

No : İMKB/2-GDD-10.06.02 - 107
Subject : On procedures and principles regarding the listing and trading of Intermediary Institution Warrants on the Exchange

Istanbul, January 05, 2010

Circular Letter No: 318

**Stock Market Department
Listing Department**

Dear Member,

As it is known, a warrant market has been established to promote trading in certificates of warrants specified with Code "V" on the Collective Products Market of the Istanbul Stock Exchange Stock Market. In view of the fact that Intermediary Institution Warrants represent a new product for our market, bear different features like derivatives and are to be traded via market making mechanism, additional software for warrant trading has been implemented to the current ISE Stock Trading System and following the tests with participation of all ISE Members, new software has been released on November 13, 2009.

On the other hand, within the framework of the decision of the Capital Markets Board (CMB) dated October 4, 2009 and its letter addressed to the ISE dated December 8, 2009 with number B.02.1.SP.K.0.16-1515-13933 and in accordance with the CMB Communiqué Series: III, No: 37, the procedures and principles governing the listing of Intermediary Institution Warrants that have been registered by the CMB and the trading thereof on the ISE Corporate Products Markets have been determined with the ISE Executive Council's decision dated December 24, 2009 with number 1311, and regulated as described in the appendix hereto. The Circular Letter is also available at the website of our Exchange (www.imkb.gov.tr).

Order-trading rules and market making activities designed in accordance with the characteristic features of this new product which is intended to be incorporated into our market are described in this circular letter in detail. In addition to the CMB Communiqué, this circular letter also needs to be consulted in any study to be carried out with respect to this matter, and preparations should be carried out in the framework of these arrangements.

We hope the Intermediary Institution Warrants are beneficial for our market, ask you to be informed, and to take the necessary actions.

Best regards,

**ISTANBUL
STOCK EXCHANGE**

Hüseyin ERKAN
Chairman and CEO

Appendix: Procedures and Principles regarding the Listing and Trading of Intermediary Institution Warrants on the Exchange (43 pages)
AS/AC/KV/HC/AD/MB

APPENDIX:

**PROCEDURES AND PRINCIPLES
REGARDING THE LISTING AND
TRADING OF INTERMEDIARY
INSTITUTION WARRANTS ON THE
EXCHANGE**

(This page is intentionally left blank)

1.	LEGAL GROUNDS	1
2.	DEFINITIONS	1
3.	EXCHANGE APPLICATION AND LISTING PRINCIPLES.....	3
	3.1 REQUIRED DOCUMENTS FOR LISTING APPLICATION	4
	3.2 REQUIRED DOCUMENTS FOR THE APPLICATION FOR BEING TRADED ...	4
	3.3 INITIAL LISTING REQUIREMENTS	4
4.	DELISTING OF WARRANTS	5
5.	INITIAL LISTING FEES AND EXCHANGE FEE	5
6.	BEING TRADED INITIALLY	5
7.	OTHER EXPLANATIONS	5
8.	FEATURES OF WARRANTS TO BE TRADED	6
9.	DETERMINING WARRANT MARKET MAKER AND MARKET MAKING LETTER OF UNDERTAKING.....	6
10.	OPERATION OF THE MARKET	6
	10.1 TRADING METHOD	6
	10.2 BASE PRICE AND PRICE CHANGING LIMITS.....	6
	10.3 PRICE TICK:	7
	10.4 GENERAL RULES FOR WARRANT MARKET MAKING.....	7
	10.5 MARKET STRUCTURE, SESSION HOURS AND SESSION STAGES.....	8
11.	COLLATERAL	9
12.	PRICE FORMATION.....	9
13.	QUOTATION (BID-ASK QUOTATIONS OF THE MARKET MAKER)..	11
	13.1 QUOTATION ENTRY RULES	11
	13.2 MINIMUM AND MAXIMUM QUOTATION QUANTITY.....	12
	13.3 MINIMUM AND MAXIMUM SPREAD	13
	13.4 PRICE QUOTATION	13
	13.5 AUTOMATIC QUOTATION RENEWAL.....	13
	13.6 VALIDITY PERIODS OF QUOTATIONS	14
	13.7 QUOTATION CHANGING RULES.....	14
	13.8 QUOTATION RULES IN TEMPORARILY DELISTED WARRANTS	15
	13.9 QUOTATION ENTRY OR CHANGING RULES IN CASE OF SUSPENSION OR DISRUPTION OF THE SESSION	15
	13.10 QUOTATION CHANGING FREQUENCY.....	16
	13.11 SPLITTING A QUOTATION.....	16
	13.12 CANCELING A QUOTATION	16

13.13	CIRCUMSTANCES UNDER WHICH GIVING A QUOTATION IS NOT COMPULSORY	16
14.	ORDERS.....	17
14.1	ORDER ENTRY AND ORDER TYPES	17
14.2	ORDER CHANGE	17
14.3	ORDER CHANGING RULES IN TEMPORARILY DELISTED WARRANTS	18
14.4	OTHER RULES PERTAINING TO ENTRY OF ORDERS	18
14.5	CANCELING AN ORDER.....	18
14.6	CANCELING A TRANSACTION.....	18
14.7	ORDER TRANSMISSION METHOD	18
15.	TRANSACTION CODE	19
15.1	SHORT CODE (1)	19
15.2	LONG CODE (1)	20
15.3	SHORT CODE (2)	21
15.4	LONG CODE (2)	22
15.5	SHORT CODE (3)	23
15.6	LONG CODE (3)	24
16.	TEMPORARY DELISTING OF WARRANTS	25
17.	DATA BROADCAST	25
18.	SETTLEMENT, CONVERSION AND DEFAULT TRANSACTIONS OF WARRANTS	25
18.1	SETTLEMENT TRANSACTIONS	26
18.2	WARRANT CONVERSION (EXERCISE OF RIGHTS VESTED BY THE WARRANT).....	26
18.3	DEFAULT TRANSACTIONS.....	28
19.	MISCELLANEOUS	29
19.1	FEATURE CODE.....	29
19.2	PRICE ADJUSTMENTS IN CAPITAL INCREASES AND DIVIDEND PAYMENTS.....	29
19.3	PRICE REGISTRATION.....	29
19.4	ERRONEOUS ORDER INFORMATION CORRECTION NOTICES.....	29
19.5	MARGIN TRADING	29
19.6	LOT QUANTITY	29
19.7	MINIMUM SPECIAL ORDER QUANTITY	29
	EXAMPLES.....	30
	INFORMATION FORM AND APPLICATION PETITION FOR BEING TRADED.....	44

(This page is intentionally left blank)

Pursuant to the “*Communiqué on Principles Regarding Board Registration and Trading of Intermediary Institution Warrants*” Series: III, No: 37 published by the Capital Markets Board (the Board) on the Official Journal dated 21.07.2009 and Number 27295, Article 16, the procedures and principles regarding the Listing of Intermediary Institution Warrants registered by the Board and Trading Thereof on the Corporate Products Market of our Exchange have been established as follows by virtue of the decision of the Executive Council of the Exchange dated December 24, 2009 and Number 1311.

1. LEGAL GROUNDS

The Circular Letter has been issued on the basis of:

- Article 1 of the Communiqué on Principles Regarding the Board Registration and Trading of Intermediary Institution Warrants,
- Article 6 of ISE Listing Regulation,
- Article 3 of ISE Stock Market Regulation.

2. DEFINITIONS

Intermediary Institution

Means intermediary institutions and banks.

Exchange/ISE

Means Istanbul Stock Exchange.

Intermediary Institution Warrant (Warrant)

Means a capital market instrument in the form of securities which gives the holder the right to purchase or sell the underlying asset or benchmark at a specified price at or until a specified date such that the said right is exercised via book-entry delivery or cash settlement.

Underlying Asset

Means a stock included in ISE 30 index and/or a basket comprised of more than one stock included in ISE 30 index.

Underlying Benchmark

Means the stock indices created by the Exchange

Other Bases

If deemed appropriate by the Board, warrants can be backed by other assets and benchmarks such as convertible currencies, precious metals, commodities, internationally recognized indices in addition to the underlying assets and benchmarks mentioned above.

Law

Means the Capital Market Law.

Board

Means the Capital Markets Board.

Prospectus and Circular

Prospectus: Means the prospectus mentioned in the Board's Communiqué Series: III, No: 37.

Circular: Means the circular mentioned in the Board's Communiqué Series: III, No: 37.

Nominal Value

Means the face value of a warrant determined by the issuer not to be less than 1 kurus.

Issue Price and Date

Issue Price: Means the initial price announced in the circular at which the warrant is traded on the Exchange.

Issue Date: Means the date at which the warrant is initially traded on the Exchange.

Expiration Date

Means the last date at which the warrant can be traded.

Exercise¹ Price

Means the purchase or sale price of the warrant which has been established prior to the exercise date of the underlying stock

Conversion Rate

Means the rate that indicates the number of underlying assets which a warrant corresponds to.

Market Maker Member (Market Maker)

¹ The term "exercising a warrant" or "warrant conversion" means the exercise of the right stemming from the warrant.

Market Maker: Means any intermediary institution that is a member of the Exchange, obliged to provide quotations and authorized by the Executive Council of the Exchange to engage in activities aimed at fostering a fair, orderly and effective operation of the market of the warrant for which it is responsible and contributing to the creation of a liquid and stable market.

Market Making: Refers to a trading activity which is carried out by authorized members for the purpose of promoting a fair, orderly and effective operation of the market of the warrant for which they are responsible and contributing to liquidity.

Quotation (Bid-Ask Quotations of the Market Maker)

Means a two-sided order type which is entered by the market maker in ISE Stock Market Trading System (System) to provide liquidity, showing the price at which it is willing to buy or sell and how much it is going to buy/sell at such price level.

Warrant Type (European-American)

While European-type warrants can be exercised on the expiration date, American-type warrants can be exercised on the expiration date or any time until the expiration date.

Basket Warrant

Means a warrant comprised of more than one underlying stock included in ISE 30 Index.

3. EXCHANGE APPLICATION AND LISTING PRINCIPLES

A listing application relating to warrants to be issued should be lodged by the issuer or the intermediary institution in the first place so that the warrants are listed on the Exchange, and before a circular is announced for the sale of the warrants, an application for being traded on the Exchange should be submitted.

The listing application is submitted concurrently with the application lodged with the Board for the registration of the warrants by the Board. It is essential that the listing application is made in 3 months as from the date of the decision of the authorized body. In view of the fact that registration applications can be filed with the Board separately for each issue or collectively to cover all warrant issues for a one-year term, the listing application filed with the Exchange should be consistent with the type of application lodged with the Board.

In case of the sale of warrants in series within a one-year term, the application for being traded shall be submitted to the Exchange Management along with the required documents no later than 5 business days prior to the sale of each series. Among the warrants which have been previously listed with a decision of the Executive Council of the Exchange, those warrants that shall be put to sale can start to be traded with the decision of the Exchange Management.

Similarly, where Board registration application is made separately for each issue, the listing application and the application for being traded in the relevant market are made concurrently with the application lodged with the Board. Application documents should be completed no later than 5 business days prior to the sale of warrants.

3.1 Required Documents for Listing Application

- a) Board Registration Certificate (to be delivered to the Exchange when acquired from the Board),
 - b) Prospectus approved by the Board (to be delivered to the Exchange when acquired from the Board),
 - c) Authorized body decision relating to warrant issue,
 - d) Where the relevant registration stipulates the decision or consent of other bodies for warrant issue, then a document relating to such decision or consent,
 - e) The names, titles and contact details of persons authorized to conduct transactions on behalf of the issuer, market maker, intermediary institution, and guarantor if any, and other relevant entities and institutions,
 - f) A declaration to be made by the board of directors or persons authorized to represent the issuer to the effect that the warrants are not subject to reservations restricting their assignment or circulation, or preventing the exercise of holder rights and that there is no beneficial interest on the warrants,
 - g) A copy of each of the market making agreement, intermediation agreement, guarantee agreement if any, and other documents relating to public offering, information describing the parties to the agreement, and the officially-certified signature circulars of the parties to the agreement,
 - h) Other information and documents that may be required by the Exchange Management
- The above mentioned documents are submitted to the Exchange Management.

3.2 Required Documents for the Application for Being Traded

- a) Information form and application petition for being traded, signed by the intermediary institution or the issuer, attached to the Circular Letter,
- b) Circular approved by the Board
- c) Document evidencing payment of warrant initial listing fee
- d) Other information and documents that may be required by the Exchange Management

3.3 Initial Listing Requirements

The following requirements should be met in respect of initial listing of warrants:

- a) The application should be submitted for all warrants registered by the Board,
- b) A market maker that meets the criteria set forth in the Communiqué of the Board Series: III, No: 37 “*On Principles Regarding Board Registration and Trading of Intermediary Institution Warrants*” should exist,
- c) A permission acquired from the relevant Ministry as per ISE Listing Regulations, Article 19 should be presented to the Board where warrants are issued in Turkey by foreign institutions domiciled and operating overseas,

4. DELISTING OF WARRANTS

Warrants traded on the Exchange shall be permanently delisted from the Exchange and the market if:

- a) the term of the warrant expires,
- b) the asset underlying the warrant is delisted due to merger, acquisition, or other reasons, except in case of basket warrants and index-based warrants,

5. INITIAL LISTING FEES AND EXCHANGE FEE

The initial listing fee to be charged is 0.01% (one ten thousandth) of the total nominal value of the warrants listed on the Exchange on condition that they are issued in a period of one year. For the warrants that are to be issued and traded thereafter, a listing fee of TL 500 per issue shall be paid to the Exchange.

Total warrant fee payable by each issuer in a year cannot exceed TL 50,000.

No annual listing fee is payable for warrants.

Warrant trades shall be subject to exchange fee tariff which is applied in the Stock Market whereas warrant trades executed via the quotation orders of market makers shall be subject to half of the exchange fee tariff which is applied in the Stock Market only for the market maker.

6. BEING TRADED INITIALLY

Warrants are started to be traded on the Warrant Market on the business day that succeeds the day when the decision of the Exchange Management regarding the trading thereof, the information, prospectus and circular relating to the warrants that are decided to be traded, are announced on the Public Disclosure Platform and/or the Exchange Daily Bulletin. In case of the sale of warrants that are to be issued in series in a one-year term, the prospectus shall be published with the first issue.

7. OTHER EXPLANATIONS

When any issue which is not mentioned in this Circular Letter occurs, the principles regarding the relevant application are determined and executed by the Exchange, obtaining the consent of CMB. The information form and application petition for being traded, which is attached to the Circular Letter, can be changed by the Exchange Management when deemed necessary.

8. FEATURES OF WARRANTS TO BE TRADED

- **European** and **American** type warrants can be traded on the Market.
- Both **call** and **put** type warrants are traded on the market.
- Only warrants written on stocks which are described as “**old**” (with a dividend coupon of a past period) are traded (warrants can be issued only over old stocks).
- **Warrant issue with same features by different institutions:** There can be more than one warrant issuer for the same stock, same basket or same ISE index.
- Warrants that have the same issuer, underlying asset, expiration, exercise price and type (call/put) are listed with the same ticker symbol. If there is any difference in any of the items specified, a separate ticker symbol should be created (each ISIN code requires a new ticker symbol to be created).

9. DETERMINING WARRANT MARKET MAKER AND MARKET MAKING LETTER OF UNDERTAKING

According to Article 17 of the Communiqué, a brokerage house is designated as the market maker by the issuer during the application, and is notified to the Board to ensure that warrants are registered by the Board. The Board establishes the terms pertaining to brokerage houses that can be qualified as market makers for warrants. Market maker members have to sign the “Market Making Letter of Undertaking” (prepared by the Exchange and approved by CMB), otherwise, they cannot start market making activities. The “market maker” status of those members who act in breach of the “Market Making Letter of Undertaking” is cancelled by the Exchange management.

10. OPERATION OF THE MARKET

10.1 Trading Method

- The trading method applied in the Warrant Market is the “**market maker-based, multiple price-continuous auction system**” In this method, a market maker responsible for each warrant gives bid and ask quotations continuously, and members (including the market maker member) transmit buy and sell orders for that warrant.
- Buy and sell orders that are placed are admitted to the system in accordance with price and time priority rules, and are matched with appropriate counter buy-sell orders or quotation orders at such prices within the quotation range (including quotation prices).

10.2 Base Price and Price Changing Limits

- The base price system is not applicable in the market. Therefore, there are no minimum and maximum limits in the formation of prices (free margin applies).

- All the transactions on the market are realized within the bid and ask quotations given by the market maker (including quotation prices) (the quotations given by the market maker become the price limits in a sense). Orders outside the quotation range are also admitted to the system, but can only be exercised so long as they remain within the quotation range.
- When a buy order with a limit price lower than the bid price of the quotation and a sell order with a limit price higher than the ask price of the quotation are given, such orders are included in the pending orders book. However, when a BUY order with a price higher than the ask price of the quotation or a SELL order with a price lower than the bid price of the quotation are placed, the unexecuted portion of such limit order is cancelled.
- Orders entered outside the quotation price range can come into the price range through changes in the quotation prices, or orders entered within the quotation price range can remain outside the quotation range through changes in quotation prices. In that case, such orders continue to be pending in the system.

10.3 Price Tick:

In case of order and quotation entries for warrants, the price tick is applied as 1 kuras at each price level. A price tick of 1 kuras is applied when an order is entered in the default, official auction and wholesale markets of warrants.

10.4 General Rules for Warrant Market Making

- A market maker is obligated to contribute to the creation of a market and realization of a transaction by submitting bilateral quotations in the form of buys-sells under current regulations over such warrants for which it is responsible. All the buy and sell orders entered in the System for the warrant are 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.
- There should be a market maker for each warrant, and only one member market maker can be assigned to each warrant. On the other hand, a market maker can act as the market maker of **more than one warrant**.
- A normal order entered by a member can be matched with a quotation in conformity with the priority rules or with a normal order that has been entered by the same member or another member.
- Warrants cannot be traded in the opening session. No orders can be transmitted for warrants in the opening session. Only the market maker institution can transmit a bid-ask quotation for the relevant warrant after the opening transactions.
- ExAPI users or chief brokers of the market maker member can make quotation entries/changes. If the quantity of the quotation entered by the market maker member is processed and consumed up, and the market maker member fails to complete the quotation quantity up to the minimum quotation quantity in 3 minutes, the System automatically assigns the quotation. This assignment is made using the code of the market maker representative who entered the quotation and the account number corresponding to the quotation entered.

- Market maker members cannot give a quotation which is less than the minimum quotation quantity determined for the entry of quotations for warrants (250 lots).
 - The market maker member enters the quotation using the account number(s) determined separately for each warrant and solely for use in such transactions.
 - Acceptance and trading of orders cannot be started for a warrant before the market maker gives a quotation.
 - Representatives of all brokerage houses transmit their orders to the system, and these orders are matched with quotations or normal orders within quotation prices by the system in accordance with price and time priority rules in the light of the established rules.
 - Market makers can make any change on the quotations they have entered (subject to quotation changing rules).
-
- If all orders are matched at the quotation levels given by the market maker (at bid-side, ask-side or both sides), other members cannot execute trades with orders best priced after the market maker's quotations (with a price worse than the quotation). In that case, the market maker is expected to complete the quotation in 3 minutes. If the quotation is not completed within that period of time, the System automatically enters the minimum quotation quantity (250 lots) over the last quotation price that has been entered.
 - Rules governing orders and trades applicable to the Stock Market also apply to the warrant trades unless otherwise specified.

10.5 Market Structure, Session Hours and Session Stages

a) Market

Warrants are traded on the Warrant Market under the Corporate Products Market (CPM).

b) Session Hours

Warrant trades are executed at continuous auction session hours of the Stock Market. The first session is held between 09:50 – 12:30 and the second session between 14:20 – 17:30.

c) Opening Session

- Warrants are not included in the opening session.
- No order and quotation can be entered for warrants in the subscription and opening stages of the opening session.

d) Quotation Transmission Stage

The Quotation Transmission Stage starts with the completion of opening transactions (*approximately at 09:45:40*), and ends with the expiry of the continuous auction stage (*12:30 for the first session, 17:30 for the second session*).

Between the start of the first session “Quotation Transmission Stage” and the start of the continuous auction stage, the entry of any order type is not permitted except quotation entries/changes for warrants by the market maker. Between the start of the second session “Quotation Transmission Stage” and the start of the continuous auction stage, quotations entered during the first session can be changed, however no change/split/cancellation can be made on any order.

In warrants, the quotation is entered daily. The warrant market maker can enter quotations for the warrant ticker symbols it is responsible for until the end of the day (2nd session).

e) Automatic Initial Quotation Stage (09:49-09:50 / 14:19-14:20)

There is no automatic initial quotation assignment in warrants. However, the market maker members responsible for the warrant can enter quotations and change the entered quotations throughout that period of time.

f) Trading Methods in Temporary Markets

The trading method applied in temporary markets opened for securities traded via the market making method are specified in the table below:

TEMPORARY MARKET	TRADING METHOD
Default	Continuous Auction
Official Auction	Continuous Auction
Wholesale Market	Special order transaction by the Control

11. COLLATERAL

Members willing to engage in market making in warrants have to deposit a collateral called the Warrant Market Making Collateral in the name of the issuer.

Warrant Collateral: Members willing to engage in market making in the Warrant Market deposit a collateral of TL 500,000 in the name of each issuer whose market making they undertake (10 times the collateral taken for over the counter odd-lot trades) as a one-off payment.

12. PRICE FORMATION

- **At the beginning of the day**, starting from the moment the opening transactions for stocks are concluded and continuous auction is started (from **09:50**) – if the quotation has been entered – other members start entering orders for warrant ticker symbols. Where the market maker does not enter the initial quotation for the ticker symbol of the

relevant warrant, the System does not automatically give the initial quotation for the relevant warrant, and no orders can be entered for the ticker symbols for which the market maker did not provide a quotation.

- Trades are executed between or at the quotation prices given by the market maker.
- If all orders within at the quotation levels given by the market maker (at bid-side, ask-side or both sides) are matched other members cannot execute trades with the orders best priced after the market maker's quotations. In other words, no trades can be executed outside the price ranges determined with the quotation.
- After the market maker enters the quotation, it is possible to convey orders with prices outside the quotation, however such orders can be converted into a trade (after changes are made in quotation prices) provided that they remain within or are equal to the quotation prices.
- An order entered by a member can be matched with the orders entered by the same member or by other members, or with the quotation given by the market maker within the frame of the price and time priority rules.
- Among the limit orders entered by the members on the bid-side, those that are equal to the ask price, or the unexecuted portion of those that are lower than the ask price of the quotation are included in pending orders (recorded as pending). In line with it, among the limit orders entered by the members on the ask-side, those that are equal to bid price, or the unexecuted portion of those that are higher than the bid price of the quotation are recorded as pending.
- However, if the quantity of a limit priced **buy order** entered at a higher price than the ask price of the quotation exceeds the quantity of the sum of sell orders pending at a price level equal to and better than the ask price – including the quotation – then such limit order,
 - is first matched with orders with a better price than the ask price in accordance with price and time priority rule;
 - is then matched with orders with a price equal to the ask price and the ask quotation in accordance with price and time priority rule, and is traded in such quantity that can be traded,

if there is any remaining quantity, it is directly cancelled without being recorded as pending (passive).
- In this scope, if the quantity of a limit priced **sell order** entered at a lower price than the bid price of the quotation exceeds the quantity of the sum of buy orders pending at a price level equal to and better than the bid price – including the quotation – then such limit order,
 - is first matched with orders with a better price than the bid price in accordance with price and time priority rule;

- is then matched with orders with a price equal to the bid price and the bid quotation in accordance with price and time priority rule, and is traded in such quantity that can be traded,
- if there is any remaining quantity, it is directly cancelled without being recorded as pending.
- In the event that the ticker symbol of the underlying stock is temporarily delisted and then relisted:
 - **The underlying stock is individually listed for trades under continuous auction in the Opening Session :** In that case, similar to the beginning of the day, when the continuous auction transactions of the underlying stock start, the market maker makes quotation entries for the ticker symbols of the warrant it is responsible for until the end of the day. Quotations are entered to be effective for 1 day. Starting from the moment the opening transactions for the underlying stocks are concluded and continuous auction is started – if the quotation has been entered – other members start entering orders for warrant ticker symbols. However, no orders can be entered for warrant ticker symbols before the market maker enters the quotation. Where the market maker does not enter the initial quotation, the System does not automatically enter the initial quotation, and no orders can be entered for the ticker symbols for which the market maker did not provide a quotation.
 - **The underlying stock is listed for trades under continuous auction:** Starting from the moment the continuous auction transactions of the underlying stock start, the market maker can make quotation entries for the ticker symbols of the warrant it is responsible for until the end of the day. Quotations are entered to be effective for 1 day. Starting from the moment the continuous auction transactions for the underlying stock begin – provided that the quotation has been entered – orders can be entered for the warrant ticker symbols. However, no orders can be entered for warrant ticker symbols unless the quotation is entered. If the market maker makes the first quotation entry, the System does not automatically enter the initial quotation. On the other hand, no orders can be entered for the ticker symbols for which the market maker did not provide a quotation.

13. QUOTATION (BID-ASK QUOTATIONS OF THE MARKET MAKER)

13.1 Quotation Entry Rules

- Under normal market conditions, the market maker has to provide a quotation and carry out the market making activity. A quotation can be entered only by the chief brokers and ExAPI users of the market maker of the warrant.
- More than one quotation cannot be present at any one time within the session. When the quotation is matched and consumed, the market maker renews the quotation using the change function.
- Quotations are entered in the system in lots. Quotations cannot be given in the form of ICO, SLO, SLVO type orders, short selling orders or special orders.

- In the entry of the quotation, the validity period of the quotation is recorded as two sessions (1 day) automatically by the system; in other words, the market maker is not permitted to determine the validity period of the quotation.
- The quotation is included in the pending order book together with normal orders in accordance with the price and time priority rule.
- The entry of quotation should conform to the minimum quotation lot quantity that can be entered for a stock at any one time (minimum quotation quantity) and the maximum quotation lot quantity that can be entered at any one time (maximum quotation quantity).
- In the entry of quotations, the customer type of the quotation is determined by the market maker. The market maker, unless it is the issuer, notifies the Exchange in writing of the account number(s) which is (are) owned by the issuer and which is (are) going to be used for the market making transactions. The use of such accounts does not abolish the obligations arising from market making.

The Market Maker member has to send the Exchange a letter, in relation to an issuer-owned account which is to be used as the source account in placing quotations, signed by the account holder (issuer) and containing:

- the account number in which the issued warrants are held,
 - the transaction code of the warrant to be used,
 - the quantity permitted to be used, if different than the quantity of issue,
 - the period of time in which such quantity will be used.
- Quotation prices are not subject to any price changing limit (free margin).
 - There is no limit on the maximum difference between the bid and ask prices of the quotation.
 - Bid and ask prices cannot be equal. The bid price cannot be higher than the ask price.
 - The bid price of the quotation should be minimum 1 price tick (1 krus) less than the ask price of the quotation (minimum spread).
 - When entering a quotation, the bid price, bid quantity, ask price, ask quantity, account number and customer type should be stated. The system will not permit leaving any of these fields empty. However, a price quotation can be given (in other words, a quotation having only prices but zero quantity can be entered).
 - The entered quotations can be changed, but neither split nor cancelled, including the last order entered.

13.2 Minimum and Maximum Quotation Quantity

- **Minimum Quotation Quantity:** It is the lowest quotation quantity for which the market maker has to provide for the bid and ask quantities in each warrant. It is applied as **250** lots. It may be determined differently by the Exchange Management on a warrant basis.
- **Maximum Quotation Quantity:** It is the highest quantity for which the market maker can provide for the bid and ask quotation quantities in each warrant. It is applied as

100,000 lots in all warrants. It may be determined differently by the Exchange Management on a warrant basis.

13.3 Minimum and Maximum Spread

It is the difference between the bid and ask prices given by the market maker. The minimum spread consists of one price tick. There is no limit as to maximum spread in warrants, and the market maker determines the quotation spread according to the price movements in the underlying stock and the conditions of the market.

13.4 Price Quotation

Price quotation is the declaration of a price without quantity.

In the price quotation, the price cannot be zero, however, at least any one of the bid and ask quantities will be zero. When the quantity is entered as zero (bid or ask, or both), no automatic quotation is assigned on that side where the quantity is zero, however trades can be executed at the quotation price given for the warrant, or at prices between such prices.

Example: Quotations can be entered as follows:

	QTY	PRICE	PRICE	QTY
Example 1	0	10.00	11.00	250
Example 2	250	10.00	11.00	0
Example 3	0	10.00	11.00	0

- A quotation that has been entered can be converted to a **price quotation** (quantity(ies) can be reduced to zero) whenever desired by the market maker (even if the ticker symbol of the warrant is closed).
- While a **price quotation** can be used during the initial quotation entry, a price quotation (a quotation with no quantity) can be used after a normal quotation which has been already entered is cancelled by the Exchange or its quantity is reduced to zero (prior to automatic quotation).

13.5 Automatic Quotation Renewal

- If after the first quotation is entered the bid and/or ask side quantity of the quotation is fully matched and consumed up, the quotation remains in the System, however, the quantity is viewed as zero. In that case, the market maker has to complete such quotation up to no less than the minimum quotation quantity in 3 minutes as from the moment the quotation is consumed up.
- As soon as the quotation quantity is matched and consumed, the market maker is automatically warned by the System with a message to change the quotation in 3 minutes.
- In the meantime, the most recent quotation prices remain in the system, and orders of other members are admitted, and trades are executed if matching is possible between orders within the quotation range, and thereby the session is not interrupted.

- If the market maker does not change the quotation in 3 minutes for the relevant side(s) of the quotation which has been fully matched and consumed, the quotation is automatically entered by the System up to the minimum quotation quantity over the most recent quotation price solely for the respective part of the quotation using the code of the authorized market maker representative who had entered the initial quotation for the respective warrant.
- In the event that the bid and/or ask quantities of the quotation are fully matched and consumed, another alternative is to convert the quotation to a price quotation. In that case, the System does not automatically enter a quotation.

13.6 Validity Periods of Quotations

Quotations given by the market maker members are valid throughout the trading day on which the quotation is given (throughout both sessions). A quotation cannot be given for the next day or a further date.

13.7 Quotation Changing Rules

- After the initial quotation is entered, the market maker cannot enter a new quotation, only the entered quotation can be changed using the change function.
- The market maker is free to change the quotations announced by it within the framework of the rules set out herein.
- A quotation change can be made via changing only the bid or only the ask side details of the quotation, or changing both bid and ask side details of the quotation concurrently.
- If only a single side of the quotation is changed, the priority of the changed side changes (priority remains unchanged in case of a quantity reduction), and no change occurs in the priority of the unchanged side of the quotation.
- The prices of the quotation may be improved, worsened and its quantity can be decreased down to the minimum quotation quantity (“price quotation” is an exemption), or increased up the maximum quotation quantity. While the priority of the quotation does not change in case of changes which involve only reduction in quantity, the priority of the quotation changes with all other changes.
- If only the price of the bid and/or ask side of the quotation is to be changed and the quantity of the changed side of the quotation remains below the minimum quotation quantity during that change, it is not obligatory to complete the changed side of the quotation to the minimum quotation quantity.
- When it is desired to change the bid and/or ask side of the quotation, the quantity of the side to be changed can be revised between minimum and maximum quotation quantities.
- Only the prices and quantities of the quotation can be changed, and other elements of the quotation should remain unchanged.
- A quotation automatically renewed by the system can be changed by the market maker under the applicable quotation changing rules.

- The bid price of the new quotation which is entered during the quotation revision cannot be higher than the ask price of the quotation, whereas the ask price of the new quotation cannot be lower than the bid price of the existing quotation.
- When changing a quotation, the bid price of the quotation can be equal to or lower than, but cannot be higher than, the best priced order of the security pending at the ask side.
- When changing a quotation, the ask price of the quotation can be equal to or higher than, but cannot be lower than, the best priced order of the security pending at the bid side.
- Changing a quotation involves the following in brief: :
 - Increasing the bid price,
 - Decreasing the bid price,
 - Decreasing the ask price,
 - Increasing the ask price,
 - Increasing the quantity (up to maximum quotation quantity),
 - Decreasing the quantity (down to minimum quotation quantity),
 - Any one or a combination of the above.

13.8 Quotation Rules in Temporarily Delisted Warrants

- No quotation entry is permitted.
- The prices of pending quotations can be worsened, improved, and quantities increased or decreased. It may be converted to a price quotation, but cannot be cancelled.
- A pending quotation can be converted to a price quotation by entering its quantity or quantities as zero.
- If the quotation price(s) to be changed by the market maker member are in a level to permit the execution of a trade;
 - No trade is permitted at the moment the quotation is entered, the quotation is registered among pending orders, and is shown at representative and data broadcaster screens;
 - Trades are executed at the moment the ticker symbol is listed.
- If the market maker fails to renew the quotation when the warrant is delisted after the matching and consumption of the quotation, the 3-minute automatic quotation assignment time starts to count, and even if the warrant is delisted, the system automatically makes an assignment up to the minimum quotation quantity.

13.9 Quotation Entry or Changing Rules in case of Suspension or Disruption of the Session

In case of session suspensions or deferrals that occur after the commencement of the opening transactions stage, market maker members are allowed to enter or change their quotations for a certain period of time prior to the start of the session to be designated by the Exchange.

In such period of time during which only the entry or revision of a quotation is possible, it is not permissible to enter, change, split or cancel any order type. In this process, the market maker is permitted to convert its quotation (if any) to a "price quotation", but is not permitted to cancel it.

During the "Automatic Quotation Assignment Process" of this period (the last 1 minute), if there is any quotation whose quantity has been reduced to zero after the trade, the quantity of such quotation is automatically completed up to the minimum quotation quantity by the System.

If the price(s) the quotation which is changed by the market maker in that process is (are) at a level to permit the execution of a trade;

- No trade is permitted at the moment the quotation is changed, the quotation is registered among pending orders, and is shown at representative and data broadcaster screens;
- Trades are executed at the moment the session is opened.

13.10 Quotation Changing Frequency

The market maker is free to change quotations at any frequency it deems fit. Concurrently more than one quotation cannot exist in any warrant which a market maker is responsible for. A new quotation cannot be given, but the old one can be changed.

13.11 Splitting a Quotation

Because only one quotation can exist in a warrant at a certain time within the session, it is not permissible to use the order split function for the quotation.

13.12 Canceling a Quotation

The market maker is permitted to convert its quotation to a "price quotation", but is not permitted to cancel it. During the period of time in which a security is delisted, no quotations can be cancelled by the market maker.

13.13 Circumstances under which giving a quotation is not compulsory

Within the framework of the arrangements made, the market maker has to provide a quotation and carry out the market making activity. However, the requirement of giving a quotation will not be sought if:

- the underlying asset is delisted;
- there is a problem with ExAPI or the connection used by the marker maker for the entry of quotations,
- no price is formed for the underlying asset,

- the session is suspended or cannot be opened due to any emergency which is set forth in the relevant circular letters of the Stock Market Management,
- the margin of the underlying asset is free for that session, but until the formation of a price,
- Other circumstances acceptable by the Exchange Management exit.

14. ORDERS

14.1 Order Entry and Order Types

- Starting from the moment the opening transactions for stocks are concluded and continuous auction is started (from **09:50**) – if the quotation has been entered – the entry of orders for warrant ticker symbols can be started.
- No orders can be entered for warrant ticker symbols during the opening session and the quotation transmission period.
- Orders can be entered for warrant ticker symbols after the quotation is entered. No orders can be transmitted for warrant ticker symbols unless the quotation is entered.
- The following order types that are used for stocks can also be used for the warrants:
 - Limit Orders
 - Immediate or Cancel Orders
 - Special Limit Orders
 - Special Limit Value Orders
 - Special Orders

Special order transactions are permitted in warrants. Like the currently applied structure pertaining to stocks, if an order can be executed from the normal order book, the entry or matching of a special order is not permitted. In addition, special order transactions can also be made outside the quotation range.

- Short selling orders or short selling transactions are not permitted for warrants.

14.2 Order Change

Because canceling an order is free, then without seeking the condition of being the last order:

- the price and/or quantity of buy and/or sell orders can be increased or decreased.

Order Split: The same method applicable to the stocks prevails.

When improving an order price, the price of the counter quotation is taken into account. The price of a buy order can be improved until it is equal to the selling price. The price of a sell order can be improved until it is equal to the buying price.

14.3 Order Changing Rules in Temporarily Delisted Warrants

In case of temporarily delisted warrants, it is permitted to cancel the pending limit orders, the prices can be worsened, quantities decreased, validity periods shortened, however it is not permitted to enter new orders, split orders, improve the prices and/or increase the quantities of pending orders, or prolong the validity periods of pending orders.

14.4 Other Rules Pertaining to Entry of Orders

- **Maximum Lot Quantity:** The maximum lot quantity of the underlying stock of the warrant does also apply to the warrant. However, subject to the conversion rate, different maximum lot quantities may be determined by the Capital Market Stock Management for stock-based warrants and index-based warrants to accommodate the requirement of the market. Maximum lot limit is not applied to the quotations given by the market maker, but maximum quotation quantity is applied.
- **Account No:** The same method applicable to the stocks prevails. The market maker tracks all the trades executed by it within the scope of the market making activities under the relevant account numbers.
- **Reference No:** The same method applicable to the stocks prevails.
- **Maximum Trading Limit:** The same method applicable to the stocks prevails.
- **Validity Periods of Orders:** The same method applicable to the stocks prevails.
- **Customer/Portfolio/Fund Distinction in Orders:** The same method applicable to the stocks prevails.
- **Agency Fund Code:** The same method applicable to the stocks prevails.

14.5 Canceling an Order

It is free to cancel orders in warrants.

14.6 Canceling a Transaction

Regulations pertaining to cancellation of transactions in the Stock Market do also apply to the warrants.

14.7 Order Transmission Method

The same method applicable to the stocks prevails.

15. TRANSACTION CODE

Two different codes, short and long, are used in warrants. Such codes are determined and announced by the ISE.

15.1 Short Code (1)

(For Warrants with an Underlying Stock)

The short code is in alphanumeric order, and consists of 5 characters. This code is shown on the market monitoring screen. The first two characters are letters and denote the underlying stock. The short code is given by the Stock Market Management, and the appropriate method among the three methods mentioned below are used in the determination of the code:

Short Code 1 Format - I:

WARRANT CODE					FEATURE	
1	2	3	4	5	6	7
A	B	X	V	-

Above is the short code of a warrant belonging to ABCDE.E. The letters “A” and “B” belonging to ABCDE.E are succeeded by a letter representing the issuer. The two characters that succeed are comprised of letters between A – Z (letters Ç, İ, Ö, Ğ, Ş, Ü are not used). The letters between A – O are used for call type warrants whereas the letters between P – Z are used for put type warrants (because call type warrants are issued much more compared to put type warrants).

In call type warrants, the last two letters start with AA and end with OO. AB, AC, AD, BA, BB, BC, ..., OA, OB, OC....OO.

In put type warrants, the last two letters start with PP and end with ZZ. PP, PR, PS, ..., ZP, ZR, ZS....ZZ.

Short Code 1 Format - II:

WARRANT CODE					FEATURE	
1	2	3	4	5	6	7
A	B	0	0	1	V	-

Above is the short code of a warrant belonging to ABCDE.E. The letters “A” and “B” belonging to ABCDE.E are succeeded by numbers between 001-999.

Short Code 1 Format - III:

WARRANT CODE					FEATURE	
1	2	3	4	5	6	7
A	B	0	1	X	V	-

The letters “A” and “B” belonging to ABCDE.E are succeeded by numbers between 01-99. They are succeeded by a letter denoting the issuer.

15.2 Long Code (1)

(For Warrants with an Underlying Stock)

The long code is comprised of **32** characters and is shown in the stock inquiry screen.

Long Code 1 Format:

TRANSACTION CODE OF UNDERLYING ASSET					CALL PUT	EXPIRATION						EXERCISE PRICE							İK			CONVERSION RATE							Ref		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
A	B	C	D	E	C/P	G	G	A	A	Y	Y	Lr	Lr	Lr	Lr	.	Kr	Kr	X	C	H	0	5	0	:	0	0	1	V	N	-

İK: Issuer, **Ref:** Reference (may relate to the feature of the warrant. For example, Vn for Vanilla, and EX for Exotic. Abroad, warrants issued in the simplest form are called “vanilla”, whereas warrants with complicated calculations are called “exotic”. This field can be used to specify the warrant type (American – European) as the case may be.)

PLACE	FIELD NAME	CHARACTER COUNT	EXPLANATION
1-5	UNDERLYING	5	Transaction code of the underlying stock of the warrant
6	CALL - PUT	1	Warrant Type: To specify whether it is a call or put warrant, the letter “C” (call) or “P” (put) is used.
7-12	EXPIRATION	6	Expiration: It is written in DDMMYY and figurative form.
13-19	EXERCISE PRICE	7	Exercise Price: The first 4 characters denote the whole number section and the next 2 characters the kurus section (For example: For 102 liras 15 kurus: 0102.15. For 1 lira 2 kurus: 0001.02 – Full stop is used as the separator to show the decimals)
20-22	ISSUER	3	Issuer.
23-29	CONVERSION RATE	7	Conversion rate: Stands for the number of warrants required to buy or sell 1 stock (there should be 50 warrants for the 1 stock above).
30-32	REF	3	Reference field (not compulsory)

Example:

The long code for the warrant which:

- belongs to ABCDE.E,
- is a call type warrant,
- expires on December 30, 2015,
- has an exercise price of TL 30,
- is issued by XCH,
- has a conversion rate of “50”
- has VN1 as the reference,

would be **ABCDE C 301215 0030.00 XCH 050:001 VN1**”.

15.3 Short Code (2)

(For Warrants with More Than One Underlying Stock)

If the underlying asset is comprised of more than one stocks, i.e. a basket of stocks, the same method will be followed, and two codes, long and short, will be used:

The short code is in alphanumeric order, and consists of 5 characters. This code is shown on the market monitoring screen. The short code is given by the Stock Market Management, and the appropriate method among the three methods mentioned below are used in the determination of the code: The first two characters are consisted of the letters "SP" and denote that the underlying stocks are comprised of a basket.

Short Code 2 Format - I:

WARRANT CODE					FEATURE	
1	2	3	4	5	6	7
S	P	X	V	-

Above is the short code of a warrant belonging to a basket comprised of more than one stock. The letters "S" and "P" standing for the word SEPET are succeeded by a letter representing the issuer. The two characters that succeed are comprised of letters between A – Z (letters Ç, İ, Ö, Ğ, Ş, Ü are not used). The letters between A – O are used for call type warrants whereas the letters between P – Z are used for put type warrants (because call type warrants are issued much more compared to put type warrants).

In call type warrants, the last two letters start with AA and end with OO. AB, AC, AD,..., BA, BB, BC, ..., OA, OB, OC....OO.

In put type warrants, the last two letters start with PP and end with ZZ. PP, PR, PS, ..., ZP, ZR, ZS....ZZ.

Short Code 2 Format - II:

WARRANT CODE					FEATURE	
1	2	3	4	5	6	7
S	P	0	0	1	V	-

Above is the short code of a warrant belonging to a basket comprised of more than one stock. The letters "S" and "P" standing for the word SEPET are succeeded by numbers between 001-999.

Short Code 2 Format - III:

WARRANT CODE					FEATURE	
1	2	3	4	5	6	7
S	P	0	1	X	V	-

Above is the short code of a warrant belonging to a basket comprised of more than one stock. The letters "S" and "P" standing for the word SEPET are succeeded by numbers between 1 - 99. The last character denotes the issuer.

15.4 Long Code (2)

(For Warrants with More Than One Underlying Stock)

The long code is again comprised of **32** characters and is shown in the stock inquiry screen.

Long Code 2 Format:

UNDERLYING ASSET					CALL PUT	EXPIRATION						EXERCISE PRICE							İK			CONVERSION RATE						Ref			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
S	E	P	E	T	C/P	G	G	A	A	Y	Y	Lr	Lr	Lr	Lr	,	Kr	Kr	X	C	H	0	1	0	:	0	0	1	R	E	F

İK: Issuer, **Ref:** Reference (may relate to the feature of the warrant. For example, Vn for Vanilla, and EX for Exotic. Abroad, warrants issued in the simplest form are called “vanilla”, whereas warrants with complicated calculations are called “exotic”. This field can be used to specify the warrant type (American – European) as the case may be).

PLACE	FIELD NAME	CHARACTER COUNT	EXPLANATION
1-5	UNDERLYING	5	Basket
6	CALL – PUT	1	Warrant Type: To specify whether it is a call or put warrant, the letter “C” (call) or “P” (put) is used.
7-12	EXPIRATION	6	Expiration: It is written in DDMMYY and figurative form.
13-19	EXERCISE PRICE	7	Exercise Price: The first 4 characters denote the whole number section and the next 2 characters the kurus section (For example: For 102 lira 15 kurus: 0102,15. For 1 lira 2 kurus: 0001.02 – Full stop is used as the separator to show the decimals)
20-22	ISSUER	3	Issuer.
23-29	CONVERSION RATE	7	Conversion rate: Stands for the number of warrants required to buy or sell 1 stock unit (there should be 10 warrants for the 1 stock above).
30-32	REF	3	Reference field (not compulsory)

Example:

- The long code for the warrant which:
- incorporates ABCDE, TEST1 and TEST 2 stocks;
 - is a call type warrant,
 - expires on 30.12.12,
 - has an exercise price of TL 40,
 - is issued by XCH,
 - has a conversion rate of “10”
 - has REF as the reference,

would be “ **SEPET C 301212 0040.00 XCH 010:001 REF**”.

15.5 Short Code (3)

(For Warrants with an Underlying Index)

For warrants which are issued based on an index, two different codes, short and long, are used.

Short Code 3 Format - I:

WARRANT CODE					FEATURE	
1	2	3	4	5	6	7
A	B	X	V	-

The short code consists of **5** characters and is in alphanumeric order. This code is shown on the market monitoring screen. The first two characters are comprised of letters and stand for the underlying index (e.g. letters OZ are used for XU030, EL for XU050, and YZ for XU100). The last character denotes the issuer. It is succeeded by a letter denoting the issuer.

The two characters that succeed are comprised of letters between A – Z (letters Ç, İ, Ö, Ğ, Ş, Ü are not used). The letters between A – O are used for call type warrants whereas the letters between P – Z are used for put type warrants (because call type warrants are issued much more compared to put type warrants).

In call type warrants, the last two letters start with AA and end with OO. (AB, AC, AD, BA, BB, BC, ..., OA, OB, OC....OO)

In put type warrants, the last two letters start with PP and end with ZZ. (PP, PR, PS, ..., ZP, ZR, ZS....ZZ)

Short Code 3 Format - II:

WARRANT CODE					FEATURE	
1	2	3	4	5	6	7
O	Z	0	0	1	V	-

Above is the short code of a warrant belonging to XU030. The letters “O” and “Z” are succeeded by numbers between 001-999.

Short Code 3 Format - III:

The first two characters are comprised of letters and stand for the underlying index (e.g. letters OZ are used for XU030, EL for XU050, and YZ for XU100). The next two characters (characters number 3 and 4) are comprised of numbers between 001-99. The last character denotes the issuer.

WARRANT CODE					FEATURE	
1	2	3	4	5	6	7
O	Z	0	1	X	V	-

Above is the short code of a warrant belonging to National 30 index.

15.6 Long Code (3)

(For Warrants with an Underlying Index)

The long code is comprised of **32** characters and is shown in the stock inquiry screen. Details contained in the long code:

Long Code 3 Format:

UNDERLYING INDEX CODE					CALL PUT	EXPIRATION						EXERCISE LEVEL							İK			INDEX MULTIPLIER							Ref			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	
X	U	0	3	0	C/P	G	G	A	A	Y	Y	9	9	9	9	9	9	9	X	C	H	0	0	.	0	0	0	0	1	R	E	F

İK: Issuer, **Ref:** Reference (may relate to the feature of the warrant. For example, Vn for Vanilla, and EX for Exotic, ISE for Istanbul. This field may be used to signify the type of warrant (American-European) as the case may be).

PLACE	FIELD NAME	CHARACTER COUNT	EXPLANATION
1-5	UNDERLYING	5	Underlying index code.
6	WARRANT TYPE (CALL – PUT)	1	Warrant Type: To specify whether it is a call or put warrant, the letter “C” (call) or “P” (put) is used.
7-12	EXPIRATION	6	Expiration: It is written in DDMMYY and figurative form.
13-19	EXERCISE LEVEL	7	Shows at which level of the index the warrant will be exercised. e.g. 0056890 for 56,890.25 (no decimals are included, 0.50 and higher decimals are rounded up to the whole number).
20-22	İK	3	Issuer.
23-29	INDEX MULTIPLIER ²	7	Index multiplier
30-32	REF	3	Reference field (not compulsory)

Example: The code of a warrant which:

- belongs to National 30 Index,
- is a call type warrant,
- expires on December 30, 2012,
- has an exercise level of 56,890,
- has a multiplier of “0.001”
- is issued by XCH,
- has ISE as the reference,

would be “**XU030 C 301212 0056890 XCH 00.0010 ISE**”.

² In the exercise of an index-based warrant, this figure is used to calculate the amount payable to the warrant holder. It is determined by the issuer.

Such long code will be shown on the stock inquiry screen.

16. TEMPORARY DELISTING OF WARRANTS

- Where the underlying asset of a warrant is a stock which is temporarily delisted, then all the warrants pertaining to such stock are also temporarily delisted.
- Where any of the stocks which are included in the underlying basket of a warrant is temporarily delisted, the basket warrant is also delisted.
- Where a warrant with an underlying index is concerned, the warrant is not delisted even when any stocks included in such index are delisted. So long as the index is calculated, the warrant remains listed. However, when any disruption occurs in the calculation of the index, the warrant may be delisted.
- As a result of a problem or for the purpose of protecting the interests of the investor, the market maker may ask for the temporary delisting of the warrants it is responsible for from the Exchange Management. Such request is evaluated by the Exchange Management.
- In the event that the market maker's activities are temporarily or permanently stopped with the Board's approval, or the Board identifies that the market maker is no longer qualified to act as such, or the market maker undergoes any change due to rightful causes which are to be approved by the Board, the relevant warrants are temporarily delisted until a new market maker is assigned by the Board. If a new market maker cannot be designated within the time period specified in the Communiqué after the delisting (unless a new decision is taken by the Board relating to the assignment of a new market maker), the warrant remains delisted until its expiration.
- If the warrant issuer fails to fulfill its obligations on any warrant, or the issuer is the subject of any bankruptcy or a composition with creditors, all warrants of the issuer are delisted.

17. DATA BROADCAST

The application of disseminating information and data to data broadcasters for the securities traded via the continuous auction method presently is also applicable to the warrants. However, the basic data broadcast pertaining to the warrants involves "Bid and Ask Quotation Prices" details in addition to the superficial data broadcast details of the securities that are traded via the continuous auction method.

18. SETTLEMENT, CONVERSION AND DEFAULT TRANSACTIONS OF WARRANTS

In order to distinguish between the transactions that will be realized due to the settlement of warrants traded on the market and the exercise thereof upon their expiration, the term

“settlement” refers to the change of possession of the warrants that are the subject of a trade, whereas the term “warrant conversion” refers to the transactions which are executed as a result of the exercise of the warrant upon its expiration.

Intermediary institution warrants are securities that impose responsibility on the issuer. The Exchange does not have any obligation and responsibility for this product. In case of any difficulty of payment which the issuer may experience upon the exercise, the risk completely rests with the investor. Any grievance that may be suffered when the investor is not paid upon the exercise, or is not delivered the underlying assets which had to be delivered, or the underlying assets which need to be purchased from the investor are not purchased, or in case of other liabilities, cannot be covered from the Guarantee Fund. However, the Guarantee Fund can be utilized in settlement transactions arising from the trading of warrants that takes place on the ISE as with the stocks.

For the warrants issued in Turkey, ISIN allocation will be made by ISE Settlement and Custody Bank Inc. (Takasbank). For the warrants to be issued by institutions domiciled overseas, the ISIN code allocated overseas should be notified to ISE, Takasbank and the Central Registry Agency (CRA).

The issuer has to apply to the CRA concurrently with its application to the Exchange, and define the information relating to the warrant in the CRA system.

18.1 Settlement Transactions

The settlement transactions of the warrants are realized as per the regulations and principles of operation of the ISE Stock Market governing settlement transactions.

18.2 Warrant Conversion (Exercise of Rights Vested by the Warrant)

In the conversion and expiration of warrants, the following are essential:

- Whether the underlying asset is a stock, basket or index,
- Type (American or European type),
- Nature (call or put),
- Settlement method (cash settlement, book-entry delivery),
- At profit, at loss or at breakeven³

On the expiration date of a warrant or in the conversion of American type warrants prior to expiration, four circumstances, as listed below, may exist:

- A cash settlement takes place and the issuer transfers funds to the warrant holder's accounts.

³ In Call Type warrants: If the exercise price/level is lower than, higher than, and equal to the price/level of the underlying asset, the warrant is said to be “at profit”, “at loss”, or “at breakeven”, respectively.

In Put Type warrants: If the exercise price/level is higher than, lower than, and equal to the price/level of the underlying asset, the warrant is said to be “at profit”, “at loss”, or “at breakeven”, respectively.

- A book-entry delivery takes place and the issuer transfers stocks to the warrant holder's accounts. On the other hand, the warrant holder transfers the exercise price to the issuer's account (Call).
- A book-entry delivery takes place and the warrant holder transfers stocks to the issuer's accounts. On the other hand, the issuer transfers the exercise price to the warrant holder's account (Put).
- No cash or security transfer takes place between the issuer and the warrant holder (the warrant is at breakeven or at loss).

The last trading date for a warrant is the expiration date. At expiration date (on day V after the market is closed), the beneficial owner who holds the warrant undertakes to fulfill the terms of the above conversion conditions on the conversion date. To create the beneficial owner records at the Central Registry System (CRS), the settlement of the transactions executed on the last trading date should be completed (V+2 day-end). Therefore, the ultimate beneficial owners of the warrant are determined on day V+2. The exercise of the rights start on day V+3 the earliest.

Warrant Conversion via Cash Settlement

In case of warrant conversion via cash settlement, the exercise price and the market price of the underlying asset are compared (the market price of the underlying asset will be taken as the weighted average price of the underlying asset prevailing at the end of the second session on the expiration date of the warrant unless otherwise specified in the circular of the warrant).

- In Call-type Warrants: If the exercise price is equal to or higher than the market price of the asset, no transaction is made (the warrant is at breakeven or at loss). If the exercise price is lower than the market price of the asset, the difference is transferred to the customer's account (the warrant is at profit).

- In Put-type Warrants: If the exercise price is equal to or lower than the market price of the asset, no transaction is made (the warrant is at breakeven or at loss). If the exercise price is higher than the market price of the asset, the difference is transferred to the customer's account (the warrant is at profit).

On the expiration date the warrant conversion is executed on the CRS. The warrant balances available at the customer accounts are automatically deleted at the end of day V+2, and payments are made through the transfer by CRA of the cash paid by the issuer to the free cash accounts of the intermediary institutions held at Takasbank. The payment date shall be the date when the cash is paid to CRA account by the issuer unless otherwise specified in the circular of the warrant (earliest day V+3).

The conversion of warrants with an underlying basket or an underlying index can only be made via cash settlement.

If the underlying asset is an index, the index value on which the calculation is based will be the closing value of the index prevailing on the expiration date of the warrant (exercise level) unless otherwise stated in the circular.

In case of American-type warrants, the warrants held at the account of a customer, who asks for the exercise of the rights within any specified time period up to the expiration date, are deleted, and the cash paid by the issuer are transferred to the free cash account of the respective intermediary institution held at Takasbank.

Warrant Conversion via Book-entry Delivery:

In case of warrant conversion via book-entry delivery, the exercise price and the market price of the underlying asset are compared.

- In Call-type Warrants: If the exercise price is equal to or higher than the market price of the asset, no transaction is made (the warrant is at breakeven or at loss). If the exercise price is lower than the market price of the asset (the warrant is at profit), the exercise price should be paid so that the respective stock or stocks can be transferred to the investor's account.

- In Put-type Warrants: If the exercise price is equal to and lower than the market price of the asset, no transaction is made (the warrant is at breakeven or at loss). If the exercise price is higher than the market price of the asset (the warrant is at profit), the stocks are transferred to the issuer's account, who, thereupon, transfers the amount in exchange for the transaction to the investor's account.

Application principles will be regulated under a separate ISE Circular Letter.

18.3 Default Transactions

An Exchange member who fails to fulfill its obligations, arising from the trading of warrants executed on the ISE during the period up to the expiration date, on the settlement day within the stipulated periods will be deemed to be in default without further notice and will be subject to the default principles determined in relation to the Stock Market.

In case of defaults that occur within the period up to the expiration date:

In default trading transactions executed on the ISE, the feature code "TV" is used.

On the Expiration Date:

If the exercise price is equal to or higher than the market price of the asset in Call Warrants, or if the exercise price is equal to or lower than the market price of the asset in Put Warrants (the warrant is at breakeven or at loss), a dematerialized default closure transaction is conducted (no trade takes place), and the default provisions are applied for the institution in default.

If the exercise price is lower than the market price of the asset in Call Warrants, or if the exercise price is higher than the market price of the asset in Put Warrants (the warrant is at profit), the difference (cash settlement amount) is collected from the member(s) in default, and transferred to the free cash accounts of the creditor member(s) held at Takasbank. If the institution in default fails to deposit the cash settlement amount in the specified period of time, action is taken as per the principles of the Stock Market governing default transactions.

Upon the expiration of the warrant, the party who is in default of any security in the last two days of the term has to cover the warrant-related losses of the parties who suffer a loss of rights due to the security deficit that arises. Otherwise, it will not be possible to acquire securities for the security deficits that occur in the last two days of the term by opening a default ticker symbol within the term. This gives rise to a grievance for the beneficial owners who cannot exercise their rights even if the warrant is at profit in both the call- and put-type warrants. For this reason, the party who is in default in the last two days of the term has to compensate the rights of the beneficial owner arising from the warrant if the warrant is at profit. The default amount is the amount payable to the beneficial owner as a result of cash settlement, and this amount bears interest over the default interest rate.

19. MISCELLANEOUS

19.1 Feature Code

In warrants, the feature code will be "V". The feature code "TV" will be used for default transactions, "MV" for official auction transactions, and "LV" for Wholesale Market transactions.

19.2 Price Adjustments in Capital Increases and Dividend Payments

The duty to adjust price/conversion rate in case of capital increases, dividend payments, acquisitions/mergers rests with the issuer. The issuer notifies the exercise price/conversion rate which it calculates to the Exchange no later than 1 hour before the ordinary opening time of the session. If the issuer fails to satisfy that obligation, the relevant warrant remains delisted throughout that session.

19.3 Price Registration

The same method applicable to the stocks prevails.

19.4 Erroneous Order Information Correction Notices

The same method applicable to the stocks prevails.

19.5 Margin Trading

Warrants cannot be subject to margin trading (and short selling).

19.6 Lot Quantity

One lot warrant includes 1 warrant.

19.7 Minimum Special Order Quantity

The same method applicable to the stocks prevails.

EXAMPLES

EXAMPLE - 1: QUOTATION ENTRY

QUOTATION: (1): Buy ABC 500 lots 3.60 (2): Sell ABC 500 lots 3.80

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	500	3.60	3.80	500	ABC	2

EXAMPLE - 2: PRICE QUOTATION ENTRY (BUYING)

RULE: Automatic quotation is not assigned in price quotations.

QUOTATION: (1): Buy ABC 0 lots 0.01 (2): Sell ABC 500 lots 3.80

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	0	0.01	3.80	500	ABC	2

EXAMPLE - 3: PRICE QUOTATION ENTRY (SELLING)

RULE: Automatic quotation is not assigned in price quotations.

QUOTATION: (1): Buy ABC 500 lots 3.60 (2): Sell ABC 0 lot 3.80

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	500	3.60	3.80	0	ABC	2

EXAMPLE - 4: PRICE QUOTATION ENTRY (BUYING-SELLING)

RULE: Automatic quotation is not assigned in price quotations.

RULE: In quotation entries, buying price cannot be higher than selling price.

QUOTATION: (1): Buy ABC 0 lots 0.01 (2): Sell ABC 0 lots 0.01

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	0	3.60	4.00	0	ABC	2

EXAMPLE - 5:

RULE: No orders can be entered unless the quotation is entered.

ORDER (1): Buy DEF 40 lots 3.00 (Normal Limit Order) (TO BE REJECTED)

ORDER (2): Sell DEF 40 lots 3.00 (Normal Limit Order) (TO BE REJECTED)

QUOTATION: (3): Buy ABC 500 lots 3.60 (4): Sell ABC 500 lot 3.80

ORDER (5): Buy XYZ 20 lots 3.62 (Normal Limit Order)

ORDER (6): Buy KLM 30 lots 3.64 (Normal Limit Order)

ORDER (7): Sell MNO 30 lots 3.82 (Normal Limit Order)

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
6	KLM	30	3.64	3.80	500	ABC	4
5	XYZ	20	3.62	3.82	30	MNO	7
3	ABC	500	3.60				

EXAMPLE - 6:

QUOTATION: (1): Buy ABC 500 lots 3.60 (2): Sell ABC 500 lots 3.80

ORDER (3): Buy XYZ 20 lots 3.62 (Normal Limit Order)

ORDER (4): Buy KLM 30 lots 3.64 (Normal Limit Order)

ORDER (5): Buy DEF 40 lots 3.00 (Normal Limit Order)

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
4	KLM	30	3.64	3.80	500	ABC	2
3	XYZ	20	3.62				
1	ABC	500	3.60				
5	DEF	40	3.00				

ORDER (6): Sell MNO 600 lots 3.60 (ICO)

TRADES:

<u>NO</u>	<u>QTY</u>	<u>PRICE</u>	<u>BUYER</u>	<u>SELLER</u>
1	30	3.64	KLM	MNO
2	20	3.62	XYZ	MNO
3	500	3.60	ABC	MNO

REMAINING 50 LOTS ARE CANCELLED BECAUSE ORDER TYPE IS IMMEDIATE OR CANCEL. ORDER BASE SCREEN POST-TRADE:

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	0	3.60	3.80	500	ABC	2
5	DEF	40	3.00				

3 MINUTES LATER A QUOTATION EQUAL TO MINIMUM QUOTATION QUANTITY (250) IS AUTOMATICALLY ASSIGNED:

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	250	3.60	3.80	500	ABC	2
5	DEF	40	3.00				

EXAMPLE - 7:

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	500	3.04	3.10	500	ABC	2
3	XYZ	10	3.04				

ORDER (4): Sell KLM 700 lots 3.04 (Normal Order)

TRADES:

<u>NO</u>	<u>QTY</u>	<u>PRICE</u>	<u>BUYER</u>	<u>SELLER</u>
1	500	3.04	ABC	KLM
2	10	3.04	XYZ	KLM

THE REMAINING 190 LOTS ARE RECORDED AS PENDING.

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	0	3.04	3.04	190	KLM	4
				3.10	500	ABC	2

3 MINUTES LATER A QUOTATION EQUAL TO MINIMUM QUOTATION QUANTITY (250) IS AUTOMATICALLY ASSIGNED, AND THE BELOW TRADE IS EXECUTED INSTANTLY.

<u>NO</u>	<u>QTY</u>	<u>PRICE</u>	<u>BUYER</u>	<u>SELLER</u>
3	190	3.04	ABC	KLM

APPEARANCE OF ORDER BASE SCREEN POST-TRADE:

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	60	3.04	3.10	500	ABC	2

NO AUTOMATIC ASSIGNMENT IS MADE UNLESS THE QUOTATION IS REDUCED TO ZERO EVEN IF THE REMAINING QUANTITY FALLS BELOW THE MINIMUM QUOTATION QUANTITY!

EXAMPLE - 8:

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	500	3.04	3.10	500	ABC	2
3	XYZ	10	3.04				
4	DEF	10	3.02				

ORDER (5) Sell KLM 800 lots 3.02 (Normal Limit Order)

TRADES:

<u>NO</u>	<u>QTY</u>	<u>PRICE</u>	<u>BUYER</u>	<u>SELLER</u>
1	500	3.04	ABC	KLM
2	10	3.04	XYZ	KLM

REMAINING 290 LOTS ARE CANCELLED (IRRESPECTIVE OF ORDER TYPE). A DISPLAY ON THE SCREEN, LIKE BUY 3.04 AND SELL 3.02, WILL NOT BE TRUE.

THEREAFTER ORDER BASE SCREEN WILL BE DISPLAYED AS FOLLOWS:

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	0	3.04	3.10	500	ABC	2
3	DEF	10	3.02				

3 MINUTES LATER A QUOTATION EQUAL TO MINIMUM QUOTATION QUANTITY (250) IS ASSIGNED: ORDER BASE SCREEN:

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	250	3.04	3.10	500	ABC	2
3	DEF	10	3.02				

EXAMPLE - 9:

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	999	5.60	5.80	10	ABC	3
4	ABC	100	5.60	6.00	931	ABC	2
5	XYZ	200	5.60				

ORDER (6) Sell ABC 0 lots 5.60 (Special Limit Order)

TRADES:

<u>NO</u>	<u>QTY</u>	<u>PRICE</u>	<u>BUYER</u>	<u>SELLER</u>
1	999	5.60	ABC	ABC
2	100	5.60	ABC	ABC
3	200	5.60	XYZ	ABC

EXAMPLE - 10:

RULE: The price of a buy order cannot be higher than the ask price of the quotation.

RULE: The price of a sell order cannot be higher than the bid price of the quotation.

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	0	5.60	6.00	0	ABC	2

An ask price of 5.40 or a bid price of 6.10 cannot be entered. (... gives the messages cancelled, or out-of-quotation)

EXAMPLE - 11:

RULE: All the transactions are realized within the bid and ask quotations given by the market maker (including quotation prices).

QUOTATION: (1): Buy ABC 500 lots 3.60 (2): Sell ABC 500 lot 3.80

ORDER (3): Buy XYZ 20 lots 3.62 - **ORDER (4):** Sell KLM 30 lots 3.64

ORDER (5): Buy DEF 50 lots 3.60 - **ORDER (6):** Buy FED 60 lots 3.00

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
4	KLM	30	3.64	3.80	500	ABC	2
3	XYZ	20	3.62				
1	ABC	500	3.60				
5	DEF	50	3.60				
6	FED	60	3.00				

NEW ORDER (7): Sell MNO 1.000 lots 3.00

TRADES:

<u>NO</u>	<u>QTY</u>	<u>PRICE</u>	<u>BUYER</u>	<u>SELLER</u>
1	30	3.64	KLM	MNO
2	20	3.62	XYZ	MNO
3	500	3.60	ABC	MNO
4	50	3.60	DEF	MNO

REMAINING 400 LOTS ARE CANCELLED. ORDER BOOK POST-TRADES:

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	0 (*)	3.60	3.80	500	ABC	2
6	FED	60	3.00				

(*) IF THE MARKET MAKER FAILS TO GIVE A QUOTATION AFTER 3 MINUTES IT IS AUTOMATICALLY ASSIGNED BY THE SYSTEM.

EXAMPLE - 12:

SUBJECT: Trade with a quotation:

QUOTATION: (1): Buy ABC 500 lots 3.60 (2): Sell ABC 500 lots 3.80

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	500	3.60	3.80	500	ABC	2

NEW ORDER (3): Buy MNO 1,700 lots 3.80

TRADES:

<u>NO</u>	<u>QTY</u>	<u>PRICE</u>	<u>BUYER</u>	<u>SELLER</u>
1	500	3.80	MNO	ABC

REMAINING 1,200 LOTS ARE NOT CANCELLED. PENDING ITEMS POST-TRADE.

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
3	MNO	1.200	3.80	3.80	0 (*)	ABC	2
1	ABC	500	3.60				

(*): THREE MINUTES LATER, THE SYSTEM WILL ASSIGN A QUOTATION EQUAL TO MINIMUM QUOTATION QUANTITY. WITH THIS ASSIGNMENT, THE COUNTER PENDING ORDERS WITH THE SAME PRICE WILL BE MATCHED WITH THE NEW QUOTATION AS SOON AS IT IS ENTERED, AND THE QUOTATION WILL AGAIN BE REDUCED TO ZERO.

TRADES:

<u>NO</u>	<u>QTY</u>	<u>PRICE</u>	<u>BUYER</u>	<u>SELLER</u>
2	250	3.80	MNO	ABC

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
3	MNO	950	3.80	3.80	0 (*)	ABC	4 (**)
1	ABC	500	3.60				

() AFTER THE CORRECTION, ORDER NUMBER WILL CHANGE (...)**

EXAMPLE - 13:

RULE:

- When changing a quotation, the bid price of the quotation can be equal to or lower than, but cannot be higher than, the best priced limit order of the security pending at the ask side.
- When changing a quotation, the ask price of the quotation can be equal to or higher than, but cannot be lower than, the best priced limit order of the security pending at the bid side.

QUOTATION: (1): Buy ABC 500 lots 3.60 (2): Sell ABC 500 lots 3.80

ORDER (3): Buy XYZ 20 lots 3.62 - ORDER (4): Sell KLM 30 lots 3.64

ORDER (5): Sell DEF 50 lots 3.76 - ORDER (6): Sell FED 60 lots 3.77

ORDER (7): Sell KLM 100 lots 3.78

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
4	KLM	30	3.64	3.76	50	DEF	5
3	XYZ	20	3.62	3.77	60	FED	6
1	ABC	500	3.60	3.78	100	KLM	7
				3.80	500	ABC	2

CHANGING A QUOTATION:

CURRENT				DESIRED				RESULT
BID SIDE		ASK SIDE		BID SIDE		ASK SIDE		
QTY	PRICE	PRICE	QTY	QTY	PRICE	PRICE	QTY	
				500	3.79	3.80	500	-
500	3.60	3.80	500	500	3.60	3.61	500	-
				500	3.76	3.80	500	+

EXAMPLE - 14:

SUBJECT: Changing a Quotation – 1:

QUOTATION: (1): Buy ABC 500 lots 3.60 (2): Sell ABC 500 lots 3.80

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	500	3.60	3.80	500	ABC	2

CURRENT				DESIRED				RESULT
BID SIDE		ASK SIDE		BID SIDE		ASK SIDE		
QTY	PRICE	PRICE	QTY	QTY	PRICE	PRICE	QTY	
500	3.60	3.80	500	500	3.80	3.80	500	-
				500	3.80	3.92	500	+
				500	3.60	3.60	500	-
				500	3.50	3.60	500	+
				500	3.50	3.59	500	-

EXAMPLE - 15:

SUBJECT: Changing a Quotation – 2:

QUOTATION: (1): Buy ABC 500 lots 3.60 (2): Sell ABC 500 lots 3.80

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	500	3.60	3.80	500	ABC	2

CURRENT				DESIRED				ORDER	RESULT
BID SIDE		ASK SIDE		BID SIDE		ASK SIDE			
QTY	PRICE	PRICE	QTY	QTY	PRICE	PRICE	QTY		
500	3.60	3.80	500	500	3.60	3.90	500	1	+
				500	3.81	3.90	500	2	
				500	3.50	3.80	500	1	+
				500	3.50	3.59	500	2	

EXAMPLE - 16:

SUBJECT: Changing a Quotation – 3:

QUOTATION: (1): Buy ABC 500 lots 3.60 (2): Sell ABC 500 lots 3.80

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	500	3.60	3.80	500	ABC	2

CURRENT				DESIRED				RESULT
BID SIDE		ASK SIDE		BID SIDE		ASK SIDE		
QTY	PRICE	PRICE	QTY	QTY	PRICE	PRICE	QTY	
500	3.60	3.80	500	200	3.60	3.80	500	-
				0	3.60	3.80	500	+
				500	3.60	3.80	0	+
				0	3.60	3.80	0	+
				75.000	3.60	3.80	250	+
				0	3.60	3.80	100.000	+
				100.000	3.60	3.80	100.000	+

EXAMPLE - 17:

SUBJECT: CHANGING A QUOTATION – 4:

RULE: TIME PRIORITY OF A QUOTATION WHOSE QUANTITY IS REDUCED REMAINS UNCHANGED.

QUOTATION: (1): Buy ABC 500 lots 3.60 (2): Sell ABC 500 lots 3.80

ORDER (3): Buy DEF 50 lots 3.60 - **ORDER (4):** Buy FED 60 lots 3.00

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	500	3.60	3.80	500	ABC	2
3	DEF	50	3.60				
4	FED	60	3.00				

CURRENT				DESIRED				RESULT
BID SIDE		ASK SIDE		BID SIDE		ASK SIDE		
QTY	PRICE	PRICE	QTY	QTY	PRICE	PRICE	QTY	
500	3.60	3.80	500	300	3.60	3.80	500	+

ORDER BASE SCREEN POST-CHANGE:

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	500	3.60	3.80	500	ABC	2
3	DEF	50	3.60				
4	FED	60	3.00				

EXAMPLE - 18:

SUBJECT: CHANGING A QUOTATION – 5:

RULE: TIME PRIORITY OF A QUOTATION WHOSE QUANTITY IS INCREASED CHANGES.

QUOTATION: (1): Buy ABC 500 lots 3.60 (2): Sell ABC 500 lots 3.80

ORDER (3): Buy DEF 50 lots 3.60 - **ORDER (4):** Buy FED 60 lots 3.00

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
1	ABC	500	3.60	3.80	500	ABC	2
3	DEF	50	3.60				
4	FED	60	3.00				

CURRENT				DESIRED				RESULT
BID SIDE		ASK SIDE		BID SIDE		ASK SIDE		
QTY	PRICE	PRICE	QTY	QTY	PRICE	PRICE	QTY	
500	3.60	3.80	500	900	3.60	3.80	500	+

ORDER BASE SCREEN POST-CHANGE:

ORDER NO	MEMBER	QTY	PRICE	PRICE	QTY	MEMBER	ORDER NO
3	DEF	50	3.60	3.80	500	ABC	2
5 (*)	ABC	500	3.60				
4	FED	60	3.00				

(*) ORDER NUMBER CHANGES, BUT QUOTATION NUMBER ALWAYS REMAINS FIXED.

(!) BECAUSE THE QUANTITY RISES FROM ZERO TO MINIMUM QUOTATION QUANTITY IN AUTOMATIC QUOTATION ASSIGNMENT, TIME PRIORITY IS LOST AND THE ORDER NUMBER OF THE RELEVANT SIDE (BID-ASK) IS CHANGED.

INFORMATION FORM AND APPLICATION PETITION FOR BEING TRADED

TO ISTANBUL STOCK EXCHANGE MANAGEMENT,

Board Registration Number and Series No.	
Issuer	
Issuer's Rating and Date	
Guarantor and Rating (If Any)	
Warrant Type (Call/Put-American/European)	
Number of Warrants (Issue Quantity)	
Nominal Value of the Warrant	
Issue Price	
Issue Date	
Expiration Date	
Settlement Method (Book-entry or Cash)	
Settlement Date	
Exercise Price / Level (for Index)	
Conversion Rate / Index Multiplier	
Market Maker	
Authorized Intermediary Institution	
ISIN Code	
Underlying Stock/Index Code	
Authorized Person – Phone	
Number of warrants already registered with CMB and likely to be issued after this issue	

We declare that the information pertaining to the warrants whose details are provided above are true and are identical with the information supplied to the Exchange in magnetic media; there are no legal obstacles preventing the circulation of the warrants; the required explanations relating to the nature and risks of the warrants have been provided to the investors, and we shall be liable for all the legal consequences that might otherwise arise. Accordingly, we kindly request that the necessary actions are taken to ensure that the warrants listed above are started to be traded on the relevant market of your Exchange.

SIGNATURE
Authorized Person, Name, Surname

SIGNATURE
Authorized Person, Name, Surname

Appendices:

1. Certified Circular
2. Signature Circular