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BORSA ISTANBUL A. Ş.

THE DIRECTIVE FOR THE OPERATIONAL PROCEDURES AND PRINCIPLES OF DIAMOND AND PRECIOUS STONES MARKET ARBITRATION COMMITTEE AND ARBITRATION GROUP

FIRST SECTION

GENERAL PROVISIONS

Purpose

ARTICLE 1 – (1) The aim of this Directive is to determine operational procedures and principles of Borsa Istanbul A.Ş. Diamond and Precious Stones Market Arbitration Committee and Arbitration Group.

Scope

ARTICLE 2 – (1) This Directive regulates the procedures and principles for the settlement of the disputes that arise from the Exchange transactions of the trade representatives of members by the Arbitration Committee and Arbitration Group.

Foundation

ARTICLE 3 – (1) This Directive is issued according to Article-23 of the Regulation for Principles of the Exchange Activities Concerning Borsa Istanbul A.Ş. Precious Metals and Precious Stones issued in the Official Gazette no. 29150 dated 19/10/2014.

Abbreviations and Definitions

ARTICLE 4 – (1) For the purposes and in the context of this regulation;

- a) **“Exchange”** refers to Borsa Istanbul A.Ş,
- b) **“World Federation of Diamond Bourses (WFDB)”** refers to World Federation of Diamond Bourses which is located at Antwerp, Belgium,
- c) **“DPSM, Market”** refers to Diamond and Precious Stones Market,
- d) **“Arbitration Committee”** refers to the Committee consists of the elected candidates from the trade representatives of DPSM members for the settlement of disputes concerning Exchange transactions,
- e) **“Arbitration Group”** refers to A group consists of three person among the members of Arbitration Committee,
- f) **“Rapporteur”** refers to Precious Metals and Precious Stones Market Department,
- g) **“Board of Directors”** refers to Board of Directors of the Exchange.

SECOND SECTION

Constitution, Duty and Authority of the Arbitration Committee

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Settlement place of disputes

ARTICLE 5 – (1) The disputes that arise from Exchange transactions of the trade representatives of members are settled at the Exchange in case of an application of one party.

(2) Exchange transaction means a transaction that is executed at the Market by agreement of buyer and seller who gathers at the trading hall.

Authority for the settlement of disputes

ARTICLE 6 – (1) In the settlement of disputes between trade representatives of DPSM, Arbitration Committee and Arbitration Group which is constituted for the dispute are authorized.

(2) Precious Metals and Diamond Market Department handles the rapporteur of the Committee.

Constitution and structure of committee

ARTICLE 7 – (1) Arbitration Committee consists of five members who are authorized to trade at the DPSM and elected by the Board of Directors. The chairman of the Committee is determined amongst the members who are elected by the Board of Directors. Three reserve members are also elected.

(2) Term of duty for the members of the Committee is one year. The duty of the former members of the Committee lasts until the new members of the Committee is elected. Committee members can be elected again.

(3) For completing the term of duty of a member whose membership is cancelled or whose term is finished, a reserve member on the first row is authorized as a principal member. In the case of end of term of duty of the Chairman of the Committee or fall of its membership for any reason, existing members of the Committee elect the new Chairman of the Committee amongst them.

(4) The membership of the Committee falls in case of end of duty of a member or liquidation of his company's activities if this member represents a company and the membership falls in case of end of duty of a member if a member is a personal member.

Duty and authority of the committee

ARTICLE 8 – (1) The duty of the Arbitration Committee is to arbitrate objectively for settlement of disputes.

(2) Arbitration Committee, Arbitration Group and Rapporteur are authorized to collect and to inspect any information and documents concerned with the dispute, to demand appointment of an expert from the headquarters, to demand inspection from Audit and Surveillance Board and to demand technical point of view from any department which can be concerned.

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(3) The chairman of the Committee is authorized and responsible for the operation of the Committee and for the cooperation between Committee members.

Responsibility of keeping secret

ARTICLE 9 – (1) The members of the Committee which covers the arbitrators are obliged to keep secrets concerned with the information and documentation related with the dispute and also concerned with the Exchange and any third party related with the Exchange that they are informed due to their position. The members of the Committee are also obliged not to explain these secrets to anyone except the persons and authorities that are authorized with the regulation and they are also obliged not to use these secrets for the benefit and harm of themselves or any other third parties.

(2) This obligation of the Committee members lasts after the end of their duty.

THIRD SECTION

Principles and Procedures Concerning the Application Process

Application, service fee, arbitration fees and advance payment

ARTICLE 10 – (1) The settlement process of the dispute starts with the application of one party in written and signed form and with the payment of the dispute service fee, arbitration fees and expert, accommodation, transportation and translation fees in advance.

(2) The following subjects takes place in the application form of dispute:

- a) The names, addresses and other contact information concerning the parties,
- b) The Exchange transaction subject to the dispute,
- c) Material events, legal reasons and probative evidence,
- d) Request.

(3) The date, amount, etc. of the Exchange transaction subject to dispute and requests must be explained in detail at the application form and the receipt concerning the payments that are stated at the first clause and related documents must be attached to the application form.

(4) The dispute service fee and the fees and advance payment of the arbitrators that involved in the dispute are determined by the Board of Directors as a fixed amount.

Preliminary assessment

ARTICLE 11- (1) The application form is pre assessed by the Rapporteur.

(2) As a result of the preliminary assessment;

a) In case of the claims subject to application are not related with the Exchange transaction, the application may be rejected by the Arbitration Committee upon the Rapporteur or the investigation request of the Rapporteur.

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b) A fifteen days period is given for the applicant in case of incompleteness of the application or documents or in case of non-payment of dispute service fee and other fees and expenses that are determined. It is decided not to accept the application if the application is non-appropriate and the incomplete documents are not completed in a given time.

c) The application is rejected in case it is determined that it was not made within the time limit.

(3) The decision concerning the rejection or unacceptance of the application is notified to the applicant by the Rapporteur. The payments that are made are returned to the concerned party in specified circumstances.

Time limit

ARTICLE 12 – (1) The applications that are not made within the two years period since the beginning of the first Exchange transaction subject to dispute are not inspected.

Official statement of the application form and answer

ARTICLE 13 – (1) Within the three days since the beginning of the settlement process of the dispute a copy of the application form is sent to counterparty and written answer for the application and necessary information, documents, evidence and proposal for an arbitrator that will take place at the Arbitration Group are demanded. Rapporteur also informs the applicant in written form about his right to propose an arbitrator for the Arbitration Group.

(2) The duration for the submittal of the answer and related information and documents and for proposing a nominee for the Arbitration Group is ten business days. Rapporteur may give an maximum of ten days additional time for the concerned parties to submit the written answer.

(3) After the written answer for the application within the time or after the end of this time without no answer, the application form is sent to the Committee by the Rapporteur for investigation.

The investigation of arbitration committee and arbitration group

ARTICLE 14 – (1) Rapporteur invites Arbitration Committee to a meeting for the discussion of the file.

(2) Arbitration Committee may decide that whether the dispute is in the scope of duties of the Arbitration Committee or not at its first meeting.

(3) If the Arbitration Committee decides to handle the dispute, it assigns an Arbitration Group that consists of three arbitrators elected amongst its members for handling and settling the dispute. The chairman of the Arbitration Committee is responsible for the auditing of the investigation in case of his non-absence in the related Arbitration Group.

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(4) Arbitration Committee, Arbitration Group and Rapporteur may get assistance from the experts and related department of the Exchange when necessary and may ask for an explanation from the parties if necessary.

(5) Arbitration Group announces the meeting date after the completion of the letters submitted by the parties concerning the dispute. Parties may attend to meeting if they demand.

(6) Arbitration Group submits the report concerning the dispute to the judgment of Arbitration Committee.

(7) Arbitrators, Exchange and any official of the Exchange can't be responsible for any action related with the arbitration procedure and their duties.

(8) Exchange can't be responsible for the implementation of the decision.

Decision

ARTICLE 15 – (1) Following items take place in the decision taken by the Arbitration Committee;

- a) Names and surnames of the members that took a decision,
- b) Names and surnames, titles and addresses of the related parties and their representatives and trustees,
- c) Legal reasons and legal ground of the decision,
- d) Rights and duties of the parties and costs for settlement of dispute,
- e) The signature of the members who took a decision and dissenting opinion if any,

Amicable settlement and abortion of complaint

ARTICLE 16 – (1) In case of abortion of complaint, amicable settlement, application to World Federation of Diamond Bourses or professional associations; representatives of trade are obliged to inform this situation to the Exchange within three business days.

(2) In case of situations that are stated at the first clause;

a) It is decided to abort the file by the Arbitration Committee.

b) The service fee for the dispute and other payments are not given back and these are recorded as revenue to the Exchange.

(3) In case of abortion of complaint by the party who demanded for dispute before the first meeting of Arbitration Committee, the remaining amount after deduction of costs, except the dispute service fee, from the advance payment and arbitrator fee are paid back.

(4) In case of abortion of the file, withdrawal of a claim, application to arbitration, courts, World Federation of Diamond Bourses or professional associations or in case of amicable settlement the new application concerning the same dispute can't be made to Exchange again.

The characteristics of the decisions

ARTICLE 17 – (1) The decisions concerning the dispute taken by the Arbitration Committee shall be binding.

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(2) The right of the parties to object to related judicial authorities or to arbitration or World Federation of Diamond Bourses within the scope of the regulations are reserved.

FOURTH SECTION

Principles and Procedures Concerning the Meetings

Quorum

ARTICLE 18 – (1) Arbitration Committee takes its decisions by simple majority. Members can't abstain from a vote. The member who votes against has to explain his opinion in the decision.

(2) In case of temporary absence of one of the arbitrators that took charge in the Arbitration Group, the Chairman of the Arbitration Committee assigns a member of the Committee for taking charge in lieu of this arbitrator.

The confidentiality of the meetings

ARTICLE 19 – (1) The meetings of the Arbitration Committee and the Arbitration Group are confidential and no one instead of arbitrators, Rapporteur, the parties and their representatives if any and the witnesses can attend to these meetings.

Object to the decision

ARTICLE 20 – (1) In case the amount that took place in the Board of Directors decision concerning the disputes between the investment companies or between the investment companies and their customers exceeds the amount that is specified according to fifth clause of the 84th article of the Law, the parties may object to the decision through the Exchange within the fifteen days after the notification of the decision.

Prohibition of participation

ARTICLE 21- (1) The members of the Arbitration Committee can't attend to committee or group studies concerning the disputes regarding with themselves or their trade representatives and they can't take part in these voting.

The records concerning notification and dispute

ARTICLE 22 – (1) The decisions concerning the dispute are notified to the parties and their representatives by drawing up minutes or notified in written to the addresses that are stated at the parties' petitions.

(2) A record book is kept for recording the decisions that are taken in the Exchange and these records are also kept electronically.

(3) It is compulsory to save the dispute files in the Exchange at least five years regularly.

FIFTH SECTION

Last Provisions

Unofficial Translation

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Provisional Article 23 – (1) The duties of the members of the Committee who are elected before the enforcement of this directive lasts until the end of their term of duty,

Enforcement

ARTICLE 24 – This directive becomes effective at the date of issuance.

Execution

ARTICLE 25 – General Manager executes the provisions of this Directive.