INTERNAL DIRECTIVE ON PROCEDURES FOR ACCOUNT OPENING AND MEMBERSHIP OF FOREIGN CENTRAL SECURITIES DEPOSITORIES, AND ACCOUNT OPENING BY MKK WITH FOREIGN CENTRAL SECURITIES DEPOSITORIES

Purpose

Article 1- (1) The purpose of this Internal Directive is to determine the principles and procedures that shall apply when International Foreign Central Securities Depositories and Foreign Central Securities Depositories register with MKK as a member and MKK opens accounts with International Foreign Central Securities Depositories and Foreign Central Securities Depositories.

Reference

Article 2- (1) This Internal Directive is produced based on Article 20 of the Regulation Concerning Incorporation, Operation and Supervision of the Central Registry Agency and Article 6 of the Communiqué on Principles Regarding Book-Entry Recording Of Dematerialized Capital Market Instruments (Serial II, No: 13.1).

Definitions and abbreviations

Article 3 - (1) The terms used in this Internal Directive refer to the following;

a) The Law: Capital Market Law No. 6362;

b) The Dematerialization Communiqué: Communiqué on Principles Regarding Book-Entry Recording Of Dematerialized Capital Market Instruments (Serial II, No: 13.1);

c) The CMB: The Capital Markets Board;

d) MKK: Merkezi Kayıt Kuruluşu A.Ş.

e) Accounts not held on a beneficiary basis: Accounts where the CMB requires holding of capital market instruments collectively, without opening individual beneficiary accounts for each type/issuer of capital market instruments or class of MKK members, under Article 13 of the Capital Markets Law;

f) Takasbank: İstanbul Takas ve Saklama Bankası A.Ş.;

g) Investment Institution: Legal entities defined in Article 3, sub-section "v" of the Capital Markets Law;

h) FCSD: A central securities depository and international foreign central securities
depository established in a foreign country.

PART ONE

MKK MEMBERSHIP OF FCSDs

Procedures of MKK membership for FCSDs

Article 4- (1) When applying to become an MKK member, FCSDs shall complete a specific standard application form and attachments, and submit the originals to MKK.

(2) MKK's Board of Directors shall evaluate the application. Organizations that meet the terms shall be admitted as a member. MKK's Board of Directors shall advise the applicant in writing about the decision.

(3) In the event of a request submitted with the membership application to be made in accordance with Section 1 of this Article, to open an account that shall not be held by FCSDs on a beneficiary basis, MKK shall promptly send the application to the CMB in compliance with Article 6 Section 4 of the Dematerialization Communiqué. Following the CMB's approval, MKK's Board of Directors shall evaluate the application, and organizations, which meet the terms, are admitted as a member.

Accounts to be opened by FCSDs

Article 5- (1) Provisions of Article 6 (entitled "Accounts") of the Dematerialization Communiqué as well as provisions of the CDS (Central Dematerialized System) Internal Directive on WIP (Work and Informatics Practices) Principles and Guidelines, shall be applied to the accounts to be opened by FCSDs on a beneficiary basis.

(2) In the event of an FCSD requesting to open account(s) that shall not be held on a beneficiary basis, MKK shall open these accounts subject to prior CMB approval, making it clear that any records of individual beneficiaries shall not be held by MKK. Registering an account does not qualify any beneficiary for an entitlement.

Warranties to be provided for opening an account that shall not be held by FCSDs on a beneficiary basis

Article 6- (1) In the event of an FCSD opening an account that shall not be held on a beneficiary basis, the FCSD shall be required to undertake that beneficiary information shall be provided to MKK at the request of CMB and/or MKK. No beneficiary information shall be requested from FCSDs for accounts not held on a beneficiary basis (applicable only in the
case of dual listings).

**Article 7**- (1) In compliance with the CDS Internal Directive on WIP Principles and Guidelines, FCSDs shall perform transactions involving the accounts opened in their name.

(2) Instead of performing operations on accounts with MKK themselves (pursuant to Section 1), FCSDs may perform such transactions through another MKK member in compliance with Article 5 Section 8 of the Dematerialization Communiqué. In that case, both FCSD and the member to perform the operation on behalf of the FCSD, shall have to commit to MKK that they shall be jointly and severally responsible for the operations and processes to be performed.

**Termination of MKK Membership by FCSDs**

**Article 8**- (1) Any FCSD planning to terminate its MKK membership shall advise MKK about its intent in writing. Membership shall be terminated upon approval by the MKK’s Board of Directors. When transferring the records kept by the FCSD to other members or to another member the FCSD shall designate, the procedures and principles set by the MKK Board of Directors shall apply in accordance with Article 23 of the MKK Regulation.

**Temporary suspension and revocation of FCSD's membership**

**Article 9**- (1) In the event of suspension of FCSD’s activities by the CMB, MKK or at its own request, its membership shall be temporarily suspended and access to the records kept with MKK shall be restricted. The authority to perform operations on the records of FCSD, membership of which has been temporarily suspended in this way, shall be used by MKK or another member MKK shall authorize and the CMB shall approve.

(2) In the following cases, memberships are to be revoked by a MKK Board decision:

a) Revocation of the FCSD’s permit for securities custody,

b) Bankruptcy decision for FCSD,

c) FCSD's transfer to another legal entity in a merger, or MKK identifies a persistent compliance violation related to its operations and procedures upon inspection conducted in compliance with Article 81 Section 4 of the Law.

(3) If there are balances outstanding in the account(s) held by a revoked FCSD, then the authority to operate such accounts shall be used by MKK or another member MKK shall authorize and the CMB shall approve.
(4) If the revoked FCSD has an account, which is not held on a beneficiary basis, then in compliance with the Principles on Investor Accounts and Account Opening Procedures stipulated by the CDS Internal Directive on WIP Principles and Guidelines, the FCSD and/or FCSD’s authorized official shall submit to MKK, information on the actual beneficiaries of the securities held in the account.

Standard forms and warranties

Article 10- (1) Office of the General Manager shall determine the content and requirements of the application form and attachments in this Internal Directive.

PART 2

OPENING AN MKK ACCOUNT WITH AN FCSD

Opening an MKK account with an FCSD

Article 11- (1) Subject to the approval by MKK Board of Directors, an account can be opened with an FCSD in the name of MKK pursuant to Article 3, Section 1, sub-section "m" of the MKK Articles of Association, for the purposes of cooperating with the securities registries or other organizations, which have been/shall be established locally or elsewhere abroad, or participating in the mutual cooperation efforts undertaken by foreign securities registries among themselves, and/or within the scope of duties assigned by the foreign capital markets instruments-related CMB regulations.

(2) Instead of opening an account directly with an FCSD in the name of MKK pursuant to Section 1 of this Article, a decision could be made to open the said account by using Takasbank's related account/link with the FCSD under the terms of Foreign Securities Custody Agreement signed with Takasbank.

Closing an MKK account with an FCSD

Article 12- (1) Closing an account opened with an FCSD requires an MKK Board of Directors resolution as per Article 11 of this Internal Directive.

Article 13- (1) Operations involving accounts opened with FCSDs shall be performed in compliance with the Principles of Holding Foreign Capital Markets Instruments in Dematerialized Form, stipulated by the MKK Internal Internal Directive on WIP Principles and Guidelines.
Regulation rescinded

Article 14 - (1) Issued by MKK pursuant to the Repealed Communiqué on Principles Regarding Book-Entry Recording Of Dematerialized Capital Market Instruments, the Regulation on Procedures and Principles For Account Opening and Registration of Foreign Central Securities Depositories has been rescinded.

Effective date

Article 15 - (1) This Internal Directive shall be effective on the date of its approval by the Board of Directors.

Enforcement

Article 16- (1) This regulation shall be enforced by the General Manager.