchange Management.

⁴ The order types that can be submitted to the Exchange are given below:

a) Normal Orders: Normal orders which are given in terms of unit of trading are comprised of one full lot or its multiples. They can be submitted in one of the following types:

1- Limit Orders: It is the type of order in which price and quantity are specified. The amount of an order that can be submitted to the system at any one time cannot exceed the amount determined by the Executive Council. The unexecuted portion of the order is held by the system as pending until the end of its validity.

2- - Immediate or Cancel Orders: Immediate or Cancel orders are given with a specific price and quantity without being subject to a maximum lot restriction, and the portion that cannot be matched at the time of entry of the order is cancelled automatically.

3- Special Limit Orders (SLO): This type of order is submitted to execute the entirety of the counter orders up to the specified price. The Executive Council may refuse the submission of an order which exceeds a certain percentage of the capital and/or the trading volume.

⁵ 4- Opening Price Orders (OPO): These are orders which are entered without any price by only stating quantity during the Opening Session. They are traded at the opening price . In terms of priority, they are ranked after the limit orders that are equal to and better than opening price, and in their number, they are ranked by time priority.

⁶ 5- Closing Price Orders (CLOPO): These are orders which are submitted without price by only stating quantity during the Closing Session. They are traded at the closing price . In terms of priority, they are ranked after the limit orders that are equal to and better than the closing price, and among themselves, they are ranked by time priority.

¹ This is the amended paragraph amended with the Regulation published on the Official Journal dated 19/10/2006.

² This paragraph was revoked with the Regulation published on the Official Journal dated 28/01/1997.

³ This is the amended article amended with the Regulation published on the Official Journal dated 28/01/1997.

⁴ This is the amended paragraph amended with the Regulation published on the Official Journal dated 19/08/2011.

⁵ This subparagraph was inserted with the Regulation published on the Official Journal dated 19/10/2006.

⁶ This subparagraph was inserted with the Regulation published on the Official Journal dated 12/08/2010.

¹

b) Odd-lot Orders: Odd-lot orders are submitted for a quantity of shares less than the current unit of trading (.....). The odd-lot orders are submitted only with the quantity specified without a price, and are executed at the price of the last executed normal order as of that time. The odd-lot orders may be partially matched with the counter odd-lot orders.

² c) Special Orders: Special orders are submitted for a number of shares exceeding the amount determined by the Executive Council on the basis of each stock.

Special orders are indivisible and thus traded as a whole.

To gain time priority, the price and quantity of a special order must be same with the other special orders submitted. Each special order is a whole in itself as it is indivisible. A special order with the best price does not have priority over the other special orders when the quantities are different. A member may prefer an order with different quantity to an order with the best price. Unmatched special orders can be cancelled at any time.

If there are counter limit orders in the System with a price equal to or better than the price of a special order submitted to the System, which has enough quantity to entirely fulfill the special order, no execution is performed. The Executive Council may decide for this rule not to be applied in accordance with the trading method.

If there are counter special orders in the System with a price equal to or better than the price of a special order submitted to the System, which has enough quantity to entirely fulfill the special order, these orders are executed first.

d) Wholesale Orders:

Wholesale orders are submitted with a specified quantity, which is above the amount determined by the Executive Council for that stock, to be executed in its entirety on the Wholesale Market.

³

e) Short Sale Orders:

Short selling orders are orders for short selling transactions conducted in accordance with the regulations of the CMB. For these orders, the price ranges determined under CMB regulations are followed. However, if no price has formed yet, the price of the order has to be one tick above the previous closing price. For stocks which have adjusted base prices or have no price limits, no short sale order can be submitted until a transaction on such stocks is realized.

Unless otherwise specified, each order is valid during the relevant session. However, orders can be given as "good till date" orders by specifying the validity period or the expiration date. Good till date orders can be given for a validity period determined by the Executive Council and they remain in effect in accordance with the rules applicable to price changes and price ticks. The good till date order is cancelled in cases when the base price of the stock is adjusted due to

¹ The phrase "nominal value/1000)" which once filled the space shown as (.....) in this subparagraph was deleted with the Regulation published on the Official Journal dated 24/06/2004.

² This is the amended paragraph amended with the Regulation published on the Official Journal dated 12/08/2010.

³ This is the amended subparagraph amended with the Regulation published on the Official Journal dated 29/10/2006.

dividend payment and capital increase or the trading code of the member changes within the validity period of the order. Good till date orders can be converted, when desired, by the members to normal orders effective for the duration of the relevant session.

The Executive Council is authorized to make any arrangements regarding the Exchange orders.

Pursuant to the paragraph (f) of article 9 of the ISE Regulation, the Stock Market Director, the Assistant Director or the relevant market expert, if he deems it necessary, may require the members to submit the records and documents which they are obliged to keep with respect to all or some of the trading orders conveyed to the market, within the framework of the principles set forth by the Executive Council.

Change or Cancellation of an Order

¹ **Article 20** - Principles and rules, regarding the change and cancellation by the members of orders which have been transmitted to the system but unexecuted yet, are determined by the Executive Council of the Exchange and become effective with the approval of the CMB.

Trading Method

Article 21 – ² The “single price” and "multiple price" methods applicable to the trading of stocks and the market making activity are carried out in accordance with the principles and rules set forth in this Regulation and approved by the Executive Council.

³ Single price method: This is the method whereby orders transmitted to the Exchange for a stock are collected throughout periods of time designated by the Exchange and are matched over

the same trading prices in accordance with the rules of priority so that the maximum trading volume is achieved at a single time or at several times.

³ Multiple price method: This is the method whereby orders transmitted to the Exchange for a stock are collected throughout trading periods designated by the Exchange and are matched over various trading prices continually and in accordance with the rules of priority.

⁴ Market Making: This is a trading activity which is carried out by members authorized by the Executive Council to engage in activities aimed at fostering a fair, orderly and effective operation of the stock market for which they are responsible and contributing to liquidity within the framework of principles and conditions laid down by the Executive Council.

⁵

¹ This is the amended article amended with the Regulation published on the Official Journal dated 14/07/2005.

² This is the amended text of the paragraph amended with the Regulation published on the Official Journal dated 22/03/2009.

³ This is the amended paragraph amended with the Regulation published on the Official Journal dated 19/10/2006.

⁴ This paragraph was inserted with the Regulation published on the Official Journal dated 22/03/2009.

⁵ This paragraph was revoked with the Regulation published on the Official Journal dated 16/02/2010.

Execution of transactions through the single price-multiple price methods and market making activity¹

Article 22 –² The implementation governing the entry of trading orders to the system, matching of orders, and display of order and transaction data in accordance with the single price method and the multiple price method is determined by the Executive Council of the Exchange according to the following principles:

a) Principles governing the single price method:

Trading orders are conveyed to the system within the frame of rules that have been determined.

In the entry of orders, the maximum limits that apply are set by the Executive Council in terms of quantity or amount on a market basis.

Throughout the order collection period, no transaction takes place.

During the order collection period, orders conveyed to the system can be cancelled and changed.

The cross transaction rules specified in article 24 do not apply to these transactions.

After order collection is completed, the single price that enables the performance of the most transaction amount is determined and announced. All the transactions corresponding to the respective order collection period are realized in accordance with the rules of priority over that price.

b) Principles governing the multiple price method:

Trading orders are conveyed to the system within the frame of rules that have been determined.

In the entry of orders, the maximum limits that apply are set by the Executive Council in terms of quantity or amount on a market basis.

As from the moment orders are conveyed to the system, trades may be executed in accordance with the rules of priority.

Members may execute trades completely or partially over orders which have been previously submitted to the system by other members.

Members can execute their own orders, entered previously, in accordance with the provision of Article 24 provided that there is no better quote than their own order.

³ c) Principles governing market making activity:

¹ This is the amended text of the heading amended with the Regulation published on the Official Journal dated 22/03/2009

² This paragraph was inserted with the Regulation published on the Official Journal dated 22/03/2009

³ This paragraph was inserted with the Regulation published on the Official Journal dated 22/03/2009.

A market maker contributes to the creation of a market and realization of a transaction by submitting bilateral quotations in the form of buys-sells in its own name and account over such securities for which it is responsible. A market maker, may use some particular accounts other than his own, which were previously reported to the Exchange for the transaction mentioned above. The issues relevant to these accounts and to the principles of their usage are determined by the Executive Council. Usage of these accounts does not abolish the responsibilities arising from market making. All the buy and sell orders entered in the System for the security in question is matched among themselves and/or with the market maker quotations in accordance with the rules of priority, and thereby converted to a transaction in part or in full.

The Executive Council determines the securities and markets to which market making will apply as well as those situations when the market maker is obligated to submit a quotation and when it is not.

Procedures and principles governing quotations submitted by a market maker as well as the rules governing orders and transactions that apply to a market making environment are established by the Executive Council.

Priority Rules

¹ **Article 23** - ² For stock market transactions, the following priority rules apply respectively for determining the priorities in the execution of orders submitted to the System except for opening price orders, closing price orders and special orders :

- a) Price Priority Rule: Sell orders with lower prices are executed before those with higher prices whereas buy orders with higher prices are executed before those with lower prices.
- b) Time Priority Rule: In case of price equality, orders submitted to the System at an earlier time are executed first.

³ **Cross Transactions involving a Single Member as a Party**

Article 24 - A member having both a buy and a sell order with the same price for the same stock submits both orders to the system.

- a) In the event that there is no pending order in the system with the same or a better price submitted by another member;

Once the order submitted by a Member matches with the order of the same member with the same price (pending), the order transmitted to the system is automatically transferred to the cross order book and held there for a time period determined by the Executive Council. Unless another member submits an order with the same or a better price to the system in that course of time, the system executes the cross transaction at the end of that period.

- b) In the event that there are other priority orders with the same or better prices submitted by other members, transactions are executed with these orders first, and the unexecuted portion of the order is held pending in the system.

¹ This is the amended article amended with the Regulation published on the Official Journal dated 19/10/2006.

² This is the amended paragraph amended with the Regulation published on the Official Journal dated 12/08/2010.

³ This is the amended article and heading amended with the Regulation published on the Official Journal dated 28/01/1997

c) In the event that an order with the same or a better price is transmitted to the system by another member during the waiting period, the system executes a 50% matching between the order submitted by the other member and the cross order.

This process continues for each order submitted by each different member until the cross order is executed completely.

d) In the event that the cross transaction takes place on a pending order, the system matches the orders submitted by the same member with the orders transmitted by the other members at the rate of 50% in the order of priority.

If the amount to be shared between the members in a cross transaction is an odd number, always one more than the amount is matched to the same member. If the amount subject to cross transaction is one lot, it is matched with the order submitted by another member with the same price during the waiting period.

¹ Taking into account the emerging market conditions, the Executive Council of the Exchange may decide not to apply the provisions of this article to the part or all of the trading methods described in article 21 herein.

Temporary Suspension of a Stock's Trading

Article 25 - The Chairman of the Exchange may suspend the trading of a stock temporarily under the following circumstances:

a) The Exchange receives an information about a stock or the issuing company, which may affect the decisions of the traders and the Exchange Management deems it necessary that this information should be disclosed to members and to their clients;

² b) Buy or sell orders of an unusual price and/or quantity are transmitted to the system for a stock in a way to prevent the development of a healthy market for that stock,

² c) Orders submitted for a stock fall within the context of Wholesale Trading which is described in this Regulation;

d) Other factors, which prevent the healthy operation of a session, arise.

If the Chairman of the Exchange decides to resume trading for the relevant stock in the same session, the trading resumes during that session if there is sufficient time left.

The Chairman of the Exchange can suspend the trading of a stock for a maximum period of 5 business days. The resolution of the Executive Council is required for a suspension exceeding 5 business days.

³ In the case of temporary suspension of a stock's trading at the Exchange, this is announced on the Bulletin and the Exchange with the reasons of suspension. If the trading of the stock is

¹ This is the amended text of the paragraph amended with the Regulation published on the Official Journal dated 22/03/2009.

² This is the amended subparagraph amended with the Regulation published on the Official Journal dated 28/01/1997.

³ This is the amended paragraph amended with the Regulation published on the Official Journal dated 28/01/1997.

allowed to resume during the same session, the base price of that stock is determined by the Chairman of the Exchange when the session starts again, and announced at the Exchange. In that case, the Chairman of the Exchange may cancel the orders and/or transactions.

If the duration of temporary suspension of a stock's trading extends beyond a session, the time to resume trading and the base price of that stock are determined by the Chairman of the Exchange and announced on the Bulletin and on the Exchange.

¹

In relation to a stock the trading of which is suspended temporarily, the Executive Council may extend to the company a maximum period of 2 months following the decision of the Executive Council to clarify the uncertainty related to that stock. At the end of this two-month period, the Executive Council evaluates the situation and if it deems it necessary, may lengthen this period for another 1 month at most. In that course of time, the necessary studies are carried out by ISE to determine whether the stock shall resume trading or shall be subject to trading on the over-the-counter market or not. At the end of the given period, the Executive Council makes a decision in compliance with the respective legislation in respect of the resumption of trading, delisting of the stock, or trading of the stock on the over-the-counter market and announces it along with the reasons thereof.

Stocks to be Traded for the First Time on the Exchange

² **Article 26** - Stocks to be traded for the first time on the Exchange are traded on the relevant market in accordance with the trading rules applicable to that market.

Information with regards to the market where the stock will be traded and the method of trading is disclosed on the Bulletin in advance.

The Exchange Management may demand that the value of shares to be purchased be deposited to a bank and the shares to be sold be deposited to Takasbank or to a bank.

Stocks Not Traded for a Certain Period of Time

³ **Article 27** - A stock, which is not traded for a month, shall not be subject to price limits during the first session following that period and this shall be announced on the Bulletin. In the event that no transaction takes place on that stock for five business days following the release of its price limits, the stock is delisted from the relevant market temporarily by the Management until Executive Council makes a decision to this effect.

³ **Wholesale Transactions**

Article 28 – Within the framework of the principles set forth by the Executive Council, a "Wholesale Order" can be given for the stock transactions of a listed or unlisted company which are above a certain amount. In this scope;

a) New shares to be issued during a capital increase or receipts representing the new issue;

¹ This paragraph was inserted with the Regulation published on the Official Journal dated 31/12/2002.

² This is the amended article amended with the Regulation published on the Official Journal dated 28/01/1997.

³ This is the amended article and heading amended with the Regulation published on the Official Journal dated 28/01/1997.

b) Stocks or receipts representing these held by the existing shareholders, can be sold to buyers, in the presence or absence of a prior agreement, as an allocated/wholesale transaction on the Wholesale Market. Such transactions executed on the Wholesale Market are not considered as transactions increasing the free float.

Detailed information on the transaction is announced on respective bulletins as statistical data, prior to and following the transaction.

Cash and security settlement of wholesale transactions can be realized outside Takasbank provided that it is approved by the Exchange Management and the responsibility rests with the buyer and the seller.

Official Auction

¹ **Article 29** – Written application has to be lodged for the sales transactions, which the courts, the court-bailiff's offices and other governmental agencies deem necessary to be executed on the Exchange .

Accompanying the written application for an official auction, it is essential to submit the information and the documents confirming that the securities are distrained at the Central Registry Agency, along with the information and the documents required by the Exchange Management.

The official auction sales can either be realized by the Exchange Management at the secondary market of the related security or at a separate official auction market according to the liquidity condition of that security.

Official auctions can only be realized for the securities traded at the Stock Market.

If a separate official auction market is to be opened, the announcement for the securities to be sold will be made at the Public Disclosure Platform a day before the sales.

If opening a separate market for the official auction is not deemed necessary by the Exchange Management, the sales is realized at the secondary market of the related security and no announcement is made before the sales.

The principles for assigning a corporation as an intermediary and conducting the procedure for official auctions are set by the Exchange Management.

Method of Trading on the Primary Market

Article 30 - On the primary market, the stocks which fall within the scope of the primary market pursuant to the legislation, are offered to public.

² The Executive Council is authorized to set forth the principles applicable to the orders and the transactions in the Primary Market within the framework of the regulations of the CMB.

¹ This is the amended article amended with the Regulation published on the Official Journal dated 12/08/2010.

² This paragraph was inserted with the Regulation published on the Official Journal dated 28/01/1997.

¹ In the event that the Exchange approves the application lodged by the issuing company or the intermediary for a public offering through the Exchange's Primary Market, accompanied by the certificate of registration issued by the CMB as well as the information and the documents required by the Exchange Management, the situation is announced on the Bulletin no later than two work days prior to trading.

² During the capital increases of the companies traded on the Exchange, the sales announcement with respect to the sales of unexercised rights coupons is published on the Bulletin at least two days prior to the commencement of sales.

If the amount of unexercised rights coupons is below the special order amount determined for the relevant stock, the Exchange may allow special order submission on the condition that the sales pertain to entirety of the remaining shares.

³ **The Rights Coupon Market**

Article 31 – The Rights Coupon Market is opened for a period of time determined by the Exchange for the trading of rights coupons attached to the stock within the subscription period which the companies traded on the market determine for their capital increases in cash.

The opening day of the Market is the first day of the subscription period. The closing day of the Market is the fifth business day prior to the end of the subscription period. The unit of trading is a lot.

The price limits do not apply on the opening day of the market as well as until a base price is determined. The price limits to be applied in the sessions following the creation of a base price are determined by the Executive Council.

The Rights Coupons are traded in accordance with the rules applicable to the Stock Market. The Executive Council is authorized to set forth the principles pertaining to orders and transactions.

⁴ **Method to be Used for the Fulfillment of Obligations**

Article 32 – ⁴ The relevant provisions of the Istanbul Stock Exchange Regulation published on the Official Journal dated 19/2/1996, No.22559 and the provisions of the Regulation on the Settlement and Custody Institutions of the Istanbul Stock Exchange published on the Official Journal dated 19/2/1996 and No.22559 and the provisions of other legislation governing the Guarantee Fund shall apply to the fulfillment of obligations.

Members failing to fulfill their obligations within the specified time in accordance with the provisions of ISE Regulation and of this Regulation, are deemed to be in default.

Process Applicable to Default in Cash Settlement

⁵ **Article 33** - In the event that a member fails to fulfill its cash obligation corresponding to the stock it buys at all or in part, the stocks corresponding to the amount due are not delivered to the relevant member.

¹ This is the amended paragraph amended with the Regulation published on the Official Journal dated 29/01/2011.

² This paragraph was inserted with the Regulation published on the Official Journal dated 15/06/2002.

³ This is the amended article and heading amended with the Regulation published on the Official Journal dated 28/01/1997.

⁴ This is the amended paragraph amended with the Regulation published on the Official Journal dated 19/10/2006.

⁵ This is the amended article amended with the Regulation published on the Official Journal dated 28/01/1997.

The member is not delivered the amount of shares corresponding to the amount due, starting from the top of a descending list of the most frequently traded stocks in the previous month, calculated over the traded value, volume, and the number of contracts. First, the stocks that have been bought with the order which had, according to member's statement, caused the member to be in default, are not delivered to the member.

Procedure Applicable to a Default in Stocks

Article 34 - In case that a member fails to fulfill its stock obligations which arise as a result of the sale at all or in part, no payment is made to that member in proportion to the amount of the obligation it fails to fulfill.

Disciplinary Action Regarding Default

Article 35 - In case of default, the provisions of the ISE Regulation governing disciplinary actions shall apply.

Effective Date

Article 36 - This Regulation comes into effect on the day of its promulgation.

Enforcemet

Article 37 - This Regulation is enforced by the Chairman of the ISE.