

REGULATION

From: The Capital Markets Board

REGULATION ON THE ESTABLISHMENT, OPERATION, CONDUCT AND**AUDIT PRINCIPLES OF THE CENTRAL SECURITIES DEPOSITORY****PART ONE****Purpose, Scope, Reference, Definitions and Abbreviations****Purpose**

ARTICLE 1 – (1) The purpose of this regulation is to determine the establishment, operation rules and principles, incomes and dividend distribution principles of the Central Securities Depository (Merkezi Kayıt Kuruluşu A.Ş.)

Scope

ARTICLE 2 – (1) This Regulation covers the establishment, operation, membership, conduct and audit principles, incomes and dividend distribution principles of the Central Securities Depository (Merkezi Kayıt Kuruluşu A.Ş.)

Reference

ARTICLE 3 – (1) This Regulation is issued based on Article 81 of Capital Markets Law No. 6362 dated December 6, 2012.

Definitions and abbreviations

ARTICLE 4 – (1) The following terms used in this Regulation:

a) Exchange: Incorporated as a joint-stock company, and duly authorized and orderly functioning under the Law; systems and market places operated and/or managed internally or by a market operator; ensuring safe and convenient trading of capital market instruments, currencies, precious metals and gemstones as well as other contracts, instruments and securities authorized by the CMB; according to free market conditions, by ascertaining and quoting prices formed and matching trading orders or helping match such orders for final execution.

b) The Electronic Warehouse Receipt Regulation: The Electronic Warehouse Receipt Regulation published in the Official Gazette No. 281110 dated November 12, 2011;

c) Issuer: Legal entities and investment funds that are subject to the Law of which capital market instruments are publicly offered, or which issue or apply to the CMB to issue capital market instruments,;

d) The Law: Capital Markets Law No. 6362;

e) The CMB: The Capital Markets Board;

f) Central clearing house: The central clearing house rendering the services stipulated in Articles 77 and 78 of the Law;

g) MKK: Merkezi Kayıt Kuruluşu Anonim Şirketi;

h) Key shareholder: With the exception of exchanges that are duly founded in compliance with the Law, and the TR Prime Ministry Undersecretary of Treasury, shareholders who own shares that directly or indirectly represent 5% or more of the share capital or voting rights, and any privileged shares shy of this ratio but with voting rights for appointing board members;

i) The TCC: Turkish Commercial Code No. 6102 dated January 13, 2011;

j) Capital market instruments: Securities and derivative instruments and investment contracts, as well as other capital market instruments that CMB puts under this scope;

k) Investment institution: Intermediaries, banks and other capital market institutions of which establishment and operation principles are set by CMB in order to engage in investment services and activities;

l) Executive: Chairman and board members, general manager and vice general managers and unit managers and their direct supervisors;

refer to the definitions stated above.

PART TWO

Establishment and Operating Principles

Establishment

ARTICLE 5 – (1) The MKK is a joint-stock corporation with a legal entity status granted under the private law, established to perform transactions related to the dematerialization of capital market instruments, to register such dematerialized instruments and the rights attached to them in electronic media by participants and beneficiaries, to provide central depository services for such instruments and to perform other duties assigned by the CMB pursuant to the capital market legislation.

Share ownership and articles of association

ARTICLE 6 – (1) Borsa Istanbul A.Ş., other exchanges established and authorized under the Law, Istanbul Takas ve Saklama Bankası A.Ş., and the Turkish Capital Markets Association may be founding shareholders in the MKK.

(2) The MKK's articles of association is approved by the CMB.

(3) Maximum share ratios shareowners may own are stipulated by the articles of association. The CMB may limit dividend distribution ratios set by the articles of association of the MKK as well as any privileges the articles of association grants to shareowners.

Share transfers and amendments to the articles of association

ARTICLE 7 – (1) Share groups are set by the articles of association. Shares may only be transferred within the same group. If there are no other shareholders in the same group or if shareholders in the same group do not want to acquire the shares, the shares can be transferred to shareholders in other groups or to third parties that are approved by the CMB.

(2) Direct share transfers, or indirect share transfers which result in transfer of 5% or more, and all sorts of transactions and articles of association amendments that will directly or indirectly result in transfer of management control eventhough there is no share transfer will be subject to CMB permission,. In any

event, transfer of privileged shares is subject to CMB permission.

(3) Articles of association amendments not authorized by the CMB, and share transfers or transactions that will result in a change of management control not approved by the CMB, shall be void. Share transfers that do not comply with this rule will not be recorded in the share book, and any records made this way are considered null and void.

(4) Natural persons and legal entities and key shareholders of legal entities that will acquire shares in share transfers must possess the qualifications stipulated by Article 8.

Qualifications shareholders, managers and specialist staff must possess

ARTICLE 8 – (1) MKK's shareholders, executives and specialist staff whose scope to be defined by MKK:

a) should not be bankrupt or involved in a scheme of composition or a deferred bankruptcy;

b) should not be part of the staff responsible for the event which required CMB's revocation of one of the operation licenses held by the company;

c) should not have received a final conviction for any offense stated in the Law,

ç) should not be a partner in an entity which was, or themselves personally be put in liquidation under Decree Law 35, Procedures on Insolvent Bankers, dated January 14, 1982;

d) should not have received any jail sentence of five years or longer for any preconceived offense, or a sentence for any offense committed against national security or constitutional order and its enforcement; or for offenses committed involving embezzlement, extortion, bribery, theft, fraud, forgery, misappropriation/abuse of trust, fraudulent bankruptcy, collusive bidding, fraudulent execution of deeds, interdicting and disrupting of information systems, destroying or modifying data, fraudulent use of bank or credit cards, laundering funds and criminal assets, smuggling, tax evasion or appropriation of unjustified benefits, including the cases where the statute of limitations stated in Article 53 of the Turkish Penal Code 5237 dated September 26, 2004 for any of the above offenses have expired. The terms stipulated in clause (a) of this section shall not apply when implementing a court decision related to a bankruptcy rescission and/or closing, or to a certification of proposed concordat; the terms stipulated in clause (b) of this section shall not apply when implementing this section in the aftermath of a ten (10) year period following the date of finalization of the same decision. When appointing a legal entity as a board member, the terms stipulated by this section shall apply to the representative of the legal entity appointed as well.

(2) Executives and specialist staff are required to report to MKK immediately any changes in their circumstances legislated by the provisions of this Regulation.

(3) In case of any changes in MKK executives, this will be reported to the CMB on the next business day, along with the reasons for leaving. In the event of discovering that MKK executives do not meet the qualifications stipulated by this Regulation or that they have lost the said qualifications during the term of their employment, the MKK will terminate their employment. At all times, the MKK is required to ascertain whether its executives continue to meet the qualifications stipulated by this article. If it is the CMB that ascertains such a case, then it will ask for the resignation of the relevant persons, and the MKK will implement the request. In the case of the person asked to resign being a board member, an extraordinary General Assembly of MKK will be called by the CMB to convene in thirty (30) days at the latest, with the agenda of dismissing the said board member.

(4) In the event of discovering or realizing later that any non-executive specialist staff does not meet one of the eligibility conditions for the position, the appointing organ will dismiss the said employee.

Duties and authorities of the MKK

ARTICLE 9 – (1) The duties and authorities of the MKK are as follows:

a) Perform transactions related to the dematerialization of capital market instruments pursuant to Article 13 of the Law, and monitor such instruments and their attached rights in a dematerialized form in the electronic media by participants and beneficiaries, and provide services for their central depository and use of attached rights.

b) Monitor the integrity of records by participants, and in case of ascertaining any infringements on the legislation related to the dematerialized system, request the participant to remedy the problem and report the incident to the CMB immediately, and take precautions and implement measures to ensure the reliable operation of the system.

c) Ensure the confidentiality of records within the framework stipulated by the related legislation.

c) Receive and destroy the physical capital market instruments that are to be dematerialized, pursuant to the principles set by the CMB.

d) Develop an electronic platform enabling communication of companies to their shareholders and investors, aimed at supporting the compliance of companies with the corporate governance principles pursuant to the TCC and other relevant legislation.

e) Develop an electronic databank to collect all the data regarding the capital markets in a single point and put the data to use pursuant to the principles to be set by the CMB.

f) With the condition to be duly authorized under the relevant legislation, perform transactions related to the dematerialization of depository receipts issued by the licensed depositories, carry out operations to monitor such records and any of their attached rights in a dematerialized form in the electronic media; and to develop a platform for these activities.

g) Provide technological infrastructure enabling electronic attendance to the general assemblies of joint-stock companies of which shares are registered in the dematerialized system.

ğ) Help parties use the arbitration system pursuant to the Code of Civil Procedure No. 6100 dated January 12, 2011, in settling any dispute that may arise among the depository participants or between the MKK and its participants resulting from the implementation of the system.

h) Perform other duties assigned by the CMB pursuant to the capital market legislation and the procedures required therein.

Terms of Operation

ARTICLE 10 – (1) MKK is required to have an adequate organization to provide the accounting, record keeping, information and documentation systems that conform with the legislation set by the CMB, and to ensure an orderly work flow and communication; provide technical equipment, establish and maintain internal control, internal audit, oversight and risk management units and systems; and take the necessary security measures for the protection of key assets to be found in MKK.

(2) In order to render the services to be provided to its participants, and to fulfill the duties assigned pursuant to related legislation in an effective, reliable and uninterrupted manner, MKK is required to establish necessary information technology systems and technological infrastructure; take necessary systemic and administrative measures ensuring their coherence, reliability and integrity as well as the timely delivery of information; and impose necessary legislation for establishing and monitoring the controls. The CMB is authorized to impose legislation and pass decrees on the subject matter, whenever it

deems necessary.

(3) The MKK will get the permission of the CMB to engage in activities originating from a non-capital market-related regulation or not originating by any regulation at all, and make amendments to articles of association in its first General Assembly meeting, to clearly state the activities that will gain permanence.

Operation rules and principles

ARTICLE 11 – (1) The MKK is required to comply with the following principles in its operations:

a) Provide regulation to ensure the establishment of necessary infrastructure, equipment and organizational structure for its participants to perform their transactions at MKK in a reliable and stable manner.

b) Take necessary measures to ensure its participants to comply with the regulations to be passed related to MKK business and transactions.

c) Provide necessary information and documentation support to activities carried out by exchanges pursuant to Article 71 section 2 of the Law to prevent any market disruption activities and criminal offenses legislated by the Law.

ç) Within the scope of the requested framework, ensure an orderly flow of information between its participants in the markets that it provides services, market participants and itself, as well as between itself and the CMB.

d) Build up the necessary organizational and equity capital required to run the electronic media in a reliable and stable manner.

e) Act in an equitable manner when organizing and administering its operations.

f) Collaborate and coordinate with the CMB and stakeholders in the conduct of business and transactions.

g) Act fairly when pricing its services.

ğ) Determine processes and procedures regarding the disciplinary actions to be taken against participants, and implement them in an equitable manner.

h) Publicly disclose and regularly post financial statements, service rates and organization structure on the MKK website.

PART THREE

Principles regarding MKK organs, organization and specialist staff

General Assembly

ARTICLE 12 – (1) The General Assembly consists of shareowners. Shareowners exercise their rights related to the company business at the General Assembly. Statutory exceptions are reserved.

(2) Ordinary General Assembly convenes pursuant to the provisions of the TCC. Extraordinary General Assembly is called pursuant to the provisions of the TCC when necessary.

(3) In case of a conflict with the related regulation and/or when it deems necessary by the CMB, the

CMB calls for an extraordinary General Assembly within fifteen business days from the date of discovering the need. The CMB determines the agenda for the General Assembly and announces it to the shareowners.

(4) The General Assembly agenda and invitation letter, and complete information about the agenda items are sent to the CMB and shareowners along with any documents and attachments, at least three weeks in advance of the meeting date, with certified mail return receipt requested.

(5) A CMB representative may attend the General Assembly without any voting right.

(6) The General Assembly minutes are signed by the chair of the assembly and sent to the CMB on the first business day following the meeting. All information, documents and attachments related to the issues covered in the agenda, and if a Board Member is to be elected in the General Assembly, any information and documentation certifying that board member's eligibility pursuant to Article 8 and Article 13 section 2, are submitted to the CMB within five business days at the latest following the meeting date. The CMB may request additional information and documentation related to these General Assembly resolutions.

(7) MKK is asked to remedy the non-compliance if the General Assembly resolutions related to the election of Board members fail to comply with the related regulation.

Board of Directors

ARTICLE 13 – (1) The Board of Directors comprises a minimum of 7 and a maximum of 11 members. The General Manager is a natural member of the Board of Directors. The CMB appoints one of the board members to act as its representative pursuant to Article 334 of the TCC, and the Ministry of Customs and Trade appoints one of its Domestic Trade General Directorate staff as a board member to ensure MKK's operation as an electronic warehouse as defined in the Electronic Warehouse Receipt Regulation. The Chairman is the Board member who represents the CMB.

(2) Board Members must hold undergraduate or graduate degrees in business management, economics, treasury/finance, public administration, international relations, law, engineering, capital markets or banking, and have at least ten years postgraduate experience in the fields of financial markets and economics. The Board Member to be appointed in compliance with the Electronic Warehouse Receipt Regulation should meet only the eligibility requirements stated in the said regulation.

(3) Board Members are elected for 3 years at the most. A member whose term expires may be re-elected. In case a member loses the Board Member status for any reason prior to the expiry of his/her term, the Board of Directors elects a new member to serve until the next General Assembly pursuant to the provisions of the TCC. The Board of Directors resolution passed on this matter is notified to the CMB within 5 business days of the resolution date, along with the documents certifying that the new member elected to the Board of Directors meets the eligibility requirements stipulated by this article and Article 8.

Duties and authorities of the Board of Directors in compliance with the capital market legislation

ARTICLE 14 – (1) In addition to the duties and authorities vested by the TCC and other legislation, pursuant to the capital market legislation the Board of Directors has the duty and authorization to:

a) Pass resolutions on the legislation to be prepared by MKK,

b) Determine the criteria for accepting membership applications, temporarily suspending and revoking the membership,

c) Decide on the membership applications and, when necessary, on the temporary suspension and

revocation of membership,

ç) Ensure that transactions are carried out in an orderly manner in compliance with the related legislation and rules,

d) Determine the principles to be adhered to in relation to the oversight function pursuant to this Regulation,

e) Evaluate the conduct and operating results of the MKK organization and service units; pass resolutions on the oversight, audit, inspection, inquiry and investigation reports; ensure enforcement of the results and recommendations deemed necessary,

f) Cooperate with domestic, foreign and international institutions on subjects falling within MKK's duties and authorities,

g) Ensure that the Board of Directors resolutions are communicated to the related parties, that their requirements are met and monitor their enforcement,

ğ) Prepare MKK's annual reports and financial statements;

h) Finalize MKK's budget and employees chart;

ı) Ensure that the information to be disclosed to the public regarding its operations in compliance with the related legislation is published on a regular basis on its website;

i) Determine the quantities and amounts of income items, and their collection time and manner;

j) Determine those authorized to sign on behalf of MKK and the limits of their authority;

k) Determine the general principles regarding the organizational and personnel policy;

l) Carry out other duties given by this Regulation and other legislation;

(2) With the exception of duties and authorities exclusively assigned under the TCC, the Board of Directors may delegate to the General Manager duties and authorities stated in section 1 clauses (c), (ç), (g) and (ı), subject to being put in writing and the limits being clearly set. In the case of delegation of the authority stated in section 1 clause (c) to the General Manager, the decisions to be made by the General Manager must be reported to the Board of Directors at its first meeting.

Meeting and decision quorums

ARTICLE 15 – (1) The Board of Directors convenes and passes resolutions pursuant to the provisions of the TCC. When needed, The General Manager may ask the Chairman to call for a board meeting with regard to any business within the scope of capital market legislation.

(2) The CMB may request for stronger meeting and decision quorums foreseen in the MKK articles of association.

General manager and Vice general managers

ARTICLE 16 – (1) The Board of Directors elects a General Manager among the candidates proposed by the Board members, and the board membership of the General Manager is brought before the General Assembly for approval. The General Manager can be dismissed by the Board of Directors.

(2) The General Manager performs the management and representation related business delegated

and conferred upon himself/herself pursuant to the related legislation and the Board of Directors resolutions.

(3) The General Manager and vice general managers must have at least ten years postgraduate experience in the areas of financial markets, economics, treasury, business management, capital markets, banking and finance. For the vice general manager responsible for information technology, this ten-year experience must be in the field of information technology.

(4) The General Manager must be exclusively appointed to this position.

(5) The General Manager and vice general managers may accept chairman or board member roles in institutions with which MKK has management, audit or shareholder relations; and in others where the above-mentioned institutions have in turn direct or indirect management, shareholding or audit control; and in exchanges and organized markets, central clearing houses and other financial institutions approved by the CMB, provided that the role involved is not executive in nature and does not jeopardize the performance of duties for MKK.

(6) All Board of Directors resolutions related to the appointment of General Manager and vice general managers, and their dismissal from such positions are subject to approval by the CMB. The appointment and dismissal related resolutions passed by the Board of Directors are submitted to the CMB on the next business day at the latest. Attached to the appointment related resolutions passed by the Board of Directors, any documents which certify that the candidates for the General Manager and vice general manager positions meet the eligibility requirements set forth in section three and Article 8 are also submitted to the CMB.

MKK organization and staff

ARTICLE 17 – (1) Regarding the execution of duties and use of authority granted to the MKK by this Regulation and related legislation; MKK's governance, service units, organization, job descriptions, authorities and responsibilities, their transfers and the staff's code of conduct is determined with an organizational directive that will be put into effect by the Board of Directors upon the General Manager's request.

(2) The specialist staff, to be determined by the MKK and responsible for carrying out the MKK's basic operations, must be university graduates.

(3) The Board of Directors will determine and put into effect upon the General Manager's request, the personnel regulation on staff hiring, dismissal, qualifications, advancement and promotions, performance criteria, duties, responsibilities and obligations, bans and disciplinary matters.

Confidentiality Obligation

ARTICLE 18 – (1) MKK executives and all staff are required to keep confidential all secrets acquired due to their title and duty, which belong to MKK or any partnership, organization and all other kinds of natural persons and legal entities that are related to MKK; and to not disclose them under any circumstances whatsoever to anyone except for the legally-commissioned and authorized persons or offices, and not to use them to the advantage or detriment of themselves or third parties. This obligation continues after the officials leave their jobs with the MKK.

(2) Transactions and activities carried out within the scope of Article 34 section 4 do not violate any confidentiality obligation and secrecy rules stipulated by the Law and other legislation.

Prohibitions

ARTICLE 19 – (1) With the exception of section 2 of this Article, MKK executives and staff and their spouses and children under custody are not allowed to trade in the markets, marketplaces, platforms

and systems at the exchanges founded according to the Law, and at exchanges where these exchanges are market operators.

(2) Individuals mentioned in section 1 are required to dispose of all their exchange-traded shares or other securities issued by the partnerships or their affiliates, with the exception of pension fund shares and instruments issued by asset leasing companies founded pursuant to the Law on Regulating Public Finance and Debt Management (TR Ministry of Finance Undersecretary of Treasury Law No. dated March 28, 2002), which executives and staff owned prior to accepting their MKK assignment, by selling or transferring them to individuals outside those mentioned in section 1, within thirty days of executives or staff starting their job.

(3) In the event of discovering any board member in breach of the provisions of this Article, an Extraordinary General Assembly convenes within thirty days at the latest with the call made by the CMB, to discuss the agenda of dismissing the board member in question. Other MKK executives and staff shall be assumed resigned at the date of the determination of the said breach.

PART FOUR

Principles regarding MKK participants

MKK participants

ARTICLE 20 – (1) Issuers, investment institutions operating in compliance with the Law, central clearing houses, and other institutions proposed by the MKK and approved by the CMB, are eligible for participation in a depository. The MKK may link the admission of applicants to the condition of their participation in other exchanges or organized markets.

(2) The procedures and principles related to the participation of foreign central securities depositories in the MKK; and the participation terms, obligations, temporary suspension or revocation of and resignations from participation are determined by the MKK. With regards to the accounts and foreign central securities depositories established with the MKK, the procedures and principles related to the opening, maintenance and operation of such accounts are set by the legislation to be issued by the CMB in compliance with Article 13 of this Law, regarding the implementation of monitoring in a dematerialized form.

(3) The Central Bank of Turkey is given a special participant status upon request. The provisions of this Regulation regarding the obligations, disciplinary penalties, oversight and audit of participants, and the temporary suspension or revocation of their participation do not apply to the Central Bank of Turkey.

(4) In the case the issuer is an investment fund, the provisions applicable to issuers are also applied to the founders of issuers and in the case of foreign investment funds, to their representatives.

Membership terms

ARTICLE 21 – (1) To be accepted to the membership, institutions included in the participant groups listed in Article 20 must:

a) Have necessary technical equipment and security systems in place, with minimum requirements determined by the MKK; to help to keep and monitor records, and to exchange information with other institutions,

b) Purchase liability insurance if deemed necessary by the MKK Board, to cover any losses that may arise due to errors in record-keeping,

c) Employ a sufficient number of employees qualified to carry out the keeping and monitoring the

records,

- c) Pay the membership entry fee;
- d) Meet other requirements set by the MKK Board,

(2) Among the institutions applying for the membership:

a) Investment institutions must be authorized to provide custodian services pursuant to investment services and activities stipulated by the Law,

b) Issuers must have issued capital market instruments or made an application to the CMB to issue capital market instruments.

Acceptance to membership

ARTICLE 22 – (1) Institutions that meet the eligibility terms stipulated by Article 21 may apply to MKK for membership. When MKK ascertains that the required qualifications are met, such institutions are then accepted to participation.

Leaving membership

ARTICLE 23 – (1) Any organization wishing to leave the membership must apply to MKK in writing. Membership is terminated upon approval by the MKK Board. The procedures and policies for transferring the records kept by the leaving participant to other participants are set by MKK Board.

(2) When a resolution is passed to end the monitoring of an issuer shares in the dematerialized system within the scope of significant transactions pursuant to the procedures and principles set by the CMB in compliance with Article 23 of the Law, the CMB legislation is applied in terminating this issuer's participation.

Temporary suspension or revocation of membership

ARTICLE 24 – (1) In case the activities of the investment institutions are stopped by the CMB or at its own request, or it is deemed necessary by the CMB pursuant to Articles 96 and 97 of the Law, their membership would be temporarily suspended and their access to the records at MKK is blocked. The authority to perform transactions on the records of the investment institutions of which membership is temporarily suspended, is used on a temporary basis by MKK or by the investment institutions that MKK will determine and the CMB will approve.

(2) In the following cases, memberships of the participants are revoked by MKK Board resolution:

a) If all of issuer's capital market instruments record-kept at MKK mature, and no application is made for a new issue of capital market instruments to the CMB within one year,

b) If the issuer does not apply for getting relisted in exchange markets within three years after leaving the exchange markets for any reason whatsoever,

c) If all authorization certificates of the investment institutions are transferred or revoked;

c) If the investment institutions or the issuers are put under an administrative liquidation;

d) If the participant is transferred to an other legal entity by way of merger,

e) If all the investment funds of which founders are investment funds are liquidated;

f) Except for those cases stated above, if the participant loses its eligibility qualifications required for membership in its group and fails to remedy this shortfall within the period determined by MKK;

g) If MKK discovers a persistent compliance violation against its business and transactions upon an inspection conducted pursuant to Article 81 section four of the Law.

(3) CMB is notified of MKK's board resolutions regarding changes to the membership.

(4) If there are balances outstanding in the accounts of a participant whose membership was revoked, the authority to perform transactions on the participant records is transferred to MKK or to an investment institution that MKK will determine and the CMB will approve. In case an intermediary institution waives its operating authority completely, the provisions of Articles 59 and 60 of the CMB Communiqué on the Establishment and Operations of Investment Institutions (III-39.1), published in the Official Gazette No. 28854 dated December 17, 2013, apply. The transaction authority on the accounts of investment institutions that are put under a court-ordered compensation rule or administrative liquidation is transferred to the Investor Compensation Center without any further action on the transfer. If the transaction authority is transferred to a participant determined by MKK, no fees would be charged by MKK on the transferred accounts for 3 months.

(5) If an issuer-participant whose membership was revoked has outstanding capital market instruments record-kept at MKK in a dematerialized form, a CMB approval is sought to end the record keeping of subject capital market instruments at MKK in the dematerialized form. When the CMB asks MKK to end keeping the capital market instruments of an issuer in the dematerialized form, then an updated list of beneficiary investors is sent to this issuer and the affected beneficiaries with addresses on file with MKK are notified of this action. For bankrupt participants, the lists and notifications are sent directly to the bankruptcy office.

Participant's responsibilities, operation principles and measures to be applied

ARTICLE 25 – (1) MKK participants are responsible for all transactions at MKK and work performed by their staff within this scope pursuant to the terms of their duties. Participants' responsibilities cannot be absolved or limited through provisions added to agreements between MKK participants and their customers.

(2) MKK participants are required to comply with the following as well as the principles and rules stipulated by the related legislation:

a) Comply with the principles and rules set by MKK.

b) Act in good faith and integrity when dealing with its customers and other participants.

c) Buy insurance policies of general and special nature which are to be advised by MKK to cover the financial and legal liabilities that may arise against their customers and other participants, and take other precautions in this regard.

ç) Immediately report to MKK any changes in their shareholdership, management structure and financial position on the day they occur.

d) Keep other records to be defined by MKK in addition to the books and records that they are legally obliged to keep, produce information and documentation in due form, and submit them to MKK periodically or whenever required by MKK and store them for the duration to be set by MKK.

(3) The provisions of disciplinary directive set forth in Article 33 apply to participants identified to be in breach of the provisions set forth in this Article and defaulted on fully meeting their obligations or

have capital market instrument shortfalls in their accounts.

Reporting to the central clearing house

ARTICLE 26 – (1) Any changes in the participation status is immediately reported to the central clearing house by MKK.

PART FIVE

Financial provisions

Budget and staff positions

ARTICLE 27 – (1) MKK determines its budget and staff positions by Board of Directors resolutions.

Revenues, fees and commissions

ARTICLE 28 – (1) The fees and commissions that are within the scope of main services rendered by MKK and are applied based on MKK's status arising of it being the sole provider of the said services, and their timing and type of collection are set by MKK Board and then submitted to the approval of the CMB. The MKK Board resolution that was submitted to the CMB for approval regarding the fees and the commissions will enter into force unless CMB gives adverse opinion in 30 days. If there are information or documents missing in the application made by MKK or additional information, documents or work are required by the CMB, then MKK will be advised in the matter and asked to supply the missing requirements within the period set by the CMB. In this case, the thirty day period starts on the date the missing or additional information, documents or work are submitted to the CMB.

(2) Fees and commissions related to MKK's non-mandatory main services are set by the Board of Directors and reported to the CMB. The training services provided by MKK are treated within the scope of this section, even though they are mandatory for its participants.

(3) Any income MKK derives from its activities stemming from any regulation outside the capital market legislation or from no regulation at all are not treated within the scope of the sections 1 and 2.

PART SIX

Other provisions

Responsibility

ARTICLE 29 – (1) MKK and its participants are responsible for any losses beneficiaries may incur due to errors in record-keeping, on the basis of their share of responsibility in the errors. No provisions provided in any agreement signed between MKK and its participants will abate/dilute or remove this responsibility.

(2) The Board of Directors of MKK may decide that MKK participants to buy liability insurance to cover any losses that may arise from errors in record-keeping. This section do not apply to participants that issue securities on behalf of the Undersecretary of Treasury.

MKK's right to request information and documents, and to conduct inspections

ARTICLE 30 – (1) Pursuant to the legislation passed by the CMB, MKK is authorized to conduct inspections on depository participants and ask them to provide information and documents on matters it deems necessary regarding its business and transactions. The parties from which information and

documents are requested cannot reject to comply with this request on the grounds of confidentiality and secrecy provisions in their legislation regarding the matters that are in scope of MKK's duties. In case of identifying any circumstances that need to be reviewed by the CMB, this is reported to the CMB.

(2) Any violation of principles, general and special rules set by the CMB shall be treated as a violation of the Law and the provisions of this Regulation.

MKK's audit

ARTICLE 31 – (1) The CMB is the oversight and audit authority of MKK. MKK is required to provide a suitable work area for the audit staff. The CMB is authorized to request that MKK and depository participants execute any action deemed necessary and related to all kinds of MKK activity, and to provide all kinds of information and documents in print or electronic form on a regular basis or as needed.

(2) The CMB determines the procedures and principles related to the audit of MKK's information systems and entities that will perform this audit. The CMB may make it mandatory to assign the audit of MKK's information systems to independent audit firms, the qualifications of which are set by the CMB, on at least a once-a-year basis or in shorter audit cycles if necessary. The report to be prepared at the end of the independent audit will be submitted to MKK and the CMB simultaneously.

(3) MKK's financial audit will be conducted by the independent audit firms named in the list provided by the CMB. The report to be prepared at the end of the independent audit will be submitted to MKK and the CMB simultaneously. The CMB may ask for an independent audit on the issues it will determine if necessary.

Financial reporting

ARTICLE 32 – (1) MKK is required to prepare its financial statements and reports on a timely basis, in complete and accurate form, in compliance with the legislation set in form and content, by the CMB pursuant to the Turkish Accounting Standards, by taking into account the nature of MKK activities.

(2) The CMB may make it mandatory for MKK to disclose its financial statements and reports to the public.

Disciplinary penalties

ARTICLE 33 – (1) All acts that call for disciplinary action and penalties, and all disciplinary actions to be taken against participants that are disturbing the order and disrupting integrity, rigging business, infringing on the conduct of orderly and honest transparent business, violating related legislations and rulings, are to be legislated by a regulation that the Board of MKK will prepare and submit to the CMB for approval.

Oversight system and cooperation

ARTICLE 34 – (1) MKK will establish an internal audit and oversight system for the purposes of orderly, efficient and effective conduct of all business and transactions in accordance with the related regulation.

(2) Pursuant to the procedures and principles set by the CMB, MKK is obligated to provide and receive all kinds of technical support needed; to assist and share information with the exchanges and other related institutions for the purposes of effective enforcement of the legislation stipulated by the Law; and to prevent, investigate or audit offenses and market disruption activities legislated by the Law. MKK is authorized to cooperate with overseas exchanges and capital market institutions and other related institutions and organizations in the context of reciprocity. Transactions and activities carried out within this scope do not constitute any violation in the context of secrecy and confidentiality obligations

stipulated by the Law and other legislation.

(3) MKK is responsible for taking the necessary measures requested by the CMB within the context of oversight and audit activities conducted within the scope of Article 101 of the Law.

(4) MKK will provide support for relevant exchanges in settling any disputes arising from participant transactions executed at MKK among participants or between participants and their customers.

Corporate governance principles

ARTICLE 35 – (1) Article 17 sections 1 and 2 of the Law that are related to the corporate governance principles are applied to MKK by analogy.

Briefing of beneficiaries by issuers

ARTICLE 36 – (1) Pursuant to the procedures and principles set by MKK, issuers may provide information to the beneficiaries about themselves or on any capital market instruments they issue.

Provisional clause related to the MKK

PROVISIONAL ARTICLE 1 – (1) , The provisions of Article 138 section 11 of the Law are reserved regarding the independent audit of MKK. The report to be prepared at the end of the independent audit will be submitted to MKK and the CMB simultaneously.

(2) The MKK's incumbent board members continue to sit on the board until the end of their term without the need to provide any further information or documentation.

Provisional clause related to the participants

PROVISIONAL ARTICLE 2 – (1) With the exception of investment institutions, all institutions and organizations that are MKK participants as of the date of this Regulation continue to retain their status without a need to submit an application.

(2) In compliance with the CMB-issued Communiqué No. III-37.1 on Principles Regarding Investment Services and Activities and Ancillary Services, published in the Official Gazette dated July 11, 2013, No. 28704, subject to filing an application with the CMB for custodian services authority until July 1, 2015, investment institutions that are MKK participants shall continue to retain their participation status until their application is approved.

(3) In compliance with Article 24, accounts of investment institutions with applications denied or not filed under section 2 of this article, are liquidated.

(4) The provisions of section 5 of Article 24 apply to the issuer participants with participation accounts revoked as of the publication date of this Regulation.

Provisional clause related to the legislations

PROVISIONAL ARTICLE 3 – (1) Regulations MKK must issue under this Regulation, are passed within one (1) year of the publication date of this Regulation. Until the new legislation enters into force, the provisions of the current legislation, which do not infringe on this Regulation, continue to apply.

Effective date

ARTICLE 37 – (1) This Regulation enters into force at the time of its publishing.

Enforcement

ARTICLE 38 – (1) The Capital Markets Board is responsible for enforcing this Regulation.