



**BORSA
İSTANBUL**

BORSA İSTANBUL MARKETS & OPERATIONS





**BORSA
İSTANBUL**

Benchmark for Investment

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Although the booklet was prepared with best effort, legal and operational changes are possible to occur. For the most updated information, please refer to webpages of Borsa İstanbul and/or other capital markets institutions.

BORSA İSTANBUL MARKETS & OPERATIONS

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A photograph of a light grey stone wall with large, blue, three-dimensional letters spelling out 'BORSA ISTANBUL'. The letters are arranged in two rows: 'BORSA' on top and 'ISTANBUL' below. The letters cast shadows on the wall, indicating a light source from the upper left. In the top left corner, there are some green pine-like branches. The overall scene is brightly lit, suggesting a sunny day.

BORSA ISTANBUL

Today, exchanges are at the very heart of capital markets all around the world. Liquidity and product diversity offered by exchanges and the number and market capitalization of the listed companies play a crucial role in attracting both local and foreign investors to financial markets of host countries. Efficiency and transparency of these platforms are decisive factors which affect the level of capital inflows as well.



Dear Reader,

Today, exchanges are at the very heart of capital markets all around the world. Liquidity and product diversity offered by exchanges and the number and market capitalization of the listed companies play a crucial role

in attracting both local and foreign investors to financial markets of host countries. Efficiency and transparency of these platforms are decisive factors which affect the level of capital inflows as well.

Sustainable economic growth is only possible through strengthening capital markets; governments and policy makers, aware of this fact, have increased their efforts to support legal, organizational and financial infrastructures of their capital markets. In this respect, the enactment of the new Capital Market Law in December 2012 has been a game-changer for financial markets in Turkey. With the new law, Istanbul Stock Exchange merged with Istanbul Gold Exchange and Turkish Derivatives Exchange (TurkDex) to form Borsa İstanbul as a joint stock company. Borsa İstanbul is now a one-stop shop for all kinds of financial instruments, and investors have the opportunity to trade in a wide range of products which include equities, fixed income instruments, derivatives and commodities. By increasing our ownership stakes in our post-trade institutions, we also have taken a significant step in vertical integration of our business.

A close look at today's developed financial markets reveals that they all have an advanced technological infrastructure and investors and issuers prefer reliable platforms with the highest efficiency possible. That is why we have stepped our efforts to upgrade our technological infrastructure and signed a strategic partnership agreement with Nasdaq OMX. Accordingly, Borsa İstanbul will obtain state of an art technology employed by the leading exchanges of the world. The market technology to be in the service of all investors will also be integrated into all post-trade functions, with customary

key features such as connectivity and risk management. Our electronic trading platforms will be able to accommodate increasing volumes of orders, and latency will be minimized to a large extent. Enhancing the existing product mix, extending the range of product and services and initiation of new business areas are important elements of Borsa İstanbul's strategic roadmap as well. In the last five years new corporate debt issues jumped to USD 30 billion from almost nothing. Islamic finance is another line of fixed income business on which Borsa İstanbul aims to make progress. Today, in addition to sovereign and corporate leasing certificates, Sukuk issued by multilateral institutions are traded on Borsa İstanbul platform. Moreover, while we do our best to encourage domestic and foreign listings, we also provide early stage companies with necessary means to have access much needed funding without going public. In November, we launched Private Market where start-ups will meet potential institutional investors such as venture capitals, angel investors and private equity funds. We will also become a shareholder and the platform operator of energy trading in Turkey. Energy derivatives including electricity and natural gas contracts will be traded in Borsa İstanbul's trading system.

Becoming an attractive financial hub is not possible without strengthening linkages with other exchanges and financial institutions around the globe. In this regard, advanced negotiations with global players to make the derivatives based on BIST products tradable on international platforms are progressing well. In order to enhance the depth of our markets, and contribute to Borsa İstanbul's global recognition, we also continue talks with well-known financial institutions for a strategic partnership.

Turkey, in the context of 2023 vision, aims to be among the 10 biggest economies in the world, have an export volume of USD 500 billion and place Istanbul as an important financial center. Such goals require the presence of a strong capital market and efficient exchange. Borsa İstanbul works towards reaching these targets and redesigns its legal, organizational and technological infrastructures accordingly.

Tuncay Dinç
CEO



The new Capital Market Law, enacted in December 2012 by Parliament, overhauled the entire capital market system bringing all elements of capital market system in full compliance with international standards.

2.1. History and Development

Although the modern financial markets in Turkey seem very young, history of financial markets date back from the 19th century. The first government debt instrument was issued to finance the expenses of Crimean War in 1856. Afterwards, the nucleus of capital markets began to be formed in Istanbul, then the Ottoman capital. In 1873, Abidin Bey, a local bureaucrat from Varna, in Bulgaria, was officially appointed as the head of Dersaadet Tahvilat Borsasi, Istanbul Bond Exchange. Throughout the 19th century, several regulations were put into force in order to make financial markets more efficient and to secure their performances. This legal framework, in a way, is the heir of contemporary rules and regulations of financial markets.

Capital markets did not stop being functional after the proclamation of the Republic on October 29, 1923. During the Republican Era, decrees concerning stock exchange were passed in 1924 and 1927. The stock exchange was restructured by the Law No. 1447 on "Securities and Foreign Currency Exchanges," passed on May 16, 1929 and the Statute No. 8172, dated May 19, 1929. Stock exchange began operating under a new name: "Istanbul Securities and Foreign Currency Exchange." With a decree enacted in 1938, securities exchange was closed down and moved to Ankara, the capital city. The exchange was moved back to Istanbul three years later.

In 1981, the capital market law was enacted and a year later, the main regulatory body, envisaged by the law,

Capital Markets Board (CMB), was established. In 1984, the Council of Ministers issued the Regulation for the Establishment and Operations of Securities Exchanges, which paved the way for the establishment of IMKB (Istanbul Menkul Kıymetler Borsası), formally inaugurated at the end of 1985.

Turkish capital markets offer advanced intermediary services such as research, investment consultancy and portfolio management; clearing and settlement in accordance with international standards; online, real-time data dissemination including market by price data.

In the beginning of 2012, Turkish government decided to follow a road map to restructure Turkish capital markets. In line with this plan, a new capital market law was published in Official Gazette on 30/12/2012. According to the new law, Istanbul Gold Exchange and IMKB have been merged and transformed into a new legal entity: Borsa İstanbul. Again, in line with the law, the contracts traded on Turkish Derivatives Exchange (Turkdex) have been transferred to Borsa İstanbul in August 2013. Ultimately, in April 2014 the legal entity of Turkdex ceased to exist and, hence, Borsa İstanbul has become the sole financial trading platform in Turkey for all asset classes and financial instruments including stocks, exchange traded funds (ETFs), government bonds, treasury bills, money market instruments (repo / reverse repo), corporate bonds, lease certificates (sukuk), derivative instruments, foreign securities and precious metals.

Currently, there are six main markets operating at Borsa İstanbul: Equity Market, Debt Securities Market, Emerging Companies Market, Derivatives Market, Precious Metals and Diamond Market and Private Market.

2.2. Legal Framework

Legal landscape in the field of capital markets regulation in Turkey has recently gone under a major and revolutionary change. Capital Market Law No. 2499 and Decree No. 91 Regarding Securities Exchanges, first being the act regulating at the level of statute law almost every aspect of the capital markets and latter as being the legal foundation of organized markets in Turkey including İstanbul Menkul Kıymetler Borsası (İMKB), both have been repealed by the Capital Market Law No. 6362 (CML).

In an effort to harmonize the Turkish capital markets regulation with the EU *acquis* in that field and improve the integration of the Turkish capital markets into the global markets and enhance competitiveness thereof, Turkish law maker has enacted the Capital Market Law No. 6362 as a reform making law bringing about not only liberalization for the activity of running organized markets but also re-structuring and re-branding of İMKB as Borsa İstanbul which has been devised by the said law

as a joint-stock company subject to private law having the market stakeholders as shareholders alongside the shares of Treasury and thus allowing the realization of good governance principles as well. The process of re-branding of İMKB as Borsa İstanbul under the provisions of CML has been accomplished by the registration of articles of incorporation of Borsa İstanbul on April 3rd, 2013.

Upon the registration of Articles of Incorporation of Borsa İstanbul, legal personalities of İstanbul Menkul Kıymetler Borsası and İstanbul Gold Exchange terminated and Precious Metals and Diamond Market of Borsa İstanbul has taken over the functions of former İstanbul Gold Exchange. On March 28, 2014, Turkdex has merged with Borsa İstanbul under the provisions of Turkish Commercial Code.

The legal framework of Turkish capital markets, as it currently stands, is mainly devised by two major pieces of legislation, namely CML and Turkish Commercial Code. There is also an extensive deal of detail level regulation which specifically may be manifested as Capital Markets Board Communiqués and Exchange Regulations.



2.2.1. Capital Market Law

Capital Market Law (CML) No. 6362 came into force following its publication on the Official Gazette number 28513 on December 30, 2012.

The objective of the CML is to ensure functioning and development of capital markets in a reliable, transparent, efficient, stable, fair and competitive environment and to provide regulation and supervision of capital markets so as to ensure the protection of rights and interests of investors.

Capital markets instruments and methods for their issuance, public offering and sale of securities; those authorized persons who issue or offer securities to the public; exchanges and other organized markets as stated in the CML; capital markets activities necessitating authorization of the CMB; capital markets institutions;

and the CMB as the regulator are subject to the provisions of the CML.

Joint stock corporations having more than 500 shareholders and those corporations having their shares listed at the stock exchange are given the status of publicly offered companies by the CML. Such companies are subject to corporate governance principles as concretized by the CMB to differing degrees designated according to their corporate tenor by the CMB. The CMB issues Communiqués on specific aspects of capital markets regulation so as to regulate various subjects falling within its area of responsibility through exercising its regulatory powers delegated by law. In order to provide accurate implementation of the CML, CMB has carried out an extensive activity regarding amendment of the Communiqués and in this framework, published nearly 50 Communiqués so far.



Stock exchanges and market operators are also regulated by the CML as joint-stock companies subject to private law, established upon advice of the CMB of Turkey and with the permission of Council of Ministers. In order to initiate their market activities following the completion of establishment procedures, those companies need to have final permission of the CMB as well. CML envisages stock exchanges and market operators as joint stock companies having their shares registered in the name of the shareholders, fulfilling the minimum capital requirement designated by the CMB and having their articles of incorporations drafted as per the rules set forth in the CML and other related regulations.

CML further entrusts the stock exchanges the duty to issue regulations, subject to the CMB's approval, in order to ensure trading of securities, foreign exchanges, precious metals and stones and all other contracts, instruments and assets that are approved by the CMB as tradable; in a reliable, transparent, efficient, stable, fair and competitive environment. Securities exchanges are

particularly granted the authority by the CML to draft regulations covering the following issues:

- Listing, de-listing, other criteria regarding tradability and suspension of trades,
- Transmission of orders and matching of orders,
- Fulfillment of reciprocal obligations arising from the matched orders,
- Authorization of intermediaries for concluding transactions in stock exchange markets,
- Disciplinary regulations and execution of those regulations,
- Revenues of stock exchanges and collection of those revenues,
- Dispute resolution,
- Prevention of possible conflicts of interest between stock exchange, shareholders of stock exchange and / or market operator,
- Operation, supervision and monitoring systems of stock exchanges,
- Establishment, operating and management of various stock exchange markets.



2.2.2. Turkish Commercial Code

On 01.07.2012, the new Turkish Commercial Code No: 6102 entered into force and it abolished the former Commercial Code which was enacted in 1956. The Code lays down the establishment and operation principles of companies and defines and regulates financial instruments in general. Thus, joint stock corporations subject to the CML are required to comply with the provisions of the Commercial Code when there is no special provision in the CML.

2.2.3. Other Legislation

• Decree No.32

Apart from the above-mentioned legislation, another important regulation affecting the development process of the securities markets is the Decree No.32 about the “Protection of the Value of the Turkish Currency”. This Decree, enacted in August 1989, aims at further liberalization of the financial system and allows not only nonresidents to invest in the Turkish securities but also permits the outflow of domestic capital into foreign securities etc. through financial intermediaries authorized by the CMB.

• Regulation on Establishment, Activity, Operation and Supervision Principles of Exchanges and Market Operators

The Regulation was drafted by CMB and published in the Official Gazette dated July 19, 2013 in order to regulate principles of establishment, capital structure, operations, supervision and suspension of these operations of the exchanges and market operators in which capital market instruments, foreign exchange, precious metals and stones and contracts approved by the CMB are being traded.

• Regulation On Borsa İstanbul A.Ş. Exchange Activities

The Regulation aims to ensure the trading of capital market instruments, other contracts, documents and assets approved by the CMB at Borsa İstanbul in a secure, transparent, efficient, stable, fair and competitive environment. The Regulation covers the matters regarding listing, de-listing, trading and suspension of trading; transmitting and matching of orders; performing in due time obligations related to executed trades; granting authorisation to trade in the Exchange; operation, audit and surveillance systems of the Exchange; establishing, operating and managing markets, etc.



2.3 Turkish Capital Market Institutions

2.3.1. Capital Markets Board

The Capital Markets Board of Turkey (CMB) is the regulatory and supervisory authority in charge of securities and derivatives markets in Turkey. Empowered by the Capital Market Law, CMB has been making detailed regulations for organizing the markets and developing capital market instruments and institutions since 1982 in Turkey.

CMB aims to ensure the safe, fair and orderly functioning of the capital markets and to protect the rights and benefits of investors. Its ultimate objective is to foster the progress of the securities markets and thereby contribute to the efficient allocation of financial resources in the Turkish economy.

The CMB has also been given the authority to regulate corporate governance rules for public companies and capital markets in general.

Organizational Structure

Capital Markets Board is governed by the Executive Board which is the main decision-making body. The Chairman of the Executive Board also acts as the Chief Executive Officer. The Executive Board consists of seven members / commissioners, proclaimed by law to be at the highest level within the decision making mechanism of the CMB and is empowered to decide on any issue within the authority of the CMB. There are four Executive Vice Chairmen who are authorized and responsible for the coordinated operation and administration of the entire organization. There are twelve main departments of the

CMB, which are organized on the basis of their functions. These are as follows:

- Department of Enforcement
- Department of Corporate Finance
- Department of Intermediary Activities
- Department of Institutional Investors
- Department of Market Oversight and Enforcement
- Department of Research
- Department of Accounting Standards
- Department of Legal Consultancy
- Department of Corporate Communication
- Department of Strategy Development
- Department of Data Processing, Statistics and Information
- Department of Administrative and Financial Affairs

Currently, the CMB has also a regional office in Istanbul. Pursuant to Law No.6362 dated 6 December 2012, the CMB is headquartered in Istanbul. However, the CMB's headquarters will remain in Ankara until completion of the moving procedure.



Functions

CMB oversees all capital market institutions and supervises the capital markets in order to prevent market abuse such as insider trading and market manipulation practices to protect the investors and to ensure market integrity.

CMB regulates the capital markets by issuing regulations and communiqués, which enter into force by publication in the Official Gazette, pursuant to the Capital Market Law. Additionally, CMB may issue resolutions related to various issues regarding Turkish Capital Markets.

Main areas of responsibility of CMB include the regulation and supervision of the public offering process of securities and provision of investment services in Turkish capital markets. Also, establishment and operation principles of all capital market institutions fall under the scope of CMB's responsibility.

The CMB regulates and supervises the public offering process of securities in Turkish capital markets. In this framework special emphasis is given to ensuring accurate and complete information dissemination in markets, by setting the standards for prospectuses, financial statements and reports, including the principles for their auditing and announcement procedure.

Also within this framework, corporate governance principles for publicly held corporations and various other subjects such as shelf registration are regulated by the CMB.

The other main area of regulation by CMB is the provision of investment services in Turkish market. Within this framework, investment services include among others:

- Order routing and execution
- Trading in securities in own account
- Portfolio management
- Investment consultancy
- Underwriting
- Custody services for securities

Institutions are required to obtain a license from CMB in order to be able to provide investment services. CMB determines the minimum conditions for authorization and examines each application in detail for issuing the license based on these requirements.

Collective investment institutions constitute another major area of regulation by the CMB. In Turkish capital markets investment companies, either with fixed or variable capital, and mutual funds operate as collective investment institutions.

There are also other collective investment institutions, investing in various other securities such as mortgage backed or asset backed instruments, which are regulated by the CMB.

CMB oversees the capital market activities of independent external auditing companies, rating companies and appraisal companies and sets the criteria for their operating principles.

Overseeing and supervising exchanges and other organized markets fall also under the responsibility of CMB.

CMB is also given the duty of regulating new capital market institutions and instruments, as needed in course of time, to promote the development of the capital markets.

2.3.2. Borsa İstanbul

Inaugurated at the end of 1985 under the name İstanbul Menkul Kıymetler Borsası (İMKB), Borsa İstanbul has been established to provide trading in a wide variety of instruments, namely, stocks, exchange traded funds, government bonds, treasury bills, money market instruments (repo / reverse repo), corporate bonds, lease certificates (a.k.a. sukuk), derivative instruments, foreign securities (Eurobonds issued by Turkish Treasury) and precious metals. Borsa İstanbul has recently been transformed into a joint stock company.

Organization and Shareholder Structure

Works and administration are realized by the board of directors consisting of ten members who are to be elected by General Assembly in accordance with the provisions of Turkish Commercial Code. Chairman of the board of directors is elected by General Assembly. Board of directors' chairman is authorized to conduct and to administer the Company, as well as to individually represent and bind it. Board of directors summons as required by the Company's business, at least once a month.

Board of directors assigns a General Manager with the qualifications and qualities stated in the relevant legislation, upon the proposal of the board of directors' chairman. Shareholders use their rights concerning Borsa İstanbul affairs during general assembly. Until the public share in the Company's capital reduces below 50%, any kind of accounts and transactions of the Company are audited only by the independent auditing firm to be elected by Undersecretariat of Treasury from those listed by Capital Market Board.

Borsa İstanbul and NASDAQ OMX signed a strategic partnership agreement in 2013. According to the agreement, NASDAQ OMX became a minority shareholder of Borsa İstanbul, with 5 % stake. The majority shareholder is Turkish Treasury, with its 49% of shareholding.

Functions

Board of Directors has duties and powers inter alia

- resolving the regulation to be prepared by the Company,
- putting into force the directives and codes of practice of the Company's internal legislation,
- resolving the authorization to trade in the exchange and temporary and permanent cancellation of this authorization and applications concerning listing and admitting to trading,
- creating and establishing markets, marketplaces, platforms or systems,
- resolving disputes to occur in transactions,
- determining the Company's governance, divisions, organization, management, transfer of management, job definitions, authorities and responsibilities, as well as the staff's and officers' principles and procedures of working; and others.



2.3.3. Istanbul Settlement and Custody Bank Inc.

Established in 1988 as a department within İstanbul Menkul Kıymetler Borsası (İMKB), İstanbul Settlement and Custody Bank Inc., also known as Takasbank, executed clearing and settlement services for securities traded by the members of İMKB. In January 1992, the operations of that department were transferred to an independent company, İMKB Settlement and Custody Bank Inc. which was set up under the ownership of İMKB and its members. In 1996, this company was transformed into a bank incorporated under Turkish Banking Law and renamed as İMKB Settlement and Custody Bank Inc.-Takasbank. Takasbank is the central clearing and settlement institution of Turkish capital markets providing post-trade services as well as authorized as sector-specific investment bank facilitating settlement finality for the Turkish Capital Market participants. Subsequent to the process of re-branding of İMKB as Borsa İstanbul on April 3, 2013, the official title of the bank also changed to İstanbul Settlement and Custody Bank Inc.-Takasbank.

As of December 2014, Takasbank is providing central clearing and settlement services for Borsa İstanbul markets and for electronic product certificates traded at commodity exchanges and platforms. Furthermore, Takasbank has been providing CCP services to Borsa İstanbul Derivatives Market as of March 3, 2014. Takasbank also offers cash settlement and collateral transactions services for Turkish Electricity Market. Besides clearing and settlement services, Takasbank also provides central depository services to private pension fund units at beneficial owner basis, official central custodian services for the portfolio assets of collective investment schemes as well as portfolio custodian services for collective investment schemes.

Apart from these services, Takasbank is the “National Numbering Agency of Turkey” authorized by Capital Markets Board (CMB) responsible for the allocation of ISIN and CFI codes to all securities issued in Turkey. Takasbank is also endorsed by the Regulatory Oversight Committee (ROC) as the pre-local operating unit authorized to

allocate pre-Legal Entity Identifier (p-LEI) codes for both local and foreign legal entities. Within the framework of its banking services comprising of both cash and non-cash credit mechanisms which support settlement finality, Takasbank provides Borsa İstanbul members, money market, securities lending market (Takasbank has been providing CCP services since September 2, 2013) and banking services including cash credits and cross-border settlement and custody.

As an institution providing central clearing, settlement and payment services, as well as sector-specific banking services, Takasbank faces triple regulation and oversight. As the clearing and settlement institution, Takasbank is regulated by CMB; as a payment and settlement institution, (according to 6493 numbered “Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions”) it is regulated by the CBRT and as an investment bank, it is regulated by the Banking Regulation and Supervision Agency (BRSA).

Organization and Shareholder Structure

Takasbank is owned by Borsa İstanbul and 54 of its members. According to the Articles of Incorporation of Takasbank, no single shareholder can hold a share of more than 5%, except for Borsa İstanbul. As of December 2014, shareholder structure of Takasbank is as follows: Borsa İstanbul has 62.25 % while 13 banks have 17.78 % and 40 brokerage houses have 19.97 % share.

The Board of Directors is composed of four representatives from Borsa İstanbul, four representatives from Borsa İstanbul members (two representatives from banks and two representatives from brokerage houses) and the CEO of Takasbank, totaling to 9 members.

Functions and Services

Main functions of Takasbank are as follows:

- Central clearing and settlement for the organized markets of Borsa İstanbul
- Central counterparty services for Borsa İstanbul Derivatives Market
- Clearing and settlement services for the electronic product certificates (EPC) traded at commodity exchanges
- Electricity Market Cash Clearing and Collateral Management
- Central Depository services to private pension fund units at beneficial owner basis,
- Official central custodian services for the portfolio assets of collective investment schemes
- Portfolio custodian services for collective investment schemes
- Physical custody services for delisted fungible and non-fungible stocks
- SWIFT integrated Delivery versus Payment real time gross settlement
- Book-entry transactions via online connections provided for all members
- Takasbank Electronic Transfer System (TETS) - (TETS enables brokerage houses to transfer securities (government bonds and treasury bills) and cash electronically in real-time through the CBRT “Electronic Fund Transfer” (EFT) and “Electronic Securities Transfer” (EST) systems)
- Cash credit services (securities purchasing loans, spot credits, optional collection before the maturity date, intra-day)
- Central counterparty services for Takasbank Securities Lending Market
- Takasbank Money Market (A market organized by Takasbank where Borsa İstanbul members can lend and borrow Turkish Lira (TL) funds)
- Turkey Electronic Fund Distribution Platform (Turkey Electronic Fund Distribution Platform enables fund issuers or managers to sell or buy back mutual fund participation certificates. Platform ensures settlement with a fully automated system)
- Providing numbering services for securities as the “National Numbering Agency” of Turkey (International Securities Identification Number-ISIN and Classification of Financial Instruments-CFI)”
- Allocation of pre-Legal Entity Identifier(p-LEI)codes to both local and international legal entities as the authorized pre-local operating unit (p-LOU) of Turkey.
- International securities settlement and custody services through its global network with ICSDs, CSDs, global and local custodian banks
- Trade repository services to For-Ex transactions

Takasbank is representing Turkey in various organizations. Takasbank is,

- A member of European Association of CCP Clearing Houses (EACH)
- A member of Association of National Numbering Agencies (ANNA)
- Representing Turkey on behalf of Turkish Standards Institute on the International Standardization Committee in charge of developing international standards, concerning the securities and other financial instruments, (ISO TC68 / SC4)
- A member of International Securities Services Association (ISSA)
- An affiliate member of the Federation of Euro - Asian Stock Exchanges (FEAS)
- A member of the Organization of the Islamic Conference (OIC) Member States’ Stock Exchanges Forum
- A member of Institute of International Finance (IIF)
- A member of SWIFT

2.3.4. Merkezi Kayıt Kuruluşu

Merkezi Kayıt Kuruluşu (MKK) is the central securities depository for all dematerialized capital market instruments in Turkey. It was established in 2001 as a private entity and it is governed under the article 13 and 81 of the CML, (Capital Market Law, which is effective since 30 December 2012). The incorporation, operation and supervision of MKK are regulated by the MKK Regulation and the “Communiqué on Terms and Conditions Governing Book-entry Registration of Dematerialized Capital Market Instruments” both legislated in August 2014.

Organization and Shareholder Structure

MKK is incorporated in the form of a private for-profit company for the purpose of operating in accordance with the law and regulatory provisions.

The shareholders of MKK are Borsa İstanbul (30.1%), Takasbank (64.9%) and the Turkish Capital Markets Association (Association, 5%).

MKK’s Board of Directors has nine members. Seven of the members represent Borsa İstanbul, Takasbank, the Association and the Ministry of Customs and Trade. Borsa İstanbul is represented by three members and Takasbank is represented by two members whereas the Association and the Ministry of Customs and Trade each have only one chair. The CEO of MKK, is also a member of the Board. The Chairman is appointed by the CMB. Principles governing duties, authorities and operation of the managerial bodies of MKK are set forth in the Articles of Incorporation.

Functions

Main functions of MKK are to;

- Provide central depository services for dematerialized capital market instruments and rights attached thereon, in electronic form, with respect to issuers, intermediary institutions and right owners,
- Check the integrity and consistency of actual records among member groups. In case of determination of any inconsistency in the records or violation of regulations concerning the dematerialized system, request necessary corrections by members, and inform the CMB accordingly, and implement necessary measures in order to ensure safe and secure operation of the system,
- Ensure confidentiality of records as per the applicable regulatory provisions,
- Act as the securities agent for real-time securities settlement, Takasbank securities lending & borrowing market, TEFAS (Electronic Fund Trading Platform of Turkey), and securities collateral management operations.
- Manage legal operations (bankruptcy and usufruct) on securities.



- Carry out corporate actions management operations for the exercise of financial rights such as dividend and interest distributions, redemptions, stock splits, etc. and managerial rights such as participation to issuer general assembly meetings.
- Public Disclosure Platform (PDP), in March 2014 MKK took over the system and it is operated and managed by the MKK-Investor Relations and PDP Department on a 7/24 basis. The system provides access to correct, timely, fair and complete information about the Borsa Istanbul companies, over the world wide web simultaneously and at low costs. Furthermore, PDP serves as an electronic archive which allows easy and low-cost access to historical information.
- Provide issuer and investor services through the e-MKK Information Platform components;
- e-GEM: Electronic General Assembly Meeting, the system that enables convening of electronic general assembly meetings, e-voting, proxy assignment, live broadcasting of electronic general meetings and distribution of GM related information and documents,
- e-GOVERNANCE: Corporate Governance and Investor Relations Portal, an electronic platform which enables standard and uninterrupted information exchange between publicly traded companies and shareholders/investors through the use of internet, e-mail, SMS and mobile applications,
- e-CAS: Investor Notification and Alert System, an investor notification system that aims at helping investors notice any errors or abuses about their stock holdings immediately, and at minimizing potential individual or systemic risks.
- e-DATA: Capital Markets Data Bank, a platform for the gathering and distribution of capital markets data which will be sourced from MKK's system and e-MKK Information Portal, and production of data analysis and models thereon for the use of government institutions, rating agencies, and academia,
- e-COMPANY, enables companies to publish information and documents initially on the e-COMPANY portal, integrates those information and documents with company web sites, maintains required security levels, enables access from a single source with consistency, and establishes data transmission to the Central Registry Number System (MERSIS) infrastructure.
- e-WAREHOUSE, Electronic Warehouse Receipt Center is an electronic platform that dematerialises physical warehouse receipts on commodities. Securities that will be traded on Commodities Exchanges with underlying electronic warehouse receipts are held in MKK's electronic platform and all transactions in e-warehouse receipts are performed on this platform.
- Managing the platform for electronic warehouse receipts for the dematerialization of warehouse receipts on agricultural products that are held by licensed warehouses and monitoring of rights on the dematerialized receipts.
- Conduct ongoing administrative liquidation procedures of intermediary institutions with regard to CMB resolutions before 30 December 2012,
- Carry out other duties assigned by the CMB according to the capital market legislation and other issues required under the existing regulations.

At the moment MKK provides custody services for the following dematerialized capital market instruments: equities, exchange traded funds, mutual funds, corporate bonds, commercial papers, warrants, covered bonds, asset backed securities, certificates, sukuks and Turkish government debt securities.

Accounts at MKK are opened with respect to issuers and intermediary institutions. However, authorized settlement and custody institutions may open accounts directly at MKK in order to ensure performance of settlement transactions. As per the recent changes in the CML, it is now made possible only for foreign central securities depositories to open “omnibus” accounts for their participants after becoming a member of MKK. MKK manages a direct account holding system in which beneficiary owners are end investors. In this respect, investors should open investment accounts in their names at MKK participant intermediary institutions in order to invest in capital market instruments. MKK and its participants are subject to supervision and inspection of the CMB.

As of November 2014, MKK has 757 participants which are comprised of 618 issuers, 138 intermediary institutions, and 1 clearing and settlement institution .

According to the legislation the date of notification to MKK is taken as reference in claiming rights on dematerialized capital market instruments against third parties.

In registering transfer of shares on share registers of companies, the records at MKK are taken as basis without any further requirements. MKK, issuers and intermediary institutions are liable in proportion to their faults, for any errors or omissions in the record keeping process.

All of the depository eligible securities are held at MKK in fully dematerialized form. The scope and the time of dematerialization for other capital market instruments are determined by CMB.





2.3.5. Turkish Capital Markets Association

Turkish Capital Markets Association (TCMA) has been established as the self-regulatory organization in the Turkish capital markets in 2001. It was initially established under the name of “The Association of Capital Market Intermediary Institutions of Turkey.” After the Capital Market Law No. 6362 came into effect, the name of the Association was revised to “Turkish Capital Markets Association” in 2014. As of December 2014, the Association has 228 members: 98 brokerage firms, 43 banks, 46 investment trusts and 41 asset management companies.

Objectives

The Association aims to:

- Contribute to the development of the capital markets and intermediation activities,
- Facilitate solidarity among its members,
- Safeguard the prudent and disciplined conduct of business by its members,
- Prevent unfair competition among its members,
- Enhance professional know-how in the sector.

Organization Structure

General Assembly is the highest body of the Association and consists of the representatives of all members.

The Board of Directors consists of eleven members in the following composition:

- Three members from brokerage firms,
- Two members from banks,
- Two members from asset management companies,

- One member from listed investment trusts,
- One member representing the Turkish Association of Appraisers,
- Two independent members.

The General Assembly elects the Board of Directors and the Board of Auditors (5 members) every two-years. The Disciplinary Committee (5 members) is elected for a period of three years. The Secretary General carries out the daily management and administration of the Association.

Revenues

The revenues of the Association are provided from initial membership fees, annual membership fees, training programs and other activities.

Functions

The main functions of the Association are to::

- Establish code of ethics for the profession,
- Establish professional rules and regulations,
- Set safety measures to prevent unfair competition,
- Conduct necessary legal investigations about the applications and complaints,
- Conduct research,
- Offer educational programs,
- Assist in the resolution of disputes,
- Cooperate with related foreign institutions,
- Engage in financial literacy activities.

Participations

Borsa İstanbul

TCMA has a 1.3% stake and holds one seat on the board of directors.

Merkezi Kayıt Kuruluşu (Central Securities Depository of Turkey)

TCMA has a 5% stake and holds one seat on the board of directors of the Central Registry Agency.

Capital Markets Licensing and Training Agency

The Association has 49% stake and holds three seats on the board of directors of the Capital Markets Licensing and Training Agency.

2.3.6 Capital Markets Licensing and Training Agency

Turkey has a sound and transparent licensing and training system for capital markets related professionals. Capital Markets Licensing and Training Agency (Agency) established in June 2011 and started its activities in July 2011. The Agency has been established according to the Capital Market Law and capital market regulations issued by Capital Market Board of Turkey (CMB). Agency is basically responsible for certification (licensing) and mandatory training course for capital market professionals in Turkey. The shareholders of the Agency are the main Turkish capital market institutions that are under supervision of CMB.

Turkish Capital Markets Association is the main shareholder of the Agency and holds 49% of shares. The other 4 shareholders are: Borsa İstanbul (20%), İstanbul Settlement and Custody Bank (% 10.5), Merkezi Kayıt Kuruluşu (Central Securities Depository of Turkey, 10.5 %), Fund Managers Association of Turkey and Appraisers Association of Turkey (10%).

The board members of the Agency consist of 7 shareholders and CMB. According to the Article of Association of the Agency, chairman of the board of directors and one board member are assigned by the CMB.

Licensing and training system was introduced by the CMB in August 2001 for Turkish capital markets. The system includes the licensing, mandatory trainings and record keeping of licensed professionals. The system aims to assess the professional qualifications and the knowledge of persons working at capital market related jobs. The first licensing examinations were held in September 2002. At this time CMB was in charge of the whole licensing process, while some operations were outsourced. In March 2010, the licensing examinations were organized with the cooperation of CMB and the Association. Since the Agency has been established as of June 2011, all license examinations and mandatory training programs after this time is under the responsibility of Agency.

For the time being Agency deals with both organizing the exams and training programs, and setting up operations. But in a very short period of time Agency plans to expand its operations both in Turkish capital markets and in international markets. One of the main issues will be the computer based licensing exam. Agency has accomplished its goal which was planned to put e-learning training program into service for capital markets' employees. Agency plans to improve the testing policies and procedures of licensing exams and trainings that are currently paper based.

The main licensing and examination types for market professionals in Turkey are as follows:

1. Capital Market Activities License, Level I: Required for client advisors.

2. Capital Market Activities License Level II: Required for branch managers, representative office managers.
3. Capital Market Activities License Level III: Required for managers, research and corporate finance analysts.
4. Derivatives: Required for derivatives traders, managers and back office employees.
5. Real Estate Appraisal: Required for mortgage and real estate appraisers.
6. Credit Rating: Required for employees of credit rating agencies.
7. Corporate Governance Rating: Required for employees at corporate governance rating agencies and employees at investor relations departments of listed companies.
8. Residential Real Estate Appraisal: Required for residential appraisers.

On the average, approximately 100,000 people are attending to the exams and approximately 7,500 people are taking mandatory trainings per year. 55,248 diversives has been had licenses as of December 2014. Details are described below:

Capital Market Activities License Level I: 11,290
Capital Market Activities License Level II: 18,499
Capital Market Activities License Level III: 10,478
Derivative Instruments : 6,109
Real Estate Appraisers : 4,276
Credit Rating Specialists : 2,262
Corporate Governance Rating Specialists : 2,080
Residential Real Estate Appraisers : 254

According to the related regulations by CMB, licensed persons should attend mandatory license renewal training. Renewal trainings should be taken every three years, for persons who work in areas subject to licensing.

2.3.7. Other Capital Market Institutions

Other capital market institutions refer to the institutions whose establishment and principles of operation are determined by the CMB including:

- Institutions providing investment services
- Collective investment institutions
- Portfolio management companies
- Mortgage finance institutions
- Housing finance and asset finance funds
- Institutions dealing with clearing and settlement of capital market instruments
- Institutions providing portfolio safekeeping services
- Data warehousing institutions



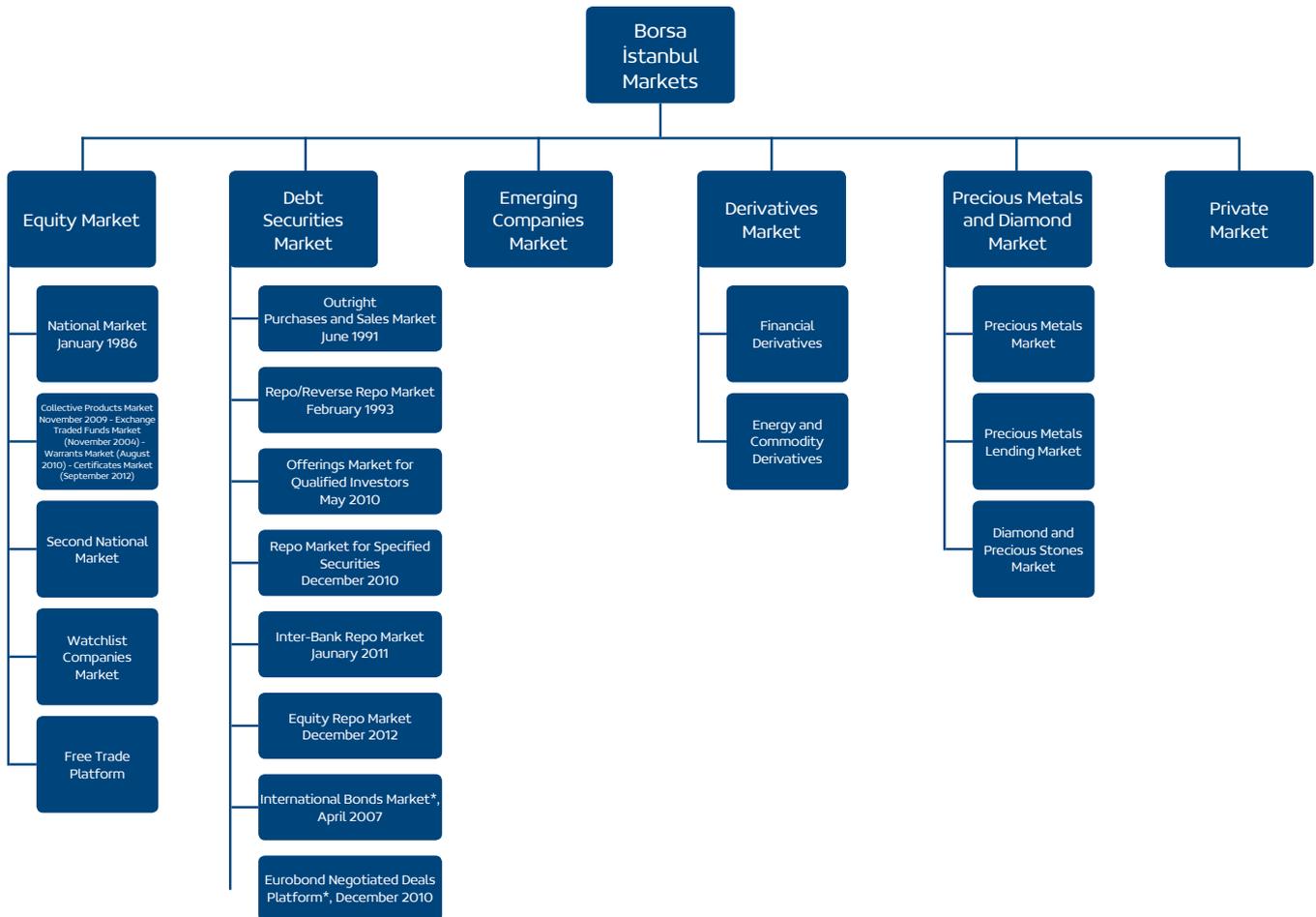


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As the range of available products expands, new markets are planned to be introduced



* These markets are operating under Debt Securities Market since September 2013.

3.1. Equity Market

3.1.1. Submarkets

Borsa İstanbul Equity Market consists of four markets namely; National, Second National, Collective Products, Watchlist Companies Markets and a Free Trade Platform.

3.1.1.1. National Market

National Market, main stock market of Borsa İstanbul, is the market where companies that fulfill the listing and minimum circulation criteria determined by Borsa İstanbul, trade in a reliable and stable environment. The listing requirements are given in detail in section 6.1.1. Borsa İstanbul reviews the traded companies on a semi-annual basis through a performance evaluation conducted in accordance with the average free-float market capitalization levels announced by Borsa İstanbul Board of Directors twice a year for each company and in accordance with their performance in keeping free-float rates above 25%. Those companies traded on Borsa İstanbul National Market, failing both of the above two requirements as a result of the semi-annual performance evaluations will be temporarily transferred to Borsa İstanbul Second National Market upon the resolution of Borsa İstanbul Board of Directors. The main indicator of the Equity Market is BIST 100 Index, constituted of 100 companies traded on the National Market and real estate investment trusts, venture capital investment trusts on the Collective Products Market, with high market capitalization and liquidity.

3.1.1.2. Collective Products Market

The Collective Products Market, which was launched on November 13, 2009, provides a single, definitive market for trading of the stocks of investment trusts, real estate investment trusts, venture capital trusts, warrants, certificates, participation certificates of exchange traded funds. Borsa İstanbul conducts “continuous auction involving market making” and “single price auction” trading mechanisms for particular securities traded on Borsa İstanbul Collective Products Market. In accordance with the relevant Borsa İstanbul arrangements, Exchange Traded Funds (ETFs), warrants, certificates and investment trusts, market capitalization of publicly held shares of which is below TL 10 million, are traded on continuous auction via market making.

3.1.1.2.1 Exchange Traded Funds (ETFs) Market

The “ETFs Market” functioning under Borsa İstanbul Collective Products Market was established with an aim to provide an organized and transparent market for trading of participation certificates of the ETFs. Borsa İstanbul Board of Directors decides on the listing and trading of the participation certificates of the ETFs upon the written request of the CMB. ETFs are not included in the Opening and Closing Auctions.

3.1.1.2.2 Warrants Market

Borsa İstanbul launched a new market for trading of warrants within Borsa İstanbul Collective Products Market on August 13, 2010 offering market participants to hedge their portfolios against market volatilities with a limited risk feature.

Warrants are capital markets instruments that give the holder the right, but not the obligation, to buy or sell an underlying financial instrument at a set price on or before an expiration date. While European style warrants can only be exercised on the expiry date, American style warrants can be exercised at any time up to expiry. Currently, all warrants trading on the Borsa İstanbul Warrants Market are European style warrants. The underlying instrument of a warrant trading on Borsa İstanbul Warrants Market may be;

- A single equity or a basket of equities included in BIST-30 Index
- An equity index calculated by Borsa İstanbul
- Other assets and indicators such as convertible currencies, precious metals, commodities, internationally recognized indices in line with the CMB decision.

Warrants are traded on continuous auction via market making. Trading for warrants take place between 09:35-12:30 in the first session and between 14:15-17:30 in the second session. Warrants are not traded in the

Opening and Closing Auctions. The System accepts the orders according to price and time priority and matches the orders and / or quotations within the appropriate quotation interval (including quotation prices).

Market makers in warrants will enter executable quotes that have no maximum spread. Orders cannot be entered to the System before the entrance of the first quotation by its market maker. Market makers are not required to quote on after the opening session.

There is no upper or lower limit for price creation. All orders in the warrants market are executed within the quotations of market makers (including quotation prices). Orders that fall out of the interval are also accepted to the System, but may be matched only when they are within the quotation interval.

Borsa İstanbul exchange fees apply to the transactions executed in Borsa İstanbul Warrants Market (0.4 bps for Index warrants, 0.3 bps for other warrants) whereas transactions executed via market maker’s quotation orders are charged half of Borsa İstanbul exchange fee schedule (only for the relevant market maker). An exemption of withholding tax (previously applied as 10%) on warrants is offered to investors.



3.1.1.2.3 Certificates Market

A “Certificates Market” has been established under the Collective Products Market to allow certificates, which are warrant-like financial products, to be traded on Borsa İstanbul Equity Market. On September 10, 2012 two certificates started to be trading on the Certificates Market.

Certificates are traded on Borsa İstanbul Equity Market in the same way as warrants with minor differences only. They can be bought and sold on continuous auction via market making throughout the day from 09:35 to 12:30 in the first session and from 14:15 to 17:30 in the second session. Certificates are not traded in the Opening and Closing Auctions.

Certificates provide access to a broad range of underlying values, such as:

- A single equity or a basket of equities included in BIST 30 Index
- An equity index calculated by Borsa İstanbul
- Other assets and indicators such as convertible currencies, precious metals, commodities, internationally recognized indices in line with the CMB decision.

The liquidity of certificates is ensured by its market maker, who undertakes to provide a buy and a sell price quotation at all times. There is no price margin. However, as in the case of warrants, trades are realized within the range of or at the quotations given by the market maker. Orders are transmitted to the System according to price and time priority and are matched within the appropriate quotation interval (including quotation prices).

For certificates with knock-out feature, in the event that the underlying asset or indicator reaches or exceeds the

knock-out level announced by the issuer in advance, such capital markets instrument shall terminate and be automatically delisted without being subject to any further procedures. In the case of a knock-out, the issuer shall announce the certificates that have gone knock-out, the underlying assets that have reached the barrier, and if any, the residual value payable, on the Public Disclosure Platform. Such certificates shall be automatically delisted, the issuer shall calculate the residual value if any, and shall transfer such amount to the investor in no more than five business days (T+5).

Borsa İstanbul charges an exchange fee of 0.4 bps for Index certificates, 0.3 bps for other certificates transactions executed in the Certificates Market whereas transactions executed via market maker’s quotation orders are charged half of Borsa İstanbul exchange fee schedule.

3.1.1.3. Second National Market

The “Second National Market” was established with the aim of promoting trading in stocks of small and medium size companies incorporated in all parts of the country, in a reliable and transparent environment. The Second National Market consist of companies delisted temporarily or permanently from Borsa İstanbul National Market as well as companies that fail to fulfill the listing requirements and lack the necessary qualifications for trading on Borsa İstanbul National Market. The decision of Borsa İstanbul Board of Directors in consideration of the financial and legal status, activities and the liquidity potential of a company shall be sufficient for trading of that company on the Second National Market provided that there is no limitation for the circulation of the shares. Companies traded on the New Economy Market migrated to the Second National Market effective January 3, 2011.

3.1.1.4. Watchlist Companies Market

The “Watchlist Companies Market” was established with an aim to provide an organized and liquid market for trading of stocks of companies under special surveillance and investigation due to extraordinary situations with respect to stock transactions and / or companies themselves traded on Borsa İstanbul; disclosure of incomplete, inconsistent and / or untimely information to public; failure to comply with the existing rules and regulations as well as other situations leading to delisting of stocks and / or dismissal from the related market temporarily or permanently in order to protect investors’ rights and public interest.

Starting from October 1, 2010, Borsa İstanbul started to conduct two single price auctions for the companies traded in the Watchlist Companies Market. Trading hours

of this market are from 14:00 to 17:40.

3.1.1.5. Wholesale Market

The “Wholesale Market” provides an organized platform for the transactions of stocks in large quantities. The market permits the sale of stocks, which are traded on Borsa İstanbul Equity Market as well as those, which are not traded on Borsa İstanbul, through capital increases or sale of stocks of existing shareholders to predetermined and / or unidentified buyers. Block sale of stocks within the framework of privatization scheme of public entities is also realized in this market.

Settlement can either be realized through Takasbank or among the parties of the transaction upon the application of the parties and the approval of Borsa İstanbul.



3.1.1.6. Rights Coupon Market

The “Rights Coupon Market” is a market launched in January 1993, for trading of the coupons attached to the shares of traded company which entitles the holders of such shares the right to purchase the new shares issued by that corporation to increase its capital.



3.1.1.7. Primary Market

Stocks to be offered to public initially through Borsa İstanbul and the stocks representing pre-emptive rights of the listed companies, which are not exercised by the existing shareholders or are offered to public by restricting the pre-emptive rights of the existing shareholders, are offered to public in the “Primary Market”.

In the Primary Market, an ask order can only be given by the intermediary institution(s) in charge of the public offering. The stocks bought by the members cannot be resold in this market.

3.1.1.7.1. Primary Market of the Corporations to be Initially Listed on Borsa İstanbul

Any one of the three sale methods below can be used in the primary market of corporations or shares to be initially listed on Borsa İstanbul. Stocks are offered to the public on Borsa İstanbul via Borsa İstanbul Equity Market Trading System.

3.1.1.7.1.1. Continuous Auction Method

Rules applicable to the continuous auction method on the Equity Market are also applicable to the primary market of corporations or shares to be initially listed on Borsa İstanbul. This method is called the “Continuous Auction - Multiple Price Method” because buy and sell orders transmitted to the System throughout the session can be matched at different price levels and therefore different trading prices can occur in the same session. In this method, trading shall take place on a continuous basis, with each incoming order being checked and matched on a price and time priority basis.

The period of initial public offerings where the sale on Borsa İstanbul via continuous auction method is used has been limited to 2 business days. However, if a longer sale is planned, the base price announced on the first day of public offering will be used as the opening price on each day the public offering continues.

Initial public offerings of the corporations or shares to be initially listed on Borsa İstanbul on the primary market via continuous auction shall be completed in 2 days. However, it is possible that the brokerage house that undertakes the public offering may carry out sales for a period longer than 2 days. Secondary market trading shall not be started so long as the initial public offering continues.

The base price to be applied in the first session of the secondary market for the shares that are sold via initial public offering on the primary market is determined by rounding the weighted average price of all the trades executed during the public offering on the primary market to the nearest price tick, and this price is taken as a base in calculating the lower and upper price limits to be used in the first trading session on the secondary market.

For Continuous Auction Method:

Trading Hours: 10:30 – 12:00

3.1.1.7.1.2. Fixed Price Method

All orders are transmitted to the System at such price level which is determined and announced by the company whose stocks are offered to public. Trades are executed at that single price. Distribution is held automatically at such time determined by the Exchange upon expiry of the primary market. More than one buy order can be transmitted with the same account number. In that case, distribution is made starting from the first order with time priority among the orders having the same account number, and the others are not subject to distribution unless that order is exhausted.

3.1.1.7.1.3. Variable Price Method

All orders are transmitted to the System at such price interval which is determined and announced by the company whose stocks are offered to public. Orders received with a price which is outside such interval are not admitted to the System. The price of the order can be changed within the specified interval (including minimum and maximum levels).

Trades are executed over a single price to be determined in that price interval. The price level at which the entire offering is satisfied according to price and time priority is set as the public offering price.

In this method, more than one buy order can be transmitted with the same account number as with the Fixed Price Method. In that case, distribution is made starting from the first order with price and time priority among the orders having the same account number, and the others are not subject to distribution unless that order is exhausted.

In all three methods, no special order can be entered to the System in the primary market of corporations to be initially listed on the Exchange.

For Fixed Price Method and Variable Price Method:

Book Building Phase: 10:30 – 12:00

Distribution Phase: 12:15 – 12:30

3.1.1.7.2. Primary Market of the Corporations Already Listed on Borsa İstanbul

The stocks representing pre-emptive rights of the listed companies, which are not exercised by the existing shareholders and stocks offered to public by restricting the pre-emptive rights of the existing shareholders are to be traded via continuous auction.

The Exchange Management may choose fixed price method or variable price method instead of continuous auction method based on different markets, groups (A, B, C, D) or stocks.

Base price and price margins do not apply to the public offering of shares representing pre-emptive rights of the listed companies, which are not exercised by the existing shareholders. Only the designated member can place a sell order on the primary market. Shares bought from the Primary Market cannot be resold on the Primary Market.

3.1.1.8. Official Auction Transactions

Sales transactions, which the courts, the court-bailiff's offices and other governmental agencies find necessary to take place at the Equity Market of Borsa İstanbul, are realized as official auction transactions. The price is realized by continuous trading.

Trading Hours of Borsa İstanbul Equity Market

Equity Market (National Market, Collective Products Market, Second National Market, Free Trade Platform) and Emerging Companies Market	
First Session	09:15 - 12:30
Opening Session	09:15 - 09:35
Call Phase (order collection)	09:15 - 09:30
Price Determination Phase and Opening Transactions	09:30 - 09:35
First Quotation (Market Maker)	09:30 - 09:34
First Quotation (System)	09:34 - 09:35
<hr/>	
Continuous Auction - Main Trading (including trading via Market Making)	09:35 - 12:30
Single Price Auction	09:35 - 12:30
Call Phase (order collection)	09:35 - 12:30
Price Determination Phase	12:30 (+)*
<hr/>	
Equity Market (National Market, Collective Products Market, Second National Market, Watchlist Companies Market**, Free Trade Platform) and Emerging Companies Market	
Second Session	14:00 - 17:40
Opening Session	14:00 - 14:15
Call Phase (order collection)	14:00 - 14:10
Price Determination Phase and Opening Transactions	14:10 - 14:15
First Quotation (Market Maker)	14:10 - 14:14
Automatic First (System)	14:14 - 14:15

Continuous Auction - Main Trading (including trading via Market Making)	14:15 - 17:30
Single Price Auction	14:15 - 17:33
Call Phase (order collection)	14:15 - 17:30
Price Determination Phase	17:30 - 17:33
Closing Session	17:30 - 17:40
Order Transfers (No order entries)	17:30 - 17:33
Call Phase (order collection)	17:33 - 17:36
Closing Price Determination Phase	17:36 - 17:38
Trades at Closing Price / Single Price	17:38 - 17:40
Wholesale Market	10:30 - 12:00
Official Auction Transactions***	
Primary Market	
Rights Coupon Market	Relevant Market's Trading Hours Rights coupons are not traded in the opening and closing auctions

*(+). Price determination and dissemination of trades will go beyond the session limits at this phase and the duration of the overflow will vary according to the magnitude of the processed data.

** Watchlist Companies Market trading session will be run from 09:15 to 12:40 when the Equity Market is open for a half day on certain holidays.

*** Refers to trading hours of official auction transactions realized with ME, MF, MV, MC codes.

Note: Closing session will be run on half trading days in accordance with the following phases:

- Order Transfers (No order entries): (3 minutes, 12:30 - 12:33)
- Call Phase (Order collection): (3 minutes, 12:33 - 12:36)
- Price Determination Phase: (2 minutes, 12:36 - 12:38)
- Trades at Closing Price / Single Price: (2 minutes, 12:38 - 12:40)



3.1.1.9. Borsa İstanbul Free Trade Platform

A Free Trade Platform (FTP) has been established for trading of the stocks which are to be determined by the Capital Markets Board (CMB), pursuant to CMB Decision No: 17 / 519 dated 3 June 2011.

The trading procedures are designed and issued by Borsa İstanbul Equity Market and apply in respect of all FTP companies. Trading shall take place in Borsa İstanbul Equity Market trading hours. FTP stocks shall be traded on Single Price Method in which stock prices will be determined four times a day.

Throughout the first trading session of a FTP stock, no price bands will be disseminated until trade execution. Following the price determination, the specified price band for the FTP is restricted to prices that fall within the 10% price band.

FTP stocks shall not be subject to margin trading and short selling. Companies traded on Borsa İstanbul FTP will be classified in D group.

3.1.2. Trading

Currently, Borsa İstanbul employs “multiple price continuous auction”, “continuous auction via market making” and “single price auction” trading mechanisms.

Fully electronic stock trading system enables Borsa İstanbul members to trade in stocks, rights coupons, exchange traded funds, warrants and certificates. Borsa İstanbul conducts two separate sessions for Equity Market trading activities; one session in the morning and another in the afternoon.

Buy and sell orders are submitted to the Equity Market Trading System (System) manually via trading terminals located at Borsa İstanbul Trading Floor or electronically

via Automated Order Routing System. It is a blind order system with counterparties not identified even after matching.

Securities are traded either through continuous auction including market making or through single price auction procedures following a period in which orders have been accumulated without execution.

3.1.2.1. Trading of Companies under A, B, C and D Groups

In accordance with the Capital Market Board’s decision dated on October 30, 2014, all companies trading on Borsa İstanbul Equity Market will be classified under groups A, B, C, D starting from January 2, 2015. The following table is prepared on the basis of Capital Market Board’s decision, dated on October 30, 2014, which shows A, B, C, D classification.



GROUP	Market Platform	Free Floated Market Capitalization (TL)	Market Maker (MM) or Liquidity Provider (LP)	Trading Method	Margin Trading or Short Sale	Open Clearing Position/ Equity Ratio	Securities (accepted as equity)/ Equity ratio	Gross Settlement
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A	Equity Market	TRY 30 million and more	-	Continuous Trading	YES	General Provisions	General Provisions	NO
B	Equity Market	Between TRY 10 - 30 million	-	Continuous Trading	YES	%100	%50	NO
C	Equity Market	Less than TRY 10 million	YES	Continuous Trading	NO	%100	%0	NO
			NO	Single Price				
D	Emerging Companies Market	-	YES	Continuous Trading	NO	%100	%50	NO
			NO	Single Price				
	Free Trade Platform	-	-	Single Price	NO	%100	%0	YES
	Offering Market for Qualified Investors							
Watchlist Companies Market	-	-	Single Price	NO	%100	%0	NO	

Displaying A, B, C, D Group Distinction

A, B, C, D group distinction and gross settlement information started to be displayed on Borsa İstanbul Daily Bulletin in two new columns which precedes the column that contains stock codes. First of these columns will include “GS” information based on “Gross Settlement” whereas the second will include A, B, C, D group information.

The clearing and settlement system can be changed to gross settlement for certain shares traded on Borsa İstanbul Equity Market. Accordingly, there will be no netting between purchases and sales of such securities by brokerage firms. Instead, receivables of brokerage

firms and investors will be distributed by Takasbank after the end of the settlement period. Accordingly, investors who want to sell such shares must keep these shares and investors who want to buy these shares must keep adequate cash in their accounts as of the settlement date.

3.1.2.2. Continuous Trading

An opening auction is held at the beginning of each session prior to the commencement of continuous trading. Upon completion of the opening auction, trading shall take place on a continuous basis, with each incoming order being checked and matched on a price and time priority basis.

3.1.2.2.1 Opening Session

Basic Features

The opening session is designed as a “Call Market” employed in the pre-opening session involving a single auction process. Buy and sell orders are entered and accumulated in the System during a pre-defined time interval without matching. Then at the end of the pre-opening session, the price at which the maximum order volume can be matched is found by means of a trading algorithm. Such price then becomes the opening price of the day.

The Opening Session has 2 phases:

1. Call phase (Pre-Opening Order Entry Period): During this stage orders are entered into the System and queued on the order book vis-à-vis priority rules. Orders are not matched. Each trading session begins with a call phase in which orders are automatically recorded without any execution. During such call phase, Borsa İstanbul Members may enter new orders as well as modify or cancel existing orders.
2. Price determination phase: During this stage the System determines a price so as to produce the maximum executable volume. During such price determination phase, no new orders may be entered and existing orders may not be modified or cancelled.

There may be individual opening sessions for particular securities. If one security cannot be taken into the opening session due to a trading halt before / during the opening session, a single price auction method will be held only for this individual security during the continuous auction phase (for example, opening auction for that single security may be held between 10:30-10:45 hours). In that case, following the opening session for that particular security, the trading resumes with continuous auction until the end of the relevant session.

3.1.2.2.2. Essential Aspects of the Opening Session

a) Order Types

Limit Order	Allowed
Market On Open Order	Allowed
Short Sale Order	Not Allowed
Immediate or Cancel Order	Not Allowed
Special Limit Price Order	Not Allowed
Special Limit Value Order	Not Allowed
Special Order	Not Allowed

Market on Open Order (MOO)

It is a type of order which can be used only in the opening session. It is an order for which only amount is submitted to the System while price is entered as zero. MOO orders may only be executed at the calculated opening price.

b) Order Modification and Cancellation

Order Modification: Price can be improved or worsened and amount can be reduced or increased (should the amount is increased, time priority is lost).

Duration of orders valid for two sessions can be changed as to be valid for only one session.

Order Cancellation: Order cancellation is allowed during the Opening Session. Starting from July 1, 2014, an order cancellation fee equal to 0.1 bps of the cancelled order amount started to be charged for each cancelled order.

Fees for cancellation/volume reduction and price worsening for the orders at the best bid and ask price level are charged in accordance with the following structure:

- If realized up to 5 seconds following the transmission to the system (including 5th second), the fee will be 0.5 bps.
- If realized between 6 and 10 seconds following the transmission to the system, the fee will be 0.3 bps.
- If realized after 11 second following the transmission to the system, the fee will be 0.2 bps.

Order cancellations, price worsening and volume reductions for warrants and certificates are not subject to any fee.

c) Important Features of the Opening Session

Opening auction session is held for all markets of Borsa Istanbul Equity Market, namely; National, Collective Products, Second National, Watchlist Companies Market and Free Trade Platform.

Transfer of Open Orders to Continuous Auction Trading: At the end of the Opening Session, any unexecuted limit order and / or any residual volume from a partially executed limit order (which was previously submitted to the Opening Session) are retained in continuous auction trading.

Base Price and Price Margin: The base prices and price margins obtained from the weighted average prices of the previous session shall be applied during the call phase and throughout the continuous auction period. Transactions carried out in opening session and continuous auction are considered together in calculation of base prices and price margins for the next session.

Maximum Lot Quantity: Continuous auction rules apply.

Tick Sizes: Continuous auction rules apply.





Data Dissemination

During the order entry period there is no data dissemination regarding the indices and the opening price of the equities. As the opening session begins, data regarding transactions, calculated opening prices, open orders and index values start to be disseminated to the authorized vendors.

Information about A, B, C, D group distinction is sent to data vendors together with stock codes but in a separate field. Thus, data vendors are able to create a separate page for each group, and display each group distinctly. All data vendors have been informed with a view to enabling presentation of A, B, C, D distinction to investors without having to carry out any additional inquiry.

3.1.2.2.3 Closing Session

The closing auction is a single-price auction that matches buy and sell orders at the price (closing auction price) that maximizes the amount of tradeable stock following an order accumulation period without any execution. Orders excluding quotation orders, participating in main trading that are not executed are included in the Closing Auction.

All orders that are eligible for, but not executed in the main trading session are included in the Closing Session.

Closing session is run for the securities traded on continuous auction and continuous auction via market making excluding warrants, exchange traded funds, certificates and rights coupons. Closing Auction is run only at the end of the Second Session.

Phases of Closing Session:

- Order transfer phase – (3 minutes, 17:30 – 17:33)
 - Order collection phase – (3 minutes, 17:33 – 17:36)
 - Closing price determination phase and executions at closing price – (2 minutes, 17:36 – 17:38)
 - Trades at closing price / single price – (2 minutes, 17:38 – 17:40)
- Order Transfer Phase (17:30 – 17:33): This is the 3-minute period where the pending orders waiting in the trading system without matching are transferred so that they can be included in the closing session, and the price margins that will be valid for the closing session are calculated for the securities traded with continuous auction and continuous auction with market maker methods.

Continuous auction trading ends at 17:30, following which, the 3-minute period for order transfer starts. During this period, all orders except the quotation orders, pending in the order book are to be transferred to the closing session. Quotation orders, on the other hand, for the E extension coded stocks that are traded with market maker, shall be cancelled.

The closing session starts following the 3-minute order transfer period to be used for copying and other technical work. During the order transfer process, no orders are accepted and the waiting orders may not be modified or cancelled.

- Order Collection Phase (17:33 – 17:36): This is the phase when new bid and ask orders, in addition to the pending orders for the securities traded with continuous auction and continuous auction with market maker methods, are entered into the trading system in order to determine the price for the closing session. During this phase, orders are not matched (no trades are realized).

The prices for the orders entered during this phase must fall within main margins determined in accordance with the last transaction price at the continuous auction phase. Within this scope:

- The price of an order entered for a security in the closing session cannot be different from +/- 3% of the latest executed price; the upper price is determined by rounding the price plus 3% margin to the upper price tick, and the lower price is determined by rounding the price minus 3% margin to the lower price tick.

- However, no orders outside the limits of +/- 10% of the base price determined for a security in the related session may be entered during the closing session. For example, assuming that the base price of a stock for the related session is 3.00 and the price range is 2.70 - 3.30; if the latest transaction price of that stock is 3.28, the minimum and maximum prices for an order to be entered for that stock in the closing session are respectively, 3.18, and 3.30.

- In the case that no trades have been realized on a security during neither the opening nor the continuous auction phases of a session, orders within the range of +/- 10% of the base price determined for that security for the related session may be entered during the closing session. If such stock is subject to free margin, orders may be entered at any price for that stock during the closing session.

- If among the orders for a stock transferred to the closing session is a bid order that is higher than the upper price limit or an ask order that is below the lower price limit determined within the range of +/- 3% of the latest transaction price for that stock, the price margins calculated on the basis of the base price of that stock for the related session will be applied (and not the price margins calculated with +/- 3% margin on the latest transaction price).

The order collection phase of the closing session lasts 3 minutes. During this 3-minute period, orders are collected for the closing session, the pending orders may be modified or cancelled in accordance with the applicable rules.

During this period, only limit price orders, short sales orders and Market On Close Orders (MOC) will be allowed to be entered to the System. During the order collection phase of the closing session, Immediate or Cancel (IOC), Special Limit Price Order (SLPO), Special Limit Value Order (SLVO) and special orders are not allowed.

Similar to the opening session, during the closing session mode (17:32 - 17:36), market watch screens will be off, with the exception of the inquiries used by brokers for their own orders, and the stock inquiry screen. The price and quantity information regarding the orders entered during this phase are not disseminated to data vendors.

During this process, Market On Close Orders (MOC) may also be entered into the trading system. MOCs are bid and ask orders that are sent to the trading system, indicating quantity only, and may only be matched at closing price. The quantity of MOCs may be increased (in this case, priority changes), decreased, or cancelled at any time requested. However, MOCs may not be changed into any orders with price.

- Closing Price Determination Phase and Executions at Closing Price (17:36 - 17:38): During this phase, the closing prices for the stocks for which orders are accumulated will be determined and trades will be executed at such prices. The closing price is determined in the same way as the opening price.

With respect to the stocks included in the closing session, the orders transferred from the continuous auction session, orders with price and MOCs entered into the system during the order collection phase shall

be matched at the closing price in accordance with the same rules prevailing in the opening session. The price determined in this session will be the closing price of the related security. In the event that a price is not determined during the closing session, the last executed price in the continuous auction session is registered as the closing price. If no trades have been registered during the closing session and the continuous auction session, the opening price appears in all price fields including the closing session price field in Borsa İstanbul daily bulletin. If there is no opening price for the stock either, all price fields for the stock in the bulletin appears as "O".

Following the introduction of the closing session, Market On Open Orders (MOO) started to be implemented in order to allow entering non-price orders in the opening session.

MOCs and MOOs will have no effect on determining the price of a stock. MOC / MOOs that are not matched at the determined opening / closing price are automatically cancelled.

During this phase, no new orders are allowed to be sent while the waiting orders may not be modified or cancelled. Executed orders and the closing session prices will be available on both the trader and data vendors' screens. Similar to the trades executed during the opening session and continuous auction sessions, trades executed during the closing session will be included in the calculation of the weighted average price for one session and daily weighted average price of a stock.

Following these transactions, the trading system will be ready for the trades at closing price phase. Outstanding orders that have been entered prior to and during the closing session and have not been traded (excluding MOCs), are transferred to the trades at closing price phase.

- Trades at Closing Price / Single Price Phase (17:38 – 17:40): This is the final phase where new bid and ask orders with only the closing price determined during the closing session can be entered and matched with the pending orders at these prices in accordance with the priority rules.

During this 2-minute phase, orders may be entered only for the securities that have been traded in the closing session. New bid and ask orders to be entered into the system must be at the closing price and upon matching with a passive order of the same price, will be traded in accordance with the priority rules.

During the trades at closing price phase, Immediate or Cancel (IOC), Special Limit Price Order (SLPO), Special Limit Value Order (SLVO), short sales and special orders may be entered. All orders entered at this phase are only traded at the closing price. With regard to the securities for which a price is not determined during the closing price determination phase, no orders are allowed during the trades at closing price phase.

- With regard to the orders entered prior to and transferred to the trades at closing price phase, the price of the orders whose price is equal to the closing price shall not be changed while the quantity may be modified or the orders may be cancelled totally.
- On the other hand, quantity of pending orders at the prices other than the closing price may not be increased or decreased however their prices may be modified to the closing price or they may be cancelled.

The trades realized during this phase are also considered in calculating the session and daily weighted average

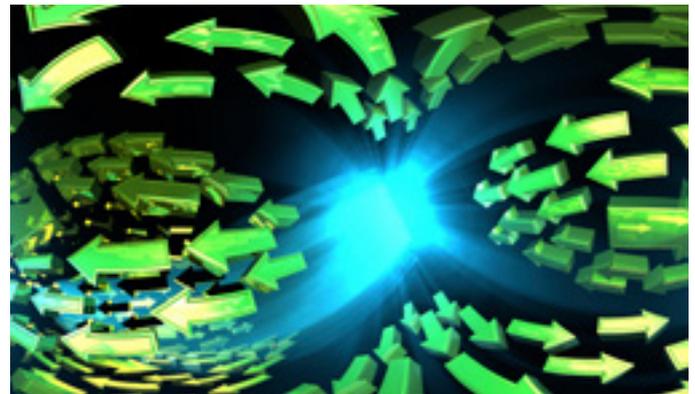
price of a stock. Trades realized and orders waiting during this phase are available on both trader and data vendors' screens as in the continuous auction phase of the trading session.

3.1.2.3. Continuous Trading via Market Making

Borsa İstanbul implemented “continuous auction via market making” trading mechanism for particular shares traded on Borsa İstanbul. In accordance with the relevant Borsa İstanbul arrangements, Exchange Traded Funds (ETFs), warrants, certificates and other shares with free-float market capitalization below TL 10 million are traded on continuous trading via market making.

The shares which are currently traded on Borsa İstanbul Collective Products Market and included in BIST 100 Index, shall always be traded on continuous auction.

Real estate investment trusts, venture capital investment trusts and investment trusts and other shares traded on exchange (excluding Watchlist Companies Market, Free Trade Platform and Offering Market for Qualified Investors) free-float market capitalization of which are above TL 10 million, are traded on continuous auction.



Provided an application to become a market maker for them is received and approved by Borsa İstanbul, securities traded on continuous auction on the Collective Products Market, excluding the constituents of BIST 100 Index, may be traded via market making. When a market maker is deregistered from a security (its activities are terminated), that security shall be traded on continuous auction (call market) as an alternative trading method. The ratio of publicly held shares of investment trusts will be determined on a quarterly basis by averaging the weighted average price of the last 20 sessions prior to the valuation of the security. Investment trusts to be traded via market making will be announced in two days following the announcement of BIST 100 Index constituents upon the decision of Borsa İstanbul Market Making Assessment Committee.

Only one market maker will be registered for a security subject to trading via market making mechanism.

A member firm that intends to act as a market maker may apply for registration in more than a single security. Borsa İstanbul Board of Directors may deem it necessary to limit the securities to be registered for each market maker.

Borsa İstanbul Board of Directors considers a Borsa İstanbul member to be appropriately authorized for market making in one or more securities if the applicant meets the following basic two conditions:

1. Authorization for public offering and intermediation for trading of derivatives,
2. Not having default cases of TRY 1 million each more than five times in the twelve months preceding the review.

If the Borsa İstanbul member that intends to act as a market maker does not comply with the two criteria listed above, Borsa İstanbul Board of Directors may still consider that Borsa İstanbul member to be sufficiently regulated and appropriately authorized for market making;

- If that member is the founder or issuer of the related security or
- Related security is offered to public by its parent company or
- It has acted as an intermediary for the relevant security's public offering.

Borsa İstanbul members acting as market makers will be evaluated quarterly in accordance with the relevant Borsa İstanbul requirements and publicized subsequently. At the end of the evaluation period, Borsa İstanbul may deem it necessary to deregister a market maker from one or more securities where that firm is consistently in breach of market making obligations.

Exchange fees to be imposed on the quotation transactions of market makers (except for warrants and certificates) are to be decreased in accordance with Borsa İstanbul Fee Schedule.

Transactions of a market maker whose number of registered securities in the Equity Market and Emerging Companies Market is 1 or more than 1 are subject to a discount rate of 50%.

Effective from July 1, 2014, Borsa İstanbul started to offer volume-based discounts for its members within the framework of the new price list. Accordingly, following a quarterly assessment, a discount rate of 10% on transaction fees for the upcoming quarter is to be applied for the exchange members whose trade volume exceeds 5% of the total traded volume executed on the Equity and the Emerging Companies Markets and whose traded value exceeds TRY 20 billion (excluding wholesale and primary market transactions).

Market makers shall enter executable buy and sell price and amount quotations in a single security in the pre-defined time interval prior to the main trading session. In situations where no quotation is submitted to the System, the System automatically submits a two sided quotation (buy / sell price and amount quotation) at 9:34 for the first session and at 14:14 for the second session (for warrants and certificates there is no “automatic quotation entrance” by the System). Market makers shall maintain continuous two-sided quotation orders for each security in which they are registered. Maximum quotation amount shall not exceed 10 times of the related security’s maximum lot amount. Market makers may maintain, amend or delete its quotations in accordance with the principles set forth by Borsa İstanbul.

3.1.2.4. Single Price Auction

Borsa İstanbul conducts four single-price auctions each trading day for the companies trading with single price method

There are two phases of single price auction mechanism:

1. Order collection: The System records orders without any matching for Single Price Auction four times at each trading day. Orders are collected between 09:15 - 09:30 (call phase of the Opening Session) and between 09:35 - 12:30 for the first session and between 14:00 - 14:10 and between 14:15 - 17:30 for the second session. Upon completion of order collection, a single auction price at which the maximum volume of orders is executable is determined in the subsequent time interval at the closing of the call phases.
2. Price Determination and Execution of Transactions:

Upon completion of order collection, a single auction price at which the maximum volume of orders is executable is determined between 09:30 - 09:35 and at 12:30 in the first trading session and between 14:10 - 14:15 and 17:30 - 17:33 in the second trading session. When a call phase could not be held for a security in the opening session of the Single Price auction due to a temporary trading halt, the relevant security resumes trading in the second single price auction phase and the price will be determined in one auction.



Single Auction Trading Hours

-	Single Auction Phase 1		Second Single Auction Phase 2	
-	(Opening Session)		(Single Price)	
-	Order Collection	Price Determination and Trade Execution	Order Collection	Price Determination and Trade Execution
1st Session	09:15 – 09:30	09:30 – 09:35	09:35 – 12:30	12:30
2nd Session	14:00 – 14:10	14:10 – 14:15	14:15 – 17:30	17:30 – 17:33

A security, except warrants and certificates, trading mechanism of which is determined to be market making may be traded on single price auction in situations where

- there is not a market maker registered,
- market maker's activities are terminated,
- there is not a Borsa İstanbul member intending to act as a substitute on behalf of a principal market maker and
- the current substitute market maker could not start to trade.

For warrants and certificates, instead of trading on single price auction, trading of the relevant security is halted for the situations stated above.

3.1.3. Basic Concepts, Trading Rules and Order Types

Weighted Average Price: The base price of a stock is calculated for the next session based on the volume weighted price. For calculation of the base price, the orders executed and registered with different prices and quantities during the session are taken into account. The weighted average price is calculated automatically by the system as an integer.

Base Price: It is a price taken as a base for determination of the upper and the lower price limits and the price ticks by which shares can be traded during a session. This price is obtained by rounding the weighted average price of a share prevailing during the previous session to the nearest price tick. In case of dividend payment or capital increase, the base price is determined by Borsa İstanbul and entered into the System.

For the ETFs Market, base price is obtained by rounding the weighted average price of that participation certificate prevailing during the previous session to the nearest price tick. However in first trading session or in the session following the session that has no trading, base price is the price announced by the founder and/or authorized participants of the ETFs.

For the Warrants and Certificates Markets, price formation is not based on base price method. Transactions are executed within the market makers quotation limits (including quotation prices).

Reference Price: It is a price which is not taken as a base for determination of upper and lower limits by which a share can be traded, instead it is intended to be used as a reference value by Borsa İstanbul members until the registration of the relevant price.

Price Margins: Prices traded for each stock on the secondary market according to multiple price method during a session cannot be different than $\pm 10\%$ of the base price of that share. This price range sets the price variance limits of shares traded on Borsa İstanbul Equity Market. When calculating price variance limits, values found by applying $\pm 10\%$ to the base price are rounded to the nearest lower price tick for the lower limit and to the nearest upper price tick for the upper limit. However, in the rights coupons market, the margin is 25%. The same rules in the National Market apply for the price margins of the ETFs Market.

For the Warrants and Certificates Markets, the System executes all orders within the price limits submitted by the market maker's quotations. However, orders falling out of the market maker's quotation interval are also accepted by the System, but may be matched only when they are within the quotation interval.

Price Ticks: Bid and ask orders sent to Borsa İstanbul Equity Market are matched only by the prices given as price ticks determined by Borsa İstanbul Board of Directors based on the unit of trading of shares. The

“price tick” for each share is determined according to the base price of that share calculated with reference to the weighted average price prevailing during the previous session.

Effective March 10, 2014, price ticks to be implemented for securities traded on the National, Collective Products, Second National and Watchlist Companies Markets are as follows:

Price Ticks for Equities and Rights Coupons

Base Price Range (Turkish Lira)	Price Tick (Turkish Lira)
0.01 - 10.00	0.01
10.05 - 100.00	0.05
100.50 and over	0.50

* For warrants and certificates; price tick is applied as “TRY 0.01”.



Price Ticks for Exchange Traded Funds

Base Price Range (Turkish Lira)	Price Tick (Turkish Lira)
0.01 - 10.00	0.01
10.02 - 100.00	0.02
100.25 and over	0.25

For warrants and certificates; price tick is applied as TRY 0.01 (1 kurush).

Unit of Trading (Lot): It refers to the minimum quantity or value or its multiples by which a share can be traded on Borsa İstanbul. 1 lot represents 1 share (TRY 1.00 at par value), 1 lot of rights coupon represents 1 coupon (the rights coupon attached to a stock of TL 1.00 at par value). In the ETFs Market, 1 lot size equals to 1 participation certificate and the nominal value of 1 certificate is TRY 1.

Cancellation of Order: Borsa İstanbul members are able to cancel and/ or reduce the volume of all unexecuted orders submitted to the System in accordance with the new software implementation put into effect on October 8, 2010. The System allows unconditional order cancellation for all shares traded on the Equity Market through trading terminals located at Borsa İstanbul and by remote access as well during continuous auction.

Validity of orders: Unless otherwise specified, all other orders are valid during the relevant session. However, orders can be given as “good till date”, which are valid for the whole day trading unless cancelled.

Order Types

Limit orders are orders to buy or sell a stated quantity at a specified price. If obtainable, orders can be executed at a better price. Unless otherwise specified, any residual volume from an incomplete limit order is retained in the central order book until the end of the day unless it is withdrawn or executed. “Limit Price Orders” are orders for which prices and amounts are entered. The orders can be traded, partially or totally; if they are not traded, they will be displayed as pending orders on the screens.

Immediate or Cancel Orders are sent to the System with the aim to be executed in its entirety only if there is sufficient volume available, at the stated price or better. If the order cannot be executed in its entirety, the residual volume from a partially executed order is not retained in the System; it is cancelled. Prices and volume are entered with the indicator “IOC” to the System.

Special Limit Price Orders are entered with volume “zero” and a specific price. The aim is to meet all orders up to a given price.

Good-Till-Date Orders are valid for the whole day trading unless cancelled.

Special orders are designated depending on the base price and the maximum amount of lots allowed for bidding or offering for each stock. Borsa İstanbul Board of Directors sets the minimum volume of special orders.

3.1.4. Market Participants

The list of member investment firms, which are authorized to trade on Borsa İstanbul Equity Market, is available on Borsa İstanbul website, <http://borsaistanbul.com/en/members>

3.1.5. Margin Trading, Short Selling and Securities Lending

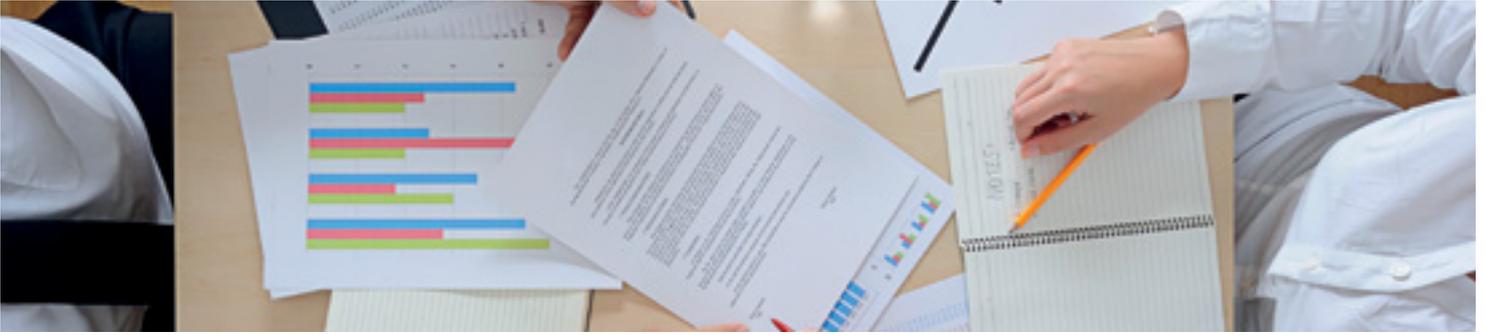
Intermediary institutions authorized for trading of capital market instruments can carry out margin trading, short selling as well as borrowing and lending of securities activities with the permission of the Capital Markets Board. Borsa İstanbul member intermediary institutions authorized to engage in short selling transactions with the permission of CMB, should apply to Borsa İstanbul in order to be granted authorization for executing short selling transactions through the stock trading system

The securities which will be subject to margin trading and short selling transactions are included in the “List of Securities Subject to Margin Trading and Short Sales” in accordance with the predetermined criteria and are announced by Borsa İstanbul (Currently all shares except the ones traded on the Watch List Companies Market and Class C and Class D shares). Authorized Borsa İstanbul members have the opportunity to engage in short selling transactions and securities lending of the stocks and exchange traded funds traded on Borsa İstanbul National, Collective Products and Second National Markets.

The credit extended by the intermediary institutions from their own resources cannot exceed half of their equity capital and total value of margin trading, short selling, lending and borrowing of securities cannot exceed twofold of their equity capital. When calculating the total amount, at a certain time, the sum of the credit extended by the intermediary institution and current

market value of the securities borrowed for short selling are taken into account. If the intermediary institutions extend credit from their own resources, the amount of credit extended for a client cannot exceed 10% of their equity capital. If CMB deems necessary, it may decrease the above mentioned transaction limits for an intermediary institution considering its financial structure and transactions or may prohibit that intermediary institution from undertaking margin trading, short selling and borrowing and lending of securities transactions. In accordance with the CMB’s “Communiqué on Margin Trading, Short Selling and Securities Lending and Borrowing”, Borsa İstanbul members notify Borsa İstanbul of their clients who do not fulfill their settlement obligations and / or do not satisfy the margin requirements more than twice within a three-month period, and Borsa İstanbul discloses the identities of these clients. The orders of the relevant clients will not be accepted by any brokerage house for a term of six months following the disclosure of their identities by Borsa İstanbul unless cash or securities subject to these orders are already in their accounts or paid / delivered in advance.

As of June 2004, in line with the CMB’s decision, the brokerage houses with regards to their clients in default for exceptional reasons arising other than by their own initiative and misintention (resulting from the errors of the brokerage houses, technical errors, the implementation of the decisions of the judicial authorities, the errors arising from Borsa İstanbul and Takasbank and similar), are required to inform Borsa İstanbul of the reasons accompanied with documentary evidence. Accordingly, the persons with such cases will not be evaluated within the context of the above-mentioned article of the Communiqué on Margin Trading, Short Selling and Securities Lending and Borrowing.



3.1.6. Clearing and Settlement

The clearing and settlement of securities and cash regarding the Equity Market is realized on T+2 basis (Table, Borsa İstanbul Markets Trading Hours-Settlement Section)

Cash settlement is carried out via Takasbank cash settlement pool accounts. The securities clearing and settlement operations are carried out via Takasbank Settlement Pool Account with the Merkezi Kayıt Kuruluşu Inc. (MKK). MKK and Takasbank systems are fully interlinked in real-time, so securities transfers are reflected in the MKK instantaneously. Settlement is realized along with the details that are transferred from the MKK.

The custody accounts are held with MKK on beneficial owner basis; participants have a settlement pool account besides their own portfolio account and investor sub-accounts. The cash accounts are on participant basis and held with Takasbank.

At the end of each trading day, Borsa İstanbul transmits details of all transactions that have been undertaken by brokerage houses in two trading sessions to Takasbank. Upon receipt of this data, Takasbank multilaterally nets the settlement position, indicates the obligations for

each broker in each security, and calculates their net cash position.

The net securities settlement position on client basis is transmitted to MKK on trade day (T). Details of netting activity are made available to participants electronically on T, showing details of settlement amounts due. At the end of the day, the securities of the delivering clients are blocked automatically by the MKK for settlement purposes. The receipt instructions for the transfer of securities from the participant accounts to the client sub-accounts are formed within the MKK system.

On T+1 net settlement records that are checked by the MKK are made available to participants electronically. In case of a discrepancy, participants can apply to Borsa İstanbul for amendment until 17:40 on T+1. The settlement records are updated according to amendments and the correct contract details.

On T+2, the securities of the delivering clients are transferred from the settlement blockage account to settlement pool account of the participant within the MKK system. The transfer of securities from participant settlement pool account to Takasbank Settlement Pool Account within the MKK system is executed by the MKK automatically. Securities are transferred to client sub-accounts by the MKK.

Members are entitled to get their receivables from settlement prioritized according to the time of the fulfillment of their obligations. If participants fulfill their obligations partially, they are entitled with their receivables partially. Settlement can occur continuously in the processing day subject to the availability of cash and securities. These transfers occur simultaneously with the internal book entry settlement of the netted securities positions, provided that the Takasbank Settlement Pool Account is available.

Participants are expected to fulfill their cash obligations by using their cash accounts with Takasbank until 16:30 for the Borsa İstanbul Equity Market settlements. Participants can transfer cash from their other accounts within Takasbank or from other banks using the Central Bank of the Republic of Turkey's (CBRT) Electronic Fund Transfer (EFT) system or using same day receivables from the, Borsa İstanbul Debt Securities Market or the Takasbank Money Market. Settlement procedures are the same for the Collective Products Market.

3.1.7 Failed Trades and Default Procedures for the Equity Market

In case of a participant's failure to fulfill its obligations related with Borsa İstanbul Equity market settlement, the default penalty payment is calculated on the prevailing market overnight interest rate (highest of Borsa İstanbul Repo/Reverse Repo Market or CBRT).

The penalty payment calculation will be applied as follows:

- If defaulted obligations are fulfilled on T+2 after 16:30 but within the working hours of the CBRT's national payment system (EFT), default payment calculations will be calculated on the prevailing market overnight interest

rate, as described above.

- If the default still exists on T+3 until 09:30, penalty payment is calculated as three folds of the prevailing market overnight interest rate applied throughout the failure period, as described above.

If the default still exists on T+3, Takasbank notifies Borsa İstanbul for buy-in or sell-out, indicating the due obligation (cash or securities) and the detailed list of securities and cash receivables under pledge at Takasbank.

The payment and securities obligations arising from the trade related with the buy-in or sell-out process are settled on the same day (T+3). If the receivables value under pledge is not sufficient to discharge the obligations as a whole, the member's collateral with Borsa İstanbul is used to fulfill the rest of the obligation. There is also a guarantee account that belongs to Borsa İstanbul under the management of Takasbank, which is used for the ease of settlement. (For details please refer to section 2.3.3).

Failed trades and default procedures are the same for the Collective Products Market.

3.1.8. Collaterals for the Equity Market

In order to fulfill every kind of liability that may arise from the equity market operations, all brokerage houses must deposit the collateral amount determined specifically for each Borsa İstanbul market - they operate on.

The collaterals are deposited at CBRT or any public bank in favor of Borsa İstanbul and these should be,

- Cash (TL or foreign currency),
- Treasury Bills,
- Government Bonds,
- Irrevocable and unconditional Bank Guarantee.

The Equity Market collateral which is calculated once in every three months period consists of the following:

Fixed Collateral: The fixed amount, each Borsa İstanbul member should deposit with Borsa İstanbul is currently set as TL 500.

Proportional Collateral: 5% of the daily average trading volume of Equity Market, Emerging Companies Market and Free Trade Platform transactions realized by a Borsa İstanbul member within the last 3 months period.

Supplementary Collateral: 10% of the total amount of the defaults that are equal and over TL 10,000 within the last 3 months period.

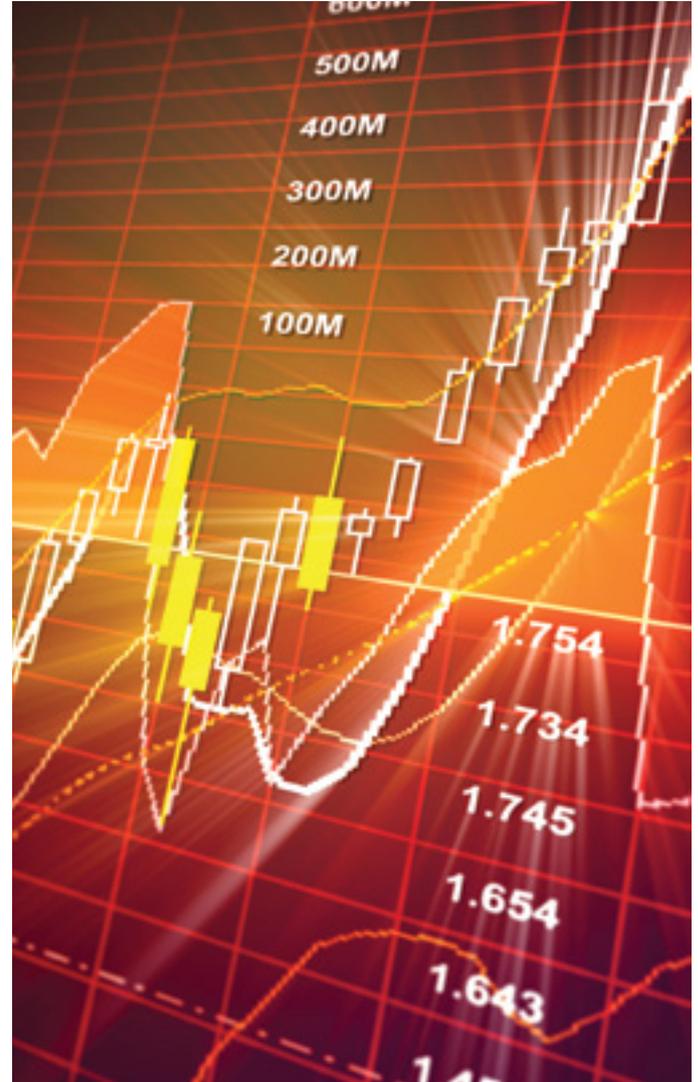
Odd-Lot Collateral: The amount only to be deposited by the members executing odd-lot transactions (Off-Exchange). Currently, the odd-lot collateral is TL 50,000.

Warrants and / or Certificates Market Collateral: The amount only to be deposited by the Members acting as market maker in Warrants Market and/or Certificates Market. Currently, this collateral is TL 500,000.

If the balance of the custody account of a Borsa İstanbul member is not sufficient, cash and securities receivable from Takasbank are pledged against dues, and pledges shall not be released until dues are fulfilled.

Average Collateral: The average of the proportional

collaterals. Average Collateral is the amount only to be deposited by the brokerage firms who will start to operate for the first time on the Equity Market and also the amount to be deposited in replace of the proportional collateral by the members whose activities were suspended temporarily and then given the authority to resume operating on the Equity Market.



3.1.9. Surveillance

In order to provide a fair, reliable, orderly and transparent trading environment for the investors, Borsa Istanbul keeps its markets under continuous surveillance to detect any market abusing activity such as market manipulation and insider trading.

The surveillance system which is designed both for the requirements of Borsa Istanbul and CMB, performs real-time monitoring on transactions conducted on Borsa Istanbul markets. With the strategic partnership agreement between Borsa Istanbul and Nasdaq OMX, projects on renewing the surveillance systems of Borsa Istanbul have also been started along with the projects on rebuilding the trading and settlement systems.

Alert signals generated by the surveillance system as well as findings about suspicious actions that might hinder the transparent, orderly, and fair functioning of the markets are reported to CMB.

In market surveillance activities, Borsa Istanbul collaborates with CMB to take efficient and timely actions against market abusing activities. The cooperation with the regulatory authority supports Borsa Istanbul's efforts to ensure a secure, fair and orderly functioning market.

3.2. Debt Securities Market

3.2.1. Submarkets

The Market is open from Monday to Friday on business days.

3.2.1.1. Outright Purchases and Sales Market

Debt instruments, lease certificates, liquidity certificates issued by CBRT and other capital market instruments issued in Turkish Lira or in foreign currency are traded at the Outright Purchases and Sales market.

In the Outright Purchases and Sales Market, the value date for public sector debt securities varies from the same day to 90 days forward. It varies from the same day to 30 days forward for private sector debt securities. OPS Market has Normal Orders and Small Orders submarkets depending on the order size. Normal orders are given as the multiples of TL 100,000 up to TL 10,000,000 nominal value whereas small orders must be in multiples of TL 1,000 nominal up to TL 99,000. In the matching process, order splitting is possible provided that they are within the same submarket order book and depending on the order type.

Only authorized representatives of market members are able to use system terminals to reach the trading network. Members can enter “limit”, “market”, “fill or kill” and “fill and kill” orders. Member ID, representative user ID, security ISIN code, submarket, account type (portfolio, customer, mutual funds etc), price / yield, nominal value, value date information and order type is determined while submitting an order to the market.

Matching of orders is done automatically regarding first price / yield then time criteria.

Settlement date is T+0 days.

Members can access their order and trade books anytime during trading session through their terminals. They can download their trade books from Borsa İstanbul web site using member-based encrypted electronic report distribution system at the end of each trading session.

The contents of the orders and trades such as price, yield, volume information of best orders, details of the last transaction and a summary of total transactions except the information of the participating member ID are displayed on terminals and disseminated real-time on data vendor systems.

3.2.1.2. Repo / Reverse Repo Market

Government bonds, treasury bills and liquidity certificates issued by CBRT are eligible collateral debt securities for repo / reverse repo transactions in the Market. The securities acquired through a reverse repo transaction are safe kept on behalf of the reverse repo member for the duration of the transaction.

The beginning value date of orders may vary from same day to seven forward days. Normal orders are given as the multiples of TL 500,000 up to TL 10,000,000. Small orders must be in multiples of TL 1,000 up to TL 499,000. In the matching process, order splitting is possible provided that they are within the same submarket order book and depending on the order type. Transmission and matching of the orders is the same as in the Outright Purchases and Sales Market.

Matching of orders is done automatically regarding first interest rate then time criteria.

Settlement date is T+0 days.

Eligible collateral debt securities are chosen from a basket of deliverable securities by the repo member after the trade takes place. The prices of these securities are calculated and declared by Borsa Istanbul.

Member can enter “limit”, “market”, “fill or kill” and “fill and kill” orders. The beginning value date orders may vary from same day to seven forward days. There is no limitation on the ending value date as long as the ending value date is smaller than eligible collateral debt security’s expiry date and coupon date is not between value dates. Coupon payment date of repo collateral securities cannot be in between beginning and ending value dates (it can be equal or before beginning value date as well as equal or after ending value date).

The Repo \ Reverse Repo Market presents a highly-secure environment to the parties involved in repo transactions, through:

- An adequate amount of public securities, which are highly liquid, at the initiation of the deal,
- Safeguarding these securities on behalf of reverse repo party, in a segregated blocked account, for the duration of the transaction,
- Daily marking-to-market of securities during the life of repo,
- Computing margin deficits automatically on a daily basis and making margin calls if necessary,
- Ensuring securities and cash transfers at the closing of transaction,
- Efficient reporting facilities,



3.2.1.3. Interbank Repo / Reverse Repo Market

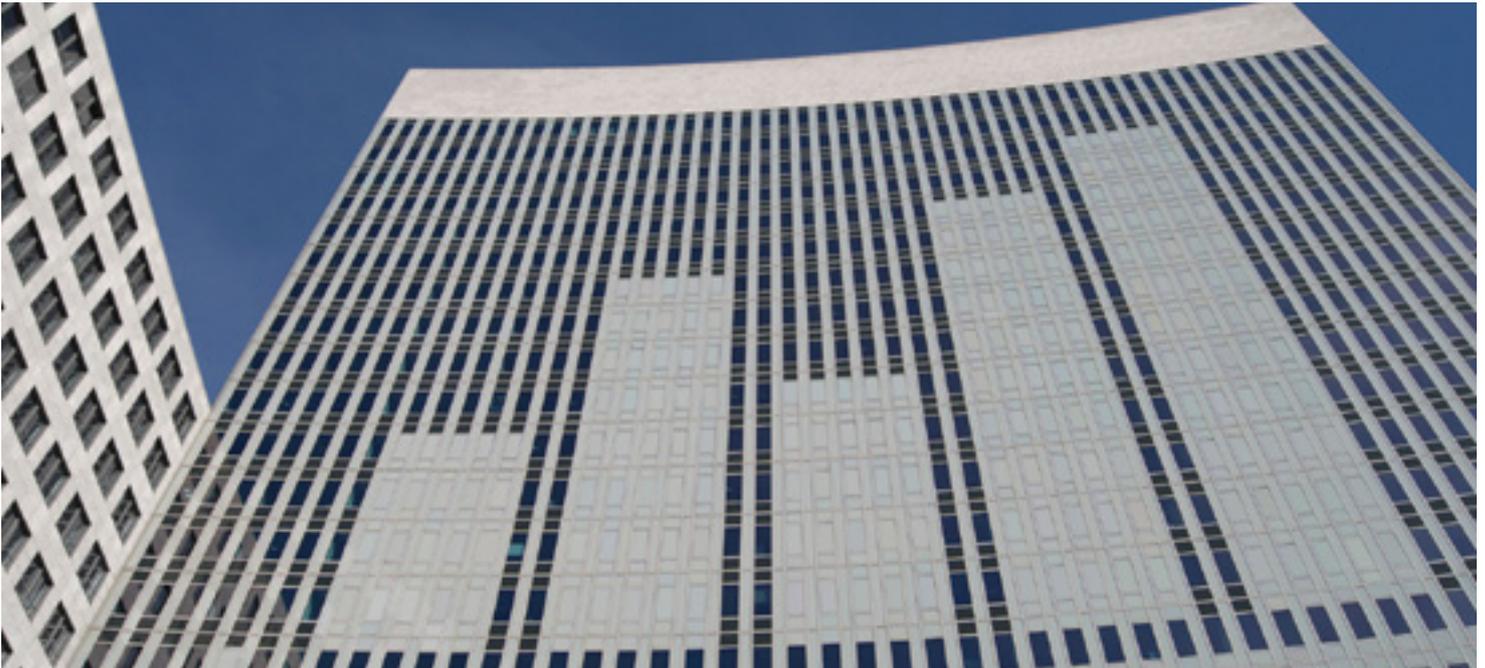
The Interbank Repo / Reverse Repo Market was established on January 7, 2011. CBRT and member banks of Repo / Reverse Repo Market are authorized to operate in this Market whereas brokerage houses are excluded. The banks can only trade on behalf of their portfolio. In the Market, minimum size of orders is TRY 100,000 and maximum size of order is TRY 10,000,000. Orders are given as the multiples of minimum order size. In addition, there is no small order submarket. All other operating rules of the Market are the same as the Repo / Reverse Repo Market rules.

3.2.1.4. Repo Market for Specified Securities

This market allows the participants to make repo - reverse repo transactions within an organized market structure by agreeing on the specific securities and

their prices before the trade. Government borrowing instruments, publicly issued lease certificates, private sector debt instruments/lease certificates traded only between qualified investor at the Outright Purchases and Sales Market, liquidity certificates issued by CBRT, bonds issued by Privatization Administration and revenue sharing certificates, are eligible securities for repo/reverse repo transactions in the Market.

Order information must include repo rate, repo amount, security ISIN code and its buy / sell price, beginning and ending value date along with member, account and order type information.



Matching takes place according to the security ISIN code and the price of the security, in addition to the beginning and ending value dates and the repo rate. Accordingly, repo order with highest repo rate and lowest security price is the best repo order, while reverse repo order with lowest repo rate and highest security price is the best reverse repo order.

In the market, minimum size of orders is TRY 10,000 and maximum size of order is TRY 10,000,000. Orders are given as the multiples of minimum order size.

Unlike Repo / Reverse Repo Market, securities acquired through a reverse repo transaction is not blocked in a segregated account but given to the reverse repo member's free use for the duration of the repo contract. In this sense, the Market works like a securities lending / borrowing market with an interest paid for the repo term.

All other operating rules of the Market are the same as the Repo / Reverse Repo Market rules.

3.2.1.5. Offerings Market for Qualified Investors

The Offerings Market for Qualified Investors started to operate on May 17, 2010 where the borrowing instruments regulated by Capital Market Board are issued directly to "qualified investors" without issuing a prospectus and a circular. Thus, this Market is a primary market for issuing private sector debt securities to Qualified Investors.

In order to issue borrowing instruments to qualified investors, the issuer shall simultaneously register the instruments with the Capital Markets Board and apply to Borsa İstanbul for the initial offering of the borrowing instruments on the "Offerings Market for Qualified Investors" and for trading of these instruments on the Outright Purchases and Sales Market upon completion of the sales. The application with Borsa İstanbul may be filed for either all of the borrowing instruments to be issued

within the relevant year or for each issue separately. Borrowing instruments are issued in the Market using "multiple price - continuous auction" method. As no price margins are applied in the market, issuers are authorized to determine the issue price on the basis of demand during the session.

The issue period may not be longer than 7 business days. The amount declared to be issued in the Market must be sold in the Market. If the amount declared to be issued is not sold completely member firm can apply for additional issue period subject to the approval of Borsa İstanbul. The amount not sold within the additional period is to be cancelled.

The secondary market trading of the borrowing instruments issued in the "Offerings Market for Qualified Investors" directly starts on the Outright Purchases and Sales Market on the following business day after the end of sale or issuance without further requirements. These securities can only be traded on behalf of "qualified investors" and only through Borsa İstanbul Debt Securities Outright Purchases and Sales Market.

3.2.1.6. Equity Repo Market

The Equity Repo Market allows the equity investors to make use of the equities in their portfolios by lending them for the duration of the repo term or enables them to borrow certain equities for the repo term.

The shares of companies that are traded on Borsa İstanbul Equity Market, included in BIST 30 Index and approved to be traded in repo-reserve repo transactions by Borsa İstanbul are eligible to trade on the Equity Repo Market. In this market, transactions are carried out by quoting equity code and its price (within the price range valid for the Equity Market), as well as the repo rate and contract duration. The equities are not blocked after the transaction and handed over to the buyers (reverse repo member). In the Equity Market, same value-dated or forward value-dated transactions can be carried out up to two business days.

Matching takes place according to the equity code assigned by the Equity Market and the price of the security, in addition to the beginning and ending value dates and the repo rate. Matching mechanism is similar to that of the Repo Market for Specified Securities. The beginning value date orders may vary from same day to two forward business days.

There is no limitation for the ending value date. Corporate actions on the equities subject to equity repo transactions are handled by Borsa İstanbul in cooperation with Takasbank and MKK.

Orders are given as the multiples of TL 10,000 up to TRY 3,000,000.

Settlement date is T+0 days.



3.2.1.7. International Bonds Market and Eurobond Negotiated Deals Platform

Turkish Eurobonds, international debt securities issued by the Turkish Undersecretariat of Treasury, and other international debt securities registered by the Capital Markets Board and listed and/or registered by Borsa Istanbul may be traded on International Bonds Market.

Two submarkets operate under the Foreign Securities Market, namely; International Bonds Market (IBM) and Eurobond Negotiated Deals Platform (ENDP).

The Eurobond Negotiated Deals Platform was launched on December 17, 2010 with an aim to increase the competitiveness of Borsa Istanbul Eurobond markets through the advantages of both the organized and the over the counter markets.

The IBM operates on a multiple price-continuous auction trading system. The orders are transmitted in the minimum order size based on the nominal value of the security subject to transaction and its multiples. Matching is processed according to price and time priorities.

All information pertaining to price and volume of best orders as well as details of the last transaction and a summary of all transactions are disseminated on data vendors' screens. Orders with the same price are displayed on a cumulative basis.

The ENDP is comprised of two screens, namely; the "Advertisement Order Screen" where the orders are displayed with the member codes and the "Negotiated Deals Screen" where the transactions are executed.

Members release their ask / bid orders to all users through "Advertisement Order Screen". The orders are displayed on the "Advertisement Order Screen" in order of entry with the member code. No matching is processed on this screen; the members execute their orders through the "Negotiated Deals Screen". Negotiated deal orders are

given in the minimum order size based on the nominal value of the security plus 1,000 USD / EUR and multiples.

The value date of the orders is minimum 1 business day ($V=T+1$) and maximum 15 ($V=T+15$) calendar days.

All Borsa Istanbul members authorized to trade on Borsa Istanbul Debt Securities Market Outright Purchases and Sales Market are eligible to trade on International Bonds Market and Eurobond Negotiated Deal Platform, provided that, they deposit a collateral of USD 50,000 or other equivalents stated in the respective legislation.

The cash and security clearing and settlement operations of the eurobond transactions on International Bonds Market and Eurobond Negotiated Deal Platform are realized by Takasbank, through the member accounts held with Euroclear Bank, the international clearing agency determined by Takasbank, via delivery versus payment method. The cash settlement of the transactions is realized on the currency of the relevant Eurobond.

3.2.2. Debt Securities Market – Trading System

A computerized order matching, reporting system is employed in the Market. Members may enter their orders via terminals in their own offices. After an order is entered into the computerized trading system, it is processed according to price and then time priorities. On the buy side, highest price (lowest interest rate) has the priority, while on the sell side lowest price (highest interest rate) has the priority in the matching process. If two or more orders have the same price (interest rate), the earliest one entered to the trading system has the priority.

All submarkets in Borsa İstanbul Debt Securities Market operate on a multiple price continuous auction system. Only the best price / interest rate orders are automatically matched. Bid orders may be matched with equal or lower price (higher interest rate) ask orders while ask orders may be matched with equal or higher price (lower interest rate) bid orders.

Borsa İstanbul provides the members with redundant links utilizing two separate networks of the Türk Telekom. In order to maintain minimum network outage, an automated switching between the networks has been implemented.

Borsa İstanbul Government Debt Securities Indices (Price and Performance Indices) have been computing and disseminating since the beginning of 1996. In order to meet the need for an index that would summarize the intra-day market activities on a real time basis (as the transactions with the same day value date are realized between 09:15 - 12:00 / 13:00 - 14:00 hours) “Government Debt Securities Portfolio Performance Indices” with a different calculation method have been established as of March 2004.

All information pertaining to price, yield and volume of

best orders as well as details of the last transaction and a summary of all transactions are disseminated through data vendors. Outright purchases and sales orders with the same price are displayed on a cumulative basis.

All securities traded on the Debt Securities Market other than those issued by the Undersecretariat of Treasury or the Privatization Administration is required to fulfill the listing requirements, which are given in Section 6.1.5. On the other hand, unlisted securities, not completely meeting the listing requirements, are also traded by the decision of the Borsa İstanbul Board of Directors.

3.2.3. Market Participants

The CBRT, banks and brokerage houses that have the necessary authorization and licences for the Capital Markets Board comprise the members of the Market. These financial institutions also have to deposit a certain amount of collateral to cover any price risk and credit risk in the event that a trade is not cleared on the value date.

3.2.4. Clearing and Settlement

Clearing and settlement operations for Borsa İstanbul Debt Securities Market are executed by Takasbank.

The clearing and settlement transactions of debt securities, namely, government domestic debt securities, TRL and FX denominated government lease certificates issues and corporate debt securities are conducted by Takasbank.

Settlement of trades in the primary market and in the over the counter secondary market for the government debt securities is realized via the Electronic Securities Transfer System operated by and finalized through the CBRT.

The intermediary institutions' sovereign debt securities portfolios are safe kept at CBRT and settlement is conducted via Takasbank cash and securities accounts held with CBRT.

The beneficial owners' sovereign debt securities are safe kept at beneficial-owner basis in MKK sub-accounts and settlement is conducted via Takasbank cash and securities accounts held with CBRT. In case of a settlement transaction arisen as a result of the selling of beneficial-owned securities, these securities have to be transferred from MKK accounts to Takasbank accounts at the CBRT.

For FX denominated Treasury sukuk issues, settlement transactions are conducted via Takasbank cash and securities nostro accounts held with foreign correspondent banks. For TL denominated Treasury sukuk issues, settlement transactions are conducted via Takasbank cash and securities accounts held with CBRT and these instruments are safe kept at CBRT.

Securities settlement of transactions in corporate bonds as well as other debt instruments other than government domestic securities and lease certificates are conducted through the MKK system via securities accounts whereas cash is settled through Takasbank cash accounts. The Delivery versus Payment (DvP) principle is employed with a settlement date of T+0 (Value date is specified at the time of trade) for transactions in both sovereign and corporate debt instruments (Please refer to the table below for the settlement periods.).

Settlement Periods:

Outright Purchases and Sales Market		
	Min	Max
Government Debt Securities	T	T+90 calendar days
Other Securities	T	T+30 calendar days
Government Debt Securities (FX)	T+1 business day	T+90 calendar days
Other Securities (FX)	T+1 business day	T+30 calendar days

Repo- Reverse Repo Market / Interbank Repo Market	
Min	Max
T	T+7 calendar days

Equity Repo Market	
Min	Max
T	T+2 business days

Offerings Market for Qualified Investors	
Min	Max
T	T+7 calendar days

Repo Market for Specified Securities	
Min	Max
T	T+7 calendar days

Eurobond Market	
Min	Max
T+1 Business Day	T+15 calendar days

In the Debt Securities Market, Borsa İstanbul provides a platform for the members to match orders. Information on executed trades is passed to Takasbank in real time. Takasbank multilaterally nets all trades for each Borsa İstanbul member for each security traded and for cash. Securities obligations due to trades in private debt instruments are managed through Takasbank's securities account at MKK. These obligations, together with receivables due, are monitored by members electronically via MKK's system on trade day.

In settlement of transactions in government bonds and bills, participants are required to provide settlement instructions to Takasbank before 16:30 on the settlement date through the Electronic Securities Transfer System of the CBRT or through Takasbank Electronic Transfer System (TETS). Securities are initially credited to Takasbank's account at CBRT and subsequently moved by the buying party to their account at CBRT. Although the deadline for settlement is 16:30, settlement is continuous throughout the processing day subject to availability of cash and securities. Only trades, executed before 14:00, can be settled on the same day. Settlement deadlines are the same for transactions in private sector debt instruments.

In settlement of transactions in FX denominated sukuk issues, participants are required to provide settlement instructions to Takasbank before 15:00 for EUR denominated issues and on 16:00 for USD denominated issues on the settlement date.

Participants are expected to fulfill their cash obligations by using their cash accounts with Takasbank until 16:30 for the Debt Securities Market settlements. Participants can transfer cash from their other accounts within Takasbank or from other banks using the CBRT's Electronic Fund Transfer (EFT) system or using same day receivables from the Borsa İstanbul Equity Market or the Takasbank Money Market.

3.2.5 Failed Trades and Default Procedures for Debt Securities Market

The securities subject to repo transactions should be reported to Borsa İstanbul until 15:00. Securities and cash obligations should be fulfilled until 16:30 whereas margin calls should be completed by 14:00.

For the calculation of the penalty payment, a certain multiplier is used on the highest prevailing interest rate either of the CBRT's Interbank Money Market; Borsa İstanbul Repo - Reverse Repo Market, the Interbank Repo - Reverse Repo Market or Takasbank Money Market over the default amount. Minimum and maximum limits are used for penalties of the late fulfillment of cash or securities obligation with the same day value. These limits are determined annually by Takasbank Board of Directors by taking the revaluation ratio announced by the Ministry of Finance into account.



Types of fixed income instruments traded in Borsa İstanbul Debt Securities Market	Clearing & Settlement Institution	Custody Institution
Government Bonds & Bills belonging to portfolios of Intermediary Institutions	Takasbank	CBRT
Government Bonds & Bills belonging to beneficial owners (i.e. individuals and/or corporates)	Takasbank	MKK at beneficial owner basis
F/X denominated Treasury Lease Certificates (Sukuk)	Takasbank cash and securities nostro accounts held with foreign correspondent banks	Takasbank securities nostro accounts held with foreign correspondent banks
TRY denominated Treasury Lease Certificates (Sukuk)	Takasbank	CBRT
Private Sector Debt Securities (i.e. corporate bonds, Corporate Lease Certificates (Sukuk))	Takasbank	MKK

3.2.6 Collaterals for the Debt Securities Market

Borsa İstanbul members (brokerage houses) and Borsa İstanbul Debt Securities Market members (banks), except the CBRT, are required to meet certain collateral requirements to cover price and credit risks in case of a trade not being cleared on the value date. Member firms decide on the type and amount of collateral to deposit in line with trading limits. Trading limits are assigned in tranches (total of three) by Borsa İstanbul. While assigning this trading limit; paid-in-capital, shareholders' equity, past trading volumes and number of being in default are considered as key input. Members cannot exceed their trading limits during a session unless their trades are settled intra-day. This feature limits the amount of risk that can be conveyed to the market place by members and thus adds extra security for the trading environment.

3.2.7 Trading Limits

The main criteria in order to determine a member's trading limit is shareholder's equity. This figure is taken from the balance sheets (semi-annual and / or annual, independently audited) sent by the members to the Debt Securities Market. As member firms can perform transactions with their portfolios, they can also carry

out transactions on behalf of mutual funds/investment trusts (members which are entitled to carry out). Thus, the size of the fixed income portfolio of mutual funds is also considered in trading limit calculations.

These two figures comprise the basis of the maximum trading limit (gross limit) calculation in the following way:

Shareholder's equity x 15 + size of fixed income securities of mutual funds/investment trust and agents (the member which is entitled to carry out transactions on behalf of).

Once the maximum trading limit is determined, a certain portion of it is assigned to the member -"assigned trading limit"- according to some criteria such as; its daily / monthly trading volume, collateral deposit ratio, settlement history etc.

After calculating and assigning maximum trading limit and assigned trading limit by Borsa İstanbul Board of Directors, the member firm shall provide necessary collateral(s) to use these limits actively in the markets they are entitled to.

Trading Limit Collaterals

Once the trading limits are set for a member firm, this limits can be activated and used in the market transactions by depositing trading limit collaterals. Within trading limit boundary, each unit of net collateral grants 40 units of trading limit. This 1 to 40 collateral-limit ratio is based on the maximum daily price changes at Borsa İstanbul Debt Securities Market. Regarding historical trade data, it has been calculated that maximum daily price changes in the Market is averaged at 2.5%. Since the rationale for requiring trading limit collateral is to cover daily price changes in case of a member firm's default in fulfilling obligations, having 2.5% collateral deposited before the trade will make the settlement process virtually risk-free under normal market conditions. This collateral coefficient is periodically calculated by Borsa İstanbul and can be changed for the whole market or for a specific member firm to maintain reliability and sustainability of the market environment.

Up to trading limit set by Borsa İstanbul, member firms can deposit collaterals with a 1/40 collateral-trading limit leverage ratio. If a member wants to exceed the trading limit then for the part exceeding trading limit, collaterals deposited only grant the same amount of limit; that is 1 to 1 collateral-trading limit ratio instead of 1 to 40. Extra limit obtained in this way can only be maximum three times the trading limit and cannot exceed maximum trading limit.

Trading limit collaterals deposited to activate trading limit are accepted and treated (both by Borsa İstanbul and member firms) as security funds. Thus, in case of a default or inadequacy of fulfilling commitments to Borsa İstanbul or to other member firms, these collaterals are used by Borsa İstanbul to cover the losses along with the default process.



Types of Trading Limit Collaterals

Collaterals that are accepted as trading limit collaterals are divided into three groups:

- Cash
- Fixed Income
- Bank Letters of Credit

Cash collaterals are TRY denominated demand and time deposits, foreign exchange denominated (USD, EUR) demand and time deposits, demand gold deposits and gold depots.

Fixed income collaterals are government debt securities (bonds, treasury bills, revenue sharing certificates, publicly issued lease certificates and private sector debt securities that are listed at Borsa İstanbul.

Bank Letters of Credit are TL denominated indefinite and fixed term letters of credit, and foreign exchange denominated (USD, EUR) indefinite and fixed term letters of credit.

Choice of the type and the amount of collateral is at member firm's initiative. However, for the bank letters of credit and private sector debt securities Borsa İstanbul has certain limitations. These are:

- A member firm's maximum amount of bank letters of credit from the same bank cannot exceed 50% of its

total trading limit collaterals. All collaterals can be in form of bank letters of credit but the share of a single bank's underwritten letters of credit cannot be higher than half of total collateral portfolio.

- A member firm is not allowed to deposit letter of credit from a bank that it has more than 40% shareholder status or from the same holding's bank that it is a part of.
- One bank is allowed to underwrite letters of credit up to two times of its shareholders' equity figure, for all Debt Securities Market members.
- The total amount of private sector debt securities cannot exceed 10% of the total deposited trading limit collaterals for a given member.
- A member firm cannot deposit its debt security as collateral. In addition, it cannot deposit debt security of a firm that it has more than 40% shareholder status.
- Total of private sector debt securities from the same issuer cannot exceed 5% of the total deposited trading limit collaterals.

Although Borsa İstanbul keeps record of all trading limit collaterals, member firms must track terms and maturity dates of their collaterals.

Trading limit collaterals can be withdrawn any time by the member firm. Withdrawn collaterals should be identical to the ones that are deposited in terms of type and currency.



Trading Limit Collaterals Excess Rates

In order to have the same risk level for different kinds of collaterals, Borsa İstanbul applies excess rates to each type of collateral group for each tranche.

Type	Min. Days To Maturity	Excess Rate (%)		
		1st Tranche	2nd Tranche	3rd Tranche
A. Cash Collaterals				
1. Demand Deposit TRY		10	20	40
2. Time Deposit TRY		15	30	60
3. Demand Deposit F/X (USD/ EUR)		10	20	40
4. Time Deposit F/X		15	30	60
5. Demand Gold Deposit		15	30	60
6. Gold Depot		15	30	60
B. Bonds and Bills				
1. Government Domestic Debts Securities	1	20	50	80
2. Revenue Sharing Certificates	1	40	60	100
3. Lease Certificates issued by Turkish Treasury (TRY)	1	40	60	100
4. Listed Corporate Debt Securities/Corporate Lease Certificates	1	40	60	100
C. Bank Letter of Credit				
1. Indefinite Term Bank Letter of Credit (TRY)		30	60	100
2. Fixed Term Bank Letter of Credit (TRY)	7	30	60	100
3. Indefinite Term Bank Letter of Credit (USD/EUR)		30	60	100
4. Fixed Term Bank Letter of Credit (USD/EUR)	7	30	60	100

Excess rates are applied to the trading limit collaterals in order to eliminate liquidation risk of different types of collaterals. Excess rate applied collateral is called “net collateral” and this figure is used to calculate net trading limit of the member firms.

3.3. Emerging Companies Market

The Emerging Companies Market (ECM) brings along a different and relatively relaxed admission procedure compared to Equity Market (EM) for small and mid-sized companies with growth potential. The idea behind the facilitation of the admission procedure is to provide these companies with an opportunity to raise funds through public offerings as a long term and low cost financing alternative. The ECM Regulation was published on August 18, 2009 and the first trading took place on February 4, 2011.

Joint stock companies registered by the Capital Markets Board but do not fully comply with Borsa İstanbul National Market listing requirements may apply for admission to Borsa İstanbul ECM Directory. No quantitative criteria such as capital amount, profitability, company age, market capitalization size are required for admission to ECM. Such an application must be realized for the shares to be issued following a capital increase through restricting the pre-emptive rights of the existing shareholders, to assure that the proceeds of an IPO carried at ECM directly go to the issuing company.

In order to facilitate compliance with the respective capital market rules and regulations, "Market Advisor" system is established for the candidate companies. Intermediary institutions holding an "Investment Advisory License" or "Public Offering Intermediation License", portfolio management companies holding an "Investment Advisory License" and "Venture Capital Investment Companies" are eligible to be market advisors. Market Advisors are authorized by Borsa İstanbul.

At the ECM application stage and onwards, a valid market advisory agreement has to be present between the company and a market advisor. Market advisor is obligated to assist the company to complete the preparations necessary for the application for admission to ECM and attest, jointly with the company, the accuracy of the information and documents submitted to Borsa İstanbul and disclosed to the public; to write the

company report to be submitted to Borsa İstanbul along with the ECM application; and to provide the company with advisory services to comply with the capital market regulations after admittance to Borsa İstanbul ECM Directory.

The ECM companies, demonstrating progressive performance over time, will have the opportunity to be transferred to any of the submarkets of EM in case they meet the requirements.

CMB registration fee, MKK membership and transaction fees, and Borsa İstanbul fees are reduced to 1/10th of the standard fees for ECM companies.

In order to encourage SMEs to step into capital markets easily, Small and Medium Sized Enterprises Development and Support Administration of the Ministry of Science, Industry and Technology (KOSGEB) has initiated a non-refundable support program designed for ECM up to TL 100,000 in order to cover the ECM application costs of SMEs registered to its database.

3.3.1. Trading and Settlement

Trading session hours, settlement periods and Exchange trading fees for ECM are the same as the Equity Market. The current Borsa İstanbul members having Equity Market authorization are also eligible to trade at ECM. As of January 1, 2013 authorization of members started to be realized on markets basis. Intermediaries must get the "ECM Risk Notification Form", which introduces ECM to investors and states its main differences and risks, signed by investors before providing brokerage services for trading ECM shares.

With an aim to contribute to price formation and liquidity, trading on ECM is being carried out either through "single price" call market or "continuous auction with market maker" methods. Cash and security settlement of trades are completed by the İstanbul Settlement and Custody Bank (Takasbank).

3.4. VIOP Derivatives Market

Borsa İstanbul offers trading of futures and option contracts in order to allow domestic and foreign investors to invest in derivative instruments in Turkey, to ensure that the Turkish financial markets integrate with developed financial markets, and to make Borsa İstanbul a financial supermarket offering a wide range of financial products.

3.4.1 Markets And Products

A futures contract obliges its holder to buy or sell an underlying commodity, asset or financial indicator of standardized quantity and quality at an agreed price on a certain future date.

An option contract is a contract enacted between a buyer and a seller, which entitles the buyer to buy or sell the underlying commodity, asset or financial indicator subject to the option contract at the determined price (strike price) until or on a certain maturity date, in return of a certain amount (option premium), and which obliges the seller to sell or buy such commodity, asset or financial indicator in the event that the buyer exercises his right arising from the contract.

3.4.2 Underlying Assets

Underlying
Türkiye Garanti Bankası AS (GARAN) Türkiye İş Bankası AS (ISCTR) Akbank TAS (AKBNK) Türkiye Vakıflar Bankası TAO (VAKBN) Yapı ve Kredi Bankası AS (YKBNK) Türk Hava Yolları AO (THYAO) Ereğli Demir ve Çelik Fabrikaları TAS (EREGL) H.O. Sabancı Holding AS (SAHOL) Türkcell İletişim Hizmetleri AS (TCELL) Tupras Türkiye Petrol Rafinerileri AS (TUPRS)
Index BIST 30 Price Index - XU030
Currency USD/Turkish Lira - USD/TRY Euro/Turkish Lira - EUR/TRY Euro/USD - EUR/USD
Commodity Aegean Cotton Anatolian Red Wheat
Precious Metals Pure Gold (TRY/gram) Pure Gold (USD/ounce)
Energy Base Load Electricity
Foreign Index The Sarajevo Stock Index 10 - SASX10

Contracts	Normal Session Hours	Lunch Break
Equity Futures and Options	09:10 - 17:40	12:30 - 13:55
Index Futures and Options	09:10 - 17:45	12:30 - 13:55
Other Contracts	09:10 - 17:45	N/A

Orders

Orders are matched according to price and time priority.

Order Methods	Order Types	Strategy Orders	Duration of Orders
Limit Orders (LMT) Market Orders (PYS) On Close Orders (KAP)	Keep Remainder Orders (KPY) Fill or Kill Orders (GiE) Fill and Kill Orders (KiE) Market Contingent Orders (SAR)	All or None (AON) One Cancels the Other (OCO) One Activates the Other (OAO)	Session Orders (SNS) Day Orders (GUN) Good-Till-Cancelled Orders (IKG) Good-Till-Date Orders (TAR)

3.5 Contract Specifications

3.5.3.1 Single Stock Futures

Contract Code	A futures contract code includes information on the type of contract, underlying, maturity date and whether the contract is standard or non standard.			
	Example	F_ABCDE1212SO		
	F	ABCDE	1212	SO
	Futures	Underlying Asset Code	Maturity Date (MMYY- December 2012)	S: Standard N: Non-Standard
Underlying Assets	Türkiye Garanti Bankasi AS (GARAN)	Türk Hava Yolları AO (THYAO)	Türkiye İş Bankasi AS (ISCTR)	Ereğli Demir ve Çelik Fabrikaları TAS (EREGL)
	Akbank TAS (AKBNK)	H.O. Sabancı Holding AS (SAHOL)	Türkiye Vakıflar Bankasi TAO (VAKBN)	Türkcell İletişim Hizmetleri AS (TCELL)
	Yapı ve Kredi Bankasi AS (YKBNK)	Tupras Türkiye Petrol Rafinerileri AS (TUPRS)		
Contract Size	One standard contract represents 100 units of the underlying equity			
Price Quotation	On the order book, offers are shown on the basis of 1 underlying asset. In other words, the offers in the Market are entered on the basis of the price given on the basis of 1 unit of underlying asset. The price of a single stock futures contract is entered into the system in terms of Turkish lira with two digits after the decimal point.			
Minimum Price Tick	Price tick is 0.01 per share = TRY 1.00 (contract size 100 shares)			
Contract Months	February, April, June, August, October and December (Contracts with two different expiration months nearest to the current month shall be traded concurrently. If December is not one of those two months, an extra contract with an expiration month of December shall be launched.)			
Settlement Method	Physical delivery			
Settlement Period	T+3 for physical settlement. Losses are deducted from the accounts starting from the end of T day, profits are added to the accounts by T+1.			

Daily Settlement Price	<p>The daily settlement price used for updating accounts following the end of the session is calculated as follows and rounded to the nearest price tick:</p> <ul style="list-style-type: none"> a) The weighted average price of all the trades performed within the last 10 minutes of the normal session, b) If less than 10 trades were executed in the last 10 minutes of the session, the weighted average price of the last 10 trades performed during the session, c) If less than 10 trades were performed during the session, the weighted average price of all the trades performed during the session, d) If no trades were performed during the session, the settlement price of the previous day will be determined as the daily settlement price. <p>If the daily settlement price cannot be calculated in accordance with the above methods by the end of the session, or it is decided that the prices calculated do not reflect the market correctly, the daily settlement price may be determined by using one or more of the following methods.</p> <ul style="list-style-type: none"> a) The average of the best buy and sell quotations at the end of the session, b) Theoretical prices are calculated considering spot price of the underlying asset or the daily settlement price for other contract months of the contract.
Final Settlement Price	The final settlement price of single stock futures contracts shall be the closing price of the spot market's closing session (at the end of the second session) on the last trading day.
Expiry Date	Last business day of each contract month
Last Trading Date	Last business day of each contract month
Base Price and Daily Price Limit	<p>Base Price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in calculating the daily price limits. For other days, base price is the settlement price of the previous day.</p> <p>Daily price limit is equal to $\pm 20\%$ of the base price determined for each contract. If the upper or lower limit so calculated does not correspond to a price tick, the upper limit will be rounded to the upper price tick; and the lower limit, to the lower price tick.</p>
Trading Hours	Trading takes place between 09:10-17:40 in a single session. There is a break between 12:30-13:55.
Margins	<p>Initial Margin: Set by the SPAN portfolio margining method</p> <p>Maintenance Margin: 75% of required collateral</p>

3.5.3.2 BIST 30 Index Futures

Contract Code	A futures contract code includes information on the type of contract, underlying, maturity date and whether the contract is standard or non standard.			
	Example	F_XU0301212SO		
	F	XU030	1212	SO
	Futures	Underlying Asset Code	Maturity Date (MMYY- December 2012)	S: Standard N: Non-Standard
Underlying Assets	BIST 30 price index			
Contract Size	Underlying asset is the 1/1,000 of the index values. Contract size for the index options is 100 underlying assets.			
Price Quotation	<p>On the order book, prices are shown on the basis of 1 unit of underlying asset. In other words, the offers for index futures in the Market are entered on the basis of the price given on the basis of 1 unit of the underlying asset.</p> <p>After index value is divided by 1,000 the price of an index futures is entered into the trading system in terms of Turkish lira with three digits after the decimal point.</p>			
Minimum Price Tick	Price tick is 0.025 which corresponds to TRY 2.5			
Contract Months	February, April, June, August, October and December (Contracts with three different expiration months nearest to the current month shall be traded concurrently. If December is not one of those three months, an extra contract with an expiration month of December shall be launched.)			
Settlement Method	Cash Settlement			
Settlement Period	T+1. Losses are deducted from the accounts starting from the end of T day, profits are added to the accounts by T+1.			
Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <ol style="list-style-type: none"> The weighted average price of all the trades executed within the last 10 minutes of the normal session, If less than 10 trades were realized in the last 10 minutes of the normal session, the weighted average price of the last 10 trades executed during the normal session, If less than 10 trades were realized in the session, the weighted average price of all the trades executed during the session, If no trade was realized during the session, the settlement price of the previous day is used as daily settlement price. <p>If the daily settlement price cannot be calculated in accordance with the above methods by the end of the session, or The Exchange decides that the price so calculated does not reflect the market, The Exchange may, at its own option, determine the daily settlement price in consideration of the</p> <ol style="list-style-type: none"> the average of the best bid and best ask quotes at the end of the trading session theoretical prices determined by the spot price of underlying asset or daily settlement price valid for other contracts with different contract months. 			

Final Settlement Price	The final settlement price of BIST 30 futures contracts shall be calculated by weighting of the time weighted average of the last 30 minutes of continuous auction in the equity market (in the second session) and closing price of the index with 80% and 20%, respectively. The calculated weighted average is divided by 1000, rounded to the nearest price tick, and called as the final settlement price.
Expiry Date	Last business day of the contract month
Last Trading Date	Last business day of the contract month
Base Price and Daily Price Limit	Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in setting the daily price limits. For the other days, base price is the settlement price of the previous day. Daily price limit is equal to $\pm 15\%$ of the base price determined for each contract. If the upper or lower limit so calculated does not correspond to a price tick, the upper limit will be rounded to the upper price tick; and the lower limit, to the lower price tick
Trading Hours	Trading takes place between 09:10-17:45 in a single session. There is a break between 12:30-13:55.
Margins	Initial Margin: Set by the SPAN portfolio margining method Maintenance Margin: 75% of the required collateral

3.5.3.3 USD/TRY Futures

Contract Code	A futures contract code includes information on the type of contract, underlying, maturity date and whether the contract is standard or non standard.			
	Example	F_TRYUSD121250		
	F	TRYUSD	1212	50
	Futures	Underlying Asset Code	Maturity Date (MMYY- December 2012)	S: Standard N: Non-Standard
Underlying Assets	US Dollar/TRY			
Contract Size	1,000 USDollar			
Price Quotation	Prices shall be quoted in terms of Turkish Lira per USD significant to four decimals. Last digit after the decimal point shall be either 0 (zero) or 5 (five).			
Minimum Price Tick	Price tick is 0.0001 which corresponds to TRY 0.1			
Contract Months	February, April, June, August, October and December Contracts with three different expiration months nearest to the current month shall be traded concurrently. If December is not one of those three months, an extra contract with an expiration month of December shall be launched.			

Settlement Method	Cash Settlement
Settlement Period	T+1. Losses are deducted from the accounts starting from the end of T day, profits are added to the accounts by T+1.
Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <p>a) The volume weighted average price of all the trades executed within the last 10 minutes of the normal session, b) If less than 10 trades were realized in the last 10 minutes of the normal session, the volume weighted average price of the last 10 trades executed during the session, c) If less than 10 trades were realized in the session, the volume weighted average price of all the trades executed during the session, d) If no trades were realized during the session, the previous day settlement price is determined as the daily settlement price.</p> <p>If the daily settlement price cannot be calculated in accordance with the above methods by the end of the session, or the Exchange decides that the price calculated does not reflect the market, the Exchange may, at its own option, determine the daily settlement price in consideration of</p> <p>a) the average of the best bid and best ask quotes at the close of the trading session, b) theoretic prices determined by the spot price of underlying asset or daily settlement prices valid for other months of the contract.</p>
Final Settlement Price	USDollar selling rate announced by the CBRT at 15:30 of the last trading day
Expiry Date	Last business day of the contract month
Last Trading Date	Last business day of the contract month
Base Price and Daily Price Limit	<p>Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in calculating the daily price change limits. For the other days, base price is the settlement price of the previous day.</p> <p>Daily price limit is equal to $\pm 10\%$ of the base price determined for each contract. If the upper or lower limit calculated does not correspond to a price tick, the upper limit will be rounded to the upper price tick; and the lower limit, to the lower price tick.</p>
Trading Hours	Continuous trading from 09:10 to 17:45
Margins	<p>Initial Margin: Set by the SPAN portfolio margining method</p> <p>Maintenance Margin: 75% of the required collateral</p>

3.5.3.4 Euro/TRY Futures

Contract Code	A futures contract code includes information on the type of contract, underlying, maturity date and whether the contract is standard or non standard.			
	Example	F_TRYEUR121250		
	F	TRYEUR	1212	50
	Futures	Underlying Asset Code	Maturity Date (MMYY- December 2012)	S: Standard N: Non-Standard
Underlying Assets	EURO/TRY			
Contract Size	1,000 Euro			
Price Quotation	Prices shall be quoted in terms of Turkish Lira per Euro significant to four decimals. Last digit after the decimal point shall be either 0 (zero) or 5 (five).			
Minimum Price Tick	Price tick is 0.0001 which corresponds to TRY 0.1			
Contract Months	February, April, June, August, October and December Contracts with three different expiration months nearest to the current month shall be traded concurrently. If December is not one of those three months, an extra contract with an expiration month of December shall be launched.			
Settlement Method	Cash Settlement			
Settlement Period	T+1. Losses are deducted from the accounts starting from the end of T day, profits are added to the accounts by T+1.			
Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <p>a) The volume weighted average price of all the trades executed within the last 10 minutes of the normal session,</p> <p>b) If less than 10 trades were realized in the last 10 minutes of the normal session, the volume weighted average price of the last 10 trades executed during the session,</p> <p>c) If less than 10 trades were realized in the session, the volume weighted average price of all the trades executed during the session,</p> <p>d) If no trades were realized during the session, the previous day settlement price is determined as the daily settlement price.</p> <p>If the daily settlement price cannot be calculated in accordance with the above methods by the end of the session, or the Exchange decides that the price calculated does not reflect the market, the Exchange may, at its own option, determine the daily settlement price in consideration of;</p> <p>a) the average of the best bid and best ask quotes at the close of the trading session,</p> <p>b) theoretic prices determined by the spot price of underlying asset or daily settlement prices valid for other months of the contract.</p>			

Final Settlement Price	Euro selling rate announced by the CBRT at 15:30 of the last trading day
Expiry Date	Last business day of the contract month
Last Trading Date	Last business day of the contract month
Base Price and Daily Price Limit	<p>Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in calculating the daily price change limits. For the other days, base price is the settlement price of the previous day.</p> <p>Daily price limit is equal to $\pm 10\%$ of the base price determined for each contract. If the upper or lower limit calculated does not correspond to a price tick, the upper limit will be rounded to the upper price tick; and the lower limit, to the lower price tick.</p>
Trading Hours	Continuous trading from 09:10 to 17:45
Margins	<p>Initial Margin: Set by the SPAN portfolio margining method</p> <p>Maintenance Margin: 75% of the required collateral</p>

3.5.3.5 EURO/USD Futures

Contract Code	A futures contract code includes information on the type of contract, underlying, maturity date and whether the contract is standard or non standard.			
	Example	F_EURUSD121250		
	F	EURUSD	1212	50
	Futures	Underlying Asset Code	Maturity Date (MMYY- December 2012)	S: Standard N: Non-Standard
Underlying Assets	Euro/USDollar (EUR/USD)			
Contract Size	1,000 Euro			
Price Quotation	Prices shall be quoted in terms of US Dollars per Euro significant to four decimals.			
Minimum Price Tick	Price tick is 0.0001 which corresponds to 0.1 USD			
Contract Months	March, June, September and December (Contracts with two different expiry months nearest to the current month shall be traded concurrently. If December is not one of those two months, an extra contract with an expiration month of December shall be launched)			
Settlement Method	Cash Settlement			
Settlement Period	T+1. Losses are deducted from the accounts starting from the end of T day, profits are added to the accounts by T+1.			
Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <ul style="list-style-type: none"> a) The volume weighted average price of all the trades executed within the last 10 minutes of the session, b) If less than 10 trades were realized in the last 10 minutes of the session, the volume weighted average price of the last 10 trades executed during the session, c) If less than 10 trades were realized in the session, the volume weighted average price of all the trades executed during the session, d) If no trades were realized during the session, the previous day settlement price is determined as the daily settlement price. <p>If the daily settlement price cannot be calculated in accordance with the above methods by the end of the session, or the Exchange decides that the price calculated does not reflect the market, the Exchange may, at its own option, determine the daily settlement price in consideration of;</p> <ul style="list-style-type: none"> a) the average of the best bid and best ask quotes at the close of the trading session, b) theoretic prices determined by the spot price of underlying asset or daily settlement prices valid for other months of the contract. 			

Final Settlement Price	Indicative EUR/USD Rate announced by CBRT at 15:30 on the last trading day. The Last Settlement Price shall be rounded to the nearest tick.
Expiry Date	Last business day of the contract month
Last Trading Date	Last business day of the contract month
Base Price and Daily Price Limit	<p>Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in calculating the daily price change limits. For the other days, base price is the settlement price of the previous day.</p> <p>Daily price limit is equal to $\pm 10\%$ of the base price determined for each contract. If the upper or lower limit so calculated does not correspond to a price tick, the upper limit will be rounded to the upper price tick; and the lower limit, to the lower price tick.</p>
Trading Hours	Continuous trading from 09:10 to 17:45
Margins	<p>Initial Margin: Set by the SPAN portfolio margining method</p> <p>Maintenance Margin: 75% of the required collateral</p>

3.5.3.6 Gold Futures

Contract Code	A futures contract code includes information on the type of contract, underlying, maturity date and whether the contract is standard or non standard.				
	Example	F_XAUTRYM1212SO			
	F	XAUTRY	M	1212	SO
	Futures	Underlying Asset Code	Mini Contract Code	Maturity Date (MMYY- December 2012)	S: Standard N: Non-Standard
Underlying Assets	Fine Gold				
Contract Size	1 Gram				
Price Quotation	Value of 1 gram gold shall be quoted in terms of Turkish Lira significant to two decimals.				
Minimum Price Tick	The minimum price tick is TRY 0.01				
Contract Months	February, April, June, August, October and December (Contracts with three different months nearest to the current month shall be traded concurrently.)				
Settlement Method	Cash Settlement				
Settlement Period	T+1. Losses are deducted from the accounts starting from the end of T day, profits are added to the accounts by T+1.				
Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <p>a) The weighted average price of all the trades executed within the last 10 minutes of the session, b) If less than 10 trades were realized in the last 10 minutes of the session, the weighted average price of the last 10 trades executed during the session, c) If less than 10 trades were realized in the session, the weighted average price of all the trades executed during the session, d) If no trades were done during the session, the previous day settlement price is determined as the daily settlement price. will be determined as the daily settlement price.</p> <p>If the daily settlement price cannot be calculated with the methods above by the end of the session, or the prices calculated do not reflect the market correctly, the daily settlement price may be determined by using one or more of the following methods</p> <p>a) The average of the best buy and sell quotations at the end of the session, b) Theoretical prices are calculated considering spot price of the underlying asset or the daily settlement price for other contract months of the contract</p>				

Final Settlement Price	The London Gold Fixing P.M. price (released by the London Gold Market Fixing Limited in the afternoon), shall be converted to TRY/gram price and called as the final settlement price. In calculations, the US Dollar selling rate announced by the CBRT at 15:30 (for USDTRY conversion) and 31.1035 (for ounce/gram conversion) shall be used as the conversion factors. If the afternoon fixing price is not released, the gold fixing price (USD/ounce) released in the morning (A.M. price) shall be used as the final settlement price.
Expiry Date	Last business day of the contract month
Last Trading Date	Last business day of the contract month
Base Price and Daily Price Limit	<p>Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in calculating the daily price change limits. For the other days, base price is the settlement price of the previous day.</p> <p>Daily price limit is equal to $\pm 10\%$ of the base price determined for each contract. If the upper or lower limit so calculated does not correspond to a price tick, the upper limit will be rounded to the upper price tick; and the lower limit, to the lower price tick.</p>
Trading Hours	Continuous trading from 09:10 to 17:45
Margins	<p>Initial Margin: Set by the SPAN portfolio margining method</p> <p>Maintenance Margin: 75% of the required collateral</p>

3.5.3.7 USD/Ounce Gold Futures

Contract Code	A futures contract code includes information on the type of contract, underlying, maturity date and whether the contract is standard or non standard.			
	Example	F_XAUUSD1212SO		
	F	XAUUSD	1212	SO
	Futures	Underlying Asset Code	Maturity Date (MMYY- December 2012)	S: Standard N: Non-Standard
Underlying Assets	Fine Gold			
Contract Size	1 ounce of gold			
Price Quotation	Value of 1 ounce gold shall be quoted in terms of US Dollars significant to two decimals. (Example:1,450.05 or 1,450.10)			
Minimum Price Tick	Price tick is 0.05 which corresponds to 0.05 USD			
Contract Months	February, April, June, August, October and December (Contracts with three different months nearest to the current month shall be traded concurrently.)			
Settlement Method	Cash Settlement			
Settlement Period	T+1. Losses are deducted from the accounts starting from the end of T day, profits are added to the accounts by T+1.			
Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <ul style="list-style-type: none"> a) The weighted average price of all the trades executed within the last 10 minutes of the session, b) If less than 10 trades were realized in the last 10 minutes of the session, the weighted average price of the last 10 trades executed during the session, c) If less than 10 trades were realized in the session, the weighted average price of all the trades executed during the session, d) If no trades were done during the session, the previous day settlement price is determined as the daily settlement price. <p>will be determined as the daily settlement price.</p> <p>If the daily settlement price cannot be calculated with the methods above by the end of the session, or it is decided that the prices calculated do not reflect the market correctly, the daily settlement price may be determined by using one or more of the following methods</p> <ul style="list-style-type: none"> a) The average of the best buy and sell quotations at the end of the session, b) Theoretical prices are calculated considering spot price of the underlying asset or the daily settlement price for other contract months of the contract 			

Final Settlement Price	The London Gold Fixing P.M. price (released by the London Gold Market Fixing Limited in the afternoon), shall be used as the final settlement price. If the afternoon fixing price is not released, the gold fixing price released (USD/ounce) in the morning (A.M. price) shall be used as the final settlement price.
Expiry Date	Last business day of the contract month
Last Trading Date	Last business day of the contract month
Base Price and Daily Price Limit	<p>Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in calculating the daily price change limits. For the other days, base price is the settlement price of the previous day.</p> <p>Daily price limit is equal to $\pm 10\%$ of the base price determined for each contract. If the upper or lower limit so calculated does not correspond to a price tick, the upper limit will be rounded to the upper price tick; and the lower limit, to the lower price tick.</p>
Trading Hours	Continuous trading from 09:10 to 17:45
Margins	<p>Initial Margin: Set by the SPAN portfolio margining method</p> <p>Maintenance Margin: 75% of the required collateral</p>

3.5.3.8 Aegean Cotton Futures

Contract Code	A futures contract code includes information on the type of contract, underlying, maturity date and whether the contract is standard or non standard.			
	Example	F_COTEGE121250		
	F	COTEGE	1212	50
	Futures	Underlying Asset Code	Maturity Date (MMYY- December 2012)	S: Standard N: Non-Standard
Underlying Assets	Aegean Standard 1 Cotton			
Contract Size	1 tonne Aegean Standard 1 Cotton			
Price Quotation	Value of 1 Kg Aegean Standard 1 cotton shall be quoted in terms of Turkish Lira significant to three decimals. Last digit after the decimal point shall be either 0 (zero) or 5 (five)			
Minimum Price Tick	Price tick is 0.005 which corresponds to TRY 5			
Contract Months	2 nearest months out of March, May, July, October and December			
Settlement Method	Cash Settlement			
Settlement Period	T+1. Losses are deducted from the accounts starting from the end of T day, profits are added to the accounts by T+1.			
Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <ol style="list-style-type: none"> The weighted average price of all the trades executed within the last 10 minutes of the session, If less than 10 trades were realized in the last 10 minutes of the session, the weighted average price of the last 10 trades executed during the session, If less than 10 trades were realized in the session, the weighted average price of all the trades executed during the session, If no trades were done during the session, the previous day settlement price is determined as the daily settlement price. <p>will be determined as the daily settlement price.</p> <p>If the daily settlement price cannot be calculated with the above methods by the end of the session, or the prices calculated do not reflect the market correctly, the daily settlement price may be determined by using one or more of the following methods</p> <ol style="list-style-type: none"> The average of the best buy and sell quotations at the end of the session, Theoretical prices are calculated considering spot price of the underlying asset or the daily settlement price for other contract months of the contract. 			

Final Settlement Price	<p>Weighted arithmetic mean of Aegean Standard 1 cotton prices announced by Izmir Mercantile Exchange at the last trading day of the contract month and minimum two business days prior to the last trading day.</p> <p>If there are insufficient trades during these days, price quotations are taken from minimum twelve members of Izmir Mercantile Exchange (Price interval must be lower than 1%). After eliminating the best and the worst prices, the arithmetic mean of the available prices at the Izmir Mercantile Exchange is declared as the last settlement price. Settlement Price Committee decides whether trades at spot market is sufficient or not.</p>
Expiry Date	Last business day of the contract month
Last Trading Date	Last business day of the contract month
Base Price and Daily Price Limit	<p>Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in calculating the daily price change limits. For the other days, base price is the settlement price of the previous day.</p> <p>Daily price limit is equal to $\pm 10\%$ of the base price determined for each contract. If the upper or lower limit so calculated does not correspond to a price tick, the upper limit will be rounded to the upper price tick; and the lower limit, to the lower price tick.</p>
Trading Hours	Continuous trading from 09:10 to 17:45
Margins	<p>Initial Margin: Set by the SPAN portfolio margining method</p> <p>Maintenance Margin: 75% of the required collateral</p>

3.5.3.9 Anatolian Red Wheat Futures

Contract Code	A futures contract code includes information on the type of contract, underlying, maturity date and whether the contract is standard or non standard.			
	Example	F_WHTANR1212S0		
	F	WHTANR	1212	S0
	Futures	Underlying Asset Code	Maturity Date (MMYY- December 2012)	S: Standard N: Non-Standard
Underlying Assets	Anatolian Red Hard Wheat			
Contract Size	5 tonne Anatolian Red Hard Wheat			
Price Quotation	Value of 1 Kg Anatolian Hard Red wheat shall be quoted in terms of Turkish lira significant to four decimals. Last digit after the decimal point shall be either 0 (zero) or 5 (five).			
Minimum Price Tick	Price tick is 0.0005 which corresponds to TRY 2.5			
Contract Months	March, May, July, September and December (Contracts with two different months nearest to the current month shall be traded concurrently.)			
Settlement Method	Cash Settlement			
Settlement Period	T+1. Losses are deducted from the accounts starting from the end of T day, profits are added to the accounts by			
Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <p>a) The weighted average price of all the trades executed within the last 10 minutes of the session,</p> <p>b) If less than 10 trades were realized in the last 10 minutes of the session, the weighted average price of the last 10 trades executed during the session,</p> <p>c) If less than 10 trades were realized in the session, the weighted average price of all the trades executed during the session,</p> <p>d) If no trade was realized during the session, the settlement price of the previous day is used as daily settlement price.</p> <p>If the daily settlement price cannot be calculated with the methods above by the end of the session, or it is decided that the prices calculated do not reflect the market correctly, the daily settlement price may be determined by using one or more of the following methods</p> <p>a) The average of the best buy and sell quotations at the end of the session,</p> <p>b) Theoretical prices are calculated considering spot price of the underlying asset or the daily settlement price for other contract months of the contract.</p>			

Final Settlement Price	<p>The Last Settlement Price shall be calculated as follows:</p> <p>1. Obtaining the prices to be used:</p> <p>A. Volume weighted average of the closing prices of the first, second, third and fourth degree Anatolian Hard Red wheat (realized at Polatli and Konya Grain Exchange) shall be calculated for the last trading day and one business day before that separately. (hereby, a maximum of four prices shall be obtained.)</p> <p>B. Prices for Anatolian Hard Red wheat formed at Edirne, Eskisehir, Gaziantep, Karaman, Corum, Uzunkopru and Yozgat Grain Exchanges for the last trading day and one business day before that shall be obtained. (hereby, a maximum of fourteen prices should be obtained.)</p> <ul style="list-style-type: none"> • If no price is formed at the Polatli and Konya Grain Exchange for any one of the first, second, third and fourth degree Anatolian Hard Red wheat, price and quantity data available for the other degrees shall be regarded in the volume weighted average price calculation. • If no price is formed at the Polatli or Konya Grain Exchange, for none of the first, second, third and fourth degree Anatolian Hard Red wheat, it shall be deemed that price and quantity data is not obtainable from the Polatli or Konya Grain Exchange for that day. • If no price is formed for Anatolian Hard Red wheat at the other Exchanges other than the Polatli and Konya Grain Exchange on the last trading day or one business day before that, it shall be deemed that price and quantity information is not obtainable from such Exchanges for that day. In such case price information from such exchanges (mentioned in Article B) shall not be included in weighted average price calculation. <p>Arithmetic average of all prices described above (a maximum of 18 prices) shall be considered as the last settlement price.</p> <p>If the spot markets prices are released on the business days following the last trading day, Settlement Price Committee may announce the settlement price on the business day following the last trading day or on the last trading day by disregarding those spot market prices missing to be released on the last trading day.</p> <p>The Exchange may increase or cut the number of exchanges, where price information is obtained from for calculating the Last Settlement Price, under suitable conditions.</p> <p>The Settlement Price Committee may increase or cut the number of days on which price information is obtained from the spot markets for calculating the Last Settlement Price.</p> <p>The Settlement Price Committee may regard price information available at a particular point of the trading sessions held at the spot exchanges considering the trading and clearing hours of the Exchange.</p> <p>Prices obtained from the spot markets shall be regarded as exclusive of Value Added Tax and other sales taxes alike that may arise in connection with physical delivery of the underlying asset, if required.</p>
Expiry Date	Last business day of the contract month
Last Trading Date	Last business day of the contract month
Base Price and Daily Price Limit	<p>Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in calculating the daily price change limits. For the other days, base price is the settlement price of the previous day.</p> <p>Daily price limit is equal to $\pm 10\%$ of the base price determined for each contract. If the upper or lower limit so calculated does not correspond to a price tick, the upper limit will be rounded to the upper price tick; and the lower limit, to the lower price tick.</p>
Trading Hours	Continuous trading from 09:10 to 17:45
Margins	<p>Initial Margin: Set by the SPAN portfolio margining method</p> <p>Maintenance Margin: 75% of the required collateral</p>

3.5.3.10 Base Load Electricity Futures

Contract Code	<p>A futures contract code includes information on the type of contract, underlying, maturity date and whether the contract is standard or non standard.</p> <table border="1"> <tr> <td>Example</td> <td colspan="3">F_ELCBAS121250</td> </tr> <tr> <td>F</td> <td>ELCBAS</td> <td>1212</td> <td>50</td> </tr> <tr> <td>Futures</td> <td>Underlying Asset Code</td> <td>Maturity Date (MMYY- December 2012)</td> <td>S: Standard N: Non-Standard</td> </tr> </table>	Example	F_ELCBAS121250			F	ELCBAS	1212	50	Futures	Underlying Asset Code	Maturity Date (MMYY- December 2012)	S: Standard N: Non-Standard
Example	F_ELCBAS121250												
F	ELCBAS	1212	50										
Futures	Underlying Asset Code	Maturity Date (MMYY- December 2012)	S: Standard N: Non-Standard										
Underlying Assets	The simple arithmetic average of the Unconstrained Market Clearing Prices announced by Turkish Electricity Transmission Company for each hour of the contract month.												
Contract Size	<p>Number of hours in the contract month x 0.1 MWh Number of hours in the contract month: Number of days in the contract month x 24. The contract size shall vary depending on the number of days in the contract month and summer/winter time. For the day of transition from winter time to summer time, the number of hours shall be applied as 23. For the day of transition from summer time to winter time, the number of hours shall be applied as 25. Example: <ul style="list-style-type: none"> • The contract size for 30 day contract months is 72 MWh (30x24x0.1MWh), • The contract size for 31 day contract months is 74.4 MWh (31x24x0.1MWh), • The contract size for 28 day contract months is 67.2 MWh (28x24x0.1MWh), • The contract size for 29 day contract month of February is 69.6 MWh (29x24x0.1MWh). These contract sizes shall not be applied for contract months in transition from winter time to summer time or vice versa.</p>												
Price Quotation	1 MWh of electricity shall be quoted in terms of Turkish lira significant to two decimals. (Example: 121.20)												
Minimum Price Tick	Price tick is 0.10 Tick value is TRY7.2 for the contracts with size 72 MWh, TRY7.44 for the contracts with size 74,4 MWh, TRY6.72 for the contracts with size 67.2 MWh, TRY6.96 for the contracts with size 69.6 MWh)												
Contract Months	All calendar months (The current contract month and the nearest three contract months shall be concurrently traded.)												
Settlement Method	Cash Settlement												
Settlement Period	T+1. Losses are deducted from the accounts starting from the end of T day, profits are added to the accounts by T+1.												

Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <p>a) The weighted average price of all the trades executed within the last 10 minutes of the session, b) If less than 10 trades were realized in the last 10 minutes of the session, the weighted average price of the last 10 trades executed during the session, c) If less than 10 trades were realized in the session, the weighted average price of all the trades executed during the session, d) If no trade was realized during the session, the settlement price of the previous day.</p> <p>If the daily settlement price cannot be calculated with the above methods by the end of the session, or the prices calculated do not reflect the market correctly, the daily settlement price may be determined by using one or more of the following methods</p> <p>a) The average of the best buy and sell quotations at the end of the session, b) Theoretical prices are calculated considering spot price of the underlying asset or the daily settlement price for other contract months of the contract.</p>
Final Settlement Price	The Last Settlement Price shall be the simple arithmetic average of the Unconstrained Market Clearing Prices announced by Turkish Electricity Transmission Company for each hour of the contract month. The Last settlement price determined with the above-mentioned methods shall be rounded to nearest price tick.
Expiry Date	Last business day of the contract month
Last Trading Date	Last business day of the contract month
Base Price and Daily Price Limit	<p>Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in calculating the daily price change limits. For the other days, base price is the settlement price of the previous day.</p> <p>Daily price limit is equal to $\pm 10\%$ of the base price determined for each contract. If the upper or lower limit so calculated does not correspond to a price tick, the upper limit will be rounded to the upper price tick; and the lower limit, to the lower price tick.</p>
Trading Hours	Continuous trading from 09:10 to 17:45
Margins	<p>Initial Margin: Set by the SPAN portfolio margining method</p> <p>Maintenance Margin: 75% of the required collateral</p>

3.5.3.11 SASX 10 Index Futures Contract	
Underlying	Price Index named "The Sarajevo Stock Index 10" of the Sarajevo Stock Exchange
Contract Size	SASX 10 Index value multiplied by 1 TRY.
Price Quotation and Minimum Price Tick	On the order book, prices are shown on the basis of 1 unit of underlying asset. In other words, the offers in the Market are entered on the basis of the price given on the basis of 1 unit of the underlying asset. Price of the contract is entered into the trading system with two digits after the comma (Ex. 750.50), and the minimum price tick is 0.25 (Ex. 750.50; 750.75, etc.). Quantity offers are entered as 1 contract and its multiples.
Contract Months	February, April, June, August, October and December Contracts with two different expiration months nearest to the current month shall be traded concurrently.
Settlement	Cash settlement
Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <ul style="list-style-type: none"> a) The weighted average price of all the trades executed within the last 10 minutes of the normal session, b) If less than 10 trades were realized in the last 10 minutes of the normal session, the weighted average price of the last 10 trades executed during the normal session, c) If less than 10 trades were realized in the session, the weighted average price of all the trades executed during the session, d) If no trades were done during the session, the settlement price of the previous day, will be determined as the daily settlement price. If the daily settlement price cannot be calculated with the methods above by the end of the session, or the prices calculated do not reflect the market correctly, the daily settlement price may be determined by using one or more of the following methods. <ul style="list-style-type: none"> a) The average of the best buy and sell quotations at the end of the session, b) Theoretical prices are calculated considering spot price of the underlying asset or the daily settlement price for other contract months of the contract. <p>Trades executed on Negotiated Deals Market will not be taken into consideration in the above calculations. The Settlement Price Committee's right to change the daily settlement price is under reserve.</p>
Expiry Day (Final) Settlement Price	The final settlement price of SASX 10 futures contracts shall be the closing price of the related index. This value is rounded to the nearest price tick, and called as the final settlement price. The final settlement price will be determined by the Settlement Price Committee if the spot market was entirely closed in the spot market that underlying security is traded, or price was not discovered or index value could not be calculated despite the fact that the market was open on the last trading day.
Last Trading Day	Last business day of the contract month. In case domestic markets are closed for half day due to an official holiday, last trading day shall be the preceding business day.
Expiry Date	Last business day of the contract month. In case domestic markets are closed for half day due to an official holiday, expiry date shall be the preceding business day.
Settlement Period	T+1 (first day following the expiry date) Losses are deducted from the accounts starting from the end of T day, profits are added to the accounts by T+1.
Base Price and Daily Price Limit	Base price is the price determined by the Settlement Price Committee on the day the relevant contract is introduced for trading, and used in setting the daily price limits. For the other days, base price is the settlement price of the previous day. Daily price limit is equal to $\pm 15\%$ of the base price determined for each contract. If the upper or lower limit so calculated does not correspond to a price tick, the upper limit will be rounded to the upper price tick; and the lower limit, to the lower price tick.
Trading Hours	Continuous trading from 09:10 to 17:45
Collateral and Margining Rules	Initial Margin: Set by the SPAN portfolio margining method. Maintenance Margin: 75% of the required collateral.

3.5.3.12 Single Stock Options

Contract Code	A contract code is created in a way to include information on the underlying asset, contract type, maturity date, option class, strike price and whether the contract is standard or non standard.					
	Example: O_XXXXXA1212P1.80SO					
	O	XXXXX	A	1212	P	1.80 SO
	Option	Underlying Asset Code	A: American- The option may be used on or before maturity E: European- The Option may only be used at maturity	Contract's maturity date (MMYY- Dec. 2012)	C: Call Option P: Put Option	Strike price two digits after decimal point S: Standard N: Non-Standard
Underlying Assets	Türkiye Garanti Bankasi AS Türkiye İs Bankasi AS Akbank TAS Türkiye Vakıflar Bankasi TAO Yapi ve Kredi Bankasi AS	(GARAN) (İSCTR) (AKBNK) (VAKBN) (YKBNK)	Türk Hava Yolları AO Eregli Demir ve Çelik Fabrikaları TAS H.O. Sabancı Holding AS Turkcell İletişim Hizmetleri AS Tupras Türkiye Petrol Rafinerileri AS	(THYAO) (EREGL) (SAHOL) (TCELL) (TUPRS)		
Options Class	Call and put options					
Option Type	European; an option may only be exercised on the expiry date.					
Contract Size	One standard contract represents 100 units of the underlying equity.					
Price Quotation	On the order book, premium offers are shown on the basis of 1 underlying asset. In other words, the offers for single stock options contract in the Market are entered on the basis of the premium given on the basis of 1 unit of the underlying asset. The premium price of a single stock option contract is entered into the system in terms of Turkish lira with two digits after the decimal point.					
Minimum Price Tick	Price tick is 0.01 per share = TRY 1.00 (contract size 100 shares)					
Contract Months	February, April, June, August, October and December (Contracts with two different expiration months nearest to the current month shall be traded concurrently. If December is not one of those two months, an extra contract with an expiration month of December shall be launched.)					
Settlement Method	Physical delivery					
Settlement Period	T+3. Premiums paid are collected starting from T day from the accounts and premiums received are transferred to the accounts by T+1.					

Daily Settlement Price	<p>At the end of the session, the daily settlement price is calculated as follows and rounded to the nearest price tick:</p> <p>a) The weighted average price of all the trades performed within the last 10 minutes of the normal session, b) If less than 10 trades were executed in the last 10 minutes of the session, the weighted average price of the last 10 trades performed during the session, c) If less than 10 trades were performed during the session, the weighted average price of all the trades performed during the session, d) If no trade was performed, theoretical prices calculated considering prices of underlying asset and other contracts based on the same underlying asset will be determined as the daily settlement price.</p> <p>If the daily settlement price cannot be calculated in accordance with the above methods by the end of the session, or it is decided that the prices calculated do not reflect the market correctly, the Exchange may determine the daily settlement price in consideration of theoretical price, spot price of the underlying asset, the previous day's settlement price or the best bid and ask prices at the end of the session.</p>																						
Expiry Date	Last business day of each contract month																						
Last Trading Date	Last business day of each contract month																						
Daily Price Limit	There is no price limit for premium prices.																						
Strike Prices	<table border="1"> <thead> <tr> <th>Strike Price Range (TRY)</th> <th>Strike Price Tick (TRY)</th> </tr> </thead> <tbody> <tr> <td>0.01 – 1.00</td> <td>0.05</td> </tr> <tr> <td>1.00 – 2.50</td> <td>0.10</td> </tr> <tr> <td>2.50 – 5.00</td> <td>0.25</td> </tr> <tr> <td>10.00 – 25.00</td> <td>0.50</td> </tr> <tr> <td>25.00 – 50.00</td> <td>1.00</td> </tr> <tr> <td>50.00 – 100.00</td> <td>2.50</td> </tr> <tr> <td>100.00 – 250.00</td> <td>5.00</td> </tr> <tr> <td>250.00 – 500.00</td> <td>10.00</td> </tr> <tr> <td>500.00 – 1,000.00</td> <td>25.00</td> </tr> <tr> <td>1,000.00 and over</td> <td>50.00</td> </tr> </tbody> </table> <p>Contracts will be formed in the trading system, for the strike price levels within the $\pm 20\%$ limit range calculated on the basis of the weighted average price of each underlying asset in the spot market during the last session. This limit may be changed in parallel with the price limit of underlying asset by Borsa Istanbul Board. Contracts should include strike prices that at least one in-the-money, one at-the-money and three out-of-the-money for each maturity.</p> <p>Single stock options with new strike prices in line with the price movements of the underlying asset in the session are introduced for trading automatically in the trading system. Contracts, for which there are open positions or orders, will continue to trade even if they fall out of the $\pm 20\%$ limit range.</p>	Strike Price Range (TRY)	Strike Price Tick (TRY)	0.01 – 1.00	0.05	1.00 – 2.50	0.10	2.50 – 5.00	0.25	10.00 – 25.00	0.50	25.00 – 50.00	1.00	50.00 – 100.00	2.50	100.00 – 250.00	5.00	250.00 – 500.00	10.00	500.00 – 1,000.00	25.00	1,000.00 and over	50.00
Strike Price Range (TRY)	Strike Price Tick (TRY)																						
0.01 – 1.00	0.05																						
1.00 – 2.50	0.10																						
2.50 – 5.00	0.25																						
10.00 – 25.00	0.50																						
25.00 – 50.00	1.00																						
50.00 – 100.00	2.50																						
100.00 – 250.00	5.00																						
250.00 – 500.00	10.00																						
500.00 – 1,000.00	25.00																						
1,000.00 and over	50.00																						
Trading Hours	Trading takes place between 09:10-17:40 in a single session. There is a break between 12:30-13:55.																						
Margins	<p>Initial Margin: Set by the SPAN portfolio margining method</p> <p>Maintenance Margin: 75% of required collateral</p>																						

3.5.3.13 BIST 30 Index Options

Contract Code	A contract code is created in a way to include information on the underlying asset, contract type, maturity date, option class, strike price and whether the contract is standard or non standard.					
	Example: O_XXXXXE1212P102.00050					
	O	XXXXX	A	1212	P	102.000 SO
	Option	Underlying Asset Code	A: American- The option may be used on or before maturity E: European- The Option may only be used at maturity	Contract's maturity Date (MMYY- Dec. 2012)	C: Call Option P: Put Option	Strike price three digits after decimal point S: Standard N: Non-Standard
Underlying Assets	BIST 30 Price Index					
Option Class	Call and put options					
Option Type	European type (An option is exercised only on the Last Trading Day.)					
Price Quotation	<p>On the order book, premium offers are shown on the basis of 1 underlying asset. In other words, the offers for index options contract in the Market are entered on the basis of the premium given on the basis of 1 unit of the underlying asset.</p> <p>The premium price of an index option contract is entered into the system in terms of Turkish lira with two digits after the comma.</p>					
Minimum Price Tick	Price tick is 0.01 per share = TRY 1.00 (contract size 100 shares)					
Contract Months	February, April, June, August, October and December (Contracts with three different expiration months nearest to the current month shall be traded concurrently. If December is not one of those three months, an extra contract with an expiration month of December shall be launched.)					
Settlement Method	Cash settlement					
Settlement Period	T+1. Premiums paid are deducted from the accounts starting from the end of T day, while premiums received are added to the accounts by T+1.					

Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <p>a) The weighted average price of all the trades executed within the last 10 minutes of the normal session, b) If less than 10 trades were realized in the last 10 minutes of the normal session, the weighted average price of the last 10 trades executed during the session, c) If less than 10 trades were realized in the session, the weighted average price of all the trades executed during the normal session, d) If no trade was performed, theoretical prices calculated considering prices of underlying asset and other contracts based on the same underlying asset will be determined as the daily settlement price.</p> <p>If the daily settlement price cannot be calculated in accordance with the above methods by the end of the session, or The Exchange decides that the price so calculated does not reflect the market, The Exchange may, at its own option, determine the daily settlement price in consideration of theoretical prices, previous day's settlement price or the best bid and ask prices at the end of the session.</p>
Final Settlement Price	<p>For call options, The final settlement price shall be calculated by weighting of the time weighted average of the last 30 minutes of continuous auction in the equity market (in the second session) and closing price of the index with 80% and 20%, respectively. The difference between the calculated weighted average price (divided by 1000) and strike price is rounded to the nearest price tick and called as the final settlement price.</p> <p>For put options, The final settlement price shall be calculated by weighting of the time weighted average of the last 30 minutes of continuous auction in the spot market (in the second session) and closing price of the index with 80% and 20%, respectively. The difference between strike price and the weighted average price (divided by 1000) is rounded to the nearest price tick and called as the final settlement price.</p>
Expiry Date	Last business day of each contract month
Last Trading Date	Last business day of each contract month
Daily Price Limit	There is no price limit for premium prices.
Strike Prices	<p>Strike price tick is 2 (2,000 index points).</p> <p>Strike prices shall be set at 10% above, and at 10% below the previous day's last closing price of the underlying index. Board of Directors may decide to change this limit. For each maturity, at least seven strike prices such that two are "in the money", one is "at the money" and four are "out of the money" shall be opened. During the day, new strikes shall be opened automatically according to the price fluctuations of the underlying asset. Strikes with positions or open orders shall be available for trading even if they are out of the limits.</p>
Trading Hours	Trading takes place between 09:10-17:45 in a single session. There is a break between 12:30-13:55.
Margins	<p>Initial Margin: Set by the SPAN portfolio margining method</p> <p>Maintenance Margin: 75% of required collateral</p>

3.5.3.14 Mini BIST 30 Options

Underlying	BIST 30 Price Index
Option Class	Call and Put Options
Exercise Style	European; an option may only be exercised on the expiry date.
Contract Size	Underlying security is the 1/1000 of the index values. Contract size is 1 underlying securities. (For example, BIST-30 Index/1,000)* TRY 1 = (78,000/1,000)*1 = TRY 78.00).
Price Quotation and Minimum Price Tick	Prices are offered for the premium value of one underlying security as two digits after decimal point Quantity quotations are entered as one contract and its multiples.
Contract Months	February, April, June, August, October and December (Contracts with three different expiration months nearest to the current month shall be traded concurrently. If December is not one of those three months, an extra contract with an expiration month of December shall be launched.)
Settlement	Cash settlement
Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <ul style="list-style-type: none"> a) The weighted average price of all the trades executed within the last 10 minutes of the normal session, b) If less than 10 trades were realized in the last 10 minutes of the normal session, the weighted average price of the last 10 trades executed during the session, c) If less than 10 trades were realized in the session, the weighted average price of all the trades executed during the normal session, d) If no trades were done, theoretical prices calculated, considering prices of underlying asset and other contracts based on the same underlying asset, will be determined as the daily settlement price. <p>If the daily settlement price cannot be calculated with the methods above by the end of the session, or the prices calculated do not reflect the market correctly, the Exchange may determine the daily settlement price in consideration of theoretical price, the previous day's settlement price or the best bid and ask prices at the end of the session.</p>

Expiry Day (Final) Settlement Price	<p>For call options, The final settlement price shall be calculated by weighting of the time weighted average of the last 30 minutes of continuous auction in the equity market (in the second session) and closing price of the index with 80% and 20%, respectively. The difference between the calculated weighted average price (divided by 1000) and strike price is rounded to the nearest price tick and called as the final settlement price.</p> <p>For put options, The final settlement price shall be calculated by weighting of the time weighted average of the last 30 minutes of continuous auction in the spot market (in the second session) and closing price of the index with 80% and 20%, respectively. The difference between strike price and the weighted average price (divided by 1000) is rounded to the nearest price tick and called as the final settlement price.</p>
Expiry Date	Last business day of the contract month.
Settlement Period	T+1 (first day following the expiry date) Premiums paid are deducted from the accounts starting from the end of T day, while premiums received are added to the accounts by T+1.
Daily Price Limit	There is no price limits for BIST 30 Options
Last Trading Date	Last business day of each contract month
Strike Prices	<p>Strike price tick is 5 (5,000 index points)</p> <p>Strike prices shall be set at 10% above, and at 10% below the previous day's last closing price of the underlying index. Board of Directors may decide to change this limit. For each maturity, at least seven strike prices such that two are "in the money", one is "at the money" and four are "out of the money" shall be opened. Intraday, new strikes shall be opened automatically according to the price fluctuations of the underlying asset. Strikes with positions or open orders shall be available for trading even if they are out of the limits.</p>
Trading Hours	Trading takes place between 09:10 - 17:45 in a single session. There is a break between 12:30 - 13:55.
Collateral and Margining Rules	<p>Initial Margin: Set by the SPAN portfolio margining method.</p> <p>Maintenance Margin: 75% of the required collateral.</p>

3.5.3.15 USD/TRY Options

Underlying	USD/TRY
Option Class	Call and Put Options
Exercise Style	European; an option may only be exercised on the expiry date.
Contract Size	1,000 USD
Price Quotation and Minimum Price Tick	Prices shall be entered for 1,000 USD as the premium value in terms of Turkish Lira significant to one decimal. (Example: 20.1, 20.2 etc.) Minimum price tick is 0.1. Quantity quotations are entered as one contract and its multiples.
Contract Months	All calendar months (2 consecutive months - the current contract month and the next calendar month shall be concurrently traded)
Settlement	Cash settlement
Daily Settlement Price	<p>The daily settlement price is calculated as follows at the end of the session and rounded to the nearest price tick:</p> <ul style="list-style-type: none"> a) The weighted average price of all the trades executed within the last 10 minutes of the normal session, b) If less than 10 trades were realized in the last 10 minutes of the normal session, the weighted average price of the last 10 trades executed during the session, c) If less than 10 trades were realized in the session, the weighted average price of all the trades executed during the normal session, d) If no trades were performed, theoretical prices calculated in consideration prices of underlying asset and other contracts based on the same underlying asset will be determined as the daily settlement price. <p>If the daily settlement price cannot be calculated in accordance with the above methods by the end of the session, or it is decided that the prices calculated do not reflect the market correctly, the Exchange may determine the daily settlement price in consideration of theoretical price, the previous day's settlement price or the best bid and ask prices at the end of the session.</p>

Expiry Day (Final) Settlement Price	<p>For call options, Final settlement price is calculated as the difference between the value of multiplying USDollar selling rate announced by the Central Bank of the Republic of Turkey at 15:30 of the last trading day by 1,000 and the option contract's strike price. The final value is rounded to the nearest price tick.</p> <p>For put options, Final settlement price is calculated as the difference between the option contract's strike price and the value of multiplying USDollar selling rate announced by the Central Bank of the Republic of Turkey at 15:30 of the last trading day by 1,000. The final value is rounded to the nearest price tick.</p>
Last Trading Day	Last business day of the contract month.
Expiry Date	Last business day of the contract month.
Settlement Period	T+1 (first day following the expiry date) Premiums paid are deducted from the accounts starting from the end of T day, while premiums received are added to the accounts by T+1.
Daily Price Limit	There is no price limits for TRYUSD Options
Strike Prices	<p>Strike price tick For call options, 50 Turkish Lira (Example: 2,000 , 2,050 , 2,100 etc.) For put options, 25 Turkish Lira (Example: 2,000 , 2,025 , 2,050 etc.) Contracts will be formed in the trading system, for the strike price levels within the $\pm 10\%$ limit range calculated on the basis of the value of multiplying USDollar selling rate announced by the Central Bank of the Republic of Turkey at 15:30 of the last trading day by 1,000. Board of Directors may decide to change this limit. At three different strike prices such that one is "at the money" and two are "out of the money" shall be opened for each of call and put options. Intraday, new strikes shall be opened automatically according to the price fluctuations of the underlying asset. Strikes with positions or open orders shall be available for trading even if they are out of the limits.</p>
Trading Hours	Continuous trading from 09:10 to 17:45
Collateral and Margining Rules	<p>Initial Margin: Set by the SPAN portfolio margining method. Maintenance Margin: 75% of the required collateral.</p>

3.5.6 Trading Fees

A fee based on the trading done by the members shall be collected.

- For the contracts written on equity index, the trading fee is 0.004 % of the premium value for option contracts and the traded value for futures contracts by both parties of the trading.
- For the contracts other than equity index contracts, the trading fee is 0.003 % of the premium value for option contracts and the traded value for futures contracts by both parties of the trading.

3.5.7 Risk Management and Margining in Derivatives Market

Initial Margin – Maintenance Margin

Initial margin is the minimum amount to be deposited with the Clearing House for trading futures and option contracts.

Maintenance margin is the minimum amount and required composition of the collateral updated in accordance with the daily price changes in the market.

If the amount of collateral falls below the maintenance margin, Takasbank will make a margin call.

Mark to Market

Marking to market refers to the valuation of the positions of those trading in the market on the basis of the settlement prices determined at the end of each day. If, as a result of marking to market, the balance in an account is over the minimum amount of collateral, the account holder may draw the extra amount. On the contrary, if, as a result of marking to market, the balance in the account falls short of the maintenance margin, the Clearing House shall make a margin call.

Margin Call

Following the end of the session, end-of-day settlement prices for futures and options will be determined and all

accounts will be updated. A margin call will be made for those accounts whose total collateral has fallen below the Maintenance Margin or below “O”. Margin calls must be fulfilled by 15:00 hours on T+1 day.

VIOP Market Risk Management and Margining System

Risk management in the Market is carried out by Takasbank. Trades executed in the Market are subject to portfolio based margining method. Takasbank uses Standard Portfolio Analysis of Risk (SPAN) algorithm for portfolio based margining. Parameters constituting the basis for portfolio based margining calculation shall be determined and announced by Takasbank. Clearing Legislation shall be applied regarding risk management, pre-order risk management and margining method.

Margining Method

Trades executed in the Market are subject to portfolio based margining method. Takasbank uses Standard Portfolio Analysis of Risk (SPAN) algorithm for portfolio based margining. Parameters constituting the basis for portfolio based margining calculation shall be determined and announced by Takasbank.

SPAN algorithm determines the maximum risk of a portfolio considering different scenarios created based on the possible variation of price and volatility, and calculates the collateral amount of an account on portfolio basis.

For further information regarding risk management, margining or clearing issues, please see; <http://www.takasbank.com.tr/en/Pages/Procedures.aspx>

For further information regarding VIOP, please visit; <http://www.borsaistanbul.com/en/products-and-markets/markets/futures-and-options-market>
For ISIN Codes of the VIOP Contracts, please visit; <https://www.takasbank.com.tr/en/Pages/ISINLists.aspx?listID=ISIN>

3.5.8 Clearing and Settlement

Takasbank is the central clearing house responsible for clearing and settlement of transactions executed in Borsa İstanbul and derivatives transactions executed at Borsa İstanbul VİOP are also centrally cleared and settled by Takasbank. As of 3 March 2014, Takasbank began to provide central counterparty (CCP) services for the Market.

Takasbank is the central counterparty with the “open-offer method” for the transactions executed in the Market. It undertakes to complete the settlement and clearing operations by acting as a buyer against the seller and as a seller against the buyer. In the open-offer method, the liability of Takasbank against the parties of the transaction starts at the moment when the buy and sell orders are matched at VİOP and ends with the completion of the clearing and settlement. Takasbank, as the central counterparty, assumes the clearing and settlement obligations arising from the transactions conducted in the Market by the members in accordance with the principles and procedures specified in the related legislation. The risks that Takasbank is exposed to, arising from services that Takasbank provides as a CCP are safeguarded through collaterals, guarantee fund and capital amount allocated from Takasbank’s equity.

In the Market, the customer positions and collaterals are monitored separately from the Member’s own portfolio and collaterals. “Mark-to-market” valuation of collateral and risk management is accomplished by Takasbank. Cash in Turkish Lira (TRY), convertible foreign currency, government domestic debt securities, stocks included in BIST 30 Index and mutual fund participation certificates are accepted as collateral. If a new position is opened in the Market then, at least 50% of the margin requirement should comprise of cash collateral denominated in TRY. With regard to non-cash collaterals, all non-cash collaterals are subject to haircuts determined by Takasbank according to the market risk of the related collaterals. “Mark-to-market” process is performed daily on related account basis. The losses that can arise due to the transactions in the market are

automatically deducted on the same day (T+0) from the cash collaterals in the related accounts.

A margin call is made for the member who have cash collateral deficit or whose collateral amount fell below the maintenance margin level. At each mark-to-market batch; if the balance of any account exceeds the margin requirement amount, then the balance exceeding the required amount can be withdrawn by the member. The members are required to fulfill their margin call obligations at 15:00 of the next business day at the latest. The profits are transferred to the accounts on T+1 day till 15.00. If a member has accounts with profit receivables at the same time with other accounts that have margin call obligations, profit distribution is blocked in the amount equal to the related margin call amount and profit receivables are not paid until the obligation is fulfilled completely. The member is also not allowed to withdraw collateral from the sub-account that is subject to the margin call. The member not fulfilling its margin call obligation of the related account until 15:00 on T+1 day is deemed to be in default without requiring any further notification.

Clearing Membership and Account Types

There are two types of clearing membership: direct clearing membership and general clearing membership. Direct clearing members are authorized to perform only the clearing and settlement transactions of themselves and/or of their clients.

General clearing members are authorized to perform the clearing and settlement transactions of other trading institutions in addition to the clearing and settlement transactions of themselves and/or of their clients. The general and direct clearing membership classification is made by considering the amount of equity capital of the member, the adequacy of its internal systems and technical infrastructure as well as other internal rating, financial analysis and intelligence studies carried out by Takasbank.

The membership status of the general and direct clearing members may be changed by pursuing their compliance with the conditions set forth by Takasbank.

There are four different account types; “Customer Account”, “Market Maker Account”, “Omnibus (global Account)” and “Portfolio Account”. Customer Account is an account where the transactions executed by the Member with its customers are monitored. Portfolio Account, on the other hand, is an account where the transactions executed by the Member for its own portfolio are monitored. Each member is required to have a portfolio account and only one portfolio account can be opened at most. Omnibus accounts can be opened and limited to the transactions conducted within the scope of the portfolio management activities. The principles relating to the opening of the accounts shall be stipulated in the procedure. Market-Maker Account is an account where the market makers monitor the transactions they conduct only for their own portfolio.

In addition to these account types, there are three kinds of accounts that can be opened within Takasbank; “Trading Account”, “Depository account” and a “Trading and Depository account”. Trading Account is an account for trading but no position and collateral monitoring can be carried out. A trading account opened at Takasbank can only be eligible to execute transactions in the Market upon linking of this account with a depository account and the approval of this operation by the Member to whom such depository account belongs. A trading account can be linked with only one depository account. Depository account is an account for monitoring positions, the risks related to the positions and the collateral. However, no trading on this account is permitted. A depository account can be linked with more than one trading account. Trading and Depository account is an account for trading and monitoring of the positions and the risks related to such positions and collateral.

3.6 Precious Metals and Diamond Market

Precious Metals and Diamond Market became one of the newest markets of Borsa İstanbul, after the establishment of Borsa İstanbul through the termination of the legal entities of İstanbul Gold Exchange (İGE) and İstanbul Stock Exchange under the provisions of the Capital Market Law No. 6362.

İGE officially began its operation on July 26, 1995. The exchange was the primary commodity and precious metal exchange in Turkey and the main authority to register gold imports. It used to canalize gold and other precious metals such as silver, platinum and palladium to financial system, developing physically based investment vehicles and provide international integration of these instruments through sectors in Turkey. After its establishment, local gold prices became in conformity with international prices, imported gold bars were enforced to meet generally accepted global standards and fineness, at the same time the system gained a more transparent structure.

Amendments made in the Decree No.32 concerning the Protection of the Value of Turkish Currency made trading of silver and platinum possible after 1999 and palladium after 2011 at the İGE besides gold.

The market has three submarkets: Precious Metal Lending Market, Diamond and Precious Stone Market,

Precious Metals Market includes the spot and physical trade standard, non-standard, domestically produced gold, silver, platinum and palladium metals of the members, customers and funds.

Precious Metals Lending Market started its operations on March 24, 2000 and provides lending and certificate transactions of defined precious metals.

The Diamond and Precious Stone Market was launched on April 4, 2011 to provide diamond and precious stones trading in an organized and standardized market possible in Turkey.

Besides the execution of the transactions and markets, Precious Metals and Diamond Market has following authorization and capabilities:

- Registration of import and trade of unprocessed precious metals like gold, silver, platinum and palladium that are defined in Decree No.32 and registration of precious metals that are domestically produced.
- Implementing import and export procedures for rough diamonds that are taken into consideration under the Kimberley Process Certification Scheme Borsa İstanbul is also determined as import authority for those diamonds.
- Storage of precious metals owned by members, mutual funds, exchange-traded funds' assets, storage of precious metals under the account of Required Reserves of Turkish Central Bank, storage of precious metals that are subject to transaction under investment funds and investment partnerships.
- Evaluation of the applications of refineries, publishing the list of refineries of which productions can be traded in Borsa İstanbul and auditing local refineries regularly.



Members

As of December 2014, Precious Metals Market has 95 members. The members are domestic or foreign banks, currency offices, precious metals brokerage houses, precious metals producing and marketing companies, international companies with its fully-authorized branch in Turkey that obtained the membership certificate from the Undersecretariat of Turkish Treasury and complied with the requirements set forth by the Borsa İstanbul A.Ş. Board of Directors,

As of December 2014, Precious Metals Lending Market has 13 members.

As of December 2014, Diamond and Precious Stone Market has 131 members and increasing rapidly.

Members of Precious Metals Market

Banks	23
Currency Offices	41
Precious Metals Brokerage Houses	19
Precious Metals Producing and Marketing Companies	12
Total	95

Members of Precious Metals Lending Market

Banks	11
Precious Metals Producing and Marketing Companies	2
Total	13

Members of Diamond and Precious Stone Market

Jewelry Sector Companies	74
Precious Metals Market Members	57
Total	131

3.6.1 Precious Metals Market

Trading on the Precious Metals Market

Domestic or foreign banks, currency offices, precious metals brokerage houses, precious metals producing and marketing companies, international companies with

its fully-authorized branch in Turkey that obtained the membership certificate from the Under-Secretariat of Turkish Treasury and complied with the requirements set forth by the Borsa İstanbul A.Ş. Board of Directors, are authorized for trading on the exchange.

Only members of the Precious Metals Market of Borsa İstanbul A.Ş. are eligible to import unprocessed precious metals and obliged to submit the import to the Exchange vault within three business days after the arrival of precious metals to Turkey.

Trading Collaterals

The collateral leverage of the transactions has been determined as 25 times for T+0, 20 times for T+ 1 up to T+5, 12 times for T+6 up to T+9, and 10 times up to T+90 value dates.

Conduct of Trading

Orders are given through internet based trading system during daily sessions. Buying and selling orders are matched in the Electronic Exchange System automatically based on price and time priority. Orders are submitted to the system by representatives of the Exchange members. Members, who want to buy or sell precious metal, submit their order to the system via the internet. If a buying order that sent to the system has higher price from the best selling price or equal to it, the selling order can be matched completely or partially. If a selling order that sent to the system has lower price from the best buying price or equal to it, the buying order can be matched completely or partially. The pending orders are broadcasted worldwide beyond the trading floor through information broadcast services.

Trading Hours

There is a continuous session in Precious Metals Market included weekend days and other holidays. Daily session starts 16:00 and closes 16:00 next day. Daily Exchange Bulletin is published and announced 16:00. Financial obligations are fulfilled until 17:00 and precious metals physical deliveries are fulfilled until 16:00 by Exchange members in working hours of the Exchange.

Trading Unit

Trading units on the market are Turkish Lira/kg, US\$/ounce, EUR/ounce.

Minimum Price Fluctuation

Minimum price fluctuation for gold, platinum and palladium is 1 kuruş for TL/kg quotations, 5 cent for US \$/ounce quotations and 5 cents for EUR/ounce quotations. For silver it is 1 kuruş for TL/kg quotations, 1 cent for US \$/ounce quotations and 1 cents for EUR/ounce quotations.

Value Date

The value dates of the transactions have been extended from T+0 up to T+90 days.

Standard Precious Metals

Standard Unprocessed Gold: Gold bullion and bar that their features set by the Under-Secretariat of the Turkish Treasury with minimum 995/1000 fineness.

Standard Unprocessed Silver: Silver bullion and bar and granules that their features set by the Under-Secretariat of the Turkish Treasury with minimum 99.9 % fineness.

Standard Unprocessed Platinum: Platinum bullion and bar that their features set by the Under-Secretariat of the Turkish Treasury with minimum 99.95 % fineness.

Standard Unprocessed Palladium: Palladium bullion and bar that their features set by the Under-Secretariat of the Turkish Treasury with minimum 99.95 % fineness.

Types bar and bullion for standard precious metals trading are 1 gr, 2,5 gr, 5 gr, 10 gr, 20 gr, 50 gr, 100 gr, 250 gr and 500 gr (for mini bars), 1 kg bullion), large bar (over 1 kg) and granule (only for silver).

Nonstandard Precious Metals

Nonstandard unprocessed gold: Gold bullion, bar, dore bar, granule, powder or scrap with below 995/1000 fineness (except 995/1000)

Nonstandard unprocessed silver: Silver bullion, bar, dore bar, granule, powder or scrap with below 99.9 % fineness (except 99.9 %)

Nonstandard unprocessed platinum: Platinum bullion, bar, dore bar, granule, powder or scrap with below 99.95 % fineness (except 99.95 %)

Nonstandard unprocessed palladium: Palladium bullion, bar, dore bar, granule, powder or scrap with below 99.95 % fineness (except 99.95 %)

Exchange members who deliver nonstandard precious metals to the Exchange are responsible for compliance with the fineness of precious metals with its certificate of assay. Members who want to trade in the Exchange should take into consideration the rules below that took place in the Decree Regarding the Amendment of the Decree numbered 32 Concerning Preservation of the Value of Turkish Currency which is published on the Official Gazette numbered 28115 and dated November 17, 2011.

Recycling houses and refineries should seal their company emblem, fineness and weight on precious metals which they produced.

Members who want to trade in the Exchange with these nonstandard precious metals must get certificate of assay that is prepared by the Turkish Mint or assaying institutions approved by the Mint. Members should submit these certificates of assay to the Exchange.

Nonstandard precious metals that are imported by the members should be delivered to the Exchange with their customs declaration and precious metal information form that is set by the member and certificate of assay. In case of emergency, submitting of certificate of assay and customs declaration is sufficient. The Exchange Presidency is authorized to take every measure for that.

Domestically Produced Precious Metal Ore

Domestically produced precious metal ore in the form of dore bar, granule and other shapes can be traded in the Exchange in two ways a) domestically produced precious metal ore is refined by internationally accredited refineries or domestic refineries. After completing refining process it should be delivered to the Exchange Clearing Center in 7 business days and traded in the Precious Metals Market of the Exchange b) domestically produced precious metal ore can be traded separately in terms of precious metals type based on its certificate of assay that is issued by the Turkish Mint or assaying institutions approved by the Mint.

Specifications of domestically produced precious metal ore that is subject to transaction in the Exchange

According to the article 13 of the Communiqué about Standards and Refiners of Precious Metal the principles are implemented as below:

Producer company ensures that domestically produced precious metal ore is suitable with the principles in Communiqué about Standards and Refiners of Precious Metal at most.

Members, who want to trade with these precious metal ore in the Exchange, should get certificate of assay from Turkish Mint or assaying institutions approved by the Mint. The Turkish Mint or assaying institutions approved by the Mint issue a certificate of assay that describe features, fineness and weights of domestically produced precious metal ore.

Order Types

Normal order and fixing order for standard metals, nonstandard order and ore order.

Fixing order can be given only for standard gold. It's executed over London am fixing prices and can only be in US \$ and T+O maturities. If "O" enter to the price section it means transaction will be executed at the fixing price and if a \pm US \$ value enter to the price section it means transaction will be executed up or below over the fixing price. Fixing transaction is not included netting transaction.

Cash Clearing and Settlement

Takasbank has been authorized to execute the cash settlement and collateral transactions of precious metal trades executed at Borsa Istanbul Precious Metals and Diamond Market. As of February 4th 2013, Takasbank executes cash settlement and collateral transactions at Precious Metals and Diamond Market through its accounts with the pre-determined cash correspondent bank.

Borsa Istanbul Precious Metals and Diamond Market members are required to open accounts at Takasbank as well as at the related correspondent bank in order to be able to carry out cash settlement and collateral transactions.

Within the infrastructure designed for the smooth execution of cash settlement and collateral transactions, the connection with Borsa Istanbul is provided via web service and Borsa Istanbul members are given the opportunity to access Takasbank screens through internet.

Cash Settlement Transactions

The trade data is transmitted to the Takasbank system by Borsa Istanbul.

In line with the members debt balance, members cash settlement obligations are fulfilled by using the balance of the members' accounts held with the correspondent bank. The list of members fulfilling the settlement obligations is notified to Borsa Istanbul and consecutively, members' cash settlement receivables are transferred to member accounts held with the correspondent bank and the precious metals settlement process is finalized.

Collateral Transactions

As for the collateral transactions, the amount deposited to member's collateral account is notified to Borsa Istanbul. In cases of members' instructions to withdraw the collateral, the collateral withdrawal process is executed upon the approval of the instructions by Borsa Istanbul.

3.6.2 Precious Metals Lending Market

Members can lend or borrow precious metals only for house or may lend on behalf of mutual funds. Except mutual funds transaction for customer accounts is not allowed.

Only 1 kg standard and unprocessed gold, silver, platinum or palladium is subject of lending transactions.

Principal: Loan amount of PM, multiples of 1 kg. If parties agree, borrower may payback principal either PM or equivalent in Turkish Lira, US\$ or Euro.

Value Date: The day PM is given to borrower (T+0)

Maturity: The day borrower payback Principal and Surplus Value.

Price: Price is profit rate (interest rate) per year of lending and it is used for calculating the surplus value in terms of amount. However, as stated above, parties may agree to pay surplus value either in PM or in three currencies.

Surplus Value: Total surplus amount or value which borrower gives back to lender at maturity.

Revocable: Lender has the right to recall lent precious metal. In this case surplus value is calculated for the number of days for lending.

Orders

Orders must contain; name of the member, order type (Lend or Borrow), type of the PM (gold, silver, platinum or palladium) and refinery type (LBMA-In/Out), assay of PM (995/1000 or 999,9/1000), amount of PM (Kg), price (% profit rate or interest rate), maturity (date of fulfillment of obligations, Principal and Surplus Value), repayment type of principal (PM or TL or USD or Euro), block order (All or None) or partially executable, revocable (lender may recall principal and proportional Surplus Value before maturity).

Orders may send to the Exchange via electronic system or written or fax. Written or fax orders entered to system by Exchange Staff.

All orders are valid for current session. Unexecuted orders are cancelled at the end of the session.

Minimum order size is 1 Kg

Price Tick is %0.01 (1 per ten thousand)

Priority Rules

Price Priority: Higher price of borrowing order has priority than lower price of borrowing orders. Lower price of lending order has priority than higher price of lending.

Time Priority: Earlier orders have priority if the price of orders is same.

Value Date, Maturity and Rollover

Value date is T+0; borrower can withdraw PM from custody at trade date.

Members are free to determine value date between 1 day and 360 days. If value date is not a business day, next business day is considered as value date.

Parties may agree to rollover the agreement before maturity. The new agreement must be sent to the Exchange by all parties. In new agreement parties may change price and repayment type of principal.

Collaterals

Borrower must give collateral to the Exchange in order to withdraw borrowed PM. The collateral is kept until maturity.

Turkish Lira, USD, Euro, government bonds, letter of credit in currencies above, standard and unprocessed precious metals trading in the Exchange can be lodged as collateral.

One may borrow up to 90 % of the collateral. Mark to market calculations is done at value date (transaction date) PM prices and Central Bank of Turkey FX rates. 10 per cent haircut is applied for government bonds.

Every business day the Exchange observes mark to market for collaterals and PM. If total value of loan reaches to 97 % of collateral, then the member called to reduce the ratio to maximum 95 % as depositing new collateral until the end of same business day.

3.6.3 Diamond and Precious Stone Market

The Diamond and Precious Stone Market has opened by April 4, 2011 in Istanbul. There has been an important step to integrate international communities such as World Federation of Diamond Bourses by May 2008, during the 33rd World Diamond Congress where the membership has been voted.

The target of the Market is to establish a secure and organized market condition in Turkey for diamond and precious stones trading. Turkey is launching its first diamond market and aiming to become a regional trading hub for the precious stones, especially diamond.

The first trade in the market has been occurred after an amendment in VAT law on September 30th 2014. The amendment of VAT Law states that in case the precious stones (raw or processed diamond, ruby, emerald, topaz, sapphire, chrysolite, pearl) are imported to be traded within Borsa Istanbul's Diamond and Precious Stones Market, delivered to the exchange market and traded between the members of exchange market within the market or out of the market, provided that such trades are notified to the market according to the relevant legislation, they shall be exempted from VAT. Other deliveries of precious stones are not covered by this exemption.

Trading on the market

According to the article 9 of the Regulation; with Cabinet decision which is about Decree on the Regulation and Control of Foreign Trade of Rough Diamond dated on 10/10/2006 and numbered 2006/11115, both rough diamond in market which are included Kimberley Process Certification System and all polished diamonds whether natural or synthetic which are any type of shape are traded in market.

In the market transactions of diamond and precious stones, are occurred in session floor which is organized for market transactions with participation of both the Exchange officials and representatives of members. Members also can declare their off exchange trades expect trades regarding importation and first usage of stocks.

Transactions are done by physically.

After agreement between buyer and seller side, transaction forms must be filled and given or sent to the Exchange.

All evaluation of each diamond and precious stones must be done by buyer and seller and the amounts of carats are saved by the Exchange.

The Exchange is not under any liability and is not a side of transactions which are occurred in market.

Session is between 09:30 – 16:30 from Monday to Friday except holidays and other occasions that are announced in advance.

Disputes on the market are resolved by Arbitration Committee impartially.

Custody

If there is demand from market member and contract of safe deposit boxes is sign, appropriate size and number of safety boxes can be rented for yearly or daily. Insure of commodities is in responsibility of market members and they are responsible for commodities which are in their safety boxes. The Exchange is responsible for only security of diamond and precious stones vault and not to be responsible for any damage/loss which is coming from commodities in safety boxes.

Kimberley Process Certification Scheme

Turkey was admitted to Kimberley Process Certification Scheme on August 14th 2007 and Istanbul Gold Exchange was authorized to conduct import and export of rough diamonds within the framework of Kimberley Process Certification Scheme. Now, Borsa Istanbul A.Ş. (Precious Metals and Diamond Markets) became an authorized institution for the Scheme.

3.7 Private Market

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. It allows companies to get access to finance, shareholders to sell their existing shares and have access to liquidity and investors to find buyers so as to liquidate their investments. Private Market designed to offer a new marketplace bringing together entrepreneurs and qualified investors and business angel investors to solve their financing and liquidity problems, started accepting members on August 26th, 2014. All member companies and investors can benefit from services including legal and financial consultancy, evaluation, and brokerage which are provided upon request, by Private Market member solution partners at reasonable prices.

This Market is established in addition to the existing markets within Borsa İstanbul, and its most important feature is that it brings start-up companies and rising companies together with qualified investors and business angel investors and therefore offers them equity financing and liquidity facilities without being subject to the regulations of the Capital Markets Board. Companies can completely control their shareholder structure. They are able to choose their new shareholders. Moreover, differently from the other markets of Borsa İstanbul, companies in Private Market are not subject to public disclosure requirements. In this respect, Private Market allows companies to manage and control the information flow and secrecy.

3.7.1 Membership

Entrepreneurs seeking funds for their start-ups, a joint stock company in need of finance, a shareholder looking for liquidity, a qualified investor or a business angel investor looking for alternative investment opportunities, can register as a member. They 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 brokers and service providers. Member investors and companies can also benefit from low- cost services offered by our solution partner brokers and service providers.

There are four types of members in Borsa İstanbul Private Market:

1. Companies /Shareholders
2. Investors
3. Brokers
4. Service providers

3.7.1.1 Companies /Shareholders

Two types of companies and their shareholders are admitted as members to the Private Market, namely, 1) Start-ups 2) Rising Companies

Start-ups and their shareholders

A minimum of 6 months and a maximum of 5 years must have elapsed since the foundation date of companies that apply for membership in this category.

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 is 5 million TL in the one of the two last year's annual or quarterly financial statements
- 2) At least 2 years must have elapsed since the founding of the company



3.7.1.2 Investors

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

1) Both natural and legal persons may apply for membership with qualified investor status.

The requirements to open a qualified investor account through a brokerage company or bank are as follows:

- a) Intermediary institutions, banks, portfolio management companies, collective investment companies, pension funds, insurance companies, mortgage financing companies, asset management companies or equivalent organizations headquartered abroad may be a qualified investor as a professional client.
- b) Legal persons other than those cited above, in order to be eligible for applying to be a qualified investor, must fulfill either of these features: “the total amount of financial assets including cash deposits and capital markets instruments exceeds 1,000,000” TL or “carry at least two of these features: total assets exceeding 50,000,000 TL, annual net proceeds of 90,000,000 TL, equity capital of 5,000,000 TL”.
- c) A natural person, in order to be eligible for applying to be a qualified investor, must meet the following criterion: “the total amount of financial assets including cash deposits and capital markets instruments must exceed 1,000,000 TL”.

2) A natural person holding a Business Angel Certificate issued by the Undersecretariat of Treasury, may apply for membership.

Also residents outside Turkey can become a member provided that they hold a qualified investor or a business angel investor status in the jurisdiction of their residencies.

3.7.1.3 Brokers

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

3.7.1.4 Service Providers

Extra services including 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.

3.7.2 Private Market Step by Step

- 1) Search: Upon approval of the submission of member application form, applicants can sign in as a member. They can find the counter party they are interested in from the suggestion list or search engine. In order to contact the counter party directly, they can send an “indication of interest”.
- 2) Match: Upon acceptance of the indication of the interest by the counter party, both parties are accredited to get access to more detailed information about each other. They can start using the secure “data and deal room” for due diligence, document management and negotiations.
- 3) Agree: Upon agreement of both parties on the terms and conditions, they submit an electronic “notification of agreement”.

Private Market, which brings together entrepreneurs with investors for the purpose of forming partnerships, was awarded the “Most Innovative Initiative of the Year” within the framework of the ‘3rd Turkey Innovation Week’, held by Turkish Exporters Assembly (TİM) with the support of the Turkish Ministry of Economy. The prize was presented by Turkish Prime Minister H.E. Prof. Ahmet Davutoğlu to the Chairman & CEO of Borsa Istanbul at the time, Dr. İbrahim M. Turhan.

3.8. Exchange Fees

Commission rates and other client costs members receive a commission from customers called a “brokerage fee” for every transaction. The fee is negotiable between the member and the client depending upon the amount and frequency of trading.

Schedule Of Exchange, Settlement And Other Fees

PRICE SCHEDULE OF TRANSACTION AND OTHER FEES FOR EQUITY MARKET and EMERGING COMPANIES MARKET (*)	
Equity Market and Emerging Companies Market Transactions	Current Rates
	Rate (Bps-basis points over the traded value) or Fee
A) Transactions Carried Out On The Equity And Emerging Companies Markets (Except Transactions In Warrants And Certificates)	0.20
B) Transactions Excluding BIST And Foreign Index Warrants/Certificates	0.30
C) Transactions In BIST And Foreign Index Warrants/Certificates	0.40
D) Transactions Carried Out By Market Makers	
1) Equities and ETFs	
a) Transactions within the Quote	0.10
• Transactions of a market maker whose number of registered securities in the Equity and Emerging Companies is 1 or more than 1 are subject to a discount rate of 50%	
b) Transactions Outside the Quote	0.20
2) Warrants and Certificates	
a) Transactions within the Quote	
• Warrants and Certificates other than Index Warrants and Certificates (discount rate 50%)	0.15
• BIST and Foreign Index Warrants/Certificates (discount rate 50%)	0.20
b) Transactions Outside the Quote	
• Warrants and Certificates other than Index Warrants and Certificates	0.30
• BIST and Foreign Index Warrants/Certificates	0.40

E) Fixed Fee Per Contract Charged To Both Sides	0.01 TL	Removed
F) Primary Market (Continuous Auction, Fixed and Variable Price Methods)	0.15	0.20
G) Wholesale Market Transactions		
1) Wholesale Transactions conducted by the Republic of Turkey, Prime Ministry, Privatization Administration	0.00	0.00
2) Wholesale transactions settled out of Takasbank	0.15	0.20
3) Wholesale transactions settled via Takasbank	0.15	0.20
H) Odd Lot Trades	0.15	0.15
I) Registration Fee For Off-Exchange Option/Warrant/Certificate Transactions	0.00	0.00
J) Notification of Equities Which Are Collected By Takeover Bid	0.00	0.00

Note: Previously, BIST members were not allowed any rebates on transaction fees. Effective as of July 1, 2014, BIST will start to offer volume- based discounts for its members within the framework of the new price list. Accordingly, following a quarterly assesment, a discount rate of 10% on transaction fees for the upcoming quarter is to be applied for the BIST members whose trade volume exceeds 5% of the total traded volume executed on the Equity and the Emerging Companies Markets and whose traded value exceeds TRY 20 billion (excluding wholesale and primary market transactions). Transaction fee amount subject to discount will be calculated by aggregating transactions including special orders while excluding wholesale and primary market transactions. The amount to be discounted will be calculated over the aggregate transaction fees for the current quarter and will be accrued in the last month of the following quarter. Discounts will be evaluated quarterly on a regular basis (January-March, April-June, July-September, October-December).

(*) The main exchange fee ratios have been approved by the Board's 9th meeting on April 3, 2015 in accordance with the statement no 32992422.299-533- 3610 dated April 3, 2015 which has been sent to Borsa İstanbul A.Ş. by Capital Markets Board of Turkey (CMB) and other fees have been approved by the Board's 11th meeting on April 10, 2014 in accordance with the statement no 32992422-850-5071 dated May 16, 2014 which has been sent to Borsa İstanbul A.Ş. by CMB.

Other Fees

K) ERRONEOUS ORDER CORRECTION REQUEST FEES AND DISCIPLINARY PROCEEDINGS

Ratio of Number of Erroneous Order Correction Requests in Total Number of Orders	Fixed Fee (Per Erroneous Order Correction Request)	Volume Based Fee (Over the Traded Value, bps)	Disciplinary Proceedings
Up to 1% (excluding 1%)	TRY 2	0.2	No
Between 1% and 5% (excluding 5%)	TRY 4	0.4	No
Between 5% and 10% (excluding 10%)	TRY 6	0.6	No
10% and over	TRY 8	0.8	Yes

Notes:

- “Ratio of Number of Erroneous Order Correction Requests” is calculated by dividing the number of erroneous order correction requests by the total number of orders submitted by a BIST member to the Trading System for the Equity and Emerging Companies Markets on a monthly basis.
- A single fixed fee will be charged for correction requests of erroneous orders which have not been executed yet.
- For the orders partly executed; a fixed fee and a volume based fee over the executed quantity will be charged.
- For the orders executed as a whole, a fixed fee and a volume based fee over the executed quantity will be charged.
- Following determination of the ratio of aggregate erroneous order correction requests in total number of orders for a month, the member will be charged a fixed fee together with a volume based fee according to the intervals set out in the table.
- For commencing disciplinary proceedings, the threshold ratio and pricing structure outlined in the table above will be applied for the erroneous order correction notifications for the Equity and the Emerging Companies Markets.
- No settlement fee will be applied for erroneous order correction notifications.

L) SCHEDULE OF ORDER CANCELLATION, PRICE WORSENING AND VOLUME REDUCTION

Order/Market/ Session Types	Cancellation of Orders/Volume Reduction/ Price Worsening (bps)	Cancellation of Orders / Volume Reduction/ Price Worsening at Current Price Level		
		0-5 seconds (bps)	6-10 seconds (bps)	11 th second and after (bps)
Limit Order at Continuous Auction	0.1	0.5	0.3	0.2
Immediate or Cancel Orders Special Limit Price Orders Special Limit Value Orders (At All Markets)	0	0	0	0
Special Orders (At All Markets)	0.1	0.1	0.1	0.1
Primary Market (Fixed Price or Variable Price Methods)	0.1	0.1	0.1	0.1
Primary Market (Continuous Auction)	0.1	0.5	0.3	0.2

Transactions Carried Out In Single Price, Opening and Closing Sessions	0.1	0.1	0.1	0.1
Transactions at Closing/Single Price	0.1	0.5	0.3	0.2
Warrants and Certificates Market (All types of orders)	0	0	0	0
All Market Maker Quotes	0	0	0	0

Notes:

- All cancellations, price worsening and volume reductions are subject to an exchange fee of 0.1 bps over the total/reduced amount for normal orders.
- Fees for cancellation/volume reduction and price worsening for the orders at the best bid and ask price level are charged in accordance with the following structure:
 - If realized up to 5 seconds following the transmission to the trading system (including 5th second), the fee will be 0.5 bps.
 - If realized between 6 to 10 seconds following the transmission to the trading system (including 10th second), the fee will be 0.3 bps.
 - If realized after 11 seconds following the transmission to the trading system, the fee will be 0.2 bps.
- Order cancellations, price worsening and volume reductions for warrants and certificates are not subject to any fee.
- Specific pricing structure applied for the cancellations, price worsening and volume reductions for the orders at the best bid ask price level are not valid for the executions carried out in opening and closing sessions. This exemption is valid for fixed and variable sales methods applied in primary market transactions. Special orders are also exempt from fees applied for orders at the best bid and ask price levels. A flat rate of fee of 0.1 bps will be applied for primary market transactions via fixed and variable sales methods, special order transactions and transactions in opening and closing sessions.
- For cancellations, price worsening and volume reductions, transactions at closing/single price will be subject to a pricing structure designed in accordance with the best bid and ask price levels while transactions carried out in the opening and closing sessions are subject to a flat rate of fixed fee.





Debt Securities Market	Exchange Fee (per TL 10,000 trade value)
Outright purchases and sales market	
Outright purchases and sales	0.1
Outright purchases and sales with same day beginning value date between 14:00-17:00	0.2
Primary dealer purchases and sales	0.075
Repo / Reverse Repo Market	
Interbank Repo / Reverse Repo Market	
Repo Market for Specified Securities	
Equity Repo Market	
Repo/Reverse Repo Transactions	0.05 * repo duration
For the same day value date repo/reverse repo transactions on Equity Repo Market between 14:15-17:00, for the repo/reverse repo transactions on other markets between 14:00-17:00	0.1 * repo duration
Offerings Market for Qualified Investors	0.1

Derivatives Market

For index futures and index option contracts an exchange fee of 0.004% (four hundred-thousandths) is charged. For futures contracts the exchange fee is calculated based on the traded value (the product of price, contract size and number of trades) and for options the exchange fee is calculated based on premium value (the product of premium, contract size and number of trades).

For futures and option contracts other than index contracts, the exchange fee is charged as 0.003% (three hundred-thousandths) of the traded value of futures and 0.003% (three hundred-thousandths) of premium value of options.



Exchange Fees-Precious Metals and Diamonds Market

1 kg - 100 kg	1001 kg -1000 kg	1001 kg and over
0.00015	0.000125	0.0001
Trading (session) Commission		
1kg - 100 kg	101 kg - 1000 kg	1001 kg and over
0.00015	0.000125	0.0001
Buyer and seller are the same for gold		
1 kg - 100 kg	101 kg -1000 kg	1001 kg and over
One per ten thousand 6	One per ten thousand 5	One per ten thousand 4
Trading (session) Commission (Silver, Platinum and Palladium)		0.00015
Buyer and seller are the same for silver, platinum and palladium		One per ten thousand 3
Custody (Withdrawal) Commission (Standard Gold)		0.0002
Custody (Withdrawal) Commission (Non Standart Metals)		One per ten thousand 0.75
Custody (Withdrawal) Commission (All other standard precious metals and ore)		0.0003
Safe storage of precious metals commission (Not charged for first fifteen days)		One per ten thousand 1 (monthly)
Non Standart precious metals transaction		0.00005
Domestic Precious Metals Production Transaction Commission		One per ten thousand 1.5
Self to self Non-Standard Transaction Commission		0.00005
Self to self Domestic Precious Metals Transaction Commission Ore		One per ten thousand 6
Lending transaction commission		0.0001
Kimberley process certification scheme rough diamond registration commission		per thousand 3
Custody Commission for third person and company		0.0004
On Account Blocked Trading Commission		One per ten thousand 1 (monthly)
Investment Associations / Investment fund custody Commission .		0.0001
Conversion Transactions Commission 0.25 cent per kg		
Diamond and Precious Stones Transaction Commission 0.0125		
Without transaction Customer Transactions 0.0002		

3.9. Data Dissemination

Market depth data, basic data, reference data and corporate action data are disseminated by data vendors, authorized by Borsa İstanbul, on a real time, delayed and end-of-day basis via data dissemination terminals, internet, TV-Teletext, TV tickers, WAP channels and other transmission means including a Point of Presence (PoP) located in London. In line with technological developments, transmission was improved and diversified and more investors are given the opportunity to access data disseminated along these pathways. Market depth data dissemination enables investors to access various data on Borsa İstanbul markets simultaneously and in a transparent environment.

Market depth data type of dissemination is only available through authorized data vendors' applications. More than 150,000 subscribers accessing to Borsa İstanbul's market depth data through the closed distribution environments of the authorized data vendors. The list of the data vendors is available on Borsa İstanbul English website on <http://borsaistanbul.com/en/data/data-dissemination/data-vendors-directory>

In addition to the corporate actions and market data of Borsa İstanbul, as part of its vision to become a regional data center, Borsa İstanbul started to disseminate the Sarajevo Stock Exchange's (SASE) data on January 1, 2014 based on the contract signed with the SASE data in and out of Turkey. All market data of Sarajevo Stock Exchange is offered to investors on a real time basis. Currently, there are other exchanges in the pipeline waiting to benefit from the distribution channels of Borsa İstanbul. The PoP location of Borsa İstanbul would also be used to distribute these exchanges' market data to the end-users located in various parts of the world.

3.10 Borsa İstanbul CoLocation Service

Borsa İstanbul CoLocation service enables its clients to place their equipments at Borsa İstanbul Data Center (DC) in which the exchange's market systems are also located. Thereby clients have the opportunity to access the market systems in a faster and more reliable manner. With its CoLocation service Borsa İstanbul aims to reach

variety of market participants including Members, HFT/Algorithmic trading firms, service providers that are seeking the highest possible access speed. Colocation service provides the fastest access to exchange's systems. Under normal conditions, estimated round-trip latency (software and network) provided by CoLocation Service is under 1 millisecond for Equity Market and under 1.2 millisecond for Derivatives Market.

Besides low latency, with its state of art Data Center, Borsa İstanbul offers the most secure and advanced solution to its customers. All components (connections, energy, cooling systems) are provided redundantly. Upon demand, on-site support is granted by experienced Borsa İstanbul personnel. Borsa İstanbul secure the fairness between its colocation customers by providing same cabling length from each cabinet to the trading system. Highly advanced technology used in Borsa İstanbul CoLocation Service enables appropriate infrastructure for HFT/Algorithmic trading.

3.11. Risk Management

As the Articles of Association of Borsa İstanbul became effective on April 3, 2013, Borsa İstanbul became a joint stock company, subject to the corporate governance principles envisaged by the Turkish Commercial Code and the Capital Markets Board of Turkey. Accordingly, in line with Borsa İstanbul A.Ş. Early Risk Assessment Committee Responsibilities and Working Principles Directive, prepared as required by article 378 of the Turkish Commercial Code and Capital Markets Board of Turkey's Corporate Governance principles, and which went in force upon being accepted in the Board's meeting dated June 19, 2013, an Early Risk Assessment Committee was established.

The Committee consists of two members elected from among the Board members and one executive vice president. Since its establishment, the Committee has convened regularly once every two months, discussing studies on risk. The Committee studied on the activities that Borsa İstanbul units must realize in order to diminish to acceptable levels the risks that may significantly influence Borsa İstanbul's activities. The Committee also discussed the methods, best practices and standards for defining, classifying, evaluating and managing the risks that may arise.

The main issues regarding Borsa İstanbul's activities on early risk assessment are as follows. As required by international internal audit standards, Borsa İstanbul applies risk-focused internal audit approach. Accordingly, within the framework of the internal audit programs prepared annually, process-focused audit activities are realized, and as a result of the audit necessary preventive corrective actions were taken. Processes aimed at taking operational risks under control were activated and control mechanisms were developed.

In order to ensure the continuity of services, business continuity polices are determined and plans are made accordingly. Within this scope, in order to test the continued service capability of the systems and to be ready for possible cases of emergency, practices for emergency cases are being realized regularly. Based on the tested scenario, in addition to the relevant units, sometimes members are also required participate in these practices. Within the framework of disaster recovery activities, efforts aimed at creating a temporary disaster recovery center, defining the "Disaster Recovery Implementation Principles", and establishing a Disaster Recovery Management Group and Emergency Action Group in accordance with such Principles are in progress.

Borsa İstanbul manages its revenues and current financial assets, taking precautionary measures against the risks that may influence their value, and balancing the assets and liabilities sensitive to such risks. Through active asset management, a sufficient amount of cash and similar resources are kept ready to ensure that Borsa İstanbul's current and possible liabilities are fulfilled.

Borsa İstanbul also has a comprehensive insurance policy against the risks Takasbank and Merkezi Kayıt Kuruluşu may face, and which may arise from actions such as breach of trust, information technology crimes, and fraud. Furthermore, important assets of Borsa İstanbul, damaging of which may lead to substantial loss are covered by the insurance policy.

Borsa İstanbul Markets Trading Hours

Main Markets	Markets	Trading Hours	Settlement
Equity Market and Emerging Companies Market	National Market Collective Products Market • Exchange Traded Funds Market • Warrants / Certificates Market Second National Market Free Trade Platform	<p>First Session 09:15 - 12:30 Opening Session 09:15 - 09:35 Call Phase (order collection) 09:15 - 09:30 Price Determination Phase 09:30 - 09:35 First Quotation (Market Maker) 09:30 - 09:34 First Quotation (System) 09:34 - 09:35</p> <p>Continuous Auction - Main Trading (including trading via Market Making) 09:35 - 12:30</p> <p>Single Price Auction 09:35 - 12:30 Call Phase (order collection) 09:35 - 12:30 Price Determination Phase 12:30 (+)</p>	T+2
	National Market Collective Products Market • Exchange Traded Funds Market • Warrants / Certificates Market Second National Market Watch List Companies Market Free Trade Platform	<p>Second Session 14:00 - 17:40 Opening Session 14:00 - 14:15 Call Phase (order collection) 14:00 - 14:10 Price Determination Phase 14:10 - 14:15 First Quotation (Market Maker) 14:10 - 14:14 Automatic First (System) 14:14 - 14:15</p> <p>Continuous Auction - Main Trading (including trading via Market Making) 14:15 - 17:30</p> <p>Single Price Auction 14:15 - 17:33 Call Phase (order collection) 14:15 - 17:30 Price Determination Phase 17:30 - 17:33 Closing Session 17:30 - 17:40 Order Transfers (No order entries) 17:30 - 17:33 Call Phase (order collection) 17:33 - 17:36 Closing Price Determination Phase 17:36 - 17:38 Traders at Closing Price / Single Price 17:38 - 17:40</p>	
	Primary Market Official Auction Transactions Wholesale Market	10:30 - 12:00	
	Rights Coupon Market	Relevant Market's Trading Hours Rights coupons are not traded in the opening and closing auctions.	

Main Markets	Markets	Trading Hours	Settlement
Debt Securities Market	Outright Purchases and Sales Market	Same day value date: 09:15 - 12:00 / 13:00 - 14:00 Other value dates: 09:15 - 12:00 / 13:00 - 17:00	Value date ¹
	Offerings Market for Qualified Investors	09:15 - 12:00 / 13:00 - 14:00	
	• Repo / Reverse Repo Market • Interbank Repo / Reverse Repo Market • Repo Market for Specified Securities	Same day “beginning value date” 09:15 - 12:00 / 13:00 - 14:00 Other beginning value dates 09:15 - 12:00 / 13:00 - 17:00	
	Equity Repo Market	Same day “beginning value date” 09:35 - 12:00 Other beginning value dates 09:35 - 12:00 / 14:15 - 17:00	
	International Bonds Market and Eurobond Negotiated Deal Platform	09:15 - 12:00 / 13:00 - 17:00	T+1,...., T+152
Derivatives Market (VIOP)	Equity Futures and Options	09:10-17:40 (No trading 12:30-13:55)	Physical Settlement, T+3
	Index Futures and Options	09:10-17:45 (No trading 12:30-13:55)	European, Physical Settlement, T+3
	Other	09:10-17:45 (None)	European, Cash Settlement, T+1
Precious Metals and Diamond Market	Precious Metals Market	Session : 16:00 - 16:00 (next work day, 24 hours continuous trading) There is a continuous session including weekends and other holidays.	
	Precious Metals Lending Market	Session : 09:45 - 17:30	
	Diamond and Precious Stones Market	Session: 09:30-16:30	

¹ Value date of outright purchases and sales transactions vary between 0-90 days for government debt securities, 0-30 days for corporate debt securities, while the beginning value date vary between 0-7 days for repo/reverse repo transactions carried out on debt securities .and 0-2 business days for for repo/reverse repo transactions carried out on equities.

² Value date for outright purchases and sales transactions of International Bonds Market and Eurobond Negotiated Deal Platform vary between 1(business)-15 (calendar) days. The time zone of Turkey is GMT+2 (GMT +3 from late March to late October).





4 Indices

4.1. Borsa İstanbul Equity Indices

Borsa İstanbul equity indices are introduced in order to calculate price and return performances of all shares as well as on the basis of relative markets and sectors. Until the end of 1996, Borsa İstanbul used to compute only BIST 100, Financials and Industrials price indices. As of 1997, Borsa İstanbul began to calculate sector and sub-sector indices on the basis of prices and total return.

Borsa İstanbul price indices are computed and published throughout the trading session while the return indices are calculated and published at the close of the session only. BIST 100 Index is used as the main indicator of the National Market.

Borsa İstanbul equity indices are composed of stocks in lists A and B. Stocks traded on the Free Trade Platform and the Watchlist Companies Market are not included in any of BIST Stock Indices. Stocks included in lists C and D and traded on the Emerging Companies Market are not included in any of BIST Stock Indices except BIST SME Industrial index.

BIST 100 Index is composed of 100 companies selected amongst the companies traded on National Market and REITs and Venture Capital Investment Trusts traded on Collective Products Market, in accordance with the predetermined criteria set by Borsa İstanbul. BIST 100 Index automatically covers BIST 50 and BIST 30 Index constituents. BIST 100 Index is also calculated with volume weighted average prices and 10% capping.

BIST 50 Index is composed of 50 companies selected amongst the companies traded on National Market and REITs and Venture Capital Investment Trusts traded on Collective Products Market, in accordance with the predetermined criteria set by Borsa İstanbul. BIST 50 Index automatically covers BIST 30 Index constituent companies.

BIST 30 Index is composed of 30 companies selected amongst the companies traded on National Market and REITs and Venture Capital Investment Trusts traded on Collective Products Market, in accordance with the predetermined criteria set by Borsa İstanbul. BIST 30 Index has versions with volume weighted average prices and 10% capping.

BIST 10 Banks Index is composed of 10 banks traded on National Market with the predetermined criteria set by Borsa İstanbul.

BIST 100-30 Index is composed of BIST 100 index constituent companies except the constituents of the BIST 30 index (the index is calculated for 70 companies).

BIST Dividend Index is composed of stocks of the companies traded on National Market, Second National Market and REITs and Venture Capital Investment Trusts traded on Collective Products Market and having distributed cash dividends in each of their 3 previous financial years.

BIST Dividend 25 Index is composed of 25 stocks included in BIST Dividend Index that are placed in the first 2/3 slice in the ranking in descending according to dividend yield as of the review day and have the highest free float market value.

BIST Corporate Governance Index is composed to measure the price and return performances of the companies traded on Borsa İstanbul markets (excluding the Watch List Companies Market) that have the minimum required corporate governance rating grades determined according to the “Corporate Governance Principles” issued by the Capital Markets Board.

BIST IPO Index is designed to track the performance of IPOs. It is composed of stocks of the companies that have been offered to the public and started to be traded on National Market, Second National Market, REITs and Venture Capital Investment Trusts traded on the Collective Products Market.

BIST All Index is composed of all companies traded on all Borsa İstanbul markets except Investment Trusts.

BIST All-100 Index is composed of BIST All Index constituent companies except the constituents of BIST 100 index.

BIST National Index is composed of companies traded on the National Market.

Sector and Sub-sector Indices

BIST Industrials

- BIST Food, Beverage
- BIST Textile, Leather
- BIST Wood, Paper, Printing
- BIST Chemical, Petrol, Plastic
- BIST Non-Metal Mineral Product
- BIST Basic Metal
- BIST Metal Products, Machinery
- BIST Mining

BIST Services

- BIST Electricity
- BIST Transportation
- BIST Tourism
- BIST Wholesale and Retail Trade
- BIST Telecommunication
- BIST Sports
- BIST Construction

BIST Financials

- BIST Banks
- BIST Insurance
- BIST Leasing, Factoring
- BIST Holding and Investment
- BIST Real Estate Investment Trusts
- BIST Brokerage Houses

BIST Technology

- BIST Information Technology



BIST Investment Trusts Index is composed of Investment Trust stocks traded on Borsa İstanbul markets.

BIST Second National Index is composed of companies traded on the Second National Market.

BIST City Indices are composed to measure the price and return performances of the companies traded on Borsa İstanbul markets categorized by the city where the main production/service premises or the registered office is located. Companies that operate in the financial sector with the exception of holdings and companies that operate in the retail sector are not included.

BIST SME Industrial Index includes stocks of the companies traded on National Market, Second National Market and Emerging Companies Market and satisfying the annual net sales or size of the assets in balance sheet criteria determined in Ministry of Science, Industry and Technology's related regulations

BIST Sustainability Index is composed of companies selected among the constituents of BIST 30 according to the criteria provided by EIRIS (detailed information is in the booklet).

Starting from January 1997, Borsa İstanbul dropped two zeros from its indices (i.e. BIST 100, Financials and Industrials) for simplification. With the implementation, BIST 100 index value prior to and including December 27, 1996 was divided by 100 to have a January 1986 base value of 1 (one) instead of the previous 100. Former values of BIST Financials and Industrial Indices were also divided by 100 to have base values of December 31, 1990 = 32.56 instead of 3,255.75.

Apart from the Indices above, Borsa İstanbul provides index calculation and distribution services. Bizim Securities Inc. Participation 30, Participation 50 and Model Portfolio indices (the first one is launched on January 6, 2011 and the last two on July 9, 2014) are such examples.

The Equity Indices of Borsa İstanbul

CODE	INDEX	BASE VALUE (*)
XU100	BIST 100	January 1986 = 1
X100S	BIST 100 CAPPED	02.12.2013=75,748.27
XA100	BIST 100 WAP	01.07.2013=76,294.51
XU050	BIST 50	28.12.1999 = 15,208.78
XU030	BIST 30	27.12.1996 = 976
XO30S	BIST 30 CAPPED	02.12.2013=92,364.08
XA030	BIST 30 WAP	01.07.2013=92,705.75
XUSRD	BIST SUSTAINABILITY	03.11.2014 = 98,020.09
XBN10	BIST 10 BANKS	31.12.2009 = 119,536.52
XYUZO	BIST 100-30	31.12.2008 = 26,864.07
XTM25	BIST DIVIDEND 25	30.06.2011 = 63,269.40
XTMTU	BIST DIVIDEND	30.06.2011 = 63,269.40
XKURY	BIST CORPORATE GOVERNANCE	29.08.2007 = 48,082.17
XHARZ	BIST IPO	26.04.2010 = 59,043.16
XUTUM	BIST ALL SHARES	27.12.1996 = 976
XTUMY	ALL SHARES-100	31.12.2008 = 26,864.07
XULUS	BIST NATIONAL	31.12.2010 = 65,912.91
XKOBI	BIST SME INDUSTRIAL	02.12.2013=69,229.43

XUSIN	BIST INDUSTRIALS	31.12.1990 = 32.56
XGIDA	BIST FOOD, BEVERAGE	27.12.1996 = 1,046
XTEKS	BIST TEXTILE, LEATHER	27.12.1996 = 1,046
XKAGT	BIST WOOD, PAPER, PRINTING	27.12.1996 = 1,046
XKMYA	BIST CHEM.,PETROL.,PLASTIC	27.12.1996 = 1,046
XTAST	BIST NON-METAL MIN. PRODUCT	27.12.1996 = 1,046
XMANA	BIST BASIC METAL	27.12.1996 = 1,046
XMESY	BIST METAL PRODUCTS, MACH.	27.12.1996 = 1,046
XMADN	BIST MINING	01.02.2013 = 66,030.18
XUHIZ	BIST SERVICES	27.12.1996 = 1,046
XELKT	BIST ELECTRICITY	27.12.1996 = 1,046
XULAS	BIST TRANSPORTATION	27.12.1996 = 1,046
XTRZM	BIST TOURISM	27.12.1996 = 1,046
XTCRT	BIST W. AND RETAIL TRADE	27.12.1996 = 1,046
XILTM	BIST TELECOMMUNICATION	24.07.2000 = 13,719.88
XSPOR	BIST SPORTS	31.03.2004 = 20,190.83
XINSA	BIST CONSTRUCTION	01.02.2013 = 50,281.98
XUMAL	BIST FINANCIALS	31.12.1990 = 32.56
XBANK	BIST BANKS	27.12.1996 = 914
XSGRT	BIST INSURANCE	27.12.1996 = 914
XFINK	BIST LEASING, FACTORING	27.12.1996 = 914
XHOLD	BIST HOLD. AND INVESTMENT	27.12.1996 = 914
XGMYO	BIST REAL EST. INV. TRUSTS	28.12.1999 = 21,180.77
XARKU	BIST BROKERAGE HOUSES	01.02.2013 = 117,715.15
XUTEK	BIST TECHNOLOGY	30.06.2000 = 14,466.12
XBLSM	BIST INF. TECHNOLOGY	30.06.2000 = 14,466.12
XYORT	BIST INVESTMENT TRUSTS	27.12.1996 = 976
XIKIU	BIST SECOND NATIONAL	27.12.1996 = 976
XSADA	BIST ADANA	31.12.2008 = 26,864.07
XSANK	BIST ANKARA	31.12.2008 = 26,864.07
XSANT	BIST ANTALYA	31.12.2008 = 26,864.07

XSBAL	BIST BALIKESIR	12.05.2011 = 66,535.13
XSBUR	BIST BURSA	31.12.2008 = 26,864.07
XSDNZ	BIST DENIZLI	05.07.2012 = 61,972.14
XSIST	BIST ISTANBUL	31.12.2008 = 26,864.07
XSIZM	BIST IZMIR	31.12.2008 = 26,864.07
XSKAY	BIST KAYSERI	31.12.2008 = 26,864.07
XSKOC	BIST KOCAELI	31.12.2008 = 26,864.07
XSKON	BIST KONYA	04.12.2012 = 75,552.65
XSTKR	BIST TEKIRDAG	31.12.2008 = 26,864.07

(*)= Date Format is DD/MM/YYYY Borsa İstanbul also computes and maintains all indices on US dollar and Euro basis.

4.1.1. Methodology Used in Calculation of Equity Indices

Borsa İstanbul indices are weighted by free float market capitalization. Free float ratio has been defined by the Capital Markets Board (CMB) for the stocks traded on Borsa İstanbul equity markets, and is calculated and announced by Central Securities Depository (MKK).

Borsa İstanbul's free float capitalization-weighted indices are calculated as follows:

$$\text{BIST Index}_t = \frac{\sum_{i=1}^n P_{it} \times N_{it} \times \text{FW}_{it} \times K_{it}}{D_t}$$

K_{it} : Weighting factor of stock 'i' at period 't'

P_{it} : The closing price of the stock 'i' at period 't'

N_{it} : The total number of shares outstanding of the stock 'i' at period 't' (Paid-in capital)

FW_{it} : Free float ratio of the stock 'i' at period 't'

D_t : The value of divisor at period 't'

n: Total number of stocks included in the index.

4.1.2. Maintenance and Continuity of Equity Indices

Continuity of the indices are maintained by adjusting their divisors when required in case of corporate actions.



The formula for adjusting the divisor is as follows:

$$\text{New Divisor} = \text{Current Divisor} \times \frac{\text{New Market Value}}{\text{Current Market Value}}$$

4.1.2.1. Selection Criteria for BIST 30, BIST 50, BIST 100 and BIST 10 Bank Indices

The stocks to be included in Borsa İstanbul indices are determined following the evaluation of market data on a quarterly basis.

The composition of BIST 30, BIST 50, and BIST 100 indices are comprised of the stocks of companies traded on the National Market and the stocks of the REITs and Venture Capital Investment Trusts traded on the Collective Products Market, whereas the composition of BIST 10 Bank Index is comprised of the stocks of the banks traded on the National Market.

The constituent companies of BIST 30, BIST 50, BIST 100 and BIST 10 Bank indices must fulfill the following prerequisites:

- a) The stocks of the companies traded on National Market and REIT and Venture Capital Investment Trust companies traded on Collective Products Market should have been traded on Borsa İstanbul for at least 60 days in order to be included in BIST 30, BIST 50, BIST 100, and BIST 10 Bank indices. If the stocks are included in the indices within the review period because of a market value (of the publicly offered portion) higher than TL 1 billion or 1% of free float market value of the National Market, the 60 days trading requirement does not apply.
- b) For companies having more than one group of stocks (e.g. group A, group B, group C etc.) trading only one group is included.

Selection of the stocks that will constitute BIST 30, BIST 50, BIST 100 and BIST 10 Bank indices are made as explained below.

- i) Stocks are ranked in descending order both according to the free float market values as of the end of the review period and according to the daily average traded value in the review period. (In the calculation of the daily average traded value, only the number of days on which the stocks have been traded and the **board lot trades with feature codes “E” are taken into account.**
- ii) After making two separate lists according to two criteria mentioned above, a final ranking is made as explained below:

If there is any stock which is in the first place in both lists, it is assigned to the first place in the final list. If there is no stock which is in the first place in both lists, it is examined whether there is any stock which is in the first two places. These steps are repeated until a stock which will be assigned to the first place in the final list is found. After finding the stock to be assigned to the first place in the final list, the above steps are repeated for the succeeding places. If there are two stocks which are eligible to be placed in the first “n” places in both lists, then the one with the higher market value is assigned to the upper rank in the final list.

iii) Selections for the indices are made starting with the stocks placed on top of the final list. The upper and lower ranks described in Periodic Review section below should also be taken into account in order for a stock which is not a constituent to be included in that index and in order for a constituent stock to be excluded from that index.



4.1.2.2. Selection Criteria for BIST Dividend Index

Companies that have a Net Profit on their annual financial statements prepared for the last 3 fiscal years in accordance with the CMB Legislation are included in the index if and to the extent the amount of dividend distributed to shareholders, which is calculated by subtracting from the amount of cash dividend paid to the shareholders in the succeeding fiscal year the amount of rights issue which is carried out in the same fiscal year by vesting preemptive rights to the shareholders (the total amount found by multiplying capital increase amount by the rights issue price), is positive.

When determining the dividends paid, the dividends that are distributed after the initial listing of the company on the Exchange are taken into account.

Companies which, as of the review day, reported loss in the 12-month period preceding the date of the last financial statement that was announced on the PDP are not included in the index.

4.1.2.3. Selection Criteria for BIST Dividend 25 Index

The stocks to be included in the index are selected among the companies included in BIST Dividend Index.

BIST Dividend Index constituent stocks are ranked in descending order in terms of their dividend yields. Top 2/3 of these companies are ranked again in terms of their free float market values and top 25 stocks with highest free float market values are selected.

If the number of stocks selected is less than 25, unqualified stocks with highest dividend yields are included in the index until the number of the stocks in the index reaches to 25.

For companies having more than one group of stocks (e.g. group A, group B, group C etc.) being traded only one group is included.

4.1.2.4. Selection Criteria for BIST Corporate Governance Index

In order for a company to be taken into BIST Corporate Governance Index, the minimum corporate governance rating, which is determined by the rating agencies authorized by the Capital Markets Board is seven out of ten, additionally the minimum rating is six and a half out of ten for each main section. The rating must be given upon the request of the company that is willing to be rated and must be renewed or confirmed annually. If ratings have been obtained from more than one rating institution, the last reported rating amongst the ratings will be taken into account. In the event that the rating agreement of any of these rating institutions is terminated for any reason, or the rating institution is excluded from the “List of Rating Institutions” by CMB, then the rating given by the other rating institution will be used.

Companies traded on Borsa İstanbul markets (excluding the Watch List Companies Market) are included in the index as of the next business day following the announcement of the rating of its stocks to PDP.

4.1.2.5. Selection Criteria for BIST IPO Index

The index is composed of stocks of the companies that are publicly offered. Companies are included in BIST IPO Index on the first trading day and they remain in the index for 2 years.

In case the number of the companies which are in the index falls below 5, the expired company remains in the index until a new company is included in the index. According to that exception, when a new company is included in the index, the companies which continue to remain in the index are excluded from the index respectively considering their waiting times.

4.1.2.6. Selection Criteria for City Indices

For the stocks of a company to be included in the city indices, the scope of the city indices should cover the activities of the company and there should be an index being calculated for the city in which the company is covered.

In production companies, the city where at least 50% of the production takes place is taken into account. In service companies (except communication, construction companies and holdings), the city where at least 50% of the operating income is derived is taken into account. If there is no city where at least 50% of the production or operating income is realized / derived, then the city where the registered office is located is taken into account. For communication companies, construction companies and holdings, the city where the registered office is located is taken into account.

Companies that operate in the financial sector with the exception of holdings and companies that operate in the retail sector are not included.

4.1.3. Periodic Review and Adjustments

The composition of BIST 30, BIST 50, BIST 100 and BIST 10 Bank indices are reviewed and adjusted on a quarterly basis for the periods January-March, April-June, July-September and October-December. The composition of BIST Dividend Index and BIST Dividend 25 Index are reviewed and adjusted on an annual basis for the period February-January. Finally, BIST SME Industrial Index is reviewed and adjusted also on an annual basis for the period June-May.

The review period of BIST 30, BIST 50, BIST 100 and BIST 10 Bank indices includes the past 6 months from the last trading days of November, February, May and August for traded value, and the last trading day of November, February, May and August for market value and free float data.

For the periodic review of BIST Dividend and Dividend 25 indices, market value and free float ratio data of the last trading day of December is taken into account. Finally, for the periodic review of BIST SME Industrial Index, the last annual financial statement available on the last trading day of April is considered.

Periodic adjustments are announced ten days before each quarter. The periodic adjustments to the constituent stocks of BIST 30, BIST 50, BIST 100 and BIST 10 Bank indices are fulfilled according to the following prerequisites:

a) At the end of the evaluation period, a non-constituent stock will be included if its final rank rises above the position stated below for the relevant index.

- BIST 30: Risen to 25th or above
- BIST 50: Risen to 45th or above
- BIST 100: Risen to 90th or above
- BIST 10 Bank: Risen to 8th or above

b) At the end of the evaluation period, a constituent stock will be excluded if its final rank falls below the position stated below for the relevant index.

- BIST 30: Fallen to 36th or below
- BIST 50: Fallen to 56th or below
- BIST 100: Fallen to 111th or below
- BIST 10 Bank: Fallen to 13th or below

c) In case the number of stocks included in the indices exceeds or falls below the number of stocks excluded from the indices, necessary adjustments are made.

Substitute List: Two stocks for BIST 30, three stocks for

BIST 50, five stocks for BIST 100, two stocks for BIST 10 Bank and five stocks for BIST Dividend 25 Index are selected as substitute stocks to use for any non-periodic changes stated below.

4.1.4. Non-periodic Changes

Under circumstances which require changes on constituent stocks of the indices based on the public disclosures of the companies, the company should have delivered the statement to the PDP until 16:30 (until 12:00 on half days) on the business day that precedes the realization date. Otherwise, the relevant change will be made so that it will be effective on the second business day that succeeds the delivery of the statement to PDP.

- Stocks whose trading are halted permanently, stocks whose trading are suspended for more than 5 consecutive trading days except those that are suspended due to additional public offering and stocks which are transferred to the Watch List Companies Market from their current markets are excluded from all the indices under which they are covered, to be effective on the date of halt, suspension or transfer. Stocks which are excluded from BIST 30, BIST 50, BIST 100, BIST 10 Bank and BIST Dividend 25 indices are replaced with substitute stocks.

In transitions between lists A, B, C and D, index actions suitable to the article 2.9 Excluded Stocks are executed in such a way that they are effective on the day when the transition is actualized. Stocks excluded from BIST 30, BIST 50, BIST 100, BIST 10 Bank ve BIST Dividend 25 indices are replaced with substitute ones.

- Stocks transferred to a market other than the Watch List Companies Market from their current markets are excluded from the former market index and included in the new market index, effective from the date the transfer takes place. Accordingly, stocks which are excluded from BIST 30, BIST 50, BIST 100, BIST 10 Bank and BIST Dividend 25 indices are replaced with substitute stocks.

- Stocks excluded from the indices because of the above mentioned reasons (suspension, transfer between markets or between lists) are not included in BIST 30, BIST 50, BIST 100, BIST 10 Bank and BIST Dividend 25 indices until the end of the index period in which the

stocks are excluded. If the suspended stocks re-start trading in the same index period of exclusion, they are included in all of the other relevant indices, effective on the re-start or re-transfer date.

- Stocks started to be traded for the first time are included in all relevant indices other than BIST 30, BIST 50, BIST 100, BIST 10 Bank, BIST Dividend and BIST Dividend 25 indices, as of the first date they start to trade.

- If the market value of the publicly-held portion of the stocks of a company or bank at the date of expiry of public offering is:

- higher than TL 1 billion or 1% of the total free float market value of the National Market; and

- higher than the lowest free float market values included in BIST 30 index;

then, effective from the 5th business day they have been traded, they are included in the index in place of the stocks with the lowest free float market value in BIST 30, BIST 50, and BIST 100 indices.

- If the market value of the publicly-held portion of the stocks of a bank at the date of expiry of public offering is:

- higher than TL 1 billion or 1% of the total free float market value of the National Market; and

- higher than the lowest free float market values included in BIST 10 Bank index;

then, effective from the 5th business day they have been traded, they are included in the index in place of the stocks with the lowest free float market value in BIST 10 Bank index.

- Companies who change their scope of activities in such a way to result in a change of sector are excluded from their former sector indices and included in new sector indices effective from the first business day of the week that succeeds the one in which the statement regarding the inception of new activities is published on the PDP.
- If a Company included in a BIST City Index remains outside the scope of the index because of a change in the scope of its activities or it changes the main location where its production / operation / administration takes place, the stocks of the company are excluded from the index and included in the scope of the index which corresponds to its new production / operation / administration premises, effective from the first business day of the week that succeeds the week in which the statement of change is published on the PDP.
- If a Company not included in any of BIST City Indices becomes eligible for inclusion in BIST City Indices due to a change in the scope of its activities, the stocks of the company are included in the scope of the corresponding city index, effective from the first business day of the week that succeeds the week in which the statement of the inception of the new operation is published on the PDP.
- If, with regards to the stocks covered by BIST Corporate Governance Index;
 - the new corporate governance rating disclosed in PDP is lower than the minimum rate required,
 - the termination of the rating agreement is disclosed in PDP for any reason,
 - the exclusion of the rating institution from the “List of Rating Institutions” authorized by the CMB is disclosed in PDP,
 - it is disclosed in PDP that the rating institution is no longer independent,
 - the renewal of the rating grade is not disclosed in PDP until the previous grade expires.

award of the rating,
-the renewal of the rating agreement is not disclosed in PDP until the expiration date of the previous agreement.

After the elimination of the above reasons, if a rating higher than the minimum rate required is disclosed to the PDP which is higher than the minimum rate required, the stocks are included in the index effective from the business day that succeeds the date of disclosure.

- In case two or more companies which are included in BIST 30, BIST 50, BIST 100, BIST 10 Bank or BIST Dividend 25 indices merge or acquire one another, the stocks of the resulting or surviving company, as the case may be, remain within the index and the vacancies which arise due to the merged / acquired company/companies are replaced by substitutes effective from the date of the distribution of the stocks issued as a result of the merger or acquisition.
- If a company whose stocks are included in BIST 30, BIST 50, BIST 100 or BIST 10 Bank indices acquires or is acquired by a company which is not included in the index, then the market in which the resulting company will be included is examined. If the resulting company is included in the National Market or Collective Products Market, it remains within the scope of the index. If it is not included in the National or Collective Products Market, it is excluded from the index and replaced with substitute stocks, effective from the date of the distribution of the stocks issued as a result of the acquisition.



- If a company whose stocks are included in the scope of BIST Corporate Governance Index acquires another company or companies, it remains in the scope of the index.
- If a company whose stocks are included in the scope of BIST Corporate Governance Index is acquired by another company which is not covered by the index, it is excluded from the index effective from the date of the distribution of the stocks issued as a result of the acquisition.
- In case of mergers and acquisitions of companies whose stocks are included in BIST City Indices, the condition of the new company after the merger or the acquiring company is reevaluated.
- If a company whose stocks are included in BIST 30, BIST 50, BIST 100 or BIST 10 Bank indices spins-off into two or more companies, then the company with the highest free float market value of amongst the resulting companies remains within the index until the end of the index period, whereas the others are excluded from the index effective from the date the spin-off takes place.
- If a company whose stocks are included in BIST Dividend and BIST Dividend 25 Indices acquires or is acquired by a company which is not included in the scope of the index, then the market in which the resulting company will be included is examined. If the resulting company is included in the National Market, Second National Market, or Collective Products Market, it remains within the scope of the index; if it is not included in the National Market, Second National Market, or Collective Products Market, it is excluded from the index, effective from the date the distribution of stocks to the shareholders of the acquired company is started. A substitute stock is included in BIST Dividend 25 Index in place of the excluded stock.

4.1.5. Equity Indices Expressed on US Dollar and Euro Basis

Since stock trading operations in stock exchanges worldwide are carried out in local currencies in which the securities are issued, comparative studies of indices among countries is possible on the basis of a common currency unit.

For the convenience of foreign investors, all Borsa Istanbul equity indices are also expressed and published both on US dollar basis and on Euro basis. In conversion, effective buying rates announced by the Central Bank of the Republic of Turkey are used.

$$\frac{\text{Current TL index value}}{\text{Current Exchange rate}} \times \text{Base Value of Index} = \frac{\text{TL index value at base date}}{\text{Exchange rate at base date} / 1.000.000}$$

The TL / US dollar exchange rate at base period (January 1986) is 581.91 and the base value of US dollar Index was 100.

*As of January 01, 2005, the Turkish lira in circulation was converted to New Turkish lira as TL 1,000,000 = YTL 1. Due to this conversion as “Current Exchange Rate” is shown with YTL value, “Exchange Rate at Base Date” should also be divided by 1,000,000.

As of January 01, 2009, Turkish Lira banknotes were also started to be circulated which have the same value with YTL and by now they are replaced New Turkish Lira banknotes. So all monetary expressions are made as “Turkish Lira” instead of “New Turkish Lira”

4.2. Borsa İstanbul Debt Securities Market Indices

Debt Securities Market Government Debt Securities indices are formulated in order to fulfill the requirements of members and investors as well as individuals and institutions eager to follow and analyze the changes in prices and yields of fixed-income securities, through simple and comprehensive indicators. In addition, the aim of introducing Borsa İstanbul Government Debt Securities Indices (GDS) is to provide the basis for comparison with other markets and a foundation for technical studies. GDS indices are divided into two main groups namely Price / Performance Indices and Portfolio Performance Indices.

4.2.1. Price / Performance Indices

The prices of the bonds and bills change due to two reasons: change in the market interest rate and price increase due to the decline in the number of days to maturity. While the GDS price indices measure the price change due to the variation in the interest rates, the performance indices measure the price change due to both the variation in the interest rates and the declining maturity. Therefore, the Performance Index is an indicator of yield gained by an investor within a certain period. Bonds and bills indices started to be calculated in 1996, when most of government securities had less than one year duration. Therefore Indicators reflecting price changes in debt securities with maturities of 30, 91, and 182 days were considered as useful and meaningful benchmarks until around 2000.

The average maturity of the securities issued by the Treasury has been increasing since 2000. As a result, new series of Price and Performance Indices began to be calculated on four new maturities: six months (182 days), nine months (273 days), 12 months (365 days) and 15 months (456 days) at the beginning of 2001. The base

date for these indices is January 2, 2001.

As of March 2004, considering that both series were serving the same objective, the calculation and disclosure of the old series were terminated while a maturity of three months (91 days) is added to the new series dating back to January 2001.

4.2.1.1. Calculation Methodology

Abbreviations used in the formula are as follows:
P_{v,b} market price of the bond/bill with “v” days to maturity at base date

$$IF_{v,i} = \frac{P_{v,t}}{P_{v,b}} \times 100$$

Performance Indices

$$IP_{v,t} = \frac{P_{v,t}}{P_{v,b}} \times IP_{v,b}$$

at the date of “t+i”

$$IP_{v,t+i} = \frac{P_{v-i,t+i}}{P_{v,b}} \times IP_{v,b} \text{ are calculated as index values.}$$

P_{v,t} market price of the bond/bill with “v” days to maturity at the date of “t”

P_{v-i,t+i} market price of the bond/bill with “v - i” days to maturity at the date of “t + i”

IF_{v,t} v-day price index at the date of “t”

IP_{v,t} v-day performance index at the date of “t”



4.2.2.1. Portfolio Performance Indices

These indices are total return indices and calculated using the prices of TL denominated discounted government securities which are traded in Borsa Istanbul Debt Securities Outright Purchases and Sales Market between 9:30-12:00/13:00-14:00. They are recalculated real time following any trade in these securities. When the indices are calculated, the government securities which were not traded in the previous day or have not traded yet in the current day, are not used in the index calculations. Thus, the number of securities used in the calculations can vary. The base value and date of indices are 100 and December 31, 2003 respectively.

These indices are divided into short term, long term and all maturity indices which represent relevant securities grouped by remaining days to maturity. They are further divided into two groups taking the weights of each security into consideration.

Equal weighted short-term index (EQ 180-)
Equal weighted long term index (EQ 180+)
Equal weighted composite index (EQ Composite)

Market value weighted short-term index (MV 180-)
Market value weighted long term index (MV 180+)
Market value weighted composite index (MV Composite)

The weights of securities used in the indices are determined and recalculated by and after below stated events and are kept constant during the trading day.

- a) Government securities sales auctions
- b) Non-competitive bid sales to primary dealers through sales auctions
- c) Additional option sales to primary dealers after the

sales auctions

- d) The sales of government securities via the CBRT with the predetermined prices (Tap issue)
- e) The exchange of previously issued securities with new securities through swap operations
- f) The purchases and sales of previously issued government securities by CBRT on behalf of Treasury in the second market
- g) Early redemption auctions

New issues are included in the index calculation in the second trading day after the sales auctions value date. Matured securities are excluded from the indices on the redemption days.

4.2.2.2. Calculation Methodology

The variables used in the index calculations are as below:

Pt: The last transaction price of the government securities

Pt-1: The closing price of the government securities in the previous day

Gt: The daily rate of return of the government securities $[(Ft/Ft-1)-1]$



N: Nominal issue amount of the government securities
 PD: The market value of the government securities = N x Ft-1/100,000
 Et-1: The closing value of the index in the previous transaction date
 Et: The final value of the index
 n: The number of securities used in the index calculations

T: The period of repo
 It-1: The previous trading day closing value of the index
 It: The final value of the index

$$I_t = I_{t-1} \times \left[1 + \frac{(R \times (1-S) \times T)}{365} \right]$$

$$E_t = E_{t-1} \times \left(1 + \frac{\sum_{i=1}^n (PD_{(i)} \times G_{t(i)})}{\sum_{i=1}^n PD_{(i)}} \right)$$

In the calculations for equal weighted indices, the market value will be equal to 1 (PD=1).

4.2.2.3. Repo Index

Repo index reflects the net average daily yield of overnight transactions. The rate in the index calculations is the traded value weighted, average rate of overnight (O/N) transactions on Borsa İstanbul Debt Securities Repo-Reverse Repo Market. The base date and value of the index is December 31, 2003 and 100 respectively. The modifications in the withholding tax, duty, fund etc. rates are taken into consideration in index calculation when they are effective but, earliest the next working day of the announcement.

4.2.2.4. Calculation Methodology for Repo Index

The variables used in the index calculation are listed below:

R: The traded value weighted, average interest rate of O/N transactions
 S: Withholding tax (including tax, duty, fund etc.)

4.2.3 Data Dissemination & Index Business Overview

The indices are calculated simultaneously and in real-time between 09:30-12:00/13:00-14:00 during the trading session. “The highest”, “the lowest” and “the last” values are displayed real time on Borsa İstanbul Debt Securities Market trading system user terminals, various data vendors and are published in Borsa İstanbul bulletins at the end of day.

Index Business in Borsa İstanbul contains 5 segments providing licenses to use BIST indices in collective investment instruments and to make new indices using BIST data.

1. Index Licensing: Borsa İstanbul grants a license to brokerage houses and investment banks to issue financial products such as, warrant, exchange traded fund, hedge fund, certificate, structured note, deposit, investment fund, over-the-counter derivatives and the other index based products on BIST indices.

2. Index Making: Borsa İstanbul grants a license to index makers and some investment banks to calculate indices using Borsa İstanbul real-time, delayed and EOD data

3. Customized Indices: Borsa İstanbul calculates indices for third parties. The methodology of the customized indices is defined by the customer.

4. Using BIST Indices as a Benchmark: Borsa İstanbul grants a license to hedge funds, retirement funds and the other collective investment instruments to use BIST indices as a benchmark.

5. Special Contracts: Borsa Istanbul cooperates with exchanges to calculate indices and to license such indices together for brokerage houses. (i.e. GT-30 Index and IBTX Indices)

4.3 Risk Control Indices

Risk Control Indices are ideal instruments for the investors who want to limit the volatility of their investment on an equity index and/or a market. Although index options and warrants may be good alternatives for hedging purposes, their costs may increase substantially during the high volatility periods. Since volatility of a Risk Control Index is predetermined and limited, costs of derivatives written on these indices would decrease accordingly.

With Risk Control Indices, investors have chance to invest in an index portfolio which includes repo and underlying index with one transaction.. Weights in the portfolio are adjusted daily according to realized volatility of the underlying index. Weights move toward repo index during the high volatility periods and move toward underlying index during the low volatility periods.

BIST Risk Control Indices are calculated for the target volatility levels of 10%, 15%, 20%, 25% and %30 for each underlying index. There are various options of target volatility level and investors can choose the underlying index and target volatility level according to their investment strategy and risk perception. All BIST Risk Control Indices are calculated in both total and excess return basis. While Excess Return Index series reflects the daily return of the underlying index proportional to its weight in the index portfolio, Total Return Index series reflects the return of the index portfolio which includes both underlying index and repo index.

To take advantage of potential return of the underlying index during the low volatility periods, maximum weight limit of 150% is applied for the underlying index.

Indices are calculated from the closing values of underlying index and repo index. Base date of the indices

are December 31, 2003 and base values are 100.

4.4 Multinational Joint Indices

4.4.1 Dow Jones FEAS Indices

The initial Dow Jones FEAS indices were launched in June 2009. Three indices, one composite (Dow Jones FEAS Composite Index) and two regional sub-indices (Dow Jones FEAS Middle East / Caucasus Index and Dow Jones FEAS South East Europe Index) measure the performances of companies across the Euro-Asian region. They are all designed to underline index-linked investment products such as funds and structured products.

In addition to float-adjusted market capitalization, components are selected on the basis of readily available prices. The indices are calculated and disseminated in Euro and USD and weighted by float-adjusted market capitalization. The newest index, Dow Jones FEAS Titans 50 Equal Weighted Index began to be calculated on November 2, 2011. The calculation of Dow Jones FEAS Middle East / Caucasus Index, South East Europe Index and Composite Index started on December 31, 2004 (base date) with a start value of 100 point (base value). For FEAS Titans 50 Weighted Index, bask-tested historical data have been calculated daily back to December 31, 2004, the date at which the index base value was set at 1000. The Dow Jones FEAS Indices are rebalanced quarterly when additional member exchanges will be added.

The index universe is defined as all stocks in the Dow Jones FEAS Composite Index. Exchanges represented in the index are: Abu Dhabi Securities Exchange (UAE), Amman Stock Exchange (Jordan), Bahrain Bourse (Kingdom of Bahrain), Banja Luka Stock Exchange (Bosnia and Herzegovina), Belgrade Stock Exchange (Serbia), Borsa İstanbul (Turkey), Bucharest Stock Exchange (Romania), Bulgarian Stock Exchange (Bulgaria), Egyptian Exchange(Egypt), Karachi Stock Exchange (Pakistan), Kazakhstan Stock Exchange (Kazakhstan),

Macedonian Stock Exchange (Republic of Macedonia), Muscat Securities Market(Oman), Palestine Exchange (Palestine), Sarajevo Stock Exchange (Bosnia and Herzegovina) and Zagreb Stock Exchange (Croatia).

For more information on the Dow Jones FEAS Indexes, please visit: [http:// www.djindexes.com](http://www.djindexes.com)

4.4.2 GT-30 Index

Greece and Turkey 30 Index (GT-30) is a customized index, created as a result of the cooperation between Borsa İstanbul, Athens Exchange (ATHEX) and STOXX Ltd., a global index provider. The Index, launched on September 28, 2009, is calculated maintained and distributed by STOXX Ltd. and is used as an underlying for the creation of a variety of new financial products including Exchange Traded Funds (ETFs) traded on both markets, and thereby provide new investment opportunities to the investors for the equities traded on Borsa İstanbul and ATHEX, at lower costs with an aim to facilitate cross border access between the two markets.

GT-30 is composed of a total of 30 constituents, 15 from each market, based on their full market capitalization in descending order. The Index is reviewed biannually (March, September) as to its composition and quarterly (March, June, September and December) regarding capping factors. Price and Return Indices are available for GT-30, and in two different currencies, EUR and TL. Dissemination frequency of Price Indices is real time at 15-seconds intervals, whereas data on Return Indices are disseminated at the end of the day. Data are delivered to data vendors by STOXX Ltd. over CEF Feed (Deutsche Börse system).

The first ETFs tracking the return of the GT-30 were launched in Turkey and Greece concurrently on November 3, 2010. These new products are the first multimarket

ETFs and through this new investment vehicle, investors gain access to the largest stocks of Greek and Turkish markets simultaneously, with ease.

For more information, please visit:

http://www.stoxx.com/indices/index_information.html?symbol=GT30P

4.4.3 S&P/OIC COMCEC 50 Shariah Index

S&P / OIC COMCEC 50 Shariah Index, a joint index of the Organization of the Islamic Cooperation (OIC) Member States' Stock Exchanges Forum, which was formed under the mandate of The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), and Standard and Poors (S&P) Indices and S&P Indices, comprises 50 tradable and liquid stocks from 19 OIC Markets. The Index was launched on June 22, 2012 in Istanbul and started being disseminated on June 25, 2012. As of end 2014, financial products based on the index are yet to be developed to make the index tradable. Borsa İstanbul, together with OIC member exchanges and S&P, is working towards promotion of the index to encourage development of such products by investment companies.

Stocks eligible for the S&P / OIC COMCEC 50 Shariah Index are selected in accordance with Shariah compliance screenings as determined by the S&P Shariah Indices Methodology. In addition, stocks must have a minimum three-month average daily value traded of USD 1 million at each rebalancing reference date. To ensure diversification, at least one stock but no more than eight, from each country or territory must be included in the Index. Additionally, at each quarterly rebalancing, no stock can have a weight in excess of 5% and no country can have a weight in excess of 20%. The Index is designed to measure the performance of fifty leading shariah-compliant companies from the member states of OIC, namely, Bahrain, Bangladesh, Cote d'Ivoire, Egypt, Indonesia, Jordan, Kazakhstan, Kuwait, Lebanon, Malaysia, Morocco, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Tunisia, Turkey and the United Arab Emirates. For more information, please visit <http://eu.spindices.com/indices/equity/sp-oic-comcec-50-shariah>

4.4.4 IBTX Indices

Borsa İstanbul and Wiener Börse launched the IBTX (Istanbul Traded Index) and IBTX Banking on October 1, 2012. The IBTX is calculated based on the prices of the twenty most actively traded shares of Borsa İstanbul. The IBTX Banking index consists of the most liquid Turkish banking stocks. Both indices can be used as a benchmark and underlying for standardized derivatives (futures and options) as well as an underlying for structured products (warrants, index certificates and ETFs). Investors have already demonstrated keen interest, especially in the IBTX: as of June 2015, there are 2 Austrian banks (Erste Bank and Raiffeisen Bank) who issued certificates (open-end maturities) linked to IBTX indices (IBTX and IBTX Banking indices denominated in EUR). The IBTX is calculated in total return and net total return terms. All indices are capitalization-weighted indices and are computed in EUR, USD and TL. The starting value was fixed at 1,000 index points as of 3 January 2011. The calculation parameters are reviewed on a quarterly basis and the composition of the index is reviewed and adjusted as necessary semiannually. The agreement between Wiener Börse and Borsa İstanbul was cancelled in 2014. All IBTX indices without products have been already discontinued.

Nonetheless, according to the cancellation terms, the remaining indices IBTX EUR IBTX Banking EUR will be calculated until 26.10.2017.

For more information, please visit:

<http://en.indices.cc/indices/details/ibbe/price/>





As part of the IPO promotion efforts, 635 visits to foreign and domestic companies have been carried out. Additionally, 53 domestic and international events were either organized by Borsa Istanbul or participated by its representatives in order to convey mass information to companies with IPO potential.

Public offering procedures and disclosure requirements of the publicly held companies are regulated by the Capital Markets Board (CMB). According to the Capital Market Law, publicly held joint stock corporations are defined as “joint stock corporations whose shares are offered to public or which are considered to have been offered to public”. When the number of shareholders exceeds 500, the shares of a joint stock company shall be considered to have been offered to public and these corporations are subject to the provisions of publicly held joint stock companies.

The CMB has revised the legal infrastructure with the purpose of harmonizing the local infrastructure with European Union directives and facilitating the IPO process. The revisions introduced by the Communiqués can be considered as a redefinition of the fundamentals of public offerings in Turkish capital markets.

The prospectus, a document prepared for initial public offerings, is required to be approved by the CMB. The related Communiqué about registration processes and sales methods of shares are given below:

On 30.12.2012, the Capital Market Law 6362 was inaugurated. Subsequently in 2013, Communiqué for Common Shares (VII-128.I) and Communiqué for Prospectus and Issuing Documents (II-5.1) have been published.

5.1. Public Offering Methods for Equities

There are basically two methods of public offerings of shares. However, these two methods could be utilized simultaneously. These methods are:

- **Public Offering via the Sales of the Incumbent Shares:** Corporate partners may opt to sell a portion of their shares via a public offering in the Exchange or off the Exchange.
- **Public Offering via a Capital Increase:** Companies may issue new shares via a capital increase in order to obtain financial resources.
- **Public Offering via Utilizing both Methods:** Companies may choose to combine both methods described above. In doing so, corporate partners may realize additional income from the sale of the shares, while the company gains access to a new financial resource.

Prerequisites for public offering of shares are given below:

- If the public offering belongs to a certain class of shares, the value of these shares, otherwise the capital of the company should be all paid-in,
- New provisions abolish the minimum free float requirement in IPOs.
- Underwriting commitment is required for all unsold shares of the IPO of which the market value of the shares calculated according to the offering price is under TL 20,000,000. If the market value is between TL 20,000,000 and 40,000,000, then for unsold shares of the first TL 20,000,000 portion total underwriting is required and for the rest only the underwriting for half of the unsold shares is required.
- There should be no limitations to the circulation of the shares like pledge or guarantee and / or no register on the shares that will prevent the use of shareholder rights.

Sale of shares to investors shall be undertaken in accordance with the Communiqué for the Sales of Capital Markets Instruments (II-5.2). According to this Communiqué, two methods shall be used, namely: “Book building Method” and “Sales on Stock Exchange”

In book building method, the demands of investors for shares offered to public shall be collected through “price range”, “fixed price” or “price bids”. The Communiqué also determines the framework of these methods and distribution principles. Shares may also be offered to public on Borsa İstanbul within the framework of the Regulation of Borsa İstanbul.

The second method, Sales on Stock Exchange, is explained on part 3.1.1.7. Primary Market of this document.

5.2. Approval of Prospectus by the Capital Markets Board

Information and documents determined by the CMB shall be attached to the IPO application. The main document of public offering is prospectus, because the information required to be disclosed in public offering of shares shall be included in the prospectus.

Other fundamental documents of public offerings are the financial statements and the reports of the independent auditors. The audited financial statements have to be in line with the CMB’s accounting standards and cover the latest three financial years and the latest interim financial statements if available.

The applications to the CMB are evaluated by taking into consideration whether the prospectus and circular contain the information required by the legislation on corporations and shares to be offered to public within the framework of public disclosure. If the evaluation turns out to be positive, then the prospectus is approved by the CMB and the company shares could begin trading.

5.3. Sales to Investors

The prospectus and the share price determination report should be published in the company’s website, as well as in the Public Disclosure Platform website (www.kap.gov.tr) three days prior to the sales date.

5.4. Cost of Public Offerings

There are four main cost components for the companies whose shares are to be offered to public:

- Fees Paid to Brokerage Houses: The company whose shares offered to public pays intermediary fee to the brokerage house for the intermediary services rendered depending on the size of public offering and the type of the service given.

- Fees Paid to the Capital Markets Board: The amount paid to the CMB as registration fee is calculated at 0.2% of the total value of the respective offering. For IPOs, CMB fee is calculated at 0.1% for the differential between the sales price and the nominal value of the shares offered. Also during an IPO however, this fee is again calculated at 0.2% for the remaining shares, which will not be sold to the public by the issuing company.
- Fees Paid to Borsa İstanbul: companies whose shares trading on the National Market and Collective Products Market are charged a “listing fee” while the companies traded on the Second National Market are charged a “registration fee.”
- Listing fee for the National Market / Collective Products and the registration fee for the Second National Market is 0.1% of the nominal value of the company’s equity capital.
- Fees Paid to Merkezi Kayıt Kuruluşu (Central Securities Depository of Turkey, MKK): Companies registering their shares to MKK are required to pay 0.1% of the nominal value of the company’s equity capital prior to the IPO.

Other Costs: In addition to the costs mentioned above, the company whose shares are offered to public should take the following costs into consideration:

- Fees paid to the independent auditors for the preparation of audit reports,
- Domestic and international promotion costs,
- Advertisement and other related costs.





6

Listing, Disclosure And Corporate Governance

Listed companies are required to comply with a set of Corporate Governance Principles.

6.1. Listing Requirements

6.1.1. Initial Listing Requirements for the Securities Representing Partnership Rights

- 1- The application must refer to all shares of same type issued until the application date.
- 2- Requirements concerning the company:
 - a. Financial statements and independent audit reports which will be included in the prospectus in accordance with the CMB regulations must be preselected to the Exchange,
 - b. At least three calendar years must have elapsed since the establishment of the company and financial statements of the last three years must have been publicly disclosed,
 - c. Among the requirements listed under the alternative groups, the company must meet all those requirements which fall into the same group (see table in the following page),
 - d. The Exchange management must have had the corporation's financial structure examined and accepted its ability to continue as an ongoing concern,
 - e. The company's Articles of Association must not include any provisions restricting the transfer and circulation of the securities to be traded on the Exchange or preventing the shareholders from exercising their rights,
 - f. Significant legal disputes which might affect the company's production or activities must not exist,
 - g. For reasons other than acceptable to the Exchange, the corporation must not have suspended its activities for more than three months within a year, not filed for liquidation or entered into composition or any other arrangement with its creditors, and not have faced similar situations determined by the Exchange,

h. The company's securities must comply with the criteria pre-determined by Borsa İstanbul management in terms of current and potential trading volumes,

i. It must be documented that the company's legal situation in terms of its establishment and activities comply with the respective legislation.

j. Board of Directors of Borsa İstanbul may either request additional requirements for the securities representing partnership rights with special rights attached, such as non-voting stocks and preferred stocks or may decide not to look for some of the requirements mentioned above.

	Group 1	Group 2	Group 3
Market value of publicly offered stocks	Minimum TL 135,000,000	Minimum TL 68,000,000	Minimum TL 33,500,000
Profits before tax must have been earned	in at least one the last two years	in at least one the last two years	The last 2 years
Ratio of publicly offered stocks to paid-in issued capital	-	Minimum 5%	Minimum 25%
Equity capital in the most recent independently audited financial statements	Minimum TL 33,500,000	Minimum TL 22,000,000	Minimum TL 13,500,000

* The table is valid as of December 2014. Please refer to Borsa İstanbul website for actual figures: <http://borsaistanbul.com/en/companies/listing/equities/equity-market/national-market/listing-criteria>

6.1.2. Listing Requirements for Exchange Traded Funds (ETFs)

The Founder of the ETF applies to the Capital Markets Board for the registration of the participation certificates. The participation certificates of ETF have to be traded on Collective Products Market without any consideration and resolution by Borsa İstanbul.

6.1.3. Listing Concerning Mergers or Demergers

When the legal entity of a company whose stocks are listed on the Exchange is terminated due to a merger with another company through its entire assets and liabilities and at least 51% of the capital of the acquiring / newly established company is provided by the assets of the corporation whose stocks are listed on the Exchange, the listing requirements do not apply for the listing of the stocks of the acquiring / newly established company. In the event that a corporation listed on the Exchange establishes a new corporation through a partial division that involves allotment as capital of no less than 15% of its total assets as shown on its last balance sheet, then listing requirements governing period of activity and profitability shall not be sought in respect of the newly established corporation provided that the listed corporation is active for the last 3 years, that it has reported profits before tax according to its financial statements regarding the last 2 years, that it owns minimum 51% of the capital of the new corporation, and

and that its assets which are allocated as capital in kind are related to the production and activities of the corporation that is listed on the Exchange.

In the event that a new corporation is established through partial division of a corporation whose stocks are traded on the Exchange markets through allotment of part of its assets as capital in kind, preserving, however, the existing shareholding structure, the requirements governing period of activity and profitability are not sought in respect of the listing of the stocks of the new corporation, and the stocks of such corporation are traded on such market whose conditions they meet with a decision to be taken by the by the Board of Directors.

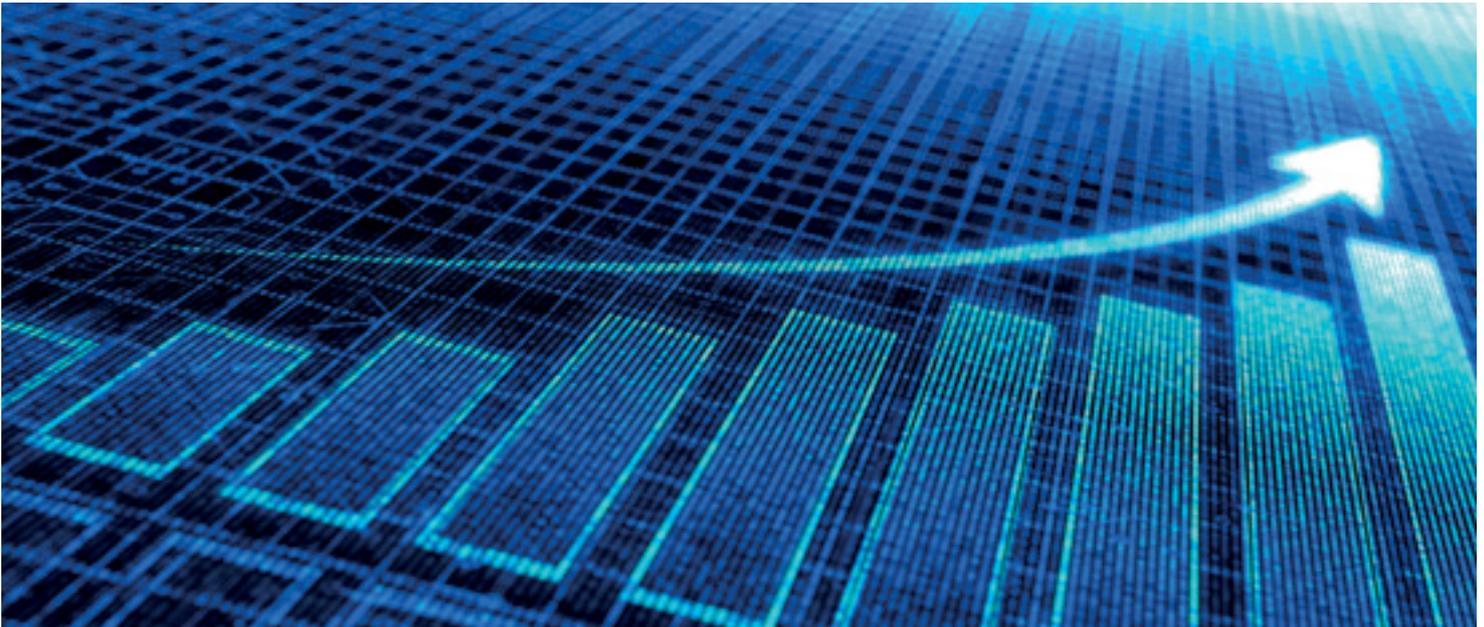
6.1.4 Registration Requirements for Second National Market

a) The application must refer to all shares of same type issued until the application date.

b) Market capitalization of the publicly offered shares of the company and the rate of the nominal value of these shares to paid in or issued capital must be least TL 6.8 million and 15%, or TL 13.5 million and 5%, respectively.

c) Board of Directors of Borsa İstanbul must have taken a decision in favor of the trading of the company on the Second National Market upon consideration of the financial and legal status, activities and the liquidity potential of a company, provided that there is no restriction for the circulation of the shares.

d) For reasons other than acceptable to the Exchange, the corporation must not have suspended its activities for more than three months within a year, not filed for liquidation or entered into composition or any other arrangement with its creditors, and not have faced similar situations determined by the Exchange.



6.1.5. Listing Requirements for Securities Representing Indebtedness

1. Application must refer to the entirety of the series,

2. The nominal value of the issue must be at least TL 1,350,000

3. The entire amount of the issue must be offered to public,

4. Of the corporation with securities to be listed;

- At least three calendar years must have elapsed since the establishment date (two years if free float rate is at least 25%),

- Financial statements and independent audit reports which will be included in the prospectus in accordance with the CMB regulations must be preselected to the Exchange

- The corporation must have earned profit before tax in the last two consecutive years according to its financial

statements before the application (if the company's shares are publicly held by at least 25%, it must have earned profit in the previous year),

- The shareholders' equity in the last independently audited balance sheet of the company must be at least TL 2,200,000,

- The Exchange management must have had the corporation's financial structure examined and accepted its ability to continue as an ongoing concern,

- The company's legal situation regarding its establishment and activities and legal situation of its securities representing indebtedness must be documented so as to comply with the related regulation.

- The company's Articles of association must not include any provisions restricting the transfer and circulation of the securities traded on the Exchange or preventing the shareholders from exercising their rights.



6.2. Listing Fees

Types of Listing Fees			
Types of Fees	National Market	Second National Market	Collective Products Market
Initial Listing Fee	✓		✓
Annual Listing Fee	✓		✓
Relisting Fee	✓		✓
Market Registration Fee		✓	
Annual Market Registration Fee		✓	
Market Re-registration Fee		✓	

Listing Fees as % of Nominal Value			
Types of Fees	National Market	Second National Market	Collective Products Market
Initial Listing Fee	0.1		0.01
Annual Listing Fee	0.025		0.002
Market Registration Fee		0.1	
Annual Market Registration Fee		0.025	

6.3. Delisting

6.3.1. Situations Compelling Delisting

Securities may be delisted permanently or temporarily by the decision of the Board of Directors of Borsa İstanbul for the cases mentioned below. The Board may determine a time frame for correcting the problems or issue a warning to any corporation under delisting consideration, prior to making a decision.

- If the total amount of current year loss and accumulated loss is equal to the total amount of other items excluding current year loss and accumulated loss in the shareholders' equity,
- Noncompliance with the relevant declaration,
- Noncompliance with the procedures and principles regarding the submission of information, documents and statements to the Public Disclosure Platform within the framework of public disclosure regulations; failure to submit information, documents and statements to the Public Disclosure Platform in violation of the public disclosure obligations under such circumstances when material disclosures need to be made,

- Noncompliance with the rules and regulations of Borsa İstanbul, as well as relevant legislation,
- Suspending operations of the corporation for more than 3 months for reasons other than those acceptable by the Exchange management,
- Filing for bankruptcy of the corporation, or dissolution of the corporation due to liquidation or expiration,
- Company facing difficulties in paying its debts or being financially distressed as well as respiting for a concordat,
- Company not fulfilling fee obligations to the Exchange or execution proceedings against the company being ineffective,
- Cancellation or invalidation of any permits, licenses or agreements of the company, crucial to operations,
- Loss of 2/3 of the corporation's capital according to the interim balance sheet which has been prepared based on the market prices of its assets within the framework of the Turkish Commercial Code,
- Declaration of negative opinions or avoidance to declare any opinions in independently audited reports (limited, permanent and special) for the last two financial periods including interim reports,
- Loss of 2/3 of its production factors due to fire, natural disasters, state of war, terrorist acts, and other reasons and/or occurrence of any events which might affect the activities of the corporation significantly for similar reasons.,
- Submission of any information and/or documents to third parties, media and other individuals and institutions by the persons authorized to represent the company, prior to disclosure to Borsa İstanbul,
- Failure of a issuer whose debt instruments are traded in the Stock Exchange to fulfill its payment obligations or the other undertakings related to debt instruments, and acts or actions of the same kind that will prevent owners of debt instrument from exercising their rights,
- Fall of the market price far below the nominal value, fall of the market value, traded value or trading frequency of the publicly-held shares far below market averages, or temporary or permanent suspension of trading,
- Not providing information and documents requested

by Borsa İstanbul or providing incorrect, misleading or insufficient information or impeding Borsa İstanbul by withholding and/or destroying documents.

6.3.2. Delisting by the Request of the Corporation

Companies may apply for the delisting of their listed securities on Borsa İstanbul. If the securities requested to be delisted are traded on the Exchange, Board may require the company to take some precautions prior to its decision for delisting, in order to prevent loss of investors. For cases of delisting by the request of the corporation, Borsa İstanbul Board is the final decision body by all means.

Principles with regards to delisting of companies on voluntary basis were determined in a communiqué (No. II-27.1, dated 02.01.2014) issued by Capital Markets Board of Turkey.

6.3.3. Relisting of the Temporarily or Permanently Delisted Securities

The Board of Directors of Borsa İstanbul is authorized to decide whether to relist the permanently delisted companies or not by considering the listing requirements. The Board of Directors of Borsa İstanbul may require that a specified period of time have elapsed for permanently delisted companies to be relisted.

For the temporarily delisted companies to be relisted, the circumstances causing delisting should have been terminated; the time period, if any, set by Borsa İstanbul's Board's decision, should have been elapsed and the requirements, if any, should have been met by the company.

Within the end of the period, Borsa İstanbul Board may decide whether to extend the temporary delisting period or to delist the company permanently upon examination.

For the securities, which have been delisted due to inadequate trading volume or of which trading were suspended temporarily, to be listed and start to be traded, the Board of Directors of Borsa İstanbul must decide whether the information, documents and the reasons submitted by the company are sufficient or not to indicate the company will maintain the required market depth, trading volume and will have the circulation potential.

The Board of Directors of Borsa İstanbul may request that the company deposit its stocks at Central Securities Depository of Turkey (Merkezi Kayıt Kuruluşu).

6.4. Disclosure Requirements and Public Disclosure Platform

6.4.1. Disclosure Requirements Regarding Financial Statements

The companies traded on Borsa İstanbul are obliged to submit their annual, semiannual and quarterly financial statements according to the standards required by the CMB.

Currently, financial statements shall be prepared in accordance with Communiqué on Principals Regarding Financial Reporting Standards in Capital Markets. With this regulation, the International Reporting Standards have been adopted.

Disclosure periods for financial statements are summarized below:

Financial Statements Disclosure Periods

Type of Financial Statements	Annual Financial Reports	Quarterly Interim Financial Reports	
-	-	Unaudited	Independently Audited
Unconsolidated	60 days	30 days	40 days
Consolidated	70 days	40 days	50 days

6.4.2. Disclosure Requirements Regarding Material Events

Detailed principles for the disclosure of material events are regulated in No: II-15.1 “Communiqué on Material Events”. According to the Communiqué;



1. The continuous information such as changes in capital structure and control of management, changes in voting rights and capital, information about debt securities, information related to shareholder rights should be submitted to Borsa İstanbul. Furthermore, if a person or a legal entity or other persons or legal entities acting together with them own directly or indirectly, 5%, 10%, 15%, 20%, 25%, 33%, 50%, 67% or 95% of the total voting rights or of share capital or if the total voting rights or share of capital falls below these thresholds; related parties are obliged to submit relevant information to Borsa İstanbul.

2. The insider information and the changes in previously disclosed insider information that might have an effect on the value of capital market instruments and on the investment decisions of investors should be submitted to Public Disclosure Platform on the date the event occurred or on the date the investor has become aware of the event. In case of unusual price and volume movements, upon Borsa İstanbul's request, companies are obligated to submit an immediate explanation. According to the Communiqué, before submitting information, the companies have the right to request temporary suspension of their securities trade from Borsa İstanbul.

6.5. Public Disclosure Platform

According to, the CMB's Public Disclosure Platform Communiqué, (No: VII-128.6) all information and documents to be publicly disclosed must be sent to the Public Disclosure Platform (PDP) which is a system using internet and electronic signature technologies.

The platform was developed collectively by the CMB, Borsa İstanbul and the Scientific & Technological Research Council of Turkey. Currently the system is operated and managed by Central Securities Depository of Turkey.

The system is designed to allow everyone to have access

to correct, timely, fair and complete information about the traded companies, over the internet simultaneously. Furthermore, PDP serves as an electronic archive which allows easy access to historical information. All notifications sent to PDP can be reached free of charge from PDP web-site.

All listed companies are required to disclose their financial statements, explanatory notes, material events and all other disclosures via Public Disclosure Platform on Internet with e-signature of their officially authorized users. In addition to listed companies, ETFs, Free Trading Platform Companies, Mutual Funds, Pension Funds, foreign funds, portfolio management companies and investment /Brokerage houses have to submit notifications to PDP. Independent audit companies, on the other hand, send the electronically signed financial statements for which independent audit is required, to the relevant company electronically in order to be announced to the public. Also, the announcements of the regulatory authorities such as Borsa İstanbul, CMB, İstanbul Settlement and Custody Bank Inc. and Central Securities Depository of Turkey are disclosed through this platform. 800 companies, 15 ETFs, 447 mutual funds, 246 pension funds, 40 foreign funds all over Turkey by 2014 year end.

The system disseminates data via www.kap.gov.tr web site. Also data vendors and sub-vendors disseminate PDP notifications on a real time basis.

At this point, only the balance-sheets and the income statements are published in the English version of the PDP website. For the rest of the notifications, the subject part is in English and the content is in Turkish. Also, notification query is available for balance sheets and income statements in English in the PDP English version page. PDP's English version may be accessed by clicking "English" at PDP web-site.

6.6. Corporate Governance

In response to growing international awareness regarding good corporate governance practices, the Capital Markets Board of Turkey issued the Corporate Governance Principles (Principles) in July 2003. To be able to prepare the principles, the regulations of different countries and “OECD Corporate Governance Principles” issued in 1999, had been examined. On January 30, 2011, the CMB issued a Communiqué outlining the Corporate Governance Principles. According to this Communiqué, all the companies which are traded on Borsa İstanbul, excluding companies traded on Emerging Companies Market and Watch List Companies Market, are subject to mandatory implementation of certain Corporate Governance Principles, issued by the CMB. With the new Communiqué, a set of new rules has been introduced (e.g. two independent board members are added to the board)

The Principles cover the issues on shareholders’ rights and their equal treatment, disclosure and transparency issues, the company and stakeholder relations and functions, duties, obligations, operations and structure of the board;

remuneration thereof, as well as the committees to be established to support the board operations.

Formerly, the implementation of the Principles was optional but, all Borsa İstanbul listed/ registered companies were required to present an explanation on the implementation status of the Principles, and on whether there is a plan for a future change in the company’s governance practices in their annual reports and should disclose these explanations to public. Within the framework of the regulations to be enforced by the CMB, the rating institutions conducting corporate governance rating will determine the implementation of the Principles.

On January 03, 2014, the CMB issued a new Communiqué which has extended the scope of previous version’s clauses covering related-party transactions, off-balance-sheet liabilities, and significant transactions.





**BORSA
ISTANBUL**

Members of Borsa İstanbul consist of banks, brokerage houses, currency offices, precious metals brokerage houses and precious metals producing and marketing companies.

Before engaging in activities in the capital markets, all the banks and brokerage houses has to be authorised by the Capital Markets Board.

Banks, currency offices, precious metals brokerage houses, precious metals producing and marketing companies and international precious metal companies with its full-authorized branch in Turkey that obtained an operation permit from the Undersecretariat of Treasury and complied with the requirements set forth by the Board may trade on the Precious Metals and Diamond Market. On the other hand, jewellery sector companies are not members of Borsa İstanbul but can operate only in Diamond and Precious Stones Market.

The list of Borsa İstanbul members and their contact details are available on Borsa İstanbul website:
<http://borsaistanbul.com/en/members>

7.1. Authorization of the Members by Borsa İstanbul

All applicants are reviewed for eligibility for membership by Borsa İstanbul. Members do not necessarily trade on every market available at Borsa İstanbul but may be authorized to trade on more than one market according to the markets they apply for.

After the Board's decision, the applicants are asked to deposit the required collateral amounts and fees within a month and then accepted to membership. For each Borsa İstanbul market, different collateral amounts and fees are set.

The members are authorized by Borsa İstanbul to operate in the following markets:

Markets	Members
Equity Market	Brokerage Houses
Emerging Companies Market	Brokerage Houses
Debt Securities Market	Brokerage Houses, Banks
Debt Securities Market Eurobond Markets	Brokerage Houses, Banks
Derivatives Market	Brokerage Houses, Banks
Precious Metals and Diamond Market	Banks, Currency Offices, Precious Metals Brokerage Houses, Precious Metals Producing and Marketing Companies, International precious metal companies with its full-authorized branch in Turkey

In addition, Off-Exchange Odd-Lot Trades can be executed by members who have been authorized by the Capital Markets Board and found to be eligible, with the decision of the Board of Borsa İstanbul.

7.2. Membership Fees

Membership fees are as follows:

Membership entrance fee: Regardless of the market applied, membership entrance fee is to be paid for only one time at the time of membership.

Membership operation fee: Membership operation fee is to be paid for only one time at the time of membership and is segmented according to the markets the intermediary institutions are authorized to operate in.

Annual membership fee: Annual membership fee is also segmented according to the markets which the intermediary institutions are authorized to operate in.

Annual membership fees are separated into 2 parts.

- For the members of Precious Metals and Diamond Market, the annual membership fee is determined as 6,000 TL for the year 2015.
- For all the remaining markets the total annual membership fee is determined as 60,000 TL for the year 2015.

On the other hand, jewellery sector companies which are not members of Borsa İstanbul but can operate only in Diamond and Precious Stones Market has to pay an amount of 100 USD yearly.

In addition, annual fees are to be paid in 4 installments and are netted off the Exchange fees.

Amount of the above mentioned fees can be changed by the decision of Board and is subject to ratification by the Capital Market Board.

Membership Entrance Fee and Operation Fee	Amount (TL)
Membership entrance fee (Every member is obliged to pay)	50,000
Equity Market Operation Fee	400,000
Debt Securities Market Operation Fee	200,000
Outright Purchases and Sales Market	40,000
Repo- Reverse Repo Market	60,000
Interbank Repo-Reverse Repo Market	60,000
Repo Market for Specified Securities	25,000
Equity Repo Market	15,000
Offering Market for Qualified Investors	0
Derivatives Market Operation Fee	150,000
Precious Metals and Diamond Market Operation Fee	150,000
Precious Metals Market	150,000
Precious Metals Lending Market	0
*Diamond and Precious Stones Market	20,000

*Only the jewellery firms which are not members of Borsa Istanbul but apply to trade on Diamond and Precious Stones Market are obliged to pay.

7.3. Members Representatives Licensing

Members trade on Borsa Istanbul markets through their representatives complying with the requirements set forth by Borsa Istanbul.

Borsa Istanbul provides both theoretical and hands-on training programs for the members' representatives designed for each market individually. Only those who carry the qualifications set by the respective regulations are licensed to operate in Borsa Istanbul markets.

Licensed representatives are also given special training programs as new regulations are set and specifications are added on the trading systems of the markets.





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VIOP - Derivatives Market Contract Specifications

- OCAK '14
- ŞUBAT '14
- MART '14
- NISAN '14
- MAYIS '14
- HAZİRAN '14
- TEMMUZ '14
- AĞUSTOS '14
- EYLÜL '14

BIST 100



Investor Compensation Centre has been operating since June 24, 2013.

The Investor Compensation Centre (ICC), as a public legal identity, has been established for the purpose of investor compensation in the context of the provisions of the Capital Market Law of Turkey. ICC is administered and represented by the Capital Markets Board of Turkey (CMB) in the framework of the by-law issued by the CMB. In principle, the operations and transactions of the ICC are to be carried out by the CMB staff and staff to be employed for this purpose. The principles and procedures regarding the operations and staffing of the ICC are laid down in the by-law issued by the CMB.

ICC is in charge of carrying out administrative liquidation operations of intermediary institutions. The objective of administrative liquidation, exempt from all other legal liquidation procedures, is to liquidate cash payment and capital market instruments deliver obligations to investors.

When it is determined that investment firms are unable to fulfill their obligations regarding cash payment or capital market instruments delivery or that they will not be able to fulfill them within a short period of time, CMB shall decide to compensate investors (compensation range is up to TRY 100,000). The decision for compensating investors needs to be taken within three months starting from the determination of the situation. The revenues of ICC are composed of:

- Annual contributions paid by intermediary institutions,
- Administrative fines,
- Temporary contributions determined by the CMB,
- The revenues generated from ICC assets,
- Other revenues.

All intermediary institutions are required to participate in ICC by paying annual contributions. The annual contributions vary according to different criteria for each intermediary institution.

The conditions for temporary contributions on account, repayment of advances and other subjects are under the authorization of the CMB. If the contributions are not sufficient to meet the needs of ICC, then an advance payment may be required from the intermediary institutions by the CMB (this amount shall be reimbursed from the following years' annual contributions of intermediary institutions).

The assets of ICC are invested at state banks in government debt instruments, deposits or repo.

ICC is audited by the Turkish Court of Accounts. The income and transactions of ICC are exempt from all kinds of taxes, stamp dues and expenses.



There are no restrictions on foreign portfolio investors trading on Turkish capital markets.

Trading and Taxation for Foreign Investors

Turkey has one of the most liberal foreign exchange regimes in the world, with a fully convertible currency as well as a policy that allows foreign institutional and individual investments in securities listed on Borsa İstanbul since 1989. Turkish equity, debt securities and derivatives markets are open to foreign investors without any restrictions on repatriation of capital and profits. Decree No. 32 passed in August 1989, removes all restrictions on overseas institutional and individual investment in securities listed on Borsa İstanbul. Decree No. 32 also allows Turkish citizens to buy foreign securities.

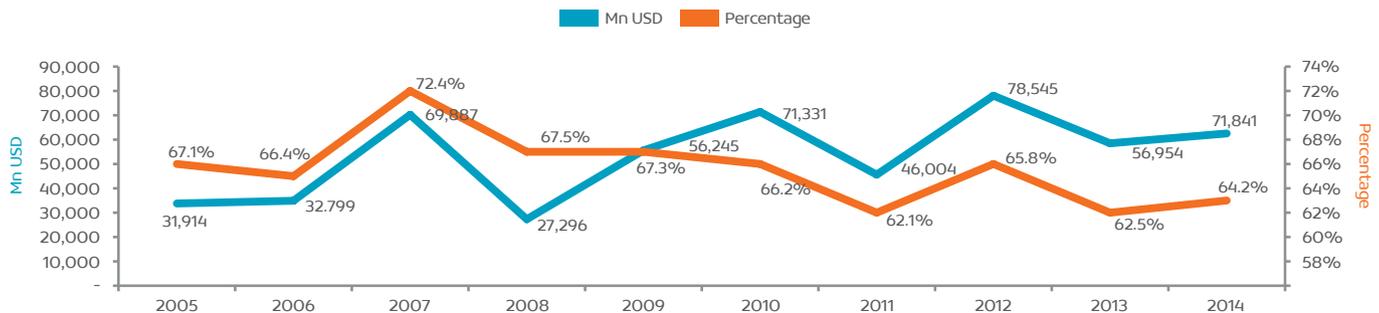
The taxation method and the tax base may differ for certain types of income for foreigners. According to Turkish tax laws, nonresident individuals and

corporations are regarded as limited taxpayers and are subject to taxation only on income earned in Turkey.

Taxable income can be classified mainly in two groups: income derived from shares (purchase/sale and dividend income) and income derived from government bonds, Treasury bills, corporate bonds and lease certificates (purchase/sale, interest and repo income).

A foreign institutional or individual investor is able to invest only through locally based investment firms which are authorized by Borsa İstanbul. The list of authorized investment firms are available at the end of the booklet.

Borsa İstanbul Traded Equities in Custody Held by Foreign Investors, End 2014



(Source: Central Securities Depository of Turkey)



Borsa İstanbul actively pursues international relations activities both regionally and globally in line with “İstanbul International Financial Center” vision.

10.1. International Cooperation

International relations strategy of Borsa İstanbul involves three pillars. The first and foremost is İstanbul International Financial Center Project, a project that is currently being implemented to transform İstanbul first into a regional and then eventually into a global financial center. Borsa İstanbul plays a central role in this project with its deep liquidity pool and diverse set of products appealing to investors. The second pillar is cooperation with global exchanges in other international financial centers. Borsa İstanbul would like to strengthen its cooperation with global exchanges, diversify its know-how, and benefit from experiences of global actors in the sector. The Strategic Partnership Agreement signed between Borsa İstanbul and Nasdaq OMX on December 31, 2013 is an example. The last pillar is cooperation with stock exchanges in Eurasia region (involving Eastern Europe, Middle East, North Africa, and Western Asia). Borsa İstanbul pays special attention to Eurasia and would like to create a network of local exchanges in the region.

Borsa İstanbul has signed a number of Memorandum of Understanding (MoU) with various international counterparts. These agreements indicate Borsa İstanbul’s intent for cooperation with signing parties and specify the nature of joint projects when possible.

International Counterparts	Signing Date
Uzbekistan / Republican Stock Exchange "Toshkent"	18.07.1997
Azerbaijan / Baku Interbank Currency Exchange	06.03.1998
China / Shanghai Stock Exchange	16.10.2007
China / Shenzhen Stock Exchange	20.10.2008
Russia / Moscow Interbank Currency Exchange	26.10.2009
Oman / Muscat Securities Market	27.12.2009
U.A.E. / Abu Dhabi Securities Exchange	27.04.2010
South Korea / Korea Exchange	21.10.2010
Syria / Damascus Securities Exchange	08.12.2010
Kazakhstan / Kazakhstan Stock Exchange	29.11.2011
F.Y.R.O.M. / Macedonia Stock Exchange	04.05.2012
Morocco / Bourse de Casablanca	21.06.2012
Egypt / Egyptian Exchange	22.06.2012
Singapore / Singapore Exchange	06.09.2012
Uzbekistan / Republican Stock Exchange "Toshkent"	06.09.2012
Bahrain / Bahrain Bourse	24.09.2012
Tunis / Bourse de Tunis	01.11.2012
Libya / Libyan Stock Market	16.11.2012
Japan / Japan Exchange Group	10.01.2013
European Bank for Reconstruction and Development	10.05.2013
Albania / Tirana Stock Exchange	28.05.2013
International Islamic Financial Market	19.09.2013
Pakistan/Karachi Stock Exchange	25.12.2013
the European Trade Association for Business Angels, Seed Funds, and other Early Stage Market Players & Business Angels Association Turkey	14.05.2014
The World Diamond Mark® Foundation	19.06.2014

Borsa İstanbul provides training programs for representatives of stock exchanges in the region on a regular and ad-hoc basis, and actively participates "Federation of Euro-Asian Stock Exchanges (FEAS) Bilateral Exchange Program" and "FEAS On-Site Training Program". These programs are designed by FEAS to facilitate further collaboration and exchange of information among members under on-site training program, each year, a different member exchange hosts personnels from various members to take courses on local capital markets.

Borsa İstanbul initiated a cooperation platform among the Organization of Islamic Cooperation (OIC) member countries' stock exchanges. The "OIC Member States' Stock Exchanges Forum" aims to provide a dedicated platform and communication channel for representatives of the relevant OIC organizations and institutions (as of November 2014, 42 exchanges, 7 post-trade institutions and 8 standard setting organizations) to discuss international cooperation activities.

The forum offers participants the opportunity to share their experiences and develop joint projects. One such project was development of S&P/OIC COMCEC 50 Shariah Index, a joint index comprising 50 blue-chip companies from 19 OIC countries.

Borsa İstanbul actively participates in “Middle East and North Africa-Organization for Economic Cooperation and Development (MENA-OECD) Working Group on Corporate Governance.” The working group was launched in 2005 to provide a platform for discussing corporate governance priorities in MENA region, sharing best practices and evaluating their implementation. It is comprised of representatives of regional securities regulators, central banks, stock exchanges, ministries of Finance and Economy as well as other public and private sector actors interested in further promotion of corporate governance in the region.

Borsa İstanbul also provides short briefings to interested foreign visitors involving Turkish economy, capital markets, Borsa İstanbul vision and operations. These visitors involve a large spectrum ranging from representatives of international institutions, professors and students from international universities, investment firms, and asset managers among others. More than 1000 visitors are hosted by Borsa İstanbul every year including students from universities such as Harvard, Wharton, Stanford and others.

In the beginning of 2015, a partnership agreement between Borsa İstanbul and London Stock Exchange Group (LSEG) was signed covering derivatives and index products. Under the terms of the partnership agreement London Stock Exchange Derivatives Market (LSEDM) will offer trading in futures and options on the BIST 30 Index and on leading Turkish stocks. In addition, LCH.Clearnet will provide CCP services to LSEDM and its clearing members. Subject to regulatory approval and customer readiness, London trading in the products is expected to be available in the second half of 2015.

In addition, FTSE and Borsa İstanbul plan to launch, by the end of 2015, an index partnership involving all Borsa İstanbul-owned and other relevant indices

reference Turkish securities. The partnership will enable Borsa İstanbul’s Turkish market platform to enjoy the full benefits of FTSE’s unique technical expertise, top global positioning, and leading customer footprint. The partnership will deliver a set of index products which have adopted the IOSCO regulatory standards, and represent a significant enhancement in accessibility for international investors to Turkish markets.

10.2. International Memberships

Borsa İstanbul is a full member of The World Federation of Exchanges (WFE), Federation of Euro-Asian Stock Exchanges (FEAS), Federation of European Stock Exchanges (FESE), International Capital Market Association (ICMA), an affiliate member of International Organization of Securities Commissions (IOSCO), an observer member of Islamic Financial Services Board (IFSB), a member of International Islamic Financial Market (IIFM), a new member to Financial Information Exchange (FIX), a member of Intermarket Surveillance Group (ISG) and Further to integration with Turkish Derivatives Exchange, Borsa İstanbul became a member to Association of Futures Markets (AFM) and an associate member to Futures Industry Association (FIA). Similarly, following the integration with Istanbul Gold Exchange, became a member to World Federation of Diamond Bourses (WFDB) and London Bullion Market Association (LBMA). At the beginning of 2014, Borsa İstanbul also became an associate member of World Economic Forum (WEF).

The World Federation of Exchanges (WFE) is the trade association for the operators of regulated financial exchanges. With 62 members from around the globe, the WFE develops and promotes standards in markets, supporting reform in the regulation of OTC derivatives markets, international cooperation and coordination among regulators. WFE exchanges are home to more than 45,000 listed companies.

Borsa İstanbul is represented in the WFE Working Committee, Regulation Committee, Communication Task Force, Environmental, Social and Governance Group and Statistics Advisory Group.

Federation of Euro-Asian Stock Exchanges (FEAS), a non-profit regional federation was established at the initiative of Borsa İstanbul with an aim to encourage cooperation among the members towards promoting the development of their respective securities markets. FEAS acts as a representative of the members vis-à-vis other federations and associations of stock exchanges in the world; promoting the development of more integrated international stock exchanges in the region and offering listing and trading opportunities for securities issued in the region. The presidents of the participating 12 founding member stock exchanges signed the FEAS Charter on May 16, 1995. FEAS members elected İstanbul as the headquarter. There are 34 FEAS members in 30 countries and 16 affiliate members as end of 2014.

The Federation of European Securities Exchanges (FESE) represents 41 exchanges in equities, bonds, derivatives and commodities through 21 full members from 30 countries, as well as 2 Observer Members. In all of its activities, FESE is guided by the following overarching objectives: Fostering the global competitiveness of European exchanges, promoting public recognition of the exchanges and their contribution to the European and global economy and providing a forum for open and forward-looking debate on capital markets.

The International Capital Market Association (ICMA) is committed to serving the needs of its members through its activities as a trade association and as a self regulatory organisation. The membership of ICMA includes issuers, primary and secondary market intermediaries, asset managers, investors and capital market infrastructure providers.

The International Organization of Securities Commissions (IOSCO), established in 1983, is the acknowledged international body that brings together the world's securities regulators and is recognized as the global standard setter for the securities sector. IOSCO develops, implements, and promotes adherence to internationally recognized standards for securities regulation, and is working intensively with the G20 and the Financial Stability Board (FSB) on the global regulatory reform agenda. The main regulatory body in Turkey, CMB, is the member whereas Borsa İstanbul is an affiliate member to IOSCO.

The Islamic Financial Services Board (IFSB) which is based in Kuala Lumpur, was officially inaugurated on 3rd November 2002 and started operations on 10th March 2003. It serves as an international standard-setting body of regulatory and supervisory agencies that have vested interest in ensuring the soundness and stability of the Islamic financial services industry, which is defined broadly to include banking, capital market and insurance. In advancing this mission, the IFSB promotes the development of a prudent and transparent Islamic financial services industry through introducing new, or adapting existing international standards consistent with Sharī'ah principles, and recommend them for adoption.

IIFM is the International Islamic Financial Services Industry's standard setting organization focused on the Islamic Capital & Money Market (ICMM) segment of the industry. Its primary focus lies in the standardization of Islamic financial products, documentation and related processes at the global level.

The FIX Protocol language is comprised of a series of messaging specifications used in trade communications. Originally developed to support equities trading in the pre-trade and trade environment, it is now experiencing rapid expansion into the post-trade space, supporting straight-through processing (STP) from indications of interest (IOI) to allocations and confirmations. Additionally, it is witnessing significant growth in the fixed income, foreign exchange and listed derivative markets.

Intermarket Surveillance Group (ISG) is comprised of an international group of exchanges, market centers, and market regulators that perform front-line market surveillance in their respective jurisdictions. ISG has two main purposes: (1) the coordination and development of programs and procedures to identify possible fraudulent and manipulative activities across markets; and (2) information sharing.

Association of Futures Markets (AFM) is a not-for-profit association formally established in 1998 in Buenos Aires, Argentina founded by a number of commodity exchanges. The prime objective of the Association is to promote and encourage the establishment of new derivative and related markets and to organize international conferences in order to promote communication among members, to strengthen their relationship and to transfer information and experience among them.

Futures Industry Association (FIA) was founded in 1955 in New York as the Association of Commodity Exchange Firms. It was originally established to provide a forum to discuss issues, work with exchanges, represent the public customer, study ways to reduce costs, eliminate the abuse of credit, cooperate on educational efforts and protect firms from fraudulent warehouse receipts. FIA broadened its reach in the mid-eighties when international organizations were invited to become members. FIA, with more than 250 members, represents a diverse group of market participants with a common desire to see the industry grow and prosper.

London Bullion Market Association (LBMA) is the international trade association that represents the wholesale market for gold and silver, which is centered in London but has a global client base. The ongoing work of the Association encompasses many areas, among them refining standards, good trading practices and standard documentation.

World Federation of Diamond Bourses (WFDB) aims to protect the interests of affiliated bourses and their individual members and to further the amicable settlement or arbitration of differences and disputes between the individual members of the affiliated bourses and between the affiliated bourses. In furtherance of this object, it is the aim of the world federation to participate in the promotion of world trade and to encourage the establishment of bourses, with the view of eventual affiliation of all centers where diamonds are actively traded. Istanbul Gold Exchange was admitted to membership of World Federation of Diamond Bourses (WFDB) on May 13, 2008. After restructuring, Borsa Istanbul has become a member of WFDB.

The World Economic Forum (WEF) is a nonprofit foundation, based in Geneva, Switzerland. WEF is an independent global organization committed to improving the state of the world by engaging business, political, academic, and other leaders of society to shape global, regional, and industry agendas.

10.3. International Recognitions

In October 1993, the U.S. Securities and Exchange Commission (SEC) recognized Borsa İstanbul as a “Designated Offshore Securities Market”.

On May 9, 1995, the Japan Securities Dealers Association (JSDA) officially designated the İMKB as an “Appropriate Foreign Investment Market for the Private and Institutional Japanese Investors”.

On July 21, 2000, Borsa İstanbul has been approved by the Austrian Ministry of Finance as a regulated market in accordance with the regulations of the Austrian Investment Fund Act.





Borsa İstanbul not only supports and advocates for social responsibility initiatives at the local and international level, it also takes concrete steps to implement those initiatives as a joint stock company.

11.1 Borsa İstanbul Schools

In 1997, Borsa İstanbul set up the Borsa Education Fund and earmarked USD 116,000,000 to the Fund from its own resources within the scope of financial support for “Contribution to National Education Project-EFİKAP.” Ever since then, the Fund supplied a continuous flow of resource to the improvement of education nationwide.

On the basis of the eight protocols signed between Borsa İstanbul and Ministry of National Education from 1998 to date, the donations for the construction of educational institutions in 238 districts of 74 cities have reached to USD 1,000,000,000.

During the whole phases of the Project, 415 fully functional and equipped educational institutions have been constructed including, but not limited to university faculty buildings, administrative buildings, social facility centers, public training centers, primary schools, high schools, apprenticeship schools, boarding schools, vocational high schools, dormitories, mass-housing, sports and cultural centers. It is estimated that those schools have served approximately 650,000 students including those graduated since the project’s inception.

11.2 Borsa İstanbul Sustainability Index

BIST Sustainability Index aims to provide a benchmark for Borsa İstanbul companies with high performance on corporate sustainability and to increase the awareness, knowledge and practice on sustainability in Turkey. Moreover the index is a platform for institutional investors to demonstrate their commitment to companies managing environmental, social and governance (ESG) issues with high performance.

Borsa İstanbul has signed a cooperation agreement with Ethical Investment Research Services Limited (EIRIS) to create BIST Sustainability Index. In accordance with this agreement, EIRIS assesses Borsa İstanbul listed companies based on the international sustainability criteria. The assessment is based upon only publicly available information and assessment costs of companies are covered by Borsa İstanbul.

EIRIS is an independent London-based research organization, specialized on environmental, social and governance issues for more than 30 years and serving asset owners, asset managers and index providers globally. Johannesburg and Mexico Stock Exchanges are the other exchanges that EIRIS provides sustainability research service.

BIST Sustainability Index has been launched on the 4th of November, 2014 with the code XUSRD. The initial value of the index is 98,020.09 based upon the second session closing value of BIST 30 index on November 3, 2014. The relative weight of each constituent is capped at 15%.

BIST 30 constituent companies as of January-March 2014 are taken into account in the first assessment period. The list of companies to be assessed is aimed to be extended to BIST 50 and then to BIST 100 companies. There is one index period for BIST Sustainability Index, namely November-October. "The assessment list" is revised annually and announced by Borsa İstanbul in December.

To be included in the index, companies should perform over the threshold for each criteria group. To incite the companies for better sustainability performance, it is thought to raise the thresholds gradually in the future.

11.3 Sustainability Platform

Borsa İstanbul initiated the establishment of a "Sustainability Platform", which brings together the non-governmental organizations working on sustainability, supporting the sustainable development target, the related initiatives and stakeholders in 2013. Sustainability Platform aims to continue to work towards its targets and strengthen Turkey's position

with regard to sustainability as a result of the joint efforts of all stakeholders.

11.4 Sustainable Stock Exchanges Initiative

Sustainable Stock Exchanges Initiative, formed by the United Nations in 2009, with the initiative of the United Nations Conference on Trade and Development (UNCTAD), United Nations Principles on Responsible Investment (UNPRI), Global Compact, and United Nations Environment Programme Finance Initiative (UNEPFI) is a platform for exploring how exchanges can enhance sustainable development and benefit from each other's experience. Borsa İstanbul is one of the first exchanges to support SSE, since 2012.

11.5 United Nations' Global Compact

Borsa İstanbul joined United Nations Global Compact, world's largest corporate citizenship initiative, in 2005. Global common virtues such as environmental and ecological friendly projects, labor and human rights, anti-corruption and transparency are the core values of Global Compact and these values are completely consistent with corporate values of Borsa İstanbul. Accordingly, Borsa İstanbul discloses annual Communication on Progress (COP) report to UN Global Compact. COP captures activities of Borsa İstanbul with regards to socially responsible principles set out by UN Global Compact.

11.6 United Nations Principles on Responsible Investment-UNPRI

The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors working together to put the six principles for responsible investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories to incorporate these issues into their investment decision making and ownership practices. Borsa İstanbul became a signatory to the PRI Initiative under the category of “Professional Service Partner” on January 21, 2010.

Six principles of responsible investment are as follows:

- Incorporation of ESG (environmental, social and governance) issues into investment analysis and decision-making processes
- Becoming active owners and incorporating ESG issues into ownership policies and practices
- Seeking appropriate disclosure on ESG issues by the entities to be invested
- Promoting acceptance and implementation of the principles within the investment industry
- Working together to enhance effectiveness in implementing the Principles
- Reporting on activities and progress towards implementing the Principles

LIST OF KEY INSTITUTIONS

Capital Markets Board of Turkey	
Address	Sermaye Piyasası Kurulu Eskişehir Yolu 8. Km. No: 156 06530
Phone	(90 312) 292 90 90
Fax	(90 312) 292 90 00
Website	http://www.cmb.gov.tr
Capital Markets Board of Turkey – İstanbul Office	
Address	Sermaye Piyasası Kurulu - İstanbul Temsilciliği Harbiye Mah. Asker Ocağı Cad. No: 15 Süzer Plaza Şişli 34367 İstanbul
Phone	(90 212) 334 55 00
Fax	(90 212) 334 56 00
Borsa İstanbul	
Address	Borsa İstanbul Reşitpaşa Mah. Tuncay Artun Cad. Emirgan 34467 İstanbul, Turkey
Phone	(90 212) 298 21 00
Fax	(90 212) 298 25 00
Website	http://www.borsaistanbul.com
Public Disclosure Platform - in Turkish and English	
Website	http://www.kap.gov.tr
İstanbul Settlement and Custody Bank Inc. (Takasbank)	
Address	İstanbul Takas ve Saklama Bankası A.Ş. Şişli Merkez Mah. Merkez Caddesi No: 6 Şişli 34381 İstanbul, Turkey
Phone	(90 212) 315 25 25
Fax	(90 212) 315 25 26
Website	http://www.takasbank.com.tr
Merkezi Kayıt Kuruluşu	
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Fax	(90 212) 334 57 57
Website	http://www.mkk.com.tr

Turkish Capital Markets Association	
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Fax	(90 212) 280 85 89
Website	http://www.tspb.org.tr
Association of Appraisers of Turkey	
Address	Türkiye Değerleme Uzmanları Birliği Barbaros Mahallesi Çiğdem Sokak No: 1, Ağaoğlu My Office Kat: 11, No: 48, 34746, Ataşehir İstanbul, Turkey
Phone	(90 216) 688 45 45
Fax	(90 216) 688 44 46
Website	http://www.tdub.org.tr
Capital Markets Licensing and Training Agency of Turkey	
Address	Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu Arapcami Mahallesi, Bankalar Caddesi. No: 21/A Kat: 1-2 34420 Karaköy, Beyoğlu, İstanbul, Turkey
Phone	(90 212) 292 82 00
Fax	(90 212) 292 83 00
Website	http://www.spl.com.tr

Association of Brokerage House Executives	
Address	Borsa Aracı Kurumları Yöneticileri Derneği Borsa İstanbul, Reşitpaşa Mah. Tuncay Artun Cad. Emirgan 34467 İstanbul, Turkey
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Fax	(90 212) 298 26 64
Website	http://www.bakyd.org
Association of Publicly Traded Companies	
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Website	http://www.koteder.org.tr
Association of Exchange Brokers	
Address	Borsa Uzmanları Derneği Borsa İstanbul Reşitpaşa Mah. Tuncay Artun Cad. 34467 Emirgan, İstanbul, Turkey
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Website	http://www.bud.org.tr
Turkish Investor Relations Society	
Address	Yatırımcı İlişkileri Derneği Esentepe Mahallesi Dergiler Sokak No: 25 Oda: 301 Şişli, İstanbul, Turkey
Phone	(90 212) 306 38 08
Fax	(90 212) 306 38 09
Website	http://www.tuyid.org.tr
Turkish Institutional Investment Managers' Association	
Address	Türkiye Kurumsal Yatırımcı Yöneticileri Derneği İş Kuleleri Kule-2 Kat: 8 4.Levent 34330 İstanbul, Turkey
Phone	(90 212) 279 03 99 - (90 212) 280 18 67
Fax	(90 212) 279 07 44
Website	http://www.tkyd.org.tr

The Association of Real Estate and Real Estate Investment Companies

Address	Gayrimenkul Gayrimenkul Yatırım Ortaklığı Derneği Cumhuriyet Caddesi Pegasus Evi No: 48 Zemin Kat C Harbiye, İstanbul, Turkey
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Website	http://www.gyoder.org.tr

Corporate Governance Association of Turkey

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Website	http://www.tkyd.org

Federation of Euro-Asian Stock Exchanges - FEAS

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Organization of Islamic Cooperation (OIC) Member States' Stock Exchanges Forum

The coordination for the Forum is carried out by Borsa İstanbul.

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Fax	(90 312) 417 05 15
Website	http://www.maliye.gov.tr
The Banks Association of Turkey	
Address	Türkiye Bankalar Birliği Nispetiye Cad. Akmerkez B3 Blok K: 13 Etiler 34340 İstanbul, Turkey
Phone	(90 212) 282 09 73
Fax	(90 212) 282 09 46
Website	http://www.tbb.org.tr
Republic of Turkey Prime Ministry Undersecretariat of Treasury	
Address	T.C. Başbakanlık Hazine Müsteşarlığı Eskişehir Kara Yolu, İnönü Bulvarı No: 36 Emek Mevki 06510 Ankara, Turkey
Phone	(90 312) 204 60 60
Fax	Yok
Website	http://www.treasury.gov.tr
Turkish Competition Authority	
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Central Bank of the Republic of Turkey	
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Phone	(90 312) 507 50 00
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Website	http://www.tcmb.gov.tr

The Financial Crimes Investigation Board	
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Website	http://www.masak.gov.tr
Republic of Turkey Prime Ministry Privatization Administration	
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Website	http://www.oib.gov.tr
The Union of Chambers and Commodity Exchanges of Turkey	
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Website	http://www.tobb.org.tr
Turkish Statistical Institute (TurkStat)	
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Phone	(90 312) 410 04 10
Fax	-
Website	http://www.tuik.gov.tr
Istanbul Chamber of Industry	
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Fax	(90 212) 249 50 84 - 293 43 98
Website	http://www.iso.org.tr

Banking Regulation and Supervision Agency	
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Website	http://www.bddk.org.tr
Istanbul Chamber of Commerce	
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Fax	(90 212) 513 15 65 - 520 16 56
Website	http://www.ito.org.tr
Participation Banks Association of Turkey	
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Website	http://www.tkbb.org.tr

Republic of Turkey / Prime Ministry / Turkish Cooperation and Coordination Agency

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Website	http://www.tika.gov.tr

Foreign Economic Relations Board

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Website	http://www.deik.org.tr

International Investors Association

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the Republic of Turkey Prime Ministry Investment Support and Promotion Agency

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