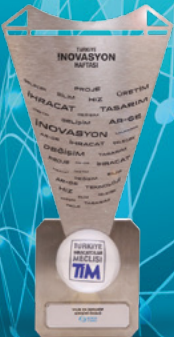




# ALL ABOUT BORSA İSTANBUL PRIVATE MARKET

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Borsa İstanbul  
Private Market  
“The Most  
Innovative  
Enterprise of 2014”





**BORSA  
İSTANBUL**

*Benchmark for Investment*



# PRIVATE MARKET

PRIVATE MARKET

# WHAT IS BORSA ISTANBUL PRIVATE MARKET?

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**Borsa İstanbul Private Market is a web-based and membership-based platform, which brings together companies and investors in order to buy or sell shares without going public.**

Investors can benefit from exit opportunities provided by Liquidity and Finance Program in the private market platform. The program allows investors and shareholders to make use of an auction to all registered investors at the platform.

# WHO CAN APPLY FOR MEMBERSHIP?

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If you are an entrepreneur seeking funds for your start up, a joint stock company in need of finance, a shareholder looking for liquidity, a qualified investor or a business angel investor, you can become a member now. You can buy or sell shares and make use of services including professional brokerage, independent audit, legal and financial consultancy offered by the Private Market-member intermediaries and service providers. You can also benefit from low- cost services offered by our solution partner service providers.

**Companies /Shareholders**



## Companies /Shareholders

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Two types of companies and their shareholders are admitted as members to the Private Market, namely,

1) Start-ups 2) PreIPOs/Rising Companies

### Start-ups and their shareholders

In order to apply for membership in this category, a minimum of 6 months and a maximum of 5 years must have elapsed since the establishment date of the company.

### Pre-IPOs/ Rising Companies and their shareholders

Private Market supports innovative and growing companies. If your company fulfills the following requirements, you can apply in this category.

1) Minimum amount of the assets or sales revenues must be TL 5 million in one of the past two consecutive years' annual or quarterly financial statements

2) At least 2 years must have elapsed since the establishment of the company

## Investors

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Two types of investors, namely, 1) Qualified investors and 2) Certified business angel investors are admitted as members.

1) Both natural and legal persons may apply for membership with qualified investor status. If you have a qualified investor account with a bank or brokerage house, you may immediately apply. If not, you may apply to a brokerage company or bank and open a qualified investor account. The requirements to open a qualified investor account through a brokerage company or bank are as follows:

a) If you are an intermediary institution, bank, portfolio management company, collective investment company, pension fund, insurance company, mortgage financing company, asset management company or an equivalent organization headquartered abroad, you may be a qualified investor as a professional client.



b) If you are a legal person other than those cited above, in order to be eligible for applying to be a qualified investor, you must fulfill either of these features: “the total amount of your financial assets including cash deposits and capital markets instruments exceeds TL 1,000,000” or “carry at least two of these features: total assets exceeding TL 50,000,000, annual net proceeds of TL 90,000,000, equity capital of TL 5,000,000”.

c) If you are a natural person, in order to be eligible for applying to be a qualified investor, “the total amount of your financial assets including cash deposits and capital markets instruments must exceed TL 1,000,000”.

2) If you are a natural person, and if you hold a Business Angel Certificate issued by the Undersecretariat of Treasury, you may immediately apply for membership. Otherwise, you may apply to angel investor networks to obtain a certificate and benefit from one of the highest tax advantages in the world.

If you are a resident outside Turkey and hold a qualified investor or a business angel investor status in the jurisdiction of your residency, you can become a member.

For detailed information please visit

[www.bistprivatemarket.com](http://www.bistprivatemarket.com)

## Intermediaries

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Intermediaries include consultants, legal firms, funds, financial institutions, brokerage houses, banks or other legal entities accepted as intermediaries by the Private Market, that engage in transactions for and on behalf of the buyer or seller, by proxy.

## Service Providers

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Additional services including financial consultancy, legal advisory and independent audit to be offered to companies and investors for the transactions in the Private Market may be provided by Private Market member service providers.

# HOW TO SUBMIT AN APPLICATION?

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Go to [www.bistprivatemarket.com](http://www.bistprivatemarket.com)



Select the type of membership at  
“Apply now”



Create a username and password. Complete the online application form. Upload the requested supporting documents. Submit the form.



Download the membership agreement, sign it and send it to “Borsa İstanbul Private Market  
Reşitpaşa mah. Tuncay Artun cad.  
Emirgan / İSTANBUL”

# BIST PRIVATE MARKET STEP BY STEP

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**Search:** When an application is approved, the member will receive login details to the site to gain access to the private market. Members find counter parties from the suggestion list or search engine. In order to contact the counter party directly, send an “Indication of Interest (IoI)”.



**Match:** Upon acceptance of your Indication of Interest by the counter party, members will be accredited to gain access to more detailed information. Start using the secure “Data and Deal Room” for due diligence, document management and negotiations.




**Agree:** Upon agreement of both parties on the terms and conditions submit an electronic “notification of agreement”.

# WHY BIST PRIVATE MARKET?

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Access to all private market services through a single platform, the world's first comprehensive Private Market established by a stock exchange from scratch.




Buy and sell shares without going public.



Exemption from capital markets regulations such as Capital Markets Board approval, circular and public disclosure of material events.



Find easy, quick and low-cost solutions to financing needs of companies and liquidity needs of investors.




Control shareholder base. Raise funds without borrowing and choose new shareholders.



**Allow companies to evaluate a broad range of local and international investor alternatives to find new partners and finance.**



**Allow investors to meet numerous companies in various sizes and from different sectors as well as to invest in growth companies.**




**Manage and control the information flow and confidentiality.**




**Allow companies to find a counterparty anonymously.**




**Offer investors the opportunity to exit by liquidating their investments**



**Benefit from services including legal and financial consultancy, valuation, and brokerage which are provided upon request, by Private Market member solution partners at reasonable prices**



**Offer companies and investors the opportunities for matching algorithmically with others based on their interests and needs; accessing each other through a comprehensive search engine; communicating, negotiating and sharing documents in a secure environment through the data and deal room application.**



**Benefit from meeting a counterparty under the umbrella of Borsa Istanbul.**



**Allow companies to find finance without using an intermediary and control the financing process**







# **DIRECTIVE FOR PRIVATE MARKET**

DIRECTIVE FOR PRIVATE MARKET

# CHAPTER ONE

## GENERAL PROVISIONS

Purpose, Scope, Basis,  
Definitions and Abbreviations

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### Article 1 – Purpose

Private Market is a web-based platform intending to gather the non-public companies, their partners, qualified investors and business angels. The purpose of this directive is to define the operating procedures, principles and rules of Private Market which operates within the structure of Borsa Istanbul A.Ş.

### Article 2 – Scope

In the Private Market, the non-public joint stock and limited liability companies' shares are issued, transferred, bought or sold without public offerings in accordance with specific legal provisions. Transactions executed in the Private Market are not subject to provisions of Security Exchange Act and Stock Exchange Commission.

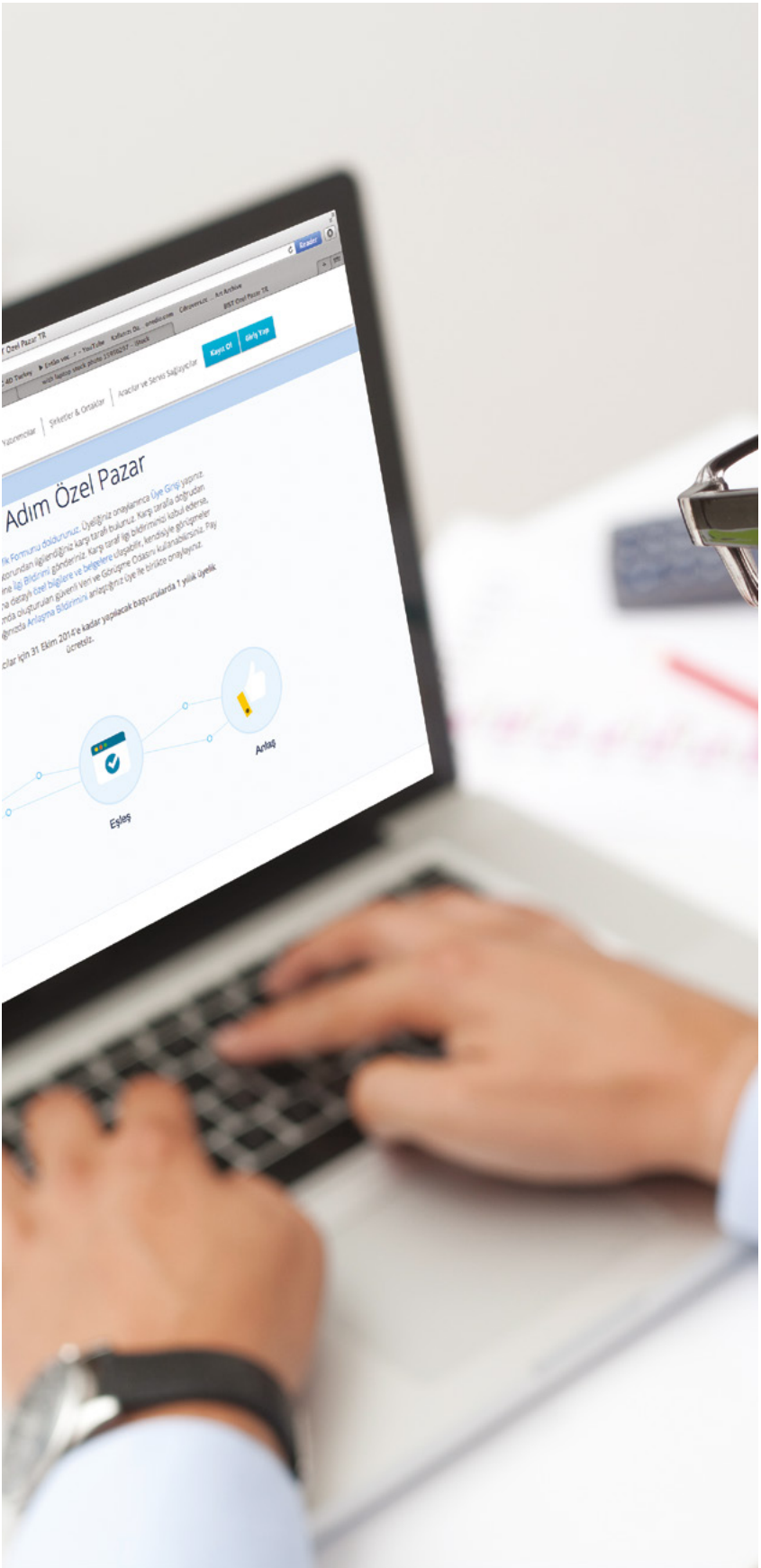
### Article 3 – Definitions

The following terms shall have the following meaning in this Directive.

TCC	Turkish Commercial Code no. 6102,
OC	Obligations Code no. 6098
Committee	Stock Exchange Commission
Exchange / Borsa Istanbul	Borsa Istanbul Anonim Şirketi
Private Market	Istanbul Stock Exchange Private Market or the Stock Exchange unit that operates this market and which is the electronic platform providing access over internet media with the aim of bringing together the non-public joint stock and limited liability companies, qualified investors and business angels for buying and sale of interests, participation and other transactions,
Private Market Administration	authorized persons by General Manager of Istanbul Borsa for operation of the Private Market and take the required decisions in this scope,

Platform	the website involves the Private Market registered with the address <a href="http://www.bistozelpazar.com">www.bistozelpazar.com</a> and its electronic content
Start-Up / Start-Ups	Joint stock and limited liability companies which have been established minimum 6 months ago and maximum 5 years ago, and have a potential to grow,
Pre-IPO or Rising Company or Growing Company	Joint stock and limited liability companies whose total of assets or sales revenue is minimum 5 million TL in financial statements of any period within the last two years; and which was established minimum two years ago and have a potential to grow,
Company / Private Market Company List	Start-Ups and Pre-IPO / list of these companies which are non-public companies approved by Private Market Administration to buy and sell their shares in the Private Market,
Investors / Private Market Investor List	Qualified Investors, Certified Business Angels, and qualified investors and business angels resident in a foreign country which are authorized to invest in shares to buy and sell in the Private Market,
Notice of Interest	the electronic notice of the companies and investors sent to each other via Platform that specifies their interest in selling or buying shares, participation and other transactions,
Members	natural or legal persons who are considered as company, company partner, investor, service provider or broker for Private Market,
Qualified Investor	the qualified investors defined in Stock Exchange Committee Communiqué dated Dec.17,2003 Article 77 for Establishment and Activity Principles of Investment Enterprises,
Qualified Investors resident in a foreign country	qualified investors who are resident in a foreign country,

Certified Business Angels	Business angels licensed by the Undersecretariat of Treasury,
Business Angels	Investors resident in a foreign country and certified business angels that are member of a network of business angels,
Professional Transactions	Any types of transactions executed through the Platform functions by certified business angels and business angels resident in Turkey or in a foreign country which are not included in the scope of public protection and that can assess their own risks for investment decisions,
Intermediaries	the consultants and financial institutes whose qualification is determined by Private Market Administration to manage the private equity funds and transactions in the platform on behalf of the seller or buyer as a proxy,
Service Provider	natural and legal entities who are platform participators and who provide additional services such as financial or legal consultancy, independent auditing and due-diligence services to the companies and investors included in the Private Market list,
Authorized Seller	the company and company partners who are able to initiate second level information share and to negotiate share buying and selling offers with investor upon acceptance of notice of interest,
Authorized Buyer	the investors who are able to initiate second level information share and to negotiate share buying and selling offers with company and company partners upon acceptance of notice of interest,
First Level Information	basic introductory information about the companies and investors listed in Private Market, open to all registered parties in the platform, its content is determined by the members and minimum scope is determined by Private Market administration,



Second Level Information	information about companies and investors included in the Private Market list that is only open to authorized purchasers and sellers correspondingly its minimum scope is determined by Private Market Administration,
Membership Agreement	an Agreement which needs be executed by all the members participating in the Private Market and which includes non-disclosure of trade secrets, non-public offerings, obligations and responsibilities of the participants' activities in the Private Market, and other issues which is defined by the Private Market administration,
Confidentiality conditions	the terms that bring obligation to the Authorized buyer to treat any information acquired as a trade secret related to the company other than first level information,
Exclusivity	the Platform function that prevent other investors to send notice of interest, acceptance and start negotiating in the event the related company or company partners accept the investor's offer during the initiation of Negotiation Room application,
Dealing Room	The platform application where Authorized Seller and Authorized Buyer members and /or Broker and Service Provider members negotiate Final Agreement issues, exchange information and documentation in a safe environment, build verbal and written or visual communication each other, and/ or physical locations for negotiations in person,
Agreement Notice	the notice delivered to the Private Market in electronic media via platform and in the previously determined form, specifying the price, amount and other terms agreed between the seller and buyer,

Liquidity Program	The share sales program arranged upon an announcement made in the Platform by a company to generate liquidity to shares of the company or its shareholders,
Buying Program	The share buying program arranged by an announcement made in the Platform by a company or an investor to buy share of the company or its shareholders,
Final Agreement(s)	trading of shares, participation, option, shareholders agreements and/or similar agreements executed between the Members.

## Article 4 – General Terms

- 1) Capital increase and trading of shares realized in the Private Market shall be in accordance with provisions of OC and TCC.
- 2) No publicly-held companies shall be accepted to the Private Market. Shares of such companies shall not be traded in the Private Market.
- 3) Shares that are traded in the Private Market shall not be offered to public in the Private Market. Companies who wish to offer their share to public shall inform the Private Market at the application process to the Board. Upon approval of public offer prospectus by the Board, such companies shall be excluded from the list of Private Market.
- 4) Shares subject to sales of companies in the Private Market list shall be registered. Bearer shares of Private Market member companies shall be changed into registered shares.
- 5) The number of shareholders of Private Market member companies shall not exceed minimum number of partners (500) required to be a publicly-held company set out in the Board's regulations. Companies with up to 500 partners shall be subject to the Board's regulations as they are considered to be a publicly-held company. Companies with up to 499 partners shall be excluded from the list of Private Market.
- 6) Transactions of qualified investors and business angels of company partners of companies, which can be included in the list of Private Market, performed in this platform shall be deemed a professional transaction.

Such partners do not need public protection for their transaction. The Private Market shall not take responsibility for losses arising out of transactions in the Private Market. The Private Market is not obliged to protect and inform companies and investors in the list of Private Market.

7) Parties, under the membership agreement, agree and undertake that any information exchanged in the Private Market is right and current. The Private Market shall not guarantee accuracy and currency of information provided by the parties in the platform, and shall not be held responsible for losses of parties or third parties.

8) Start-Ups and Pre-IPOs and their partners, Qualified Investors, Certified Business Angels, and qualified and business angels resident in a foreign country may apply to the Private Market for membership. Final acceptance or refusal decision shall be made by Borsa Istanbul's General Manager or Private Market directors authorized by General Manager.

9) At request, transactions in the Private Market may be performed by Intermediaries as a proxy on behalf and in the account of Members.

10) The amount of exchange offer in the Private Market shall not be less than 20.000 TL (Twenty Thousand Turkish Lira) for start-ups and 100.000 TL (One Hundred Turkish Lira) for Pre-IPOs.

11) Share transfer and payments may be performed outside the Private Market by buyers and sellers. If share transfer and payments are performed outside the Private Market by buyers and sellers, the Private Market shall take no responsibility for such transactions.

12) Companies shall currently and correctly update the partnership structure in the platform whenever it is modified. In addition, the table of partnership structure shall be updated with renewal of membership registration each year. In case of nonfulfillment of such obligations, Private Market membership of company may be suspended.

13) Transfer of shares that can be traded in the Private Market shall be in accordance with provisions of TCC. Also, transactions are not performed by continuous auction method in the Private Market, and Private Market applies a mandatory share transfer lock-up period. However, parties may determine a share transfer lock-up period to prevent share trading as required by the nature of transactions.





# CHAPTER TWO

## MEMBERSHIP PROCEDURES

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### Article 5 – Eligible Applicants for Membership

- a) Start-ups
  - b) Pre-IPOs
  - c) Partners of start-ups and Pre-IPOs
  - ç) Qualified Investors, Certified Business Angels, and qualified investors and business angels resident in a foreign country
  - d) Service Providers,
  - e) Intermediaries
- may become a member of the Private Market.

Applications for membership shall be evaluated and concluded by the Private Market administration. The Private Market shall have right, and is authorized, to refuse any applications, or to cancel a previously accepted membership in order to safely operate the platform.

### A. Membership of Start-Ups

#### Article 6 – Application of a Start-Up

A start-up shall be a non-public joint stock or limited liability company on the date of application, and minimum 6 months and maximum 5 years to the establishment of the company are required. Start-Ups, that pay the membership fee, shall be included in the Private Market list upon approval by the Private Market Administration unless otherwise provided.

However, if more than five years have elapsed between the date of application and the establishment of the company and the company's asset size or sales revenue in the last 2 years financial statements does not exceed 5 million TL, that company can apply for membership provided that

- 1) Net sales revenue in the financial statements of the last two consecutive periods increases at least 10% compared to the previous period,

2) Shareholders' equity in any of the financial statements submitted for application is not negative

Based upon the decision of the Private Market

Administration, such companies may apply for start-up segment. Such companies may also apply to Private Market Administration regarding an application for the Pre-IPO segment.

Application documents shall be electronically uploaded on the platform by the member.

Documents necessary for application are listed below:

1) Trade registry of the company

2) Articles of partnership

3) Private Market membership agreement and authorized signatory list (Membership agreement might be electronically accepted by the user during application)

4) Related pages of the share ledger certifying the partnership structure for 100% of company capital or other related documents showing the partnership structure of the company

5) If the company has previously acquired investment, an e-mail or letter to request for putting logo or name of this investor or program partner along with the Company's logo

6) A statement that no matured liabilities exist other than information provided in the financial statements, or if any, disclose on the nature of such liabilities

7) Start-up Business plan, simplified financial statements, and descriptive summary on patents etc. if any, company, business and co-founders and company directors (to be uploaded in the related fields on the application form)

8) For limited liability companies: A limited liability company must submit a letter of declaration which states that it will be converted into a joint stock company before using a deal room in the platform.

9) For companies registered in abroad: An international company registered in abroad must submit the documents that show the partnership structure, shareholder ownership status and that the company is established in abroad.

In order to ease the application process, the Private Market may simplify the application documents required for application or may get access to the application documents number (1), (2) and (4) through trade registry of the company. In such a case, the company may not submit the accessed documents during application.

If start-up companies registered in abroad can not provide the documents in this article, they can submit an application with other documents supporting their international and non-public company status. The validity of these documents for application is evaluated by the Private Market Administration.

## Article 7 – Evaluation Committee for Start-Ups

Applications shall be evaluated by the Evaluation Committee for Start-Ups.

## Article 8 – Evaluation of Applications

Decision of the Evaluation Committee for Start-Ups is a recommendation. Final acceptance or refusal decision shall be made by the Private Market Administration.

## B. Membership of Pre-IPOs/Rising or Growing Companies

### Article 9 – Application of Pre-IPOs/Rising or Growing Companies

Pre-IPOs/Rising or Growing companies shall be a non-public joint stock or limited liability company. Its asset size or sales revenue in a financial statement of any period submitted to any legal authority over the past two years shall be minimum 5 million TL. Independently audited financial statements proving these requirements are also accepted. Minimum 2 years must have elapsed since the establishment of the company. Pre-IPOs, that pay the membership fee, shall be included in the Private Market list upon approval by the Private Market Administration unless otherwise provided.

In addition, if Companies in the Start-Up segment apply and meet the criteria for Pre-IPOs, they may be moved to the Pre-IPO segment upon the approval of the Private Market Administration.

Application documents shall be electronically uploaded on the platform by the member.

Documents necessary for applications on behalf of the company are listed below:

- 1) Trade registry of the company
- 2) Articles of partnership
- 3) Private Market membership agreement and authorized signatory list (Membership agreement might be electronically accepted by the user during application)
- 4) Related pages of the share ledger certifying the partnership structure for 100% of company capital or other related documents showing the partnership structure of the company
- 5) Financial statements of minimum last 2 years (prepared in accordance with Tax Procedure Law, equivalent financial statements if the company is foreign, or if any, independently audited financial statements)
- 6) A statement that no matured liabilities exist other than information provided in the financial statements, or if any, disclose on the nature of such liabilities
- 7) For limited liability companies: A limited liability company must submit a letter of declaration which states that it will be converted into a joint stock company before using a deal room in the platform
- 8) For companies registered in abroad: An international company registered in abroad must submit the documents that show the partnership structure, shareholder ownership status and that the company is established in abroad

In order to ease the application process, the Private Market may simplify the application documents required for application or may get access to the application documents number (1), (2) and (4) through trade registry of the company. In such a case, the company may not submit the accessed documents during application.

If start-up companies registered in abroad can not provide the documents in this article, they can submit an application with other documents supporting their international and non-public company status. The validity of these documents for application is evaluated by the Private Market Administration.

## Article 10 - Evaluation Committee for Pre-IPOs

Applications shall be evaluated by the Evaluation Committee for Start-Ups.

## Article 11 - Evaluation of Applications

Decision of the Evaluation Committee for Pre-IPOs is a recommendation. Final acceptance or refusal decision shall be made by the Private Market Administration.

## C. Membership of Partners of Start-Ups and Pre-IPOs

### Article 12 - Partners of Start-Ups and Pre-IPOs

If company partners apply as a partner of a previously non-member company, they shall electronically upload the following documents in the platform in addition to necessary documents for company registration, or if they apply as a partner of a Private Market member company then they only shall electronically upload the following documents depending on the company, of which they are a partner, being a Start-Up or Pre-IPO:

- 1) In case of a natural entity, Notarized Copy of Identity Card or Passport of the partner, in case of a legal entity, trade registry and authorized signatory list
- 2) Private Market membership agreement signed (to be sent by mail or delivered by hand.)

## D. Membership of Investors

### Article 13 – Application of an Investor

Only Qualified Investors, Certified Business Angels, and qualified investors and business angels resident in a foreign country may become a member of the Private Market. Natural or legal entity investors registered in the Central Agency of Record (CAOR) as a qualified investor and licensee Certified Business Angels may submit an application for Private Market investor. Natural or legal entity investors shall specify they are a qualified investor in the related field of the platform, and the Private Market administration shall check via CAOR whether they are a qualified investor. Legal entity investors in Turkey that are not registered as a qualified investor may request to become a member as a qualified investor by uploading their financial statements or documents in the platform certifying that they meet requirement for a qualified investor. Natural entity investors in Turkey that are not registered as a qualified investor shall obtain Certified Business Angels license from the Undersecretariat of Treasury, or refer to the relevant intermediary firms or banks and register as a qualified investor in order to apply for Private Market Membership. Investors resident in a foreign country shall provide documents or a statement in the relevant field of the platform that they are registered in a network of business angels in their country or they are a qualified investor.

Documents necessary for application for the Private Market are listed below:

1. Private Market membership agreement signed and authorized signatory list for legal entity investors (to be sent by mail or delivered by hand),
2. A copy of identity card for legal entities,
3. Articles of association / corporate charter or certificate of activity obtained from the relevant regulatory public authority for legal entities,
4. Applicants registered as a qualified investor shall specify in the relevant field of the platform that they are a qualified investor (registration in CAOR shall be checked by the Private Market Administration)

5. Legal entity investors not registered as a qualified investor shall submit financial statements or documents certifying that they meet requirements for a qualified investor

6. License for certified business angels obtained from the Undersecretariat of Treasury for Certified Business Angels,

7. Documents and statements for qualified investors and angle investors resident in a foreign country certifying that they are a member of a qualified investor or angle investor networks

Investors whose application is approved by the Private Market Administration shall be included in the investor list of Private Market.

## E. Membership of Service Providers

### Article 14 – Service Providers

Service Providers a member of the Private Market, may render additional services to companies and investors such as financial and legal consultancy and independent audit for transactions in the Private Market. Service Providers may become a member of the platform when their electronic application is approved by the Private Market Administration. Application documents required to be a Service Provider is listed below:

- 1) A copy of notarized identity card for natural entities and trade registry for legal entities
- 2) Articles of association / corporate charter for legal entities
- 3) Information on activities (e.g., area of activity, services rendered)
- 4) A copy of registration in a professional chamber for natural entities
- 5) Private Market membership agreement signed and authorized signatory list for legal entities (to be sent by mail or delivered by hand)



## F. Membership of Intermediaries

### Article 15 – Intermediaries

An intermediary is a legal entity considered a broker by advisors, funds, financial agencies, banks or Private Market Administration managing transactions under a contract made with buyers or sellers and acting as a proxy on behalf and in the account of such buyers and sellers.

Intermediaries, acting as a proxy, have the right, authority and obligation to carry out transactions in the Private Market on behalf and in the account of their client companies and investors.

Application for brokering shall be made electronically via the Private Market platform. Application documents for brokering listed below shall be electronically uploaded in the platform.

- 1) Trade registry
- 2) Final Articles of association / corporate charter for legal entities
- 3) Information on activities
- 4) Brokerage contract made with the company or investor they represent
- 5) Private Market membership agreement signed and authorized signatory list (to be sent by mail or delivered by hand)

Unless otherwise specified, minimum one investor or company that are represented by the broker must be a member of the Private Market for intermediaries to register as a member.

# CHAPTER THREE

## OPERATIONAL PROCEDURES

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### Article 16 – Acceptance to Membership and Opening Private Market Platform for Use by Members

Applications for membership shall be evaluated and concluded by the Private Market Administration.

In case of incomplete application documents or a doubt that membership requirements are not met, the Private Market may request to correct deficiencies, deliver original documents, or submit additional information and documents.

The account of applicants whose membership application is approved shall be activated in the platform upon paying the membership fee and signing the Private Market Membership Agreement.

Applicants in a foreign country may be accepted to membership without receiving the agreement with wet signature.

### Article 17 – Information Level and Information Sharing

Companies, company partners and investors in the Private Market List share information in the Private Market platform with other members in two levels, the “First Level” and the “Second Level”. Companies, company partners and investors personally determine the information, other than information mentioned above, to share with other members.

First Level Information: The objective of the first level information is to provide members with standard introductory information. All Private Market members may display the first level information of companies, company partners and investor members, and filter or browse over such information.

Second Level Information: Information that is mutually provided by authorized buyers and sellers only to each other after mutually agreeing on “notice of interest” and “confidentiality condition” on the platform in addition to the first level information.

The first level and second level information consists of information obtained from members during registration process on the platform based on the member type. For each type of information, the Private Market administration shall inform the members via platform about mandatory information to provide during registration depending on the membership type or to optionally enter by the member; and publication of the entered first level and/or second level information as mandatory and/or optionally. The attached example tables show the first level and second level information and information entry thereof, and publication of such information

## Article 18 – Notice of Interest, Matchup and Authorization

Companies and investors whose interest in investment match up with each other may send a “notice of interest” on the platform. The party that receives a notice of interest may or may not accept the notice of interest. If the notice of interest is accepted, matched-up parties shall mutually agree on the Confidentiality Conditions on the platform. Such parties become an authorized buyer and authorized seller of each other.

Authorized buyers and sellers

- 1) May access to the second level information of each other; request additional information, papers, documents and reports; negotiate and trade shares if they come to an agreement.
- 2) Shall protect confidentiality of additional information and documents which are acquired under Confidentiality Conditions and not open to other participants of the Private Market. They may not open, or share, such information to other participants; they shall be excluded from membership if they share, and held responsible for any losses arising out of sharing confidential information.

3) May cease being authorized buyer or seller of the related company at any time with notification to the other party. In this case, they shall keep information acquired about the other party as a trade secret for 3 years unless a different period is agreed in the confidentiality agreement or longer period is set out in the applicable legislations.

## Article 19 – Dealing Room

Authorized buyers and sellers may use electronic dealing room function, which is secured for sharing information, for their detailed financial and legal analysis and other discussions. Authorized buyers and sellers may share any information and documents and negotiate how to buy or sell the shares in the secured environment of electronic dealing room. They may communicate in written and verbal form or through video call. Content of all transactions discussion in the dealing room is confidential, and the parties shall be responsible for confidentiality of information acquired in this room.

Information and documents shared in the dealing room are recorded enciphered by the Private Market. No one is authorized to access such information including Private Market's officials. Only parties have access to their previous negotiation. Such information may only be opened to related third parties if required by laws or upon request by either party.

Parties may perform the followings in the Dealing Room:

- 1) Free information sharing
- 2) Financial and legal review
- 3) Making a tender for share exchange offers and collecting offers for share trading using different methods
- 4) Pricing
- 5) Agreement Notice

A company may invite more than one authorized investor to the Dealing Room. This company may block other platform member investors from sending a notice of interest when it desires to negotiate only one investor or multiple investors. In addition to buyers and sellers, their representative intermediaries and service providers may log in the Dealing Room with consent of buyer and seller.



BORSA İSTANBUL  
ÖZEL PAZAR



Investors may request exclusivity when launching the Dealing Room application. If the Company accepts the request for exclusivity, the Dealing Room application of the company with other investors, if any, shall be closed. Functions to send and accept a notice of interest shall be restricted.

Parties in the Dealing Room may only display information provided by the other party they are negotiating.

## Article 20 – Agreement Notice

If companies or company partners reach an agreement with an authorized buyer, they shall inform the Private Market of share sales to be and/or has actualized using the Agreement Notice on the platform. This form includes basic agreement elements such as type of sold shares, nominal amount, amount of sales, and share transfer lock-up. The form may be completed to include up to maximum 499 partners.

The Agreement Notice shall only be made between the selling company or company partner and the authorized broker of the company. The Agreement Notice is submitted to the related investor for approval. An Agreement Notice made on behalf of companies or partners of non-Private Market member companies is validated after approval of the investor. An Agreement Notice for partners of Private Market member companies is validated after approval of the investor and the approval of the member company.

Shares that are bought under an Agreement Notice are updated to be transferred to related investors in the share ledger of the company registered in the system, and these shares are put in pending status. Such shares are kept in pending status until the share ledger is updated and share transfer lock-up period ends, and no other agreement notices are allowed regarding such shares.

Trading fee is accrued over the Agreement Notice sent via platform; however this notice may not take place of a Final Agreement if there is a Final Agreement signed outside the Stock Exchange.

## Article 21 - Liquidity Program

The Liquidity Program is a share sales program created by a company for a certain period to liquidate shares of this company or its partners included in the company list of Private Market.

A company may freely decide on the followings under the Liquidity Program:

- 1) Potential buyers
- 2) Minimum and maximum share rate that an investor can buy
- 3) Price (offer price in the fix-price program, minimum offer price in the variable price program)

The company may submit an invitation to list of investors on the platform or only to its own authorized buyers for the liquidity program. Functions of the Dealing Room may be used to determine the price and trade the share. If all buyers who are invited are not an authorized buyer and desire to participate in the liquidity program then they are authorized and defined to the company as an authorized buyer. Shares may be sold at a fix price determined by the company or at a price generated by collecting demands from invitees. Results of the liquidity program are determined by the company, and these results are considered Agreement Notice. As with the Agreement Notice, related parts of the company's share ledger registered in the system are updated to be transferred to member investors, and such shares are put in pending status.

Such shares are kept in pending status until the share ledger is updated and share transfer lock-up period ends if applicable, and no other agreement notices are allowed regarding such shares.

## Article 22 – Buying Program

The Buying Program is a share buying program created by an investor for a certain period to buy shares of a company and/or its partners included in the Private Market List by this investor.

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17 KASIM 2014  
İSTANBUL  
bistozelpazar.com



Borsa İstanbul Private Market has started to operate following a gong ceremony organized by Endeavor Turkey and Borsa İstanbul within the framework of the Global Entrepreneurship Week.

TÜRKİYE  
OVASYON  
HAFTASI



Borsa İstanbul Private Market was awarded the “Most Innovative Initiative of the Year” prize within the framework of Turkey Innovation Week.



An investor may freely decide on the followings under the Buying Program:

- 1) Potential sellers,
- 2) Minimum and maximum share that a seller can sell
- 3) Price (offer price in the fix-price program, maximum offer price in the variable price program)

An investor submit an invitation to all partners of the related company on the platform or only to its own authorized sellers for the buying program. Functions of the Dealing Room may be used to determine the price and trade the share. If all sellers who are invited are not an authorized seller and desire to participate in the buying program then they are authorized and defined to the investor as an authorized seller. Shares may be sold at a fix price determined by the investor or at a price generated by collecting demands from invitees. Results approved by the investor are considered Agreement Notice. As with the Agreement Notice, related parts of the company's share ledger registered in the system are updated to be transferred to the investor, and such shares are put in pending status.

Such shares are kept in pending status until the share ledger is updated and share transfer lock-up period ends if applicable, and no other agreement notices are allowed regarding such shares.

## Article 23 – Transfer of Shares

Transfer of shares and payments resulting from trading transactions in the Private Market may be made through a Private Market-contracted bank or through an intermediary firm, or outside the Private Market. Parties may freely exchange shares and cash at a place other than the Private Market. The Private Market shall take no responsibility for transfer operations.

## Article 24 – Share Ledger Update and Notice of Final Agreement

After completing share trading, all parties are severally and jointly responsible for uploading a copy of related page of the updated share ledger and the amount of agreement of the signed share ledger agreement in the Private Market platform. Otherwise, the new partner may not re-trade the bought shares in the Private Market.

## Article 25 – Leaving Private Market and Procedures for Membership Cancellation

Members may leave the membership with an application to the Private Market.

Membership of members shall be cancelled if they infringe operation of the Private Market or act against Membership Agreement and/or this Directive.

Borsa Istanbul may cancel any membership for the Private Market to operate safely and properly, and is authorized to take any measures such as suspending the membership, prohibiting specific transactions, excluding companies or investors from the list.

## Article 26 – Fees

Private Market members shall pay a fee for registration, authorization and trading.

The fee tariff is determined and declared on the platform website by the Private Market.

Fees on the tariff may not be charged in part or in whole, or the Private Market may determine different types of fees on the basis of members.

An authorized buyer and seller using the Private Market platform may not avoid paying the fee for trading and complete the trading process outside the Private Market.

If an authorized buyer and seller carries out entire communication outside the Private Market and even though they complete share transfer process without executing transactions in the Market, buyers and sellers shall be considered to commence dealing using the Private Market platform and a fee for trading shall be accrued for either of the parties if buying and selling parties become a member of the Private Market before trading take place. In this case, parties are obliged to pay the Private Market a fee for trading process.

## Article 27 – Fee Offsetting

If shares of member companies are offered to public, a portion of fees paid under the Private Market's fee tariff can be offset against quotation fees. Offsetting conditions and the amount to offset shall be determined by the Private Market Administration.

# CHAPTER FOUR

## OTHER PROVISIONS

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### Article 28- Enforcement

This Directive was agreed and entered into force at the meeting of the Board of Directors of Borsa Istanbul conducted on 21/08/2014

### Article 29- Authority

General Manager of Borsa Istanbul is authorized to determine fees set out in the Directive's provisions; principles for operating the Private Market; periods for operation and notices; application documents and process, conditions on acceptance to membership; members of evaluation committee; payments to these members and operating principles for committees; selecting or replacing solution and business partners of the Private Market, and code of practice where no explicit provisions are available in the Directive.

### Article 30- Execution

Provisions of this Directive are executed by the General Manager of Borsa Istanbul.

Attachment: Example Tables for Information Levels and Information Sharing







# **PRIVATE MARKET**

## **FEE TARIFF**

# PRIVATE MARKET FEE TARIFF

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**Membership Registration Fee:** It is a fee collected from each member annually by type of membership for registration with Private Market platform. It shall be requested from the member upon qualification of his/ her application for user name for entering to the Platform. The Member is required to pay such fee every year for continuance of the membership.

## Membership Fees:

**Start-up / Start-up Shareholder Membership**  
**1.000 TL**

**Pre-IPO / Pre-IPO Shareholder Membership**  
**2.500 TL**

**Natural Person Investor Membership**  
**2.500 TL**

**Legal Person Investor Membership**  
**5.000 TL**

**Service Provider Membership**  
**10.000 TL**

**Broker Membership\***  
**10.000 TL**



\*5,000 TL shall be charged to Broker firms and banks being members of Borsa Istanbul A.Ş at the application.

For more than one membership in the name of the same natural or legal person, the fee for only the type of membership requiring higher amount of payment shall be requested.

Hundred percent (100%) discount shall be granted to the Investors and Service Providers in the membership fees for the upcoming year where they will bring five new members for registration, The Service providers defined as solution partner shall not be charged with any membership fee.

Twenty percent (20%) discount shall be granted to the companies and investor become member via Investors and Service Providers in the membership fees for two years.

As of 17th of November 2014, discount rates mentioned in the below table shall be applied for the membership applicants in the annual membership fees.

Organization	Membership fee discount rate*
Finansbank customers	%10
Garanti Bank customers	%10
Turkish Economy Bank (TEB) customers	%10
Istanbul Chamber of Industry members	%10
Companies in techno-parks member of Association of Turkish Technology Parks	%50
Companies having a Patent Document effective at national or international scale obtained from Turkish Patent Institute or equivalent bodies/institutions abroad	%50

\* To obtain such discounts membership applicants should upload official documents showing that they are customer or member of mentioned institutions to “Other Documents” area on the “required documents” page of application form.

**Accreditation Fee:** Accrued in the event of acceptance of the Indication of Interest sent as a result of matching of the areas of interests of the buyer and the seller, and participation in Liquidity Program or Purchase Program, and collected from the Party sending or confirming the Indication of Interest based on authorization of the members on access to the 2nd level of information and Negotiation Room application subjects. This fee shall be changed where the information of any of the cited parties will belong to one of the companies in the Start-up or Pre-IPO category.

## Accreditation Fees:

Accreditation for Start-ups:	100 TL
Accreditation for New Pre-IPOs:	1.000 TL

**Trading fee:** It is the fee charged to both the seller and the buyer subject to the total amount of the trade, accrued when an Agreement Notice, result notices for Liquidity Program or Purchase Program on the Platform is done. It is calculated based on the share trade value at the ratios stated and subject to the minimum amount indicated in the below table (number of shares\* share unit price \* fee ratio).

## Accreditation Fees:

Fee Ratio to be multiplied by Purchase-sale amount:	2/1000
Minimum fee for Start-up:	2.000 TL
Minimum fee for Pre-IPO:	10.000 TL

Borsa İstanbul A.Ş. is entitled to apply various discounts periodically or continuously on the above price/ fee tariffs. Such discounts may be applied on member basis. It may not receive or it may return some part or all of such fees.

The price schedule as an attachment of the Agreement may be updated annually considering inflation rates or by Borsa İstanbul wherever it deems necessary. The updated price tariff shall be published on the Platform one month prior to the validity of such new prices and shall be deemed as announced to the members through such publication. Where the member will continue to make transactions on the Private Market Platform the new price tariff shall be deemed as accepted by the Member.

Membership fees are paid in advance. Other fees are invoiced at the end of the month and paid until the 10th day of the following month. In case 10th day of the following month is holiday, payment shall be done on next business day.



To view this publication on the web



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