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CAPITAL MARKETS LAW (NO. 6362)

(Promulgated in the Official Gazette, edition no. 28513, dated December 30, 2012)

PART I
General Provisions
FIRST SECTION
Purpose, Scope and Definitions

Purpose

Article 1 – (1) The purpose of this Law is to regulate and supervise capital markets so as to ensure that capital markets are operated and developed in a reliable, transparent, efficient, stabilized, fair and competitive atmosphere and so as to protect the rights and interests of investors.

Scope

Article 2 – (1) Capital market instruments, and offering of the same , issuers and public offerors of the same, and capital market activities, capital market institutions, exchanges and other organized markets where capital market instruments are traded, and market operators, the Association of Capital Markets of Türkiye, the Association of Appraisers of Türkiye, central clearing institutions, central custodians, the Central Registry Agency and the Capital Markets Board are subject to and governed by the provisions of this Law. Non-public share offerings of privately held corporations are excluded from the scope of this Law.

(2) Any matters not dealt with in this Law and in secondary legislation associated with and enacted in reliance upon this Law, and any matters which are not subject to this Law as per other pertinent laws and regulations shall be governed by the general law provisions.

Abbreviations and Definitions

Article 3 – (1) Under the implementation of this Law:

(a) "Brokerage House" refers to an investment institution authorized by the Board solely and exclusively for investment services and activities described in sub-paragraphs (a), (b), (c), (e) and (f) of first paragraph of article 37 hereof;

(b) "Initial Capital" refers to minimum issued capital which is required to be held by joint-stock companies subject to the registered capital system;

(c) "Association" refers to the Association of Capital Markets of Türkiye;

(ç) "Exchange" refers to systems and marketplaces which are authorized and operated regularly as per this Law, and are organized in the form of a joint-stock company, and are operated and/or managed by itself or by a market operator in order to ensure that capital market instruments, foreign exchange and precious metals and precious stones and other agreements, instruments and assets deemed fit by the Board are easily and safely traded under free competition conditions, and to determine and announce the market prices, and to compile purchase and sale orders together or facilitate their compilation for execution purposes;

(d) "Issued capital" refers to capital representing the sold shares of joint-stock corporations subject to the registered capital system;

(e) "Publicly Held Company" refers to joint-stock corporations whose shares have been offered to public or which are considered to have been offered to the public, except the ones collecting money through crowdfunding platforms;

(f) "Public Offering" refers to the invitation of the public by all kinds and means of communications for the purchase of capital market instruments, and a sale performed upon this invitation;

(g) "Public Offeror" refers to a natural person or a legal entity who applies to the Board for public offering of its capital market instruments;

(ğ) "Issue" refers to a process whereby an issuer issues capital market instruments and sells them with or without public offering

(h) "Issuer" refers to legal entities and mutual funds, subjected to this Law, who issue capital market instruments or apply to the Board for issue thereof or whose capital market instruments offered to public, except the ones collecting money through crowdfunding platforms;

(ı) "Related Minister" refers to the Deputy of President or Minister appointed by the President;

(i) "Mortgage-Backed Securities" refers to, mortgage covered bonds, mortgage-based securities, or capital market instruments, other than stocks, issued by mortgage finance corporations, and other capital market instruments collateralized receivables arising from housing finance;

(j) ''Prospectus'' refers to a public disclosure document containing all kinds of information needed to enable the investors to make a conscious choice by considering the financial situation and performance, prospects and activities of issuer, and if any, guarantor, and specifications of and rights and risks associated to capital market instruments to be issued or traded in the exchange;

(k) "Public Disclosure Platform" refers to an electronic system to which information required to be disclosed to public pursuant to the applicable laws and regulations are transmitted with electronic signature and are disclosed to public;

(l) "Registered Capital" refers to capital of a joint-stock corporation registered and announced in the Trade Register, representing the maximum amount of stocks that can be issued by a decision of the Board of Directors of the company, without being subject to the provisions of the Turkish Commercial Code, no. 6102, dated 13/2/2011, on capital increases, provided that there is a provision in the Articles of Association of the company;

(m) "Collective Investment Institutions" refers to mutual funds and investment partnerships;

(n) "Board" refers to the Capital Markets Board;

(o) "Securities" refers to: with the exception of money, cheque, policy, bond

1) shares or stocks and other securities similar to shares or stocks and certificates of deposit relating to shares or stocks; and

2) debt instruments or debt instruments based on securitized assets and revenues and certificates of deposit relating to such instruments, except for cash, checks, drafts and promissory notes;

(ö) "Central Counterparty" refers to a central clearing institution who commits the execution and completion of settlement by assuming the role of seller against buyer and the role of buyer against seller;

(p) "CRA" refers to and stands for Central Registry Agency Co., Inc., being a private law entity established and founded to execute for dematerialization of capital market instruments, and to pursue these dematerialized instruments and the rights associated thereto on book-entry basis in electronic media separately for members and right holders, and to keep them in central custody, and to perform other duties and assignments that may be given by the Board within the frame of the capital markets laws and regulations;

(r) "Market Operator" refers to a joint-stock corporation managing and/or operating the exchange or the markets of exchange;

(s) "Custody Services" refers to services relating to capital market instruments entrusted or delivered physically or on book-entry basis either with respect to and in the course of capital market activities and operations or as a depository or custodian or for management purposes or as a security or under any other name whatsoever it is;

(ş) "Capital Market Instruments" refers to securities and other capital market instruments categorized and grouped by the Board under this heading, including, but not limited to, derivatives and investment agreements;

(t) "Capital Market Institutions" refers to and stands for the institutions listed in Article 35 hereof;

(u) "Derivatives" refers to the following derivative instruments and other derivatives categorized and grouped by the Board under this heading:

1) Derivative instruments which give the right to purchase or sell or exchange the securities; and

2) Derivative instruments the value of which is indexed to the price or yield of a security; or to the price of a currency or to any change of price; or to an interest rate or to any change of interest rate; or to the price of a precious metal or a precious stone or to any change of price; or to the price of a commodity or to any change of price; or to statistics published by institutions found appropriate by the Board or to any change therein; or to an index level which provides transfer of a credit risk or has measurement units such as energy prices and climate variables and is comprised of the mentioned items or to any change therein, as well as derivatives of these instruments, and derivatives which give the right to exchange the mentioned underlying assets; and

3) Leveraged procedure on foreign exchange and precious metals and other assets to be designated by the Board;

(ü) "TCB" refers to and stands for the Turkish Central Bank Co., Inc.;

(v) "Investment Institution" refers to and stands for brokerage houses and other capital market institutions and banks which are founded for investment services and operations and are operating under principles designated by the Board; and

(y) "IIC" refers to and stands for Investor Indemnification Center, being a public legal entity established and founded to execute the decisions of indemnification taken by the Board within the frame of this Law, if and when investment institutions fail to make cash payment or deliver capital market instruments arising out of investment services and activities;

(z) "Crowdfunding" refers to and stands for collecting money from the public through crowdfunding platforms, under the principles set forth by the Board without being subject to the provisions on investor indemnation, in order to provide the funds required by a project or an enterprise company.

(aa) Wallet: Software, hardware, systems or applications that enable the transfer of cryptoassets, and the online or offline storage of these assets or the private and public keys related to the same,

(bb) Cryptoasset: Intangible assets that can be created and stored electronically using distributed ledger technology or a similar technology, distributed over digital networks and may express value or rights,

(cc) Cryptoasset service provider: Platforms, organizations providing cryptoasset custody services, and other organizations designated to provide services in relation to cryptoassets, including the initial sale or distribution of cryptoassets in the regulations to be made based on this Law,

(çç) Cryptoasset custody service: Storage and management of the cryptoassets of the platform customers or the private keys that provide the right to transfer from the wallet related to these assets, or other custody services to be determined by the Board,

(dd) Platform: Organizations where one or more of the cryptoasset trading, initial sale or distribution, clearing, settlement, transfer, custody and other transactions that may be implemented,

(ee) TUBITAK: Scientific and Technological Research Council of Türkiye,

PART II
Principles on Issue and Issuers of Capital Market Instruments, and on Public Disclosure
FIRST SECTION
Issue of Capital Market Instruments

Obligation to Prepare and Issue a Prospectus

Article 4 – (1) In order for capital market instruments to be offered to the public or listed and traded in the exchange, a prospectus is required to be prepared and issued, and the prepared prospectus is required to be approved by the Board. Provided that the provisions of other codes on collection of aids and donations are reserved, collection of money from public by means of crowdfunding, is realised through crowdfunding platforms authorized by the Board and is not subject to the provisions on the liability to issue a prospectus or issue document.

(2) Information in the prospectus should be presented so as to be easily understood, considered and evaluated by investors.

(3) Name and position of natural persons and name, headquarters and contact information of legal entities in charge of the prospectus are to be clearly stated in the prospectus.

(4) The prospectus can be issued in the form of a single document or more than one document, providing that it contains information about issuer and issued capital market instruments, as well as a summary section. Summary section is composed of brief, clear and comprehensible information and statements about issuer and if any guarantor, and nature of guarantees, and basic properties of and rights and risks associated to capital market instruments to be issued.

(5) In the course of preparation of a prospectus by the public offeror, the issuer is obliged to take the measures for facilitating the preparation of prospectus.

Authority of Board

Article 5 – (1) Depending upon the type and characteristics of issuer and capital market instruments to be offered to public or to be listed and traded in the exchange, the Board determines procedures and principles with regard to minimum information required to be provided in the prospectus, and guarantor and kind of guarantee, and documents comprising the prospectus, and format of prospectus, and disclosing and publishing of prospectus, and announcements and advertisements, and making reference to information previously published in the prospectus, and conditions of sale, and amendments and variations in the approved prospectus, and partial or full exemption from the obligation to prepare and issue a prospectus.

Approval of Prospectus

Article 6 – (1) In the case of detection that all information contained in the prospectus are consistent, comprehensible and complete according to the prospectus standards specified by the Board, the Board decides to approve the prospectus. Procedures and principles relating to the review and inspection to be conducted in the course of approval of prospectus will be set down by the Board. If a prospectus is composed of different documents, each of such documents is separately approved. Approval of a prospectus may in no case construed as a warranty or representation of the Board as to accuracy of information given in the prospectus, nor can it be considered and treated as an advice relating to the subject capital market instruments.

(2) An application for approval of prospectus is concluded and the conclusion is notified by the Board to the relevant persons within ten business days following submission to the Board of the prospectus prepared in compliance with the Board regulations, together with other required information and documents. This period of time is twenty business days in the initial public offerings.

(3) In the event that the information and documents submitted in an application for approval of prospectus are incomplete or additional information and documents are needed, the applicant is informed thereabout within ten business days following the date of application, and the applicant is requested to complete the required information and documents within a period of time to be designated by the Board. Thereupon, the periods of time specified in the second paragraph hereof start to run from the date of delivery of the said missing or additional information and documents to the Board.

(4) In case of an application is not approved upon a review and inspection conducted within the frame of this article, the decision is notified to the relevant persons stating the reasons thereof.

Publishing of Prospectus, Announcements and Advertisements

Article 7 – (1) After approval, a prospectus shall be published in accordance with the principles to be set down by the Board, and shall not be separately registered in the Commercial Register and announced in the Turkish Trade Registry Gazette. However, the publication where the prospectus is published shall be registered in the Commercial Register and announced in the Turkish Trade Registry Gazette.

(2) The prospectus may be announced and made public in accordance with the principles to be set down by the Board, before approval

(3) Announcements, advertisements and statements pertaining to the issue should be consistent with the prospectus and should not contain untrue, exaggerated and misleading data and information.

Amendments in and Additions to Prospectus

Article 8 – (1) If, prior to start of sales or during the period of sales, the information disclosed to the public through the prospectus changes or emerging of new issues occur which in turn may affect the investment decisions of investors, such changes or new issues will be immediately notified by the issuer or public offeror to the Board by the most convenient means of communication.

(2) The sales process may be suspended and stopped upon occurrence of such changes or new issues

(3) Information to be changed or added as above will, within seven business days following the date of notification, be approved in accordance with the principles mentioned in Article 6 hereinabove and be published as described in Article 7.

(4) Investors who have already requested to purchase the capital market instruments before publishing of changes or new developments and events will, within two business days following the date of publishing of amendments in or additions to prospectus, have the right to renounce from and withdraw their requests.

Validity Time of Prospectus

Article 9 – (1) For issues to be realized by the issuer or public offeror by the end of twelve months following the date of first publishing of prospectus, it is sufficient to have the amendments and additions to prospectus approved in accordance with the principles mentioned in Article 6 hereinabove and published as described in the Article 7. On the other hand, in public offerings to be carried out after the end of this period, the prospectus is required to be completely approved.

Persons in Charge of Prospectus

Article 10 – (1) Issuers are liable for all kinds of damages and losses that may be caused by inaccurate, misleading and incomplete information located in the prospectus. Should it be not possible to recover the damages and losses from issuers or if it is clearly understood that they cannot be recovered, then and in this case, public offerors, and leading brokerage house underwriting the issue, and if any, guarantor, and directors of issuer are held liable for such damages and losses depending on their faults and to the extent the damages and losses can be attributed to them under the available circumstances.

(2) Persons and entities, such as independent auditors, rating agencies and appraisal and valuation agencies who prepare the reports issued to locate in the prospectus are also held liable for untrue, misleading and incomplete information contained in their reports to the extent envisaged under the provisions of this Law.

Issue of Capital Market Instruments Without Public Offering

Article 11 – (1) In order for capital market instruments to be issued without public offering, a certificate of issue containing information about nature and conditions of sale of the subject instruments is required to be prepared, and to be approved by the Board in accordance with the principles laid down in Article 6 hereinabove.

(2) The Board designates the procedures and principles as to the certificate of issue, and approval of such certificate, and if and to the extent deemed necessary, disclosing of the certificate to the public.

(3) Provisions of Article 32 shall be applicable concerning the liability for untrue, misleading and incomplete information provided in the certificate of issue.

Sales of Capital Market Instruments

Article 12 – (1) Shares issued are required to be fully paid in cash. The Board shall determine a guarantee that the shares which remain unsold within the sales period will be purchased and funded completely. The Board is further authorized to outline and determine the cases where it is not obligatory to pay the prices of shares in cash, such as capital increases in the case of merger, split-up, exchange of stocks or similar other company restructuring

(2) If and when market price or book value of shares is higher than their nominal value, then and in this case, the Board may request that the shares to be issued are sold at a premium price and that the right to acquire newly issued shares are used over premium price. On the other hand, if market price or book value of shares is less than their nominal value, the Board may permit the issue of shares at a price below their nominal value. Procedures and principles relating thereto will be designated by the Board.

(3) It is required to deliver the capital market instruments to the buyer at the time of sale. The regulations of the Board pertaining to issues in the share capital system, dematerialization of capital market instruments, and exchange transactions are, however, reserved.

(4) In sales of capital market instruments to public, the Board may request from the issuer, public offerors, sellers and relevant exchanges to take measures for facilitating the purchase of capital market instruments by investors, and for protecting the rights and interests of investors.

(5) In applications filed to the Board due to capital increase, the period of review by the Board will not be taken into account regarding the calculation of the period of time for registration of capital as stipulated in Article 456 of the Turkish Commercial Code no. 6102.

(6) Provisions of Article 346 and third paragraph of Article 462 of the Turkish Commercial Code no. 6102 are not applicable on publicly held corporations and corporations which have applied to the Board for going public.

Dematerialization of Capital Market Instruments

Article 13 – (1) It is essential that capital market instruments are issued on book-entry basis in electronic media without using any physical certificates. The Board determines the capital market instruments to be issued and the rights to be pursued on book-entry basis, and defines the procedures and principles as to dematerialization of instruments by sorts and issuers thereof, and keeping of records related thereto, and termination of dematerialization of shares and stocks of issuers who cease to satisfy the conditions of membership. Instead of issuing capital market instruments in dematerialized form according to the provisions of this article and monitoring them by CRA, the Board may determine principles regarding the issuance of capital market instruments as cryptoassets and their dematerialized monitoring in the electronic environment offered by the cryptoasset service providers where they are created and stored. In the case of issuance of capital market instruments as cryptoassets, the records in the electronic environment in which they are created and stored shall be taken as basis for monitoring, asserting, and transferring the rights against third parties. The Board may make integration between these electronic records and the CRA system obligatory. The procedures and principles regarding the implementation of this paragraph shall be determined by the Board.

(2) Dematerialized capital market instruments are recorded and pursued in accounts opened in the name of them, regardless of being registered to name or bearer. The Board may decide that the accounts will be kept

collectively, depending upon the type of capital market instruments and the kind of their issuer or CRA members without opening an account in the name of right-holder of capital market instruments.

(3) Rights associated to dematerialized capital market instruments are pursued by CRA. Records are kept by CRA members in electronic media created by CRA.

(4) Capital market instruments decided to be dematerialized are required to be delivered in accordance with the principles determined by the Board. The delivered capital market instruments automatically become null and void. Non-delivered capital market instruments cannot be traded in the stock exchange, or brokerage houses cannot intermediate the trading of these capital market instruments, at any time after the decision of dematerialization.

(5) Rights associated to dematerialized capital market instruments may be claimed against third parties as from the date of notification to CRA in relation therewith.

(6) Transfer of shares is recorded in share book by companies in accordance with the pertinent provisions of the Turkish Commercial Code no. 6102 on the basis of the records pursued in CRA, without any application of relevant persons.

(7) Injunctions, attachments and similar other administrative and juridical claims or proceedings pertaining to the dematerialized capital market instruments are solely and exclusively carried out by CRA members. The provisions pertaining to claim, recovery and collection of receivables notified via electronic media pursuant to the pertinent laws are, however, reserved.

SECOND SECTION
Principles on Public Disclosure

Financial Reporting and Independent Audit

Article 14 – (1) The issuer is under obligation to prepare and submit timely, completely and accurately all financial statements and reports to be disclosed or if required, to be requested by the Board, in strict compliance with the regulations of the Board in accordance with the Turkish Accounting Standards in terms of format and contents.

(2) It is the responsibility of the issuer and the issuer's directors, as the case may be, and depending on their faults, to ensure that the financial statements and reports are prepared and submitted in accordance with the regulations of the Board as specified in the preceding first paragraph, and that they are true and accurate. The board of directors is required to take a separate decision for acceptance of the financial statements and reports to be issued as detailed in this article. Furthermore, public disclosures to be issued for financial statements and reports by the issuing company's executives and directors must contain a statement that the subject financial statements and reports are true and accurate.

(3) The issuers are further obliged to have those financial statements and reports as determined by the Board pursuant to the Turkish Accounting Standards audited by independent audit firms as listed under this Law, in terms of compliance with the principle of the Turkish Audit Standards specifying that the information given therein should fairly and accurately reflect the truth, and to obtain an independent audit report thereafter.

(4) In the case of public offering, application for quoting in exchange, material transactions as defined in article 23 hereof, and events and developments making a material effect on the company's activities and financial situation, the Board shall be authorized to request an independent audit report issued in accordance with the provisions of this article also from other companies being a party to the subject transaction.

(5) Both the financial statements and reports requested by the Board, and in the case of being subject to independent audit, the independent audit report will be disclosed to the public in accordance with the procedures and principles specified by the Board

Special Circumstances of Public Disclosures

Article 15 – (1) Information, events and developments which may affect the value and price of capital market instruments and the investment decisions of investors will be disclosed to the public by issuers or relevant parties thereto.

(2) Procedures and principles relating to public disclosure or notification to the relevant issuer of the information, events and developments specified in the first paragraph, as well as deferral of public disclosure or non-disclosure to the public in exceptional cases shall be determined by the Board.

THIRD SECTION
Publicly Held Corporations

Eligibility for Publicly Held Corporation Status

Article 16 – (1) Shares of companies listed and traded in the exchange and shares of joint-stock corporations having more than five hundred shareholders, except the companies collecting money from public by means of crowdfunding, shall be deemed to have been offered to the public. These companies are subject to the law provisions applicable to publicly held corporations.

(2) Joint-stock companies the shares of which are unquoted in the exchange are under obligation to apply to the stock exchange for quoting of their shares within maximum two years following the date they become eligible for publicly held company status, or otherwise, the Board will, regardless of any request of the corporation, take necessary decisions either for quoting of these shares in the exchange or for removal of the corporation from publicly held corporation status.

(3) Shares of joint stock corporations with cooperatives or cooperative unions having at least five hundred shareholders as their shareholder holding majority of the shares, shall be deemd to have been offered to the public. These companies are subject to the law provisions applicable to publicly held corporations. In respect of the joint stock corporations falling within the scope of this paragraph; on the condition that the shareholder cooperative or cooperative union are the same, an annual sales revenue of at least fifty million Turkish Liras is required from each of the corporations separately or as whole. Provisions of the second paragraph are not applied to the companies falling within the scope of this paragraph.

Corporate Governance Principles

Article 17 – (1) Procedures and principles relating to corporate governance principles in publicly held corporations, and contents and publishing of corporate governance compliance reports, and rating of compliance of companies with corporate governance principles, and independent directorships shall be determined and specified by the Board. The Board shall use its powers so as not to cause any unfair competition among publicly held corporations, and by considering the principle of application of equal rules to companies under equal conditions.

(2) The Board shall further be authorized to keep the publicly held corporations the shares of which are quoted in the exchange obliged to comply with all or some of the corporate governance principles, depending on their characteristics, and to determine the procedures and principles in connection therewith, and should they fail to comply by the end of the period of time granted to them, to take decisions so as to fulfil the compliance therewith, and to take relevant actions in its own initiative and ex officio, and even if a period of time is not granted, to apply for injunction reliefs, free from any kind of collaterals therein for, for determination of unlawfulness and for cancellation of any acts or transactions in non-conformity with the said principles, and to bring forward lawsuits, and to request judgments for fulfilling compliance therewith, and to determine the procedures and principles of performance of these acts.

(3) The publicly held corporations, prior to starting any transactions of a type to be determined by the Board with their related parties, are required to take a decision of board of directors outlining and putting forth the principles of such transaction. For applicability of aforesaid decisions of the board of directors, they are required to be approved by majority of independent members of the board of directors. Should majority of independent members refrain from approving the transaction, this is required to be disclosed to the public with sufficient information about the transaction in accordance with public disclosure regulations, and the transaction is then presented to the approval of the General Assembly of shareholders. In the aforesaid meetings of the general assembly of shareholders, decisions are taken in a voting wherein the parties to the transaction and their related parties cannot vote. In discussion of this article in a meeting of the General Assembly of shareholders, meeting quorum will not be sought for, and decisions are taken by affirmative vote of simple majority of those having the right to vote therein. Decisions of board of directors or General Assembly of shareholders not taken in strict compliance with the principles set down in this paragraph will be deemed invalid.

(4) Publicly held corporations may perform their obligations arising out of both this article and first paragraph of article 1524 of the Turkish Commercial Code no. 6102 also through electronic media provided by CRA.

(5) Procedures and principles related to application of this article on publicly held corporations will be determined in due consultation with and with prior consent of the Banking Regulation and Supervision Board.

Registered Capital System

Article 18 – (1) Publicly held companies and companies which have applied to the Board for offering their shares to the public may adopt the registered capital system with the permission of the Board, providing, however, that the permission of the Board will not be sought for the companies which have already shifted to this system pursuant to the Turkish Commercial Code no. 6102.

(2) In registered capital system, the board of directors is authorized to increase the capital of the company up to the registered capital ceiling stated in the Articles of Association, without complying with the provisions of the Turkish Commercial Code no. 6102 concerning capital increases, providing, however, that this authorization may be granted thereto by the general assembly of shareholders for a maximum period of five years, and the duration of this authorization may further be extended by maximum five-years' terms at each time by a decision of the General Assembly of shareholders.

(3) In registered capital system, new shares are not to be issued, unless the already issued shares are fully sold and their values are paid for, or the unsold shares are cancelled.

(4) In the case of existence of privileged shares, decisions of the General Assembly of shareholders pertaining to amendments to Articles of Association as will be taken as per this article are required to be approved by General Assembly of holders of privileged shares according to the principles set forth in article 454 of the Code no. 6102, providing, however, that a decision of the general assembly of holders of privileged shares is not separately sought for in capital increases of companies within their registered capital ceiling.

(5) The board of directors may resolve to issue privileged shares or shares above or below the nominal value per share, or to restrict the rights of purchase of shareholders on newly issued shares, or to restrict the rights of privileged shareholders only if and when it has been explicitly authorized so by the articles of association. However, the authorization to restrict the rights of purchase on newly issued shares cannot be used in such manner to cause inequality between shareholders. Provisions of second and third paragraphs of article 461 of the Code no. 6102 are not applicable for publicly held corporations.

(6) Against the decisions taken by the board of directors within the frame of principles of this article, an annulment suit may, within thirty days following the date of announcement of the subject decision, be brought forward in the commercial court of the city of the company headquarters by the directors or by the shareholders

whose right are violated within the frame of provisions of the Code no. 6102 pertaining to cancellation of decisions of the general assembly of shareholders.

(7) Following completion of capital increase in compliance with provisions of this article, new version of the capital article of the articles of association indicating the share capital will be registered and announced by the board of directors.

(8) Decisions taken by the board of directors in reliance upon the authorization granted by the articles of association and in accordance with this article will be disclosed to the public as specified by the Board.

(9) In the event that a publicly held corporation covered by the registered capital system issues a convertible bond or a convertible derivative instrument, the total sum of issued capital of the company and of shares to be allocated and distributed upon conversion cannot exceed sum of the registered capital

(10) Procedures and principles relating to enrolment of publicly held corporations in registered capital system, and departure from system, and expulsion by a decision of the Board, and contingent capital increases shall be determined by the Board. Companies which have previously shifted to this system pursuant to the Code no. 6102 and have later become a publicly held corporation shall also be subject to the provisions of this paragraph

Distribution of Profit Shares and Bonus Issue and Donations

Article 19 – (1) Publicly held companies distribute their profits within the frame of profit distribution policies to be determined by the general assembly of shareholders and in strict compliance with the applicable laws and regulations. With respect to profit distribution policies of publicly held companies, the Board may determine different principles for companies of similar characteristics.

(2) Unless and until the legally required reserve funds, and the dividends designated for shareholders in the Articles of Association are duly set aside and reserved, it cannot be decided to set aside other reserve funds, or to carry forward the profit to the next year, or to distribute dividends to holders of jouissance shares or directors or employees of the company, and unless and until the dividends designated for shareholders are fully paid, no dividend may be allocated or distributed to the said parties.

(3) In publicly held companies, dividends are equally distributed to all of the existing shares on the date of distribution, regardless of their dates of issue and acquisition.

(4) In capital increases of publicly held companies, bonus shares are distributed to the existing shares on the date of increase.

(5) Publicly held companies can make donations or distribute profit shares to persons other than shareholders only if and when they are authorized to do so as per the articles of association. Limit of donations to be made will be determined by general assembly of shareholders of the publicly held corporation. The Board shall be authorized to grant an upper limit of donations. Donations made by the companies during the relevant financial year are added to their distributable profit base.

Profit Share Advances

Article 20 – (1) Total sum of profit dividend advances to be distributed in an accounting period cannot exceed half of the profit of the previous accounting period. Unless and until the dividend advances paid during the previous period are set off and subtracted, it cannot be decided to distribute additional dividend advances or to distribute profit shares.

(2) The directors, to the extent they may be held personally liable for the damages and losses as the case may be and depending on their faults, as well as the independent auditors, to the extent of their reports, shall be

held liable towards the company and its shareholders and creditors, and be also held directly liable towards acquirers of shares during the accounting period when the dividend advances are decided or paid, for all kinds of damages and losses arising out of or in connection with the failure of the interim period financial statements to fairly reflect the truth, or the inaccuracy of the distributed dividend advances due to their non-compliance with the applicable laws and the accounting principles and rules. In the case of legal responsibility, an annulment suit may be brought forward by the shareholders and directors according to sixth paragraph of article 18 hereinabove within thirty days as of the date of announcement of relevant decision.

(3) Procedures and principles relating to implementation of this article shall be regulated by the Board.

Prohibition on Transfer of Hidden Profits

Article 21 – (1) Publicly held companies and collective investment institutions and their affiliates and subsidiaries are prohibited to transfer hidden profits to persons or entities, with whom they are directly or indirectly related in terms of management, audit or shareholding, by artificially reducing their profits or properties or artificially preventing the increase of their profits or properties through entering into agreements or commercial practices or generating a transaction volume containing different prices, fees, considerations or terms and conditions in non-compliance with the arm's length principle, market usage and practices, and principles of prudence and honesty in trading life.

(2) An act of publicly held companies and collective investment institutions and their affiliates and subsidiaries leading to increase of profits or assets of persons or entities related to them by omitting or disregarding the activities they are indeed required to perform in order to protect or increase their own profits or assets as a prudent and honest merchant and in accordance with the market practices and within the frame of their articles of association or internal bylaws and memorandum will also be considered and treated as an act of transfer of hidden profits.

(3) Publicly held companies and collective investment institutions are under obligation to document and evidence that their related party transactions are performed in compliance with the arm's length principle, market practices, and principles of prudence and honesty in trading life, and to keep the documentary proofs and information pertaining thereto for a minimum period of eight years. Procedures and principles required to be followed upon detection of a breach of the principles set forth in first paragraph hereof shall be determined by the Board.

(4) Upon determination by the Board of an act of transfer of hidden profits, the publicly held companies and collective investment institutions and their affiliates and subsidiaries request the parties to whom hidden profits are transferred to return and refund the transferred amount, together with legal interests, to the publicly held company and collective investment institution whose profits or assets are reduced, within a period of time to be determined by the Board. Thereupon, the parties to whom hidden profits are transferred are liable to return and refund the transferred amount, together with legal interests, within a period of time to be determined by the Board. Provisions of articles 94 and 119 hereof pertaining to breach of the prohibition on transfer of hidden profits, and the civil, criminal and administrative sanctions stipulated by the applicable laws and regulations in connection therewith are, however, reserved

Purchase and Pledging of Own Shares by Companies

Article 22 – (1) Publicly held companies can purchase their own shares or accept them as pledged properties within the frame of conditions to be determined by the Board. Procedures and principles relating to the conditions of purchase and pledging of own shares by publicly held companies, and transaction limits, and disposal or redemption of repurchased shares, and public disclosures pertaining thereto shall be set down by the Board.

(2) Purchase of shares of publicly held companies by affiliates covered by the consolidated balance sheet of the relevant company is also subject to and governed by the provisions of this article.

Material Transactions of Companies

Article 23 – (1) The publicly held companies' fundamental transactions regarding the structure of the company which may result in a change of the investors' investment decisions, such as being a party to merger or split-up transactions, or deciding to change its kind, granting privileges or changing the subject matter or scope of the existing privileges, shall be considered and treated as material transactions for the purposes of this Law. The Board shall be authorized to determine the material transactions including the degree of significance, and the procedures and principles required to be complied with in order to be entitled to take decisions for such transactions, in relation to the qualities of the publicly held company.

(2) If and when the pre-transaction situation is not restored within thirty days following the date of notification of the Board's decision for abolishment of transactions affected through breach of the obligations set forth in the first paragraph hereof, the Board may impose an administrative fine, and may sue for annulment of such transactions within the frame of the provisions of the Code no. 6102 pertaining to annulment of decisions of general assembly of shareholders.

Right to Depart

Article 24 – (1) Shareholders who participate in the meeting of general assembly of shareholders with respect to material transactions as specified in article 23 hereinabove, and vote against such transactions, and have their dissenting opinions incorporated in the meeting minutes, shall have the right to depart from the publicly held corporation by selling their capital shares to the company. The Board is authorized to determine the principles for utilization of the right to depart for the shares owned on the date the material event subject to the right to depart is disclosed to public, in relation to the qualities of the publicly held company. Thereupon, the publicly held company is under obligation to purchase these capital shares upon demand of the shareholder at a fair price under the principles to be determined by the Board. The Board is entitled to determine the procedures and principles for suggesting the shares subject to the right of depart to other shareholders and investors prior to being purchased by the company.

(2) Where a shareholder is unfairly and improperly not allowed to participate in a meeting of general assembly of shareholders with respect to material transactions as specified in article 23 hereinabove or vote, or the invitation is not duly made, or the agenda of meeting is not duly announced, the provisions of first paragraph hereof shall be applicable, regardless of use of dissenting vote against the relevant decisions of the general assembly of shareholders and regardless of having the dissenting opinions incorporated in the meeting minutes.

(3) Procedures and principles relating to the absence of the right to depart, providing an exemption to the company for the obligation of making such right utilized, and use of such right, and calculation of fair price shall be determined by the Board. The Board is entitled to determine different procedures and principles for the matters above relating to the use of right to depart, in relation to the qualities of the company.

Share Purchase Offer

Article 25 – (1) In publicly held corporations, procedures and principles relating to voluntary share purchase offers or mandatory share purchase offers due to material transactions shall be determined by the Board.

(2) Where share purchase offers are prohibited by the Board, transactions performed in reliance upon a prohibited offer shall be null and void ab initio.

Mandatory Share Purchase Offers

Article 26 – (1) In publicly held companies corporations, in the case of acquisition of shares or voting rights leading to management control, it is mandatory to submit an offer to purchase shares of other shareholders who hold the status of being a shareholder on the date the acquisition of shares or voting rights is disclosed to public. Procedures and principles relating to filing of a share purchase offer, and exemption from mandatory share purchase offers shall be determined by the Board.

(2) The direct or indirect holding of more than fifty percent of voting rights in the company, either alone or together with affiliated parties, or the holding of privileged shares entitling their holder to elect absolute majority of full number of members of board of directors or to nominate for such number of directorships in the general assembly meetings, shall be regarded as acquisition of management control. Provided, however, that this article does not apply if and when management control cannot be acquired due to existence of privileged shares.

(3) Even if the shareholdings in the company do not change, the acquisition of management control by some shareholders through special agreements without complying with procedures and principles envisaged to be determined by the Board as stated in first paragraph of article 23 and procedures and principles set forth in sixth paragraph of article 29 will also be subject to this article.

(4) With a view to protecting shareholders of publicly held corporations which are authorized to deal with a concession business and of which concession is later revoked, or the operation license of which is cancelled, or the management and supervision of which and the shareholding rights, other than dividend rights, of which are assigned to the Saving Deposits Insurance Fund pursuant to provisions of the Banking Law no. 5411 dated 19/10/2005, the Board may hold the dominant shareholder persons or entities, who are detected to have caused removal of concession, or implementation of pertinent provisions of the Law no. 5411, obliged to make a share purchase offer.

(5) The Board may impose a mandatory share purchase offer as a condition of permitting the amendments of articles of association that lead to change or loss of investment partnership status of investment partnerships

(6) Voting rights held by persons or entities who are held obliged to present a share purchase offer, and their affiliated parties, will automatically freeze if this obligation is not performed within the period of time designated by the Board. Such shares will not be taken into consideration in calculation of meeting quorum of general assembly of shareholders

Right to Expel from Partnership, and Put Option

Article 27 – (1) If and when voting rights associated with shares held in capital of a publicly held corporation as a result of a share purchase offer or as a result of acting together or otherwise reach or exceed the percentage determined by the Board, then and in this case, holders of these shares become entitled to expel the minority shareholders from the partnership. These persons may request from the company to cancel the shares of minority shareholders and to sell to them the new shares to be issued in lieu of them. Sale price is determined pursuant to article 24 hereinabove.

(2) In the case of entitlement for expulsion from partnership under the conditions set forth in the first paragraph hereof, the minority shareholders become eligible to sell their shares through a put option. Accordingly, minority shareholders may request from the persons or entities holding voting rights equal to or in excess of the percentage determined by the Board, or their affiliated parties, to purchase their shares against a fair price within a period of time to be designated by the Board.

(3) Article 208 of the Code no. 6102 are not applicable on publicly held corporations.

(4) Procedures and principles relating to implementation of this article shall be set down by the Board

Privileged Shares

Article 28 – (1) In the initial public offering of capital market instruments of companies, all of the privileges associated thereto are required to be disclosed to the public transparently and comprehensibly and in details.

(2) In publicly held corporations which incur losses for five consecutive years according to their financial statements prepared and issued in accordance with the applicable laws, except as otherwise reasonably required in the course of their operations, and within the frame of principles determined by the Board, the privileges pertaining to voting rights and representation in the board of directors will be revoked by a decision of the Board. However, this provision is not applicable if and when said privileged shares are held by public authorities and entities.

Principles Relating to General Assembly Meetings

Article 29 – (1) Publicly held corporations are under obligation to call their general assembly of shareholders for a meeting as stipulated in their articles of association through an invitation published in the company's internet site and the Public Disclosure Platform and other channels designated by the Board. This invitation is published no later than three weeks prior to the date of meeting, except for the days of publishing and meeting. Procedures and principles relating to implementation of this paragraph shall be determined by the Board.

(2) First paragraph of article 414 of the Code no. 6102 shall not be applicable on shares issued as registered shares and quoted in exchange.

(3) In meetings of general assembly of shareholders of publicly held corporations, except for decisions relating to the moving of head offices of the company to abroad and decisions imposing obligations or secondary obligations for settlement of off - balance sheet losses, the provisions of article 418 of the Code no. 6102 shall be applied, if heavier quorums are not specified with a clear reference to rates in this Law or in articles of association. If articles of association do not incorporate the contents of provisions of the Code no. 6102, but only refers to the Code no. 6102 or to the relevant article number, it is not considered as a provision to the contrary. The provisions of sixth paragraph hereof are, however, reserved.

(4) In general assembly meetings of publicly held corporations, it is obligatory to add to the agenda of general assembly meeting all or any items requested by the Board to be discussed therein or to be notified to shareholders, without being bound by the principle of loyalty to meeting agenda.

(5) The right of minority shareholders to have new items added to the agenda, as stipulated by article 411 of the Code no. 6102, further covers the presentation for discussion of draft resolutions pertaining to the agenda topics in publicly held corporations.

(6) In publicly held corporations, in order for the general assembly of shareholders to adopt decisions as to restriction of the rights of option on newly issued shares, or in registered capital system, as to granting of authorization to the board of directors to restrict the rights of option on newly issued shares, or as to capital reduction, or as to material transactions envisaged according to first paragraph of article 23, unless heavier quorums are specified in the articles of association with clear reference to rates, and regardless of the meeting quorum, at least two thirds of shares with voting rights present in the general assembly meeting are required to give affirmative vote thereon. Provided, however, that if at least half of capital shares with voting rights are present in the meeting, unless heavier quorums are clearly specified in the articles of association, decisions are taken by affirmative vote of simple majority of shares with voting rights present in the meeting. Shareholders being a party to these transactions according to first paragraph of article 436 of the Code no. 6102 are not entitled to vote in the general assembly meetings where such transactions are approved. Any provisions of articles of association which reduce the quorums stipulated in this paragraph are null and void ab initio.

Participation and Voting in General Assembly Meetings

Article 30 – (1) The right to participate and vote in general assembly meetings of publicly held corporations cannot be conditioned upon deposit of shares by the shareholder in any custodian or other institution.

(2) General assembly meetings of publicly held corporations the shares of which are dematerialized may be attended by shareholders named in the list of attendants to be issued by the board of directors in reliance upon the list of shareholders obtained from CRA. Eligible shareholders named in the aforesaid list participate in the general assembly meeting by showing their identity card. The Board shall be authorized to determine the principles as to maximum how many days prior to the general assembly meeting date the shareholders to be included in the aforesaid list will be determined, and/or if required, as to the shareholders' obligation to notify to CRA via the electronic medium specified in the fifth paragraph of this article that they and their proxies are going to participate in the meeting.

(3) Shareholders eligible to attend general assembly meetings of publicly held corporations the shares of which are not dematerialized shall be determined pursuant to the pertinent provisions of the Code no. 6102.

(4) Shareholders eligible to vote in general assembly meetings of publicly held corporations may further use their voting right through proxies appointed by them. However, in publicly held corporations, the shares of which are not dematerialized, votes may be used within the frame of general law provisions also through transfer of possession of bearer shares or through assignment of documents proving the possession thereof. The provisions of this paragraph shall be applicable also if and when custodians use as a proxy the voting rights associated with the shares kept in custody by them. Procedures and principles as to collection of powers of attorney through invitations and as to voting by proxy shall be determined by the Board. The provisions of article 428 of the Code no. 6102 are not applicable under this Law.

(5) General assembly meetings of joint-stock corporations the shares of which are dematerialized may be participated electronically via an electronic medium provided by CRA

Limit and Authorization of Issue of Capital Market Instruments Classified as Debt Instruments

Article 31 – (1) Total amount of capital market instruments classified as debt instruments that may be issued by issuers cannot exceed a limit to be determined by the Board. The Board may designate different limits according to characteristics of issue, issued debt instruments and issuers.

(2) Without prejudice to provisions of the Governmental Decree in Force of Law on Public Economic Enterprises no. 233 dated 8/6/1984, and except for the limits specified in article 51 of the Law on Provincial Special Administration no. 5302 dated 22/2/2005 and in article 68 of the Municipalities Law no. 5393 dated 3/7/2005, the issue limits stipulated in other laws shall not be applied.

(3) Authorization to issue capital market instruments classified as debt instruments may be permanently or temporarily transferred to the board of directors by the articles of association.

Debt Instrument Owners Board

Article 31/A – (1) The owners of the issuer's debt instruments in circulation, constitute the debt instruments owners board. The owners of the issuer's debt instruments in each tranch are also entitled to constitue separate debt instruments owners board.

(2) The principles and conditions for the debt instruments owners board to be invited to meeting by the issuer's board of directors or debt instrument owners and for adopting resolutions in the debt instrument owners board meetings, shall be determined in the prospectus and/or issue document prepared by the issuer for the issuance of debt instruments.

(3) In order to adopt resolutions in the debt instrument owners board meeting, affirmative votes of the debt instrument owners representing at least half of the nominal value of the debt instruments in each tranch; or for the board to be constituted by the owners of the issuer's all debt instruments in circulation, debt instruments owners representing at least half of the nominal value of all debt instruments in circulation, are required unless a higher quorum is envisaged by the Board or in the prospectus and/or issue document. The resolutions of debt instrument owners board adopted with qualified majority as envisaged by the Board shall take effect for the debt instrument owners who did not vote affirmatively.

(4) A representative may be appointed in order to represent the debt instrument owners.

(5) In case the terms and conditions of debt instruments change after a default has occurred in the repayment of such debt instruments, all procedures that has begun due to the default of the debt instrument stop as of the date on which the terms and conditions of the debt instrument are deemed to be changed, injunction orders and injunction orders and preliminary attachment decision are not enforced, any terms for lapse of time and periods of prescription which can be suspended and restarted with a procedural operation are suspended. All procedures are dropped after all obligations arising from the debt instrument are fulfilled.

(6) The Board is authorized to determine the procedures and principles regarding the application of this Article.

Collateral Management Agreement and Collateral Manager

Article 31/B – (1) Capital market instruments to be determined by the Board can be collateralized with the assets that are deemed to be appropriate by the Board in order to secure the fulfilment of the obligations arising from such instruments on the maturity date. Either the ownership on the assets forming the collateral are transferred as a collateral to the collateral manager which is an investment institution holding authorization for general custody, or a limited real right is established on such assets on behalf of the collateral manager. It is specified in the declarations section in the relevant registry that the asset forming the collateral was transferred as a collateral.

(2) The collateral manager is given authorization with a written collateral management agreement to be executed with the issuer before the issuance, for ensuring the transfer and management, protection, safe keeping of the assets forming the collateral of which the ownership is either transferred to it or on which a limited real right is established in order for being the collateral for the obligations arising from capital market instruments, applying for legal procedures, liquidating the asset forming collateral, sharing the amount obtained from the sale of the assets forming the collateral between the investors, in cases of default or where a receivable shall be satisfied with the collateral due to the reasons envisaged under the provisions of law or agreement, returning the remaining amount to the collateral provider in case of a remainder after the investors' receivables are satisfied, returning the assets forming collateral to the collateral provider after the settlement of the debt, and performing any and all other operations and procedures including the protection of investors' interests. The Board is authorized to determine the procedures, principles and minimum elements regarding the collateral management agreement.

(3) The collateral manager is authorized to perform any and all operations and procedures on behalf of itself and for the account of the investors regarding the establishment, cancellation, release and termination of the collateral including the registration, recording and all other required procedures for a pledge, hypothec or any other limited real right, caution, restriction, right and receivable to be established on a special registry, including but not limited to procedures before the land deed registry, maritime registry, vehicle registry and movables pledge registry regarding the collaterals.

(4) The corporate title of each collateral manager approved by the Board, the issuance it is appointed for and its authorizations, shall be registered distinctively by the issuer to the trade registry of the place where the issuer's headquarters is located and published in the Turkish Trade Registry Gazette.

(5) In case of a default or where a receivable shall be satisfied with the collateral due to the reasons envisaged under the provisions of law or agreement, the collateral manager is entitled to sell the assets forming the collateral and share the collected amounts among the investors, without being obliged to fulfil a preliminary condition such

as sendin a prior notice or warning, providing a term, obtaining the the permission or approval of a judicial or administrative authority, liquidating the collateral through auction or any other method.

(6) The assets forming the collateral are separateand traced separately from own assets of collateral manager. The assets forming the collateral cannot be attached, or pledged, or included in bankrupt's estate, or restricted by injunction reliefs due to debts of the collateral manager investment institutions, even for public receivables.

(7) The Board is authorized to determine the procedures and principles regarding the types and qualities of assets forming the collateral, the relation between the capital market instruments and assets forming the collateral, recordkeeping regarding the assets forming the collateral, rights and obligations, qualities of the collateral manager, registration and deregistration at the trade registry, payments to the collateral manager for its services and other matters regarding the collateral structure in capital market instrument issuances.

(8) Agreements, provisions and expressions which decrease the scope of or lift the liability of collateral manager, are invalid.

(9) In case capital market institutions are appointed as collateral managers, first paragraph of article 96 shall be applicable for collateral managers that do not fulfil their obligations envisaged under the second paragraph of this article, and first and third paragraphs of article 92 shall be applicable for the breaches of sixth paragraph of this article.

(10) In case the collateral manager utilizes the assets of which the ownership is transferred as a collateral, against the initial purpose of disposition, the penalty to be judged as per the second paragraph of article 155 of the Law No. 5237 shall not be less than five years.

(11) The Board is authorized to determine the procedures and principles regarding the application of this article.

Liability Arising Out of Public Disclosure Documents

Article 32 – (1) Within the frame of provisions of article 10, the persons named as responsible in the said article, and signers of other public disclosure documents required to be issued for public disclosure purposes as determined by the Board and pursuant to the applicable laws, such as information form issued for share purchase offers, material disclosures, texts of advertisement published in mergers and split-ups, exchange quote statements, and financial reports, or legal entities in whose name these documents are signed shall be held jointly and severally liable for all kinds of damages and losses that may arise out of untrue or misleading information or omissions in such documents.

(2) Persons and entities who prepare and issue reports either included or referred to in public disclosure documents, such as independent audit, rating and valuation institutions, shall also be held liable as per provisions of this Law.

(3) Persons who prove to be incognizant of untrue or misleading information or omissions in public disclosure documents or prove that any such lack of information is not attributable to any malicious misconduct or gross negligence of them are, however, exempted from this liability.

(4) Should investors suffer damages and losses upon sale or purchase in the exchange immediately after the date of learning of the truth of capital market instruments purchased or sold via initial public offering or in the exchange either throughout the validity time of a prospectus containing untrue or misleading information or omissions or immediately after the date other public disclosure documents are made public, as for the claims to be raised in reliance upon this article, a causa proxima (causal link) is deemed to have been established between the public disclosure document and the loss.

(5) Claims relied upon untrue or misleading information or omissions in public disclosure documents are dismissed and overruled if:

(a) the purchase or sale of capital market instruments is not based upon the subject public disclosure document; or

(b) the capital market instruments are purchased or sold though such untrue or misleading information or omissions in the subject public disclosure documents are known; or

(c) a correction with regard to untrue or misleading information or omissions in the subject public disclosure documents is announced before the investment decision is taken or an action is taken in reliance upon the said documents; or

(ç) investors would suffer loss even if the information in the subject public disclosure documents were not untrue or misleading or were not omitted.

(6) Claims arising out of public disclosure documents are time-barred as of the end of six months following the date of occurrence of damages and losses mentioned in the fourth paragraph hereinabove.

(7) Agreements, provisions or statements diminishing or eliminating the liability arising out of public disclosure documents are null and void ab initio.

Other Joint Provisions

Article 33 – (1) Companies are under obligation to inform the Board within ten business days of learning that their capital market instruments are sold to public in any manner or they have become eligible for publicly held corporation status.

(2) Amendments to articles of association of publicly held corporations are subject to prior consent of the Board.

(3) The Board may, in its sole discretion, hold any issues covered by this Law fully or partially exempted from the obligations arising out of this Law by considering miscellaneous characteristics and conditions such as size of issue, addressed investors, guarantees given, information provided about issue and issuers, quoting of relevant capital market instruments in exchange, or sales method to be employed in the course of issue.

(4) Companies which are considered and treated as a publicly held corporation due to their number of shareholders, if they do not wish to quote of their capital shares in exchange pursuant to article 16 hereof, may be excluded from this Law by a decision of the general assembly of shareholders taken by affirmative vote of at least two-thirds of full number of shareholders or of at least three-fourths of total number of votes. Thereupon, shareholders who do not use affirmative vote for the decision to be excluded from this Law shall be granted a right to depart from the company pursuant to article 24 hereinabove. Pursuant to second paragraph of article 16, controlling shareholders of companies to be excluded from publicly held company status ex officio by a decision of the Board may be held obliged to submit a share purchase offer. Procedures and principles with regard thereto shall be determined by the Board.

(5) Issuers and publicly held corporations, even if the number of their shareholders is larger than the number specified in article 16, may, ex officio or upon demand, be fully or partially exempted from the obligations arising out of this Law or be entirely excluded from this Law, depending on their balance sheet and capital size, and continuity of their activities, and eligibility for shareholders being kept limited only by persons bearing certain characteristics, and distribution of capital among shareholders, etc

PART III
CAPITAL MARKET INSTITUTIONS AND ACTIVITIES
FIRST SECTION
General Provisions

Capital Market Activities

Article 34 – (1) Capital market activities consist of activities of capital market institutions within the scope of this Law, and investment services and activities covered by this Law, and ancillary services associated with them.

Capital Market Institutions

Article 35 - (**1)** Capital Market Institutions authorized to operate under this Law are:

(a) Investment institutions;

(b) Collective investment institutions;

(c) Independent audit, valuation and rating institutions to operate in capital markets;

(ç) Portfolio management companies;

(d) Mortgage finance companies;

(e) Housing finance and asset finance funds;

(f) Asset rental companies;

(g) Central clearing institutions;

(h) Central custodians;

(i) Data storage companies; and

(k) Other capital market institutions the foundation and operation principles of which are determined by the Board.

Crowdfunding Platforms

Article 35/A – (1) Crowdfunding platforms are the institutions providing services in electronic mediums and providing mediation to crowdfunding. The Board is authorized to determine the crowdfunding operations conducted through crowdfunding platforms, to be based on collecting money from the public by way of partnership or lending. The provisions of banking regulations are not applicable to lending based crowdfunding operations.

(2) Crowdfunding platforms' establishment and commencement to operation require approval from the Board. Principles regarding the establishment, shareholders, share transfers, employees of these platforms, maximum limit of the money that can be deposited by each fund provider and be collected by the project owners and enterprise companies and other rules and principles to be complied with during the operations and principles on the control and supervision of the funds being utilized in conformity with the objectives, are determined by the Board. Article 29 and second and fifth paragraphs of article 30 are applicable by analogy to the general assembly meeitings of enterprise companies with dematerialized shares, within the principles to be determined by the Board.

(3) The provisions of article 96 of this Law are applied by analogy for the measures to be applied to the unlawful operations and transactions of the crowdfunding platforms.

(4) Crowdfunding and transactions realised in connection with it, and crowdfunding platforms are not considered within the scope of articles 37 and 38 of this Law. These operations are not subject to the provisions of this Law regarding exchanges, market operators and other organized marketplaces.

(5) Relations between the crowdfunding platforms and the persons collecting money from the public by means of crowdfunding and the fund providers, are subject to the general provisions.

(6) The real persons and legal entities who signed the informatoin form issued regarding the crowdfunding operations, are jointly liable for the damages arising from the incorrect, misleading and missing information in the information form.

Provisions on Cryptoasset Service Providers and Cryptoassets

Article 35/B – (1) It is mandatory to obtain permission from the Board for the establishment and commencement of operations of cryptoasset service providers, and they shall exclusively perform the activities to be determined by the Board. Principles regarding their establishment and commencement of operations, their shareholders, managers, personnel, organization, capital and capital adequacy, liabilities, information systems and technological infrastructure, share transfers, activities they may perform, temporary or permanent suspension of their activities, and other principles and guidelines to be complied with during their operations shall be determined by the Board. It is obligatory to obtain permission of the Board for share transfers. Transfers made contrary the regulations made pursuant to this paragraph shall not be registered in the share ledger and the registrations made in the share ledger in contrary to this provision shall be null and void.

(2) Cryptoasset service providers are obliged to make the necessary arrangements, take the necessary measures and establish the necessary internal control units and systems for the secure management of their systems. For the Board to authorize the establishment and/or commencement of operations of cryptoasset service providers, compliance with the criterion to be determined by TUBITAK in terms of information systems and technological infrastructures shall be sought.

(3) (a) Partners of cryptoasset service providers;

(1) Not to be a bankrupt according to the provisions of the Law No. 2004 or other legislation, not to have declared concordat, not to have been approved the restructuring application through reconciliation, or not to have been given a decision of postponement of bankruptcy,

(2) Not directly or indirectly owning or controlling ten percent or more shares in factoring, financial leasing, financing, savings financing, asset management, insurance, reinsurance, pension companies and payment system operators, payment service providers and institutions operating in money and capital markets whose operating licenses have been revoked except for bankers subject to liquidation and voluntary liquidation,

(3) Not being convicted of the simple or qualified embezzlement, embezzlement, extortion, bribery, theft, fraud, forgery, breach of faith in accordance with the repealed Turkish Penal Code dated 1/3/1926 and numbered 765, Turkish Penal Code dated 26/9/2004 and numbered 5237, or other laws, even if they have been amnestied, except for negligent offenses, disgraceful crimes such as fraudulent bankruptcy and smuggling crimes other than smuggling of use and consumption, rigging official tenders and purchases and sales, rigging the fulfilment of the performance, blocking, disrupting, destroying or changing the information system, misuse of bank or credit cards, laundering of assets derived from crime, financing of terrorism and crimes listed in Article 5 of the Law on Prevention of Financing the Proliferation of Weapons of Mass Destruction dated 27/12/2020 and numbered 7262 or crimes against the person of the State, crimes against the

signs of sovereignty and the dignity of its organs, crimes against the security of the State, crimes against the constitutional order and the functioning of this order and national defense, crime of revealing state secrets, crimes against state secrets and espionage, crimes against relations with foreign states, crimes within the scope of the Anti-Terrorism Law dated 12/4/1991 and numbered 3713, crimes of tax evasion, or participation in these crimes, not being sentenced to imprisonment for five years or more for a crime committed deliberately, or not having a finalized conviction for the crimes written in this Law,

(4) Not being prohibited from transactions pursuant to subparagraph (a) of the first paragraph of Article 101 of the Law,

(5) Having the necessary financial strength, and the honesty and reputation required by the business,

(6) Transparency and openness of the shareholding structure,

is essential.

(b) The members of the board of directors and the persons authorized to represent the cryptoasset service provider without being a member of the board of directors shall meet the conditions foreseen for shareholders except for the financial strength condition in subparagraph (a) of this paragraph.

(c) Real persons who have the right to receive more than half of the distributable profit of the cryptoasset service provider on their own or who have the right to be represented in the board of directors by electing or nominating more than half of the number of members in accordance with the articles of association of the company shall meet the conditions in subparagraph (a).

(ç) Shareholders holding shares directly or indirectly representing ten per cent or more of the capital or voting rights of the legal entity who are founding shareholders of the cryptoasset service provider, and shareholders holding privileged shares giving the right to be represented in the board of directors, even if below this rate, shall also meet the conditions specified in subparagraph (a). In case of changes in the shareholding structure after the establishment, the legal entity shareholders holding shares directly or indirectly representing ten percent or more of the capital or voting rights of the cryptoasset service provider and privileged shares giving the right to be represented in the board of directors even if below this ratio, and the shareholders holding shares directly or indirectly representing ten percent or more of the capital or voting rights and privileged shares giving the right to be represented in the board of directors even if below this ratio, shall also meet the conditions specified in subparagraph (a).

(d) Real and legal person shareholders who directly or indirectly own shares representing ten percent or more of the capital or voting rights of the cryptoasset service provider, or privileged shares that give them the right to be represented in the board of directors even if they are below this ratio, and the shareholders mentioned in subparagraph (ç), except for subparagraph (5) of subparagraph (a), in case they lose the qualifications specified in subparagraph (a), are required to transfer their shares to persons who meet the conditions specified in subparagraph (a) within six months. The Board shall determine by whom and how the voting rights corresponding to the shares to be transferred within the said period shall be exercised.

(4) The procedures and principles regarding the purchase and sale of cryptoassets through platforms and the initial sale or distribution thereof, and the clearing, transfer and custody of cryptoassets shall be regulated by the Board.

(5) Cryptoasset service providers are not subject to other provisions of this Law except for the provisions referred to in this Law. The Board is authorized to regulate and direct the practice by establishing regulatory procedures and taking special resolutions within the scope of the second paragraph of Article 128 of this Law for the matters that are not regulated and clarified in this Article and Articles 35/C and 99/B or where the practice should be guided. Pursuant to this Article and Articles 35/C and 99/B, the Board shall obtain the opinion of the Banking Regulation and Supervision Agency for the regulations imposing obligations on banks.

(6) The Board is authorized to establish regulatory procedures, take special and general resolutions, and impose measures and sanctions with respect to cryptoassets that provide rights specific to capital market instruments. The Board may determine principles for the sale or distribution of cryptoassets, other than cryptoassets that provide rights specific to capital market instruments, which are created through the development of distributed ledger technology or a similar technological infrastructure and whose value cannot be separated from this technology, on platforms without being subject to the provisions of the Law regarding capital market instruments. In the process of determining the cryptoassets to be subject to these principles, it may request technical reports from TUBITAK or institutions and organisations affiliated, related and associated with ministries or other public institutions in order to evaluate them in terms of technical criteria. In this context, deeming the technological characteristics of a cryptoasset appropriate and authorizing their sale or distribution does not constitute a public guarantee. The relations between those who collect money from the public through the sale or distribution of these cryptoassets and those who provide funds to them are subject to general provisions. Real and legal persons who sign all kinds of information documents prepared and announced in a manner to be determined by the Board during this process are jointly and severally liable for any damages arising from incorrect, misleading or incomplete information contained in these documents.

(7) Duties and authorities of institutions and organizations arising from other legislation regarding cryptoassets are reserved.

(8) This Law shall not apply to cryptoassets other than the cryptoassets specified in the sixth paragraph of this Article and cryptoassets traded on platforms within the principles set forth in the second paragraph of Article 35/C.

(9) The provisions of the Law on the Protection of the Value of Turkish Currency dated 20/2/1930 and numbered 1567 and the relevant legislation are reserved regarding all kinds of transactions made with cryptoassets.

(10) The Law on Movable Pledge in Commercial Transactions dated 20/10/2016 and numbered 6750 shall not apply to pledge agreements that are subject to cryptoassets.

Principles Regarding the Activities of Cryptoasset Service Providers and the Transfer and Custody of Cryptoassets

Article 35/C – (1) The agreements signed between cryptoasset service providers and the customers who want to trade in them, shall be drawn up in written form or by distance through the use of remote communication tools, or whether distant or not, through methods that the Board determines can replace the written form and that will be carried out through an information or electronic communication device and that will allow the customer's identity to be verified, and the procedures and principles relating thereto shall be determined by the Board. The Board may make determinations regarding the arrangement, scope, amendment, fees and expenses, expiration and termination of the agreements between cryptoasset service providers and their customers, and the minimum matters that should be included in the content of these agreements. Any contractual terms that eliminate or limit the liability of cryptoasset service providers to their clients are void. Platforms are obliged to establish internal mechanisms to effectively resolve customer objections and complaints regarding their transactions. Cryptoasset service providers are obliged to identify the identities of their customers within the scope of the Law on Prevention of Laundering Proceeds of Crime dated 11/10/2006 and numbered 5549 and other relevant legislation provisions.

(2) It is mandatory for platforms to establish a written listing procedure for determining the cryptoassets to be traded or initially sold or distributed and for terminating the trading of the same, and principles and guidelines may be regulated by the Board in this regard. In the principles and guidelines to be determined, technical criteria regarding the technological characteristics of cryptoassets may be included by taking the opinion of TUBITAK or other institutions and organizations deemed necessary. The fact that a cryptoasset is listed by a platform does not mean that it is publicly guaranteed.

(3) Prices are formed freely on the platforms. Except for the transactions regarding cryptoassets which are considered by the Board to be widely traded in foreign markets and the prices of which are also formed in foreign markets, the provisions of article 104 of this Law shall apply to the actions and transactions that cannot be explained

with a reasonable and economic justification and that may disrupt the operation of the transactions on the platform in trust, openness and stability. Platforms shall determine the order and transaction principles, establish the necessary surveillance system within their structure and take all kinds of preventive measures in order to ensure that the transactions are implemented in a reliable, transparent, effective, stable, fair, honest and competitive manner and for detection, prevention and non-recurrence of market disruptive acts and transactions. Platforms are obliged to make determinations regarding the market disruptive acts and transactions executed on their platforms, to take necessary measures including restriction, suspension and closure of the accounts executing such acts and transactions, and to report the findings to the Board.

(4) The relations between the platforms and their customers and the disputes arising between the parties due to the transactions realized on the platforms are subject to general provisions. The fact that the platforms have been granted an operating license by the Board does not mean that the transactions are under public guarantee. Cryptoassets are not subject to investor indemnification provisions regulated under Article 82 of this Law.

(5) Records regarding the wallets where customers' cryptoasset transfers are made and the accounts where fund transfers are made shall be kept by cryptoasset service providers in a secure, accessible and traceable manner. The integrity, accuracy and confidentiality of all transaction records are ensured. Regulations made by the Board and the Presidency of the Financial Crimes Investigation Board are complied with in cryptoasset transfer transactions of customers. The information and data stipulated in these regulations regarding the sender and receiver in the transfer messages are sent securely by the cryptoasset service providers within the periods specified in the regulations. For this purpose, software applications and technological tools that allow messaging such as distributed ledger technology, another independent messaging platform or application interface may be used.

(6) It is essential that the cryptoassets belonging to the customers of the platforms are kept in the customers' own wallets. The custody service for cryptoassets that customers do not prefer to keep in their own wallets shall be provided by banks authorized pursuant to the regulation to be made by the Board and deemed appropriate by the Banking Regulation and Supervision Agency or other institutions authorized by the Board to provide cryptoasset custody service, and the cash belonging to the customers shall be kept in banks. The cryptoassets kept by banks and the cash belonging to customers within this scope are not subject to the provisions on insurance of deposits and participation funds regulated in Article 63 of Law No. 5411. The Board is authorized to determine separate principles on custody for each cryptoasset, or within the scope of the technological features on which they are based, or the quality and quantity of cryptoassets.

(7) Cash and cryptoassets belonging to customers shall be separate from the assets of cryptoasset service providers and records shall be kept in accordance with this provision. The cash and cryptoassets of the customers in the custody of cryptoasset service providers, under any circumstances whatsoever, due to the debts of the cryptoasset service providers; and the assets of the cryptoasset service providers due to the debts of the customers, cannot be seized, pledged, included in the bankruptcy estate and no interim injunction can be placed on them, even if it is for public receivables. The seventh and eighth paragraphs of Article 46 of this Law shall also apply to cryptoasset service providers in relation to the keeping of customer cash in banks by cryptoasset service providers.

(8) Procedures and principles regarding investment advisory and portfolio management for cryptoassets shall be determined by the Board.

(9) Cryptoasset service providers comply with the principles determined by the Board regarding publications, notices, advertisements and announcements and all kinds of commercial communications.

(10) Cryptoasset service providers shall be granted an authorization certificate indicating the activities they will perform. For banks, the appropriate opinion of the Banking Regulation and Supervision Agency is sought.

Joint Provisions

Article 36 – (1) The provisions of article 14 hereof are applicable by analogy with respect to preparation and disclosure of financial statements and reports of capital market institutions.

(2) With regard to corporate governance principles, the first and second paragraphs of article 17 hereof are applicable by analogy to capital market institutions.

SECOND SECTION
Investment Services and Activities

Investment Services and Activities

Article 37 – (1) Investment services and activities within the scope of this Law are:

(a) Receipt and transmission of orders regarding capital market instruments;

(b) Execution of orders regarding capital market instruments in the name and account of customer or in own name and in the account of customer;

(c) Buying and selling of capital market instruments in own account;

(d) Portfolio management;

(e) Investment consultancy;

(f) Acting as an intermediary in sales with underwriting in public offering of capital market instruments;

(g) Acting as an intermediary in sales without underwriting in public offering of capital market instruments;

(h) Operation of multilateral trading systems and organized marketplaces other than exchanges;

(i) Custody and management of capital market instruments in the name of customer and portfolio custody services; and

(j) Other services and activities to be determined by the Board.

Ancillary Services

Article 38 – (1) Ancillary services that can be offered and rendered by investment institutions and portfolio management companies are as follows:

(a) Provision of consultancy services regarding capital markets;

(b) Without prejudice to the foreign exchange regulations, lending or crediting activities and provision of foreign exchange services regarding the services and activities to be determined by the Board including project financing;

(c) Investment research and financial analyses or general advice services relating to transactions on capital market instruments;

(ç) Provision of services regarding underwriting;

(d) Acting as an intermediary in financing through indebtedness or otherwise;

(e) Wealth management and financial planning services; and

(f) Other services and activities to be determined by the Board.

Obligation to Receive an Operating Licence

Article 39 – (1) An authorization is required to be received from the Board for the sake of performance of investment services and activities as regular commercial or professional activities. Investment services and activities can be performed only by investment institutions. The law provisions pertaining to investment partnerships and portfolio management companies and exchanges are, however, reserved. The Board shall be authorized to issue regulations envisaging that each investment service and activity will be performed by separate institutions on the basis of capital market instruments or investment services and activities.

(2) Ancillary services are provided by investment institutions and portfolio management companies within the frame of principles determined by the Board, without any separate certificate of authorization thereinfor.

(3) The Board may further give authorization for one or more than one type of investment services and activities on the basis of capital market instruments. The Board may group the investment institutions according to types of investment services and activities and their capital structures.

(4) Applications for an operating license are resolved by the Board and the resolution is notified to the relevant persons within maximum six months following the date of delivery of all of the required documentation and deliverables to the Board.

(5) Even if authorized by their special statutes, persons and entities who do not bear the qualifications sought for in this Law and are not authorized by the Board cannot engage in investment services and activities.

(6) The Board may impose an obligation of holding a professional liability insurance coverage for investment services and activities and ancillary services associated thereto.

(7) The Board shall be authorized to determine procedures and principles regarding lending, borrowing and short selling of capital market instruments, and to issue regulations with regard to margin trading of capital market instruments in due consultation with the Undersecretariat of Treasury and the Turkish Central Bank.
(8) Procedures and principles relating to performance of investment services and activities and provision of ancillary services associated thereto will be determined by the Board.

(9) Investment services and activities listed in sub-paragraphs (a), (b), (c), (i) and (j) of article 37 of this Law may also be conducted and performed by banks as well. Investment and development banks may also provide the services listed in sub-paragraphs (d), (e), (f) and (g) of the same article. Procedures and principles regarding investment services and activities to be performed by banks pursuant to the same article shall be determined by the Board. For these services and activities, the Board may determine different procedures and principles according to characteristics of capital market instruments and in due consultation with the Banking Regulation and Supervision Agency, according to characteristics of banks.

Certificate of Authorization

Article 40 – (1) Those authorized by the Board for investment services and activities will be granted a certificate of authorization indicating the investment services and activities to be performed by them. A certificate of authorization may grant permission for one or more than one investment service and activity.

(2) Those who are not authorized by the Board for investment services and activities and those whose authorization is cancelled are not allowed to engage in these services and activities, nor can they use any word or phrase in their articles of association, company name or advertisements and promotional materials in such manner to give the impression that they are engaged therein.

Cancellation of Certificate of Authorization and Operating License

Article 41 – (1) Without prejudice to other relevant provisions of this Law, the Board may cancel a certificate of authorization or an operating license granted under this Law upon occurrence of any one of the following events:

(a) If the holder clearly waives from its authorization or fails to deal with any activities under the relevant authorization for a period of two years following the date of operating license; or

(b) If an operating license is received through untrue or misleading statements or other unlawful and illegal ways; or

(c) If the holder fails to re-satisfy the conditions and qualifications sought for an operating license by the end of three months after the Board determines that such conditions and qualifications are lost.

(2) Those whose operating license is entirely cancelled are required to take a decision of dissolution, or to amend the relevant provisions of their articles of association, including, but not limited to, company name and objectives and fields of business, so as not to cover the investment services and activities, within no later than three months

Principles as to Financial Liability Limits and as to Employees and Agreements to be Executed with Customers

Article 42 – (1) Maximum limit of financial liability to be assumed for investment services and activities and ancillary services attached thereto, and minimum conditions and qualifications to be sought for in managers of investment institutions and in personnel to be assigned for performance of these services and activities shall be determined by the Board.

(2) The relations regarding the activities in this Law between investment institutions, portfolio management companies and their customers, are arranged with agreements to be executed in written form or as distance contacts to be executed with distance communication tools or with the methods to be determined by the Board as a substitute for the written form and executed through information tools or electronic communication tools which allow confirmation of the customer's identity, regardless of whether it is a distance contract or not, and the procedures and principles in respect thereof shall be determined by the Board.

THIRD SECTION
Investment Institutions

Conditions of Foundation of Investment Institutions

Article 43 – (1) For eligibility for authorization by the Board, a brokerage house should satisfy the following conditions of foundation:

(a) Should be organized in the form of a joint-stock company;

(b) All of its shares should be registered shares;

(c) Its shares should have been issued against cash payment;

ç) Its capital should not be less than the amount determined by the Board;

(d) Its articles of association should be in compliance with the provisions of this Law and other applicable laws and regulations;

(e) Its founders should bear the conditions and qualifications sought for by this Law and other applicable laws and regulations; and

(f) Its shareholding structure should be open and transparent.

(2) The conditions specified in the first paragraph hereinabove are sought also for investment institutions other than banks. The Board may impose additional conditions for these institutions.

(3) Procedures and principles regarding implementation of this article shall be determined by the Board.

Conditions Regarding Founders

Article 44 – (1) A founding shareholder of a brokerage house:

(a) Should not have been adjudged bankrupt, and not have entered into composition with its creditors, or not have been the subject matter of a court order for postponement of bankruptcy; and

(b) Should not be one of the persons held responsible for the event underlying the sanction of cancellation of one of the operating licenses of any institution by a decision of the Board;

(c) Should not have been sentenced for any one of the crimes listed in this Law by a final court judgment;

(d) Should not have been the subject matter of a decision of liquidation taken about itself or its partners pursuant to the Governmental Decree in Force of Law on Transactions of Bankers in Insolvency no. 35 dated 14/1/1982, and its exhibits;

(e) Even if the periods mentioned in article 53 of the Turkish Criminal Code no. 5237 dated 26/9/2004 have already elapsed, should not have been sentenced to five years or more in jail due to a wilful or malicious crime, or should not have been convicted of offences against public safety, offenses against constitutional order and modus operandi thereof, embezzlement, extortion, bribery, theft, swindling, fraud, abuse of confidence, fraudulent bankruptcy, bid rigging, conspiring in performance of obligations, prevention or impairment of information system, destruction or alteration of data, abuse of debit or credit cards, laundering of properties and revenues of crime, smuggling, tax evasion or unjustified benefit; and

(f) Should have the required financial power and the integrity, reputation and prestige required for the business.

For the purposes of this paragraph, conditions specified in sub-paragraph (a) hereinabove are not taken into consideration upon lapse of ten years following the date of finalization of the decision regarding removal or closing of bankruptcy, or approval of offer for composition with creditors, and conditions specified in sub-paragraph (b) hereinabove are not taken into consideration upon lapse of ten years following the date of finalization of the decision relating thereto.

(2) Both the legal entity founding shareholders of brokerage houses, and their partners directly or indirectly having a material effect as will be determined by the Board are required to satisfy and bear the conditions specified in the first paragraph hereinabove.

(3) Conversion of kind and amendments to articles of association of brokerage houses are subject to prior consent of the Board, and share transfers thereof are subject to prior permission of the Board, and procedures and principles with regard thereto shall be determined by the Board. Share transfers realized in breach of the regulations issued in reliance upon this paragraph are not registered in the share book, and any registrations in the share book in contradiction with this provision are null and void ab initio.

(4) Procedures and principles relating to outsourcing of services by brokerage houses as and when needed for performance of activities under this Law shall be determined by the Board.

(5) Conditions and qualifications to be sought for in founders of investment institutions other than banks shall also be determined by the Board.

Conditions Regarding Activities

Article 45 – (1) Principles and procedures to be followed by investment institutions during performance of their obligations and investment services and activities and provision of ancillary services associated thereto shall be outlined by the Board.

(2) Managers of investment institutions are required to bear all conditions listed in first paragraph of article 44 hereinabove, except for financial power, as well as the experience and education conditions to be imposed by the Board.

(3) Investment institutions intending to trade in exchange are required to receive and hold a trading authorization from the relevant exchange.

(4) The Board shall be authorized to classify the investors with a view to determining the protection to be provided to investors during performance of investment services and activities of investment institutions.

(5) Investment institutions are under obligation to establish and employ internal control units and systems that are fit for their investment services and activities by also taking into consideration the probable risks arising out of their activities, and that protect the investors' rights and interests, and that are required for follow-up and handling of investor complaints arising out of these services and activities.

Security Deposit, Investors' Assets and Principles of Use

Article 46 – (1) The Board may oblige those intending to engage in investment services and activities to deposit or maintain a security deposit.

(2) Investment institutions may request investors to deposit a security deposit for margin trading of capital market instruments, and lending or short selling of capital market instruments and other investment services and activities and ancillary services associated thereto. Exchanges and clearing institutions and custodians may request a security deposit from investment institutions and investors with respect to their investment services and activities.

(3) Procedures and principles relating to type, amount, area and method of use, depositing and release of security deposits mentioned in this article shall be determined by the Board.

(4) Security deposits mentioned in this article cannot be used for non-intended purposes, or transferred or assigned to third parties, or attached or pledged or included in bankrupt's estate or restricted by injunction reliefs even for recovery of public claims and receivables.

(5) Cash funds and capital market instruments of investors held in possession of investment institutions by any means or in any manner whatsoever are traced separately from own properties of investment institutions. Said assets cannot be used by investment institutions for their own interests or in interests of third parties for non-intended purposes, without a prior explicit written consent of relevant investors.

(6) Cash funds and capital market instruments of investors held in possession of investment institutions cannot be attached, or pledged, or included in bankrupt's estate, or restricted by injunction reliefs due to debts of investment institutions, without a prior written consent of investors, even for recovery of public claims and receivables, and properties of investment institutions cannot be attached, or pledged, or included in bankrupt's estate, or restricted by injunction reliefs due to debts of investors, even for recovery of public claims and receivables.

(7) It is essential that client cash held with banks shall be monitored separately from the investment institution's own cash assets in individual accounts or accounts to be opened for the clients of the relevant investment institution. Principles regarding the interest accrual of client accounts at banks shall be determined by the Board. Client accounts may not be used as collateral for loans, and no blockage, pledge or similar encumbrances may be established on these accounts in favor of the investment institution. The liability of banks in this scope is limited to the notifications made by investment institutions. All kinds of administrative and judicial requests such as injunction, seizure and similar administrative and judicial requests regarding the customers whose balances are included in these accounts shall be notified exclusively to the relevant investment institution and fulfilled by the investment institution.

(8) Accounts opened by investment institutions with banks for client cash are monitored in a separate account in the bank accounting. Banks are obliged to notify the Board in the manner and frequency determined by the Board regarding the accounts in which investment institution client cash is recorded. This obligation may also be fulfilled through a system allocated to the Board by the Banking Regulation and Supervision Agency.

Contracts of Guarantee on Capital Market Instruments

Article 47 – (1) Contracts of guarantee on capital market instruments that are dematerialized in CRA are made in writing. Title on the capital market instruments being the subject matter of these contracts of guarantee may either be transferred to beneficiary in accordance with the legal procedures or be retained by guarantor depending on the terms of contract. Should the contract remain silent on this point, title on the capital market instruments being the subject matter of the contracts of guarantee is deemed not to have passed to beneficiary.

(2) In the contracts of guarantee where the title is transferred to beneficiary, the beneficiary owns the title on the subject capital market instruments as soon as the contract of guarantee is executed, and upon transfer of the same in compliance with the legal procedures. Upon expiration or termination of the contract of guarantee, the beneficiary returns the title on the subject capital market instruments or their equivalents to the guarantor.

(3) In the contracts of guarantee where the title is retained by guarantor, the sides thereto come to mutual agreement on how to use the subject capital market instruments, also including sales thereof. Upon expiration or termination of the contract of guarantee, the beneficiary returns the title on the subject capital market instruments or if disposed, their equivalents to the guarantor.

(4) If and when the debt becomes recoverable from collaterals upon default or for other reasons envisaged in the applicable laws or in the subject contract, then and in this case, without being liable to deliver any notification or notice, or to grant a period of time, or to receive consent or approval from any juridical or administrative authority, or to satisfy any condition precedent such as realization of collaterals through public auction or any other way:

(a) In the contracts of guarantee where the title is transferred to beneficiary, the beneficiary shall, unless otherwise specified in the contract between the sides, have the right to sell out the subject capital market instruments at a price not less than the then-current value of them in exchange or other organized markets if they

are listed and quoted therein, and to recover its receivables and claims from the proceeds of sale or to set off the value of these instruments from the debtor's outstanding debts and obligations.

(b) In the contracts of guarantee where the title is retained by guarantor, the beneficiary shall have the right to sell out the subject capital market instruments at a price not less than the then-current value of them in exchange or other organized markets if they are listed and quoted therein, and to recover its receivables and claims from the proceeds of sale or to acquire the title and set off the value of these instruments from the debtor's outstanding debts and obligations. In order for the beneficiary to acquire the title of the subject capital market instruments as stated above, in the contract of guarantee between the sides, it should have been clearly specified that this right may be used, and if the capital market instruments are not listed and quoted in exchange or other organized markets, the method of valuation should have been clearly specified therein.

(c) For use of the rights arising out of default in implementation of paragraphs (a) and (b), the highest value current as of the date of maturity is taken as a basis for the subject capital market instruments listed and quoted in exchange or other organized markets. Balance remaining after repayment of debts through use of such rights by the beneficiary shall be refunded to the guarantor.

(5) Should the beneficiary or guarantor be the subject matter of a decision of liquidation or a decision of restructuring of properties or any other similar decisions taken by juridical or administrative authorities, neither the capital market instruments standing as collaterals, nor the rights of beneficiary and guarantor will be affected from such decision, and all of these rights will be valid and enforceable also against the restructuring or liquidation authorities. This provision is valid and applicable also for the transactions carried out in the same day after any of the said decisions is taken, providing that the collateral is given prior to the said decision and the beneficiary is acting in good faith.

(6) The provisions of this article are not applicable on the contracts of guarantee and the clauses of guarantee the provisions and results of which are regulated and governed by special statutes pertaining thereto.

FOURTH SECTION
Collective Investment Institutions

Investment Partnerships

Article 48 – (1) Investment partnerships are joint-stock companies with fixed or variable capital, established to issue their capital shares and to operate portfolios comprising capital market instruments, real estates, venture capital investments and other assets and rights to be determined by the Board.

(2) Procedures and principles relating to foundation and founders of investment partnerships, conversion of joint-stock companies into investment partnerships, expulsion from investment partnership status, minimum free float rate, principles of activities, types and transfer of shares, prospectus and publishing of prospectus, valuation of assets and rights contained in portfolio, custody of assets, portfolio limitations, management principles, capital increases and reductions, issue of preferential shares, profit distribution and repurchase of own shares, liquidation and dissolution, and other obligations of investment partnerships shall be determined by the Board.

(3) Amendments to articles of association of investment partnerships are subject to prior consent of the Board.

(4) Procedures and principles relating to the issue of prefential shares of investment partnerships shall be determined by Board. The paragraph two of the article 479 and the article 360 of the Law numbered 6102 do not apply to the issue of shares, by investment partnerships, granting privilege in votes and representation in the board of directors for certain groups.

Conditions of Foundation and Activities of Investment Partnerships

Article 49 – (1) Investment partnerships are permitted to be founded only if and when:

(a) They are founded as a joint-stock company subject to registered capital system;

(b) Their initial capital is not less than the threshold determined by the Board;

(c) Their shares are issued against cash payment, and are fully paid in cash at the time of foundation;

(d) Their company name contains the "Investment Partnership" words;

(e) Their articles of association is prepared in compliance with provisions of this Law and other pertinent regulations;

(f) An institution authorized by the Board is appointed as portfolio custodian; and

(g) They satisfy and bear other qualifications to be determined by the Board.

The provisions pertaining to variable capital investment partnerships are, however, reserved.

(2) The provisions of article 44, and second paragraph of article 45, and article 42 hereof are applicable by analogy on respectively founders, managers and employees of investment partnerships.
(3) Conditions relating to foundation of investment partnerships are sought for also in conversion into an investment partnership.

(4) Investment partnerships may purchase services from a portfolio management company, providing that their articles of association contain a clause in connection therewith and they receive prior consent of the Board.

(5) In foundation and capital increase of real estate investment trusts, the assets deemed eligible by the Board for inclusion in portfolio may be injected as capital in kind. Procedures and principles relating to valuation of these assets shall be determined by the Board. Real estate investment trusts may offer the shares to be issued against capital in kind to public within the frame of principles determined by the Board.

(6) In wholesale of assets of real estate investment trusts up to a maximum amount to be determined by the Board, the provisions of sub-paragraph (f) of second paragraph of article 408 of the Code no. 6102 and of article 23 of this Law are not applicable

Variable Capital Investment Partnerships

Article 50 – (1) Variable capital investment partnerships are investment partnerships the capital of which is at all times equal to their net asset value. Net asset value is equal to total assets minus total liabilities.

(2) Shares of a variable capital investment partnership consist of investor shares and founders' shares which are not required to be written to name. Shares of variable capital investment partnerships do not have a nominal value. Founders' shares are allocated to those who found a variable capital investment partnership by fulfilling the capital subscriptions. Founders' shares may be issued also after foundation for allocation to existing founding shareholders or to third parties, by a decision of general assembly of shareholders and with a prior consent of the Board. Transfer and redemption of founders' shares are subject to a prior consent of the Board within the frame of principles to be determined by the Board. Transfers of founders' shares affected without a consent of the Board cannot be registered in the share book, and any registrations in the share book in contradiction with this provision are null and void ab initio. Investor shares do not grant any administrative rights to their holders.

(3) Variable capital investment partnerships issue shares and redeem the issued shares in accordance with the provisions of this Law. Variable capital investment partnerships are under obligation to redeem shares and to repay the price of shares corresponding thereto in the company capital upon demand of relevant shareholders. Procedures and principles relating to redemption of shares will be dealt with in the articles of association.

(4) In the event that the value of founders' shares of a variable capital investment partnership falls below the thresholds determined by the Board or its financial condition weakens to the extent that it cannot repay its debts, then the board of directors will immediately inform the Board without delay. Following this notification, the board of directors promptly calls the general assembly of shareholders for a meeting so as to take the necessary measures, and the general assembly of shareholders meets within maximum thirty days. If the value of founders' shares cannot be raised to the specified thresholds or the financial condition cannot be reinforced, the Board is authorized to take all kinds of measures, including, but not limited to, liquidation, about the variable capital investment partnerships.

(5) Investment partnerships may be converted into variable capital investment partnerships. Principles relating to the said conversion procedure, the meeting and decision quorums of general assembly of shareholders with regard to conversion, share purchase offers to be made to shareholders upon conversion, and determination of bid price, and protection of rights and maintenance of obligations of existing shareholders, and other matters pertaining thereto shall be determined by the Board.

(6) Procedures and principles relating to principles of operation and management of variable capital investment partnerships, valuation of assets and rights contained in their portfolio, custody of assets, portfolio limitations, prospectus and publishing of prospectus, and issue, sales, redemption or suspension of redemption of shares, and dissolution, termination and liquidation thereof shall be determined by the Board.

Provisions Non-Applicable on Variable Capital Investment Partnerships

Article 51 – (1) Provisions of the Code no. 6102 pertaining to share capital in joint-stock companies, minimum capital amount, minimum contents of articles of association, capital in kind subscriptions, nominal value, acquisition of own shares by company or acceptance of own shares as pledge, capital increase and reduction procedures, share subscriptions and payment of them, restrictions on transfer of shares, profit & loss account and profit distribution, reserve funds and liquidation thereof are not applicable on variable capital investment partnerships.

Investment Funds

Article 52 – (1) Investment fund refers to and stands for a trust, with no legal personality, established under a fund bylaws by portfolio management companies for operation of portfolio or portfolios comprising the money or other assets collected from savers against fund participation units or other assets and rights determined by the Board, in the account of savers, according to fiduciary ownership principles and pursuant to the provisions of this Law.

(2) In order to be eligible for a foundation license, the founder of an investment fund must have contracted an institution authorized by the Board for portfolio custody services, and the fund bylaws must have been approved by the Board. An application for foundation of an investment is concluded and the result is notified to the relevant persons by the Board within two months following the date of submission of all of the required documents and submittals to the Board.

(3) Portfolio management company represents, manages or supervises the management of, the fund so as to protect the rights of the investment fund participation unit holders. Portfolio management company is authorized to take actions on, and dispose of, and use the rights related to, assets of the investment fund in its own name and in the account of the fund in accordance with the applicable laws and the fund bylaws.

(4) Relations between portfolio management company and participation unit holders shall be governed by this Law, the applicable laws and the fund bylaws, and on matters on which this Law, the applicable laws and the fund

bylaws remain silent, the provisions of articles 502 to 514 of the Turkish Code of Obligations no. 6098 dated 11/01/2011 shall be applicable by analogy.

(5) Fund is deemed to have legal personality solely limited for all kinds of registry procedures including registration, amendment, cancellation and correction requests at the land deed registry and other official registries and all kinds of trade registry procedures including the incorporation, capital increase and share transfer of the limited liability and joint stock companies of which it will be a shareholder. Accordingly, real estates, real estate-based rights in kind and real estate-based deeds included in the investment fund portfolio are registered in the land registry files in the name of the fund. Transactions to be conducted in the land deed registry, trade registry and other official registries in the name of the fund shall be signed jointly by one representative of each the portfolio management company and portfolio custodian.

(6) In due consultation with the Turkish Central Bank and the Undersecretariat of Treasury, the Board may permit the trading of fund participation units in foreign currencies the daily trading exchange rates of which are published by the Turkish Central Bank

Seperability of Fund Properties

Article 53 – (1) The fund properties are separate and independent from properties of portfolio management company and portfolio custodian.

(2) The fund properties cannot be pledged or shown as collateral, except for borrowing in the account of the fund, transactions on derivative instruments, short selling or similar other transactions entered into in the name of the fund, providing that it is duly permitted by fund bylaws. Even if management or supervision of portfolio management company and portfolio custodian is transferred to public authorities, the fund properties cannot be used or disposed of for non-intended purposes, and cannot be attached, or restricted by injunction reliefs, or included in bankrupt's estate for any reason whatsoever, including the collection of public receivables.

(3) In the case of liquidation of fund properties, payments may be made only to the fund participation unit holders.

(4) Debts and obligations of portfolio management companies to third parties and receivables and claims of investment funds from the same third parties cannot be set off against each other.

Other Powers Vested in The Board with Respect of Investment Funds

Article 54 – (1) The Board determines the procedures and principles relating to:

(a) Foundation of a fund, assets which can be included in portfolios by different types of funds, portfolio limitations, valuation principles, determination and distribution of fund profits, principles of management and activities of fund, and merger, conversion, dissolution, termination and liquidation of fund; and

(b) Execution, scope, amendment, registration and announcement of fund bylaws and fund management and custody agreements, and value of fund participation units, and calculation and announcement of issue and repurchase prices, trading principles, fund management and custody fees; and

(c) Issue of fund participation units; and

(d) Prospectus and other public disclosure obligations of the fund.

Portfolio Management Company

Article 55 – (1) Portfolio management company is a joint-stock company the main field of business of which consists of foundation and management of investment funds. A prior consent of the Board is required for foundation and activation of a portfolio management company. Procedures and principles relating thereto shall be outlined by the Board. Applications for foundation of portfolio management companies are concluded and the result is notified to the relevant persons by the Board within six months following the date of submission of all of the required documents and submittals to the Board.

(2) The provisions of article 43, and article 44, and second paragraph of article 45, and article 42 hereof are applicable by analogy on respectively foundation, founders, managers and employees of portfolio management companies.

(3) Assets, eligible for custody services, included in portfolios of persons and entities being clients of portfolio management companies are kept in custody by portfolio custodians within the frame of principles to be determined by the Board.

(4) Procedures and principles relating to partners of portfolio management companies, transfer of shares, minimum capital and capital adequacy, foundation and management of investment funds, engagement in portfolio management and investment consultancy activities in addition to their main fields of business, and other capital market activities they can deal with, and obligation to deposit collaterals for their activities shall be determined by the Board. Collaterals deposited by portfolio management companies cannot be pledged; or attached even for recovery of public receivables; or disposed of for any purpose other than the purposes of foundation; or transferred to third parties; or included in bankrupt's estate; or restricted by injunction reliefs.

(5) A prior consent of the Board is required to be obtained in conversions of and in amendments to articles of association of portfolio management companies.

(6) In the course of their activities, portfolio management companies are liable to protect the interests of funds under their management, and the relevant fund participation unit holders and other customers.

Portfolio Custody Services and Relevant Liabilities

Article 56 – (1) Assets included in portfolios of collective investment institutions are delivered to portfolio custodian for keeping in a separate custody account opened in the name of the institution. Portfolio custody services aim to assure:

(a) The compliance of transactions of issue and redemption of fund participation units in the account of investment funds with provisions of the applicable laws and the fund bylaws; and

(b) The compliance of transactions of issue and redemption of shares of variable capital investment partnerships with provisions of the applicable laws and the fund bylaws; and

(c) That values per fund participation units or shares of investment funds or variable capital investment partnerships are calculated in accordance with the valuation principles set forth within the frame of pertinent provisions of the applicable laws and fund bylaws or articles of association; and

(d) That instructions of portfolio management company, variable capital investment partnership and investment fund are fulfilled and performed, providing they are not in contradiction with pertinent provisions of the applicable laws and fund bylaws or articles of association; and

(e) That prices for obligations arising out of transactions with respect to assets of collective investment institutions are transferred and deposited in an appropriate time; and

(f) That income of collective investment institutions is used and spent in accordance with pertinent provisions of the applicable laws and fund bylaws or articles of association; and

(g) The compliance of trading of assets by, and portfolio structures and transactions of, collective investment institutions with pertinent provisions of the applicable laws and fund bylaws or articles of association.

(2) An institution providing portfolio custody services under this article shall be held liable for all kinds of damages and losses incurred by portfolio management company and fund participation unit holders as for investment funds, and by the partnership itself as for investment partnerships, due to its failure in performance of its obligations.

(3) Portfolio management company or investment partnership is liable to claim portfolio custodian, and portfolio custodian is liable to claim portfolio management company or investment partnership, to indemnify their damages and losses caused by breach of provisions of this Law. The rights of action of shareholders or fund participation unit holders are, however, reserved.

(4) A portfolio custodian may keep all or some of the assets under its custody in other portfolio custodians, whereupon all institutions providing portfolio custody services are held responsible and liable jointly and severally.

(5) The Board may require that certain assets, deemed fit and convenient, included in portfolios of collective investment institutions are traced in accounts opened in central custody or central clearing institution in the name of the relevant collective investment institution. The obligations of portfolio custodian will, however, remain in force and in effect also thereupon.

(6) Portfolio custodian and portfolio management company cannot be the same legal entity. In performing their duties and obligations as portfolio custodian and portfolio management company, they are under obligation to act independently and only in the interests of the fund participation unit holders.

(7) Managers, executives and authorized signatories of portfolio custodian and investment institution acting as an intermediary in trading of assets for fund portfolio cannot be a partner, manager or representative in portfolio management company. Partners, managers, executives and authorized signatories of portfolio management company cannot be a manager or representative in portfolio custodian.

(8) The Board may determine different principles for custody services or may bring an exemption from custody, depending upon the characteristics of assets included in the fund portfolio, issuers, investors addressed by the issue, capital structures and shareholdings of portfolio management companies and investment partnerships, and characteristics of issue.

(9) Procedures and principles relating to characteristics of institutions providing portfolio custody services and the conduct of such activities shall be determined by the Board.

FIFTH SECTION
House and Asset Finance and Mortgage Finance Companies

House and Asset Finance

Article 57 – (1) House finance refers to lending of credit facilities to consumers for buying a house, and leasing of house to consumers through financial lease, and lending of loans to consumers under security of houses they already own, and lending of loans for refinancing of these credit facilities. Transactions based on or under security of these loans and receivables of house finance companies, house finance funds and mortgage fund companies are also in the scope hereof.

(2) House finance companies are banks which directly lend credit facilities to consumers or make financial leasing for house financing purposes, and financial leasing companies, finance companies and savings finance companies deemed eligible and fit for house financing activities by the Banking Regulatory and Supervisory Board.

(3) House finance companies are required to determine the house acquisition purpose with sufficient information and documents, and to secure the credit facility made available or the financial leasing by mortgage or other collaterals and guarantees deemed fit and convenient by the Board.

(4) Asset finance is the issue of capital market instruments based on assets deemed fit and convenient by the Board, also including those covered by house finance.

(5) At each stage of house and asset finance, the Board may require a valuation by valuation institutions bearing the qualifications determined by the Board.

(6) The Undersecretariat of Treasury is authorized to determine procedures and principles relating to insurance agreements with regard to house and asset finance, while the Ministry of Customs and Trade is authorized to determine procedures and principles relating to refinancing of credits made available to or receivables from consumers as a part of house finance and asset finance.

Housing and Asset Finance Funds

Article 58 – (1) Housing finance fund is a trust, with no legal personality, established under a fund bylaws for operation according to fiduciary ownership principles, with the moneys collected against mortgage backed securities in the account of holders of mortgage backed securities, while asset finance fund is a trust, with no legal personality, established under a fund bylaws for operation according to fiduciary ownership principles, with the moneys collected against asset based securities in the account of holders of asset based securities. Mortgage backed and asset based securities are capital market instruments issued under the security of assets included in portfolios of the relevant funds or mortgage finance companies.

(2) The properties of a fund covered by this article cannot be pledged or shown as collateral, except for borrowing in the account of the fund, transactions on derivative instruments, short selling or similar other transactions entered into in the name of the fund, providing that it is duly permitted by fund bylaws. Properties of fund are separate from properties of fund founder, fund service providers and those who transfer their assets or receivables to fund portfolio. Even if management or supervision of fund founder, fund service providers and those who transfer their assets or receivables to fund portfolio is transferred to public authorities, the fund properties cannot, until the date of redemption of mortgage backed or asset based securities, be used or disposed of for non-intended purposes, and be attached, or restricted by injunction reliefs, or included in bankrupt's estate for any reason whatsoever, including the collection of public receivables.

(3) Fund board represents and manages the fund in such manner to protect the interests of holders of mortgage backed or asset based securities. Fund board is responsible for accuracy of records relating to assets included in the fund portfolio, and for protection and custody of these assets.

(4) Relations between founder, and fund board, and holders of issued mortgage backed or asset based securities shall be governed by this Law, the applicable laws and the fund bylaws, and on matters on which this Law, the applicable laws and the fund bylaws remain silent, the provisions of articles 502 to 514 of the Turkish Code of Obligations no. 6098 dated 11/01/2011 shall be applicable by analogy.

(5) If and when an asset secured by a mortgage is included in the fund portfolio, it is recorded in the 'statements' section of the relevant registry that this asset is transferred to the fund. Thereupon, the Board may require that the mortgage or title is registered in the relevant registry in the name of the fund.

(6) Procedures and principles relating to foundation, founders, conditions of activities, management and termination and dissolution of fund and issue of mortgage backed or asset based securities shall be determined by the Board.

(7) Mortgage finance companies may issue mortgage backed or asset based capital market instruments without establishing a housing or asset finance fund. Procedures and principles relating to such issue shall be determined by the Board.

(8) Fund is deemed to have legal personality solely limited for all kinds of registry procedures including registration, amendment, cancellation and correction requests at the land deed registry, trade registry and other official registries. The assets and rights which are included in the fund potfolio of a housing or Asset finance fund and of which the validity of its transfer is dependent on the registration at the land deed registry or any other registry, are registered in the land registry files in the name of the fund. Transactions to be effected in the land deed registry, trade registry and other official registries in the name of the fund shall be signed jointly by one representativ of each the fund founder and the fund board.

Mortgage-Backed and Asset-Backed Securities

Article 59 – (1) Mortgage-backed and asset-backed securities are capital market instruments which constitute a general obligation of issuers and are issued under security of collaterals.

(2) Issuers are under obligation to trace the assets standing as a collateral of mortgage-backed and asset-backed securities separately from their other assets. The Board may require that records relating to the collateral assets are kept not only by the issuer, but also by a separate institution.

(3) Even if management or supervision of the issuer is transferred to public authorities, the collateral assets cannot, until the date of redemption of mortgage-backed and asset-backed securities, be used or disposed of for non-intended purposes, or pledged or otherwise shown as a guarantee, or attached, or restricted by injunction reliefs, or included in bankrupt's estate for any reason whatsoever, including the collection of public receivables.
(4) In the event that the issuer fails to perform its obligations arising out of mortgage-backed and asset-backed securities on due dates thereof, or its management or supervision is transferred to public authorities, or its operating license is withdrawn, or it is adjudged bankrupt, then the income of collateral assets will first be used for payments to holders of mortgage-backed and asset-backed securities and to counterparties of contracts entered into for hedging of collateral assets. If and to the extent their receivables are not recoverable by collateral assets, the holders of mortgage-backed and asset-backed securities and counterparties of contracts entered into for hedging of collateral assets may have recourse to other properties and assets of the issuer.

(5) Procedures and principles relating to issuers, issue, issue limits, and conditions of issue of mortgage-backed and asset-backed securities, and types and characteristics of collateral assets, and consistency between mortgage-backed and asset-backed securities and collateral assets, and keeping of records for collateral assets, and characteristics and responsibilities of collateral responsible, and if payment is made to YTM (Investor Indemnification Center) out of collateral assets in consideration of its services, the calculation of such payment, as well as other points relating to mortgage-backed and asset-backed securities shall be determined by the Board.

Mortgage Finance Companies

Article 60 – (1) Mortgage finance companies are joint-stock companies established for taking over of assets the types and characteristics of which are determined by the Board as a requirement of housing and asset finance, and transfer of the same, and management of taken over assets, and acceptance of assets as collateral, and performance of other activities deemed fit by the Board.

(2) Capital of a mortgage finance company must have been paid in cash free from any simulation, and must not be less than the threshold determined by the Board, and its founders and the holders of shares directly or

indirectly corresponding to ten percent or more of its capital shares or voting rights are required to bear and satisfy the qualifications sought for in bank founding partners pursuant to the Law no. 5411.

(3) If and when funding sources are obtained from mortgage finance companies by showing the assets mentioned in the first paragraph hereof as collateral, even if management or supervision of the company from whom funding sources are obtained is transferred to public authorities, the collateral assets cannot be used or disposed of for non-intended purposes, or pledged or otherwise shown as a guarantee, or attached by third parties, or restricted by injunction reliefs, or included in bankrupt's estate. The Board may require that records of the assets shown as guarantee are also kept by a separate institution.

(4) Assets accepted as a collateral pursuant to the first paragraph hereof may also be accepted as collateral for mortgage-backed and asset-backed securities to be issued pursuant to article 59 hereinabove. The issue will be arranged and composed so as to ensure that the mortgage-backed and asset-backed securities remain under general obligations of the institution from whom funding sources are obtained.

(5) Procedures and principles relating to foundation, founders, partners, management and organization chart, principles of activities, and principles of operating license of mortgage finance companies, and issue of mortgage-backed capital market instruments and other obligations to be imposed thereon shall be determined by the Board.

Lease Certificate and Asset Rental Companies

Article 61 – (1) Lease certificates are a type of capital market instruments, with characteristics and specifications determined by the Board, which are issued by asset rental companies for financing of all kinds of assets or rights, and which enable their holders to get a share from the proceeds of these assets or rights in proportion to their ownership shares. Procedures and principles relating to issue and sales of lease certificates shall be set down by the Board.

(2) Asset rental companies are joint-stock companies established solely to issue lease certificates.

(3) An asset rental company cannot deal with any commercial activity other than the activities specifically listed in its articles of association issued with prior consent of the Board, and cannot establish any right in rem on its assets and rights in favour of third parties, except for those explicitly permitted in its articles of association, and cannot lease or transfer the same contrary to the interests of holders of lease certificates. Even if management or supervision of the issuer is transferred to public authorities, the assets and rights included in portfolio of an asset rental company cannot, until the date of redemption of lease certificates, be used or disposed of for non-collateral purposes, or pledged or otherwise shown as a guarantee, or attached, or restricted by injunction reliefs, or included in bankrupt's estate for any reason whatsoever, including the collection of public receivables.

(4) In the event that the issuer fails to perform its obligations arising out of lease certificates on due dates thereof, or its management or supervision is transferred to public authorities, or its operating license is withdrawn, or it is adjudged bankrupt, then the income of assets included in its portfolio will first be used for payments to holders of lease certificates. Thereupon, the Board is authorized to take all kinds of precautions and measures for protection of rights and interests of holders of lease certificates.

(5) Procedures and principles relating to foundation, articles of association, and principles of activities of asset rental companies, and types and characteristics of assets and rights they may take over, and keeping of records thereof, and management principles, termination, dissolution and liquidation of them, and if payment is made to YTM (Investor Indemnification Center) out of assets included in portfolio of asset rental company in consideration of its services, the calculation of such payment shall be determined by the Board.

Real Estate Certificate

Article 61/A – (1) Real estate certificate is a capital market instrument issued by the issuers for financing the real estate projects being built or to be built, representing certain individual sections or certain area units of the individual sections of the real estate project, with equal nominal value. Procedures and principles in relation to the issuance of real estate certificates are determined by the Board. Exemption for an issuer from the determined principles may be granted or principles different than the ones in this article may be set forth, by the Board.

(2) The funds collected in exchange for real estate certificates and the individual sections subject to real estate certificate cannot be disposed out of its purpose, be subject to lien, be provided as collateral, be sequestrated even for the collection of public receivables, be part of the bankruptcy assets and be subject to interim measures, even if the issuer's management or audit has been assigned to the public institutions, until the real estate certificate is redeemed.

(3) In case the obligations are not fulfilled or it is determined that the obligations will not be fulfilled at the end of the real estate certificate's maturity, a real estate certificate holders meeting is held in order to negotiate the subject, provided that the issuer's liabilities regarding real estate certificatesi are reserved. Principles of this meetings are determined by the Board. For subjects that are not determined by the Board, provisions of the Code No. 6102 regarding general meetings of joint stock corporations, are applied.

Project Finance, Project Finance Fund and Project-Based Securities

Article 61/B – (1) Project finance is obtaining financing through project finance funds for the completion of projects requiring long term and mass capital such as infrastructure, energy, industry or technology investments.

(2) Project finance fund is a trust, with no legal personality, established by investment institutions under a fund bylaw based on fiduciary ownership principles, for operating the portfolio formed with the monies and/or other assets collected in return for the project-based securities, and the revenues generated for the account of the owners of project-based securities, from the assets and rights subject to the project finance.

(3) The income and other rights of the project subject to project finance shall be transferred to the project finance fund.

(4) The procedures and principles regarding the assets and rights to be subjected to project finance, founders of the project finance fund, foundation, operations conditions, management liquidation of the fund and issuance of project-based securities are determined by the Board.

(5) The provisions of articles 502 to 514 of Law No. 6098 shall be applied by analogy for the relation between the founder, fund board and the owners of the issued project-based security in the absence of provisions in this Law and the fund bylaw.

(6) Fund is deemed to have legal personality solely limited for all kinds of registry procedures including registration, amendment, cancellation and correction requests at the land deed registry, trade registry and other official registries. The assets and rights which are included in the portfolio of the project finance fund and of which the validity of its transfer is dependent on the registration at the land deed registry or any other registry, are registered in the land registry files in the name of the fund. Transactions to be effected in the land deed registry, trade registry and other official registries in the name of the fund shall be signed jointly by one representative of each the fund founder and the fund board.

(7) Even if management or supervision of the founder of the project finance fund or the fund user is transferred to public authorities, the assets and rights included in portfolio of a project finance fund cannot, until the date of redemption of lease certificates, be used or disposed of for non-collateral purposes, or pledged or otherwise shown as a guarantee, or attached, or restricted by injunction reliefs, or included in bankrupt's estate for any reason whatsoever, including the collection of public receivables.

SIXTH SECTION
Independent Audit, Rating and Valuation Companies

Principles of Activities

Article 62 – (1) Additional conditions and qualifications to be sought for in independent audit firms authorized by the Public Supervision, Accounting and Audit Standards Authority, which intend to engage in independent audit activities pursuant to this Law, shall be determined by the Board, and the list of independent audit firms satisfying these conditions and qualifications is made public. The Board shall be authorized to exclude from the list the independent audit firms detected to have breached the standards and applicable laws as a result of quality control and audit works to be conducted by the Board with regard to independent audit activities covered by this Law. The Board will report the results of its quality control and audit works to the Public Supervision, Accounting and Audit Standards Authority.

(2) The Board will issue regulations and make supervision and audit with a view to ensuring that the information systems audit, rating and valuation activities of companies governed by the provisions of this Law are carried out safely and independently, and to this end, quality assurance systems are established, and international standards are complied with for the sake of public benefits. Procedures and principles relating to authorization of these companies, and licensing of their managers and employees, and registry information about these companies, and disclosure of such information to public shall be determined by the Board.

Liability

Article 63 – (1) Independent audit firms are held liable, together with signatories, for their report, for all kinds of damages and losses caused by non-audit of financial statements and reports in compliance with the applicable laws and regulations, solely to the extent of scope of their duties. Independent audit firms and rating and valuation companies shall be held liable for all kinds of damages and losses caused by untrue or misleading information or omissions in the reports issued as a result of their activities.

Obligations

Article 64 – (1) Independent audit firms and independent auditors performing an audit of financial statements in an investment institution or a collective investment institution or any other duty or assignment determined pursuant to this Law and other applicable laws and regulations shall, in the course of performance of their duties and assignments in the subject company or in companies affiliated thereto in capital and management terms, be liable to immediately report to the Board all and any events:

(a) which breach the provisions of this Law and other applicable laws and regulations pertaining to authorization and conditions of activities; or

(b) which may preclude the company from carrying out its activities regularly and continuously; or

(c) which require expression of a negative opinion or refraining from opining.

(2) Reports and notifications to be submitted by independent audit companies to the Board as per this article shall not construe as a breach of the laws or agreements pertaining to disclosure of information, nor shall they lead to any civil or criminal liability of the disclosing persons.

PART FOUR
Exchanges, Association of Capital Markets of Türkiye, and Other Institutions in Capital Markets
FIRST SECTION
Exchanges

Exchanges and Market Operators

Article 65 – (1) Foundation of exchanges and market operators is permitted by a decree of the President with a prior consent of the Board, and activation of these institutions is subject to permission of the Board.

(2) For eligibility for authorization by the Board, exchanges and market operators should satisfy the following conditions of foundation:

(a) It should be organized in the form of a joint-stock company,

(b) All of its shares should be registered shares,

(c) Its shares should have been issued against cash payment,

(d) Its capital should not be less than the amount determined by the Board,

(e) Its founders or its partners directly or indirectly having a substantial effect on the relevant exchange or market operator should bear the conditions and qualifications sought for in article 44 hereof,

(f) Its articles of association should be in compliance with the provisions of this Law and other applicable laws and regulations.

(3) Applications for foundation and operating licenses may be filed by exchange or market operator or by market operator acting for and on behalf of exchange. In permitting the foundation of exchanges and market operators, the general situation of domestic and foreign financial markets and the systemic risk factors shall be taken into consideration.

(4) An exchange permitted to be founded is required to apply for an operating license to the Board within no later than one year following the date of foundation permit. Applications for an operating license are resolved by the Board and the resolution is notified to the relevant persons within maximum six months following the date of delivery of all of the required documentation and deliverables to the Board. If an institution fails to apply to the Board for an operating license within one year following the date of foundation permit or its application for an operating license is refused, the foundation permit thereof will be cancelled. This period may be extended by one year by the Board in the case of force majeure events or in the case of failure in application due to reasons not attributable to the institution. In cancellation of operating license granted by the Board, the provisions of article 41 hereof shall be applicable.

(5) Exchanges may enter into contract with one or more than one market operator for operation and/or management of markets. This contract is ineffective without a prior consent of the Board. Upon approval by the Board, the market operators start to use the rights of the exchange within the frame of their contract signed with the exchange and start to perform the obligations arising out of this Law and the applicable laws and regulations for and on behalf of the exchange.

(6) Managers of exchanges or market operators are required to bear all conditions listed in first paragraph of article 44, except for financial power, as well as the experience and education conditions to be imposed by the Board. In the case of a change in managers or executives of exchanges or market operators, such change is immediately reported to the Board. If, during performance of their duties, managers or executives of exchanges or market operators are detected not to bear the conditions and qualifications sought for by this Law or the applicable

laws and regulations or lose these qualifications, the Board requires them to resign, and this requirement is fulfilled by the exchange bodies authorized to appoint the same.

(7) Amendments to articles of association, transfers of shares, or all kinds of transactions which directly or indirectly lead to a change of control even in absence of a transfer of shares, with respect to exchanges or market operators, are subject to prior consent of the Board. Any amendments to articles of association, transfer of shares or other transactions leading to change of control, which are not approved by the Board, do not become administratively effective on the exchange or market operator. Transfers of shares breaching these provisions cannot be registered in the share book, and any registrations in the share book in contradiction with this provision are null and void ab initio. Procedures and principles relating to implementation of this paragraph shall be outlined by the Board.

(8) Exchanges determine the procedures and principles required to regularly and effectively check and monitor the compliance with exchange rules and to prevent probable breaches thereof by capital market institutions operating in the markets within their own organization, and issuers the capital market instruments of which are listed and traded in the exchange, and persons or entities giving orders or transacting therein. In the case of breach of their rules by gross negligence or malicious misconduct, the exchanges report such breach to the Board.

(9) Without prejudice to the provisions of this Law, principles and procedures relating to foundation of exchanges, their capital structures and shareholdings, exchange activities that may be conducted as per this Law, and audit of such activities, or permanent or temporary suspension of their activities, and market operators will be regulated by a regulation to be enacted by the Board. Said points may further be dealt with in a regulation to be prepared by the relevant exchange and approved by the Board.

(10) Without prejudice to the provisions of this Law, exchanges are governed by private law provisions, and they independently perform their duties and obligations and use their powers vested in by this Law under their own responsibility. Exchanges determine and regulate their budgets and staff positions themselves through their bodies and organs named in their articles of association. Exchanges and their affiliates and subsidiaries and market operators cannot be held subject to the laws, regulations, restrictions and practices regarding public administration or publicly funded companies, businesses, enterprise or undertakings in administrative and financial issues.

(11) Lawsuits brought forward against exchanges are in the jurisdiction of judicial courts. Labour courts have jurisdiction in subject matter in disputes between exchanges and their employees employed under the Labour Act no. 4857 dated 22/5/2003.
(12) Any investigation that may be opened against president and members of board of directors and top management of an exchange due to their activities covered by this Law is subject to prior written permission of the Board

Other Organized Marketplaces

Article 66 – (1) Principles and procedures relating to foundation, authorization and capital of, and capital market instruments to be traded in, and conditions of competition in, and operating principles and reference terms of alternative operational systems, multilateral trading platforms and other organized markets which bring together buyers and sellers of capital market instruments, and act as an intermediary in trading of capital market instruments, and create and operate systems and platforms therein for, other bank exchanges, are regulated by regulations to be enacted by the Board. The Board is the supervision and audit authority of them.

Principles on Exchange Operations

Article 67 – (1) In order to ensure that capital market instruments, foreign exchange, precious metals and precious stones, and other contracts, instruments and assets deemed fit by the Board are traded in a reliable, transparent, effective, stabilized, fair and competitive atmosphere, the principles and procedures relating to:

(a) Listing, delisting, and trading in exchange, and suspension of trading in exchange;

(b) Transmission and matching of orders;

(c) Timely performance of obligations regarding the transactions affected;

(d) Granting of authorization to trade in the exchange;

(e) Management of disciplinary acts and regulations;

(f) Exchange income and their collection;

(g) Resolution of disputes;

(h) Prevention of probable conflicts of interest between exchange, exchange's shareholders and/or market operator;

(i) Operating, audit and supervision systems of exchanges; and

(j) Market making, operation and management are regulated by regulations to be prepared by the relevant exchange and approved by the Board.

(2) Except for exchanges where the relevant derivatives are traded:

(a) the Treasury Undersecretariat is consulted for regulations containing the principles of granting of authorization to trade in exchanges where foreign exchange, precious metals and precious stones are traded, as well as the obligations and duties of authorized persons or entities; and

(b) the Ministry of Energy and Natural Resources and the Energy Market Regulatory Agency are consulted for regulations containing the principles of granting of authorization to trade in exchanges where energy products are traded, as well as the obligations and duties of authorized persons or entities.

(3) Exchanges are authorized and liable to issue and implement regulations with regard to performance of powers and duties vested in them by this Law and other applicable laws and regulations, and to audit and check whether the entities and institutions governed by such regulations are acting in compliance with the regulations or not, and whether the information submitted to them are true or not.

Quotation in Exchange

Article 68 – (1) Capital market instruments may be listed only if and when the conditions stipulated in the regulations enacted and issued in reliance upon this Law are satisfied and met.

(2) Exchanges issue regulations and take actions aimed at ensuring that the issuers of capital market instruments listed therein perform their public disclosure duties and obligations. Exchanges are under obligation to abide by the rules determined by the Board with regard to access to the information to be made public.

(3) Exchanges and market operators take actions required to regularly review and check whether the listed capital market instruments comply with the listing conditions or not.

(4) A capital market instrument listed in an exchange may also be listed in another exchange within the frame of provisions of this Law and other applicable laws and regulations.

Suspension of Trading, and Delisting

Article 69 – (1) Exchange or market operator may suspend the trading of or may delist a capital market instrument upon occurrence of events or satisfaction of conditions specified in its regulations and bylaws. This is immediately reported to the Board and made public.

(2) The Board, however, reserves its right to suspend the trading of and delist capital market instruments.

Resolution of Disputes, and Supervision of Exchange Trading Transactions

Article 70 – (1) Procedures and principles relating to resolution of disputes between investment institutions themselves or between investment institutions and their customers with respect to exchange trading transactions mentioned in sub-paragraphs (b) and (c) of first paragraph of article 67 hereinabove shall be set down by the exchange board of directors. Should the amount specified in the said decisions of board of directors be above the amount mentioned in fifth paragraph of article 84 herein below, an objection may be filed to the Board against such decisions.

(2) Exchanges establish an in-house supervision system and take all kinds of preventive actions as required in order to ensure that all trading transactions are executed reliably, transparently, efficiently, consistently, fairly, honestly and in a competitive atmosphere, and to detect any violations of this Law. Exchanges further assume and perform other duties and obligations that may be vested in them by the Board with regard to supervision.

(3) Exchanges may perform their duties and obligations arising out of the preceding second paragraph through outsourcing. The activities mentioned in the second paragraph should also be included among the fields of business of the service providers. Principles relating to activities and audit of these service providers shall be outlined by the Board. These companies may offer services either to a single exchange or to more than one exchange. Outsourcing of certain services as above does not relieve the exchanges from their liabilities relating to their duties.

Cooperation

Article 71 – (1) If and when deemed necessary with regard to exchange activities, the exchanges shall be authorized to request information and documents and to audit and inspect the capital market institutions operating in the markets within their own organization, and issuers the capital market instruments of which are listed and traded in the exchange, and founders, and persons or entities giving orders or transacting therein. The parties from whom information and documents are requested cannot refrain from giving information in reliance upon the confidentiality and secrecy obligations arising out of their special statutes with respect to their fields of business.

(2) With the intention of prevention, supervision or audit of the offences set down in this Law and the market disruptive acts, and with a view to ensuring that the regulations associated with this Law are effectively implemented, and within the frame of procedures and principles determined by the Board, exchanges and other associated institutions are under obligation to exchange all kinds of technical support, assistance and information as and when required. As a part of their supervision and audit activities, the exchanges are authorized to enter into any kind of cooperation and exchange of information with foreign exchanges and international organizations on reciprocity basis. Acts committed as stated above cannot be considered and treated as a breach of confidentiality and secrecy obligations and rules set down in this Law and other laws pertaining hereto.

Financial and Information Systems Audit of Exchanges and Market Operators

Article 72 – (1) The Board is the regulatory, supervisory and audit authority of all exchange activities of the exchanges and market operators. Accordingly, the Board may request the exchanges and market operators and

other related entities and organizations to take all kinds of actions and to give or regularly send all and any information and documents and to give all kinds of technical support if and to the extent required.

(2) Exchanges and market operators are financially audited by independent audit firms included in the list published by the Board.

(3) Procedures and principles as to information systems audit of exchanges and market operators and as to firms authorized for such audit shall be regulated by the Board.

Other Provisions

Article 73 – (1) Exchanges are required to take actions and measures required for safe management of their systems. Exchanges are under obligation to establish the required internal control units and systems.

(2) Collaterals kept and assets included in the warranty fund created for the purpose of prevention of clearing and settlement risks in exchanges and clearing organizations pursuant to the regulations enacted by the Board cannot be used for non-intended purposes, or attached or pledged even for recovery of public receivables, or affected from liquidation orders of administrative authorities, or included in bankrupt's estate, or restricted by injunction reliefs.

(3) With respect to corporate governance principles, the provisions of first and second paragraphs of article 17 are applicable by analogy also on exchanges, market operators and other organized marketplaces

SECOND SECTION
Association of Capital Markets of Türkiye, Association of Appraisers of Türkiye, Central Clearing Organizations, Central Depository Institutions, and Central Registry Agency

Association of Capital Markets of Türkiye

Article 74 – (1) Institutions authorized to deal with investment services and activities pursuant to article 37 of this Law, and institutions active and operating in capital markets, if and to the extent deemed fit by the Board and crowdfunding platforms and cryptoasset service providers, are under obligation to apply for enrolment in the Association of Capital Markets of Türkiye, being a professional organization having a separate legal personality and identified as a public authority. Said institutions are obliged to file their applications within three months after receipt of their certificates of authorization. Activities of any institution which fails to apply for enrolment will be stopped by the Board.

(2) The Association is authorized and entrusted with the tasks of:

(a) conducting researches aimed at development of activities of capital markets and member organizations;

(b) formulating the professional rules and regulations in order to assure that the Association's members act with solidarity and work diligently and in a disciplined manner as required by capital markets and profession;

(c) taking the required actions and measures in order to prevent unfair competition;

(d) issuing, implementing and supervising the compliance with regulations on the matters vested in it by the laws and determined by the Board;

(e) inflicting the disciplinary punishments specified in the Association's bylaws;

(f) entering into cooperation with national and international organizations as a representative of its members;

(g) following up the national and international professional developments, laws and regulations, and keeping its members informed there about;

(h) establishing and managing the required infrastructure for resolution by way of arbitration of the disputes of its members arising out of their activities covered by this Law; and

(i) performing other duties and assignments determined by the Board.

(3) In its regulations and decisions, the Association is under obligation to comply with this Law and other applicable laws and regulations.

Organs and Bylaws of Association of Capital Markets of Türkiye

Article 75 – (1) Mandatory organs of the Association are general assembly of members, board of directors and audit committee.

(2) At least fifteen days prior to the date of the general assembly meeting where organs of the Association will be elected, a list showing the Association members eligible for elections and their representatives will, together with a cover letter indicating the agenda, venue, date and time of the meeting and the details relating to second meeting to be held if the required quorum cannot be reached in the first meeting, be submitted in three copies to the judge to chair the board of election to be appointed by the Supreme Committee of Elections. The judge reviews and approves the list and other details, and appoints a chair and two members for the ballot box committee, and one associate member for each of them. Voting is handled by secret balloting and open counting process. At the end of election period, the results of election are documented by a memorandum which is signed by chairman and members of the ballot box committee. All kinds of objections against elections filed within two business days following the time of signature of the memorandum are reviewed and finally concluded and responded by the judge in the same day. The Board shall also have a right of appeal for the purposes of implementation of this Law, and the Board's appeals will also be reviewed and responded likewise.

(3) Organs, income and expenses, working principles and reference terms, acceptance for membership, and temporary or permanent exclusion from membership of the Association are regulated by Bylaws to be issued and enacted by a decree of the President upon a proposal of the Board and with prior offer of the relevant Ministry. Upon demand of the Association or if and when deemed necessary ex officio, the Board may offer amendments in the Bylaws to the relevant Ministry.

(4) All members of the Association referred to in article 74 hereinabove are required to be represented in the board of directors of the Association. The procedures of being a candidate or being nominated as required for compliance with the first sentence hereof shall be outlined in the Association's Bylaws.

(5) Membership subscriptions of the Association, if not paid within the period of time shown in the Bylaws, are collected and recovered by the Association through execution proceedings. Decisions as to payment of subscriptions of the Association are considered and treated as a written official document within the meaning ascribed thereto by article 68 of the Execution and Bankruptcy Code no. 2004 dated 09/06/1932.

(6) Members are under obligation to comply with the Association's Bylaws and decisions.

(7) The Association is audited by the Board every year. Procedures and principles relating to audit of all kinds of transactions and accounts of the Association are determined by the Board. A copy of the audit report issued by

the Board as a result of audits as above is sent to the relevant Ministry by no later than the end of sixth month of the next year. The relevant Minister may request the Capital Markets Board to take the necessary actions for assuring compliance of activities of the Association with its original objectives, and is also authorized to audit all and any transactions and accounts of the Association. Decisions taken by the authorized organs of the Association may be appealed to the Board within ten business days following the date of notification of the relevant decision. Decisions taken by the Board with regard to appeals are final and definite.

Association of Appraisers of Türkiye

Article 76 – (1) Real estate appraisers and appraisal firms are under obligation to apply for enrolment in the Association of Appraisers of Türkiye, being a professional organization having a separate legal personality and identified as a public authority.

(2) A license holder is under obligation to file the required application to the Association of Appraisers of Türkiye for membership within three months following the date he becomes eligible for license. License of any person who breaches this obligation is cancelled by the Board.

(3) Appraisal firms are under obligation to file the required application to the Association of Appraisers of Türkiye for membership within three months following the date they become eligible for appraisal firm status. In the case of breach of this obligation, the Board is authorized to take all kinds of measures and actions against them, including, but not limited to, suspension of their activities and cancellation of their powers.

(4) The Association of Appraisers of Türkiye is authorized and liable to conduct researches and give training and certificates in order to assure development of real estate market and real estate appraisal activities, and to formulate the professional rules and appraisal standards for ensuring that the Association's members act with solidarity and work diligently and in a disciplined manner as required by the profession, and to take actions for prevention of unfair competition, and to issue, implement and audit compliance with regulations on the matters vested in it by the applicable laws or determined by the Board, and to inflict the disciplinary punishments specified in the Bylaws of the Association of Appraisers of Türkiye, and to enter into cooperation with the relevant organizations as a representative of its members, and to follow up the professional developments and administrative and judicial regulations and decrees and to keep its members informed thereabout.

(5) Information about the appraisals within the scope of house finance are required to be submitted to the Association of Appraisers of Türkiye in accordance with the procedures and principles to be determined by the Association of Appraisers of Türkiye.

(6) Principles as to amounts and limits of fees payable in consideration of appraisal services of members of the Association of Appraisers of Türkiye shall be determined by the Board on yearly basis in due consultation with the Banking Regulatory and Supervisory Authority, the Association of Appraisers of Türkiye, the Banks Association of Türkiye and the Association of Capital Markets of Türkiye. Yearly minimum fee tariff determined by the Board is published in the Official Gazette.

(7) In its regulations and decisions, the Association of Appraisers of Türkiye is under obligation to comply with the Law and other applicable laws and regulations.

(8) A representative of the Association of Appraisers of Türkiye is included in the board of directors of the Association of Capital Markets of Türkiye.

(9) The provisions of article 75 hereof are applicable by analogy about the Association of Appraisers of Türkiye and its members, organs and Bylaws.

(10) Members of the Association of Appraisers of Türkiye are under obligation to comply with the Bylaws of the Association of Appraisers of Türkiye and the decisions of the Association of Appraisers of Türkiye. Members who

breach this obligation are fined to pay a fine from 61,607.66 Turkish Liras to 616,263.62 Turkish Liras* by a decision of the Association of Appraisers of Türkiye.

(11) The Association of Appraisers of Türkiye is audited by the Board every year. Procedures and principles relating to audit of all kinds of transactions and accounts of the Association are determined by the Board. A copy of the audit report issued by the Board as a result of audits as above is sent to the relevant Ministry by no later than the end of sixth month of the next year. The relevant Minister may request the Capital Markets Board to take the necessary actions for assuring compliance of activities of the Association with its original objectives, and is also authorized to audit all and any transactions and accounts of the Association. Decisions taken by the authorized organs of the Association may be appealed to the Board within ten business days following the date of notification of the relevant decision. Decisions taken by the Board with regard to appeals are final and definite.

Central Clearing Organizations

Article 77 – (1) Central clearing organizations are institutions being a private law legal entity organized in the form of a joint-stock company, which is engaged in delivery of capital market instruments traded in exchanges and other organized marketplaces, and payment of price thereof, and performance of the collateral obligations pertaining thereto. Foundation of central clearing organizations is permitted by the relevant Minister upon a proposal of the Board. Activation of these organizations is subject to a prior consent of the Board. Procedures and principles relating to capital of central clearing organizations, and their activities in the scope of this Law, and temporary or permanent suspension of their activities, and audit, supervision, financial reporting standards, independent audit of financial statements, and cooperation with other institutions and organizations shall be determined by the Board. Central clearing organizations established as per this Law may, provided that they are authorized according to the applicable laws and regulations, carry out the activities mentioned in this paragraph also about the certificates of commodity issued by the licensed depots.

(2) Rules pertaining to membership, collaterals, principles of clearing and settlement, discipline, capital, income and other issues of central clearing organizations are regulated by regulations to be prepared by the Board or if deemed fit by the Board, by the relevant central clearing organizations and to be approved by the Board. Procedures and principles relating to clearing and settlement system, membership, default process, collaterals provided to the central clearing organization for the sake of safety of clearing and settlement, and foundation, operation and use of warranty funds to be created with contributions of members for the liabilities assumed as a central counterparty shall be regulated by a regulation to be prepared by central clearing organizations and approved by the Board.

(3) The Board determines exchanges and other organized marketplaces where central clearing organizations are allowed to offer their clearing and settlement services. Prior consent of exchanges is also sought for in determination of exchanges where central clearing organizations are allowed to offer clearing and settlement services. If deemed fit and acceptable by the Board, central clearing organizations may also render clearing, payment, collateral and settlement services to present or future markets other than capital markets, except for those markets created by the Turkish Central Bank. Furthermore, the Board may require that the transactions on capital market instruments executed in markets other than exchanges and other organized marketplaces be also settled and cleared through a central clearing organization.

(4) The Board is the regulatory, supervisory and audit authority of all central clearing organizations described in this article. Accordingly, the Board may request the central clearing organizations and their members to take all kinds of actions and to give or regularly send all and any information and documents as and when deemed necessary with regard to central clearing and settlement activities.

(5) The provisions of article 44 hereof are applicable also on central clearing organizations.

(6) Central clearing organization shall be authorized to request information and documents from and to audit and inspect their members with regard to their activities and operations. The members cannot refrain from giving

information in reliance upon the confidentiality and secrecy obligations arising out of their special statutes with respect to the fields of business of central clearing organizations.

Central Counterparty

Article 78 – (1) The Board may hold central clearing organizations obliged to serve as a central counterparty where they commit completion of settlement by acting as seller against buyer, and as buyer against seller, separately by markets or capital market instruments. Exchanges and other organized marketplaces may also apply to the Board in order to start central counterparty system also for capital market instruments traded in them. Central clearing organisations may apply to the Board in order ro start central counterparty system in the organised money markets.

(2) Financial liability of clearing organizations arising out of clearings and settlements where they act as a central counterparty will be determined within the limits to be established and within the frame of collaterals and other guarantees to be taken from members. Ownership of the collaterals taken by clearing organisations within central counterpary service passes to the same. Unless otherwise provided by law, the second and fifth paragraphs and sub-paragraph (a) of the fourth paragraph of the article 47 shall apply to such collaterals. Clearing organisations are not liable for obligations of its members to their clients. As part of default management in the markets where they offer central counterparty services, the clearing organisations may utilize collaterals of the members, guaranty fund, their own capital as well as insurance contracts, deduction from profits, transfer of the positions and collaterals of the customers to the other members without the necessity of the consent of the members in default either through ex officio when required or the request of the member's customers, netting of the obligations, rights, collaterals, receivables, debts with the same party and other methods the Board will deem appropriate.

(3) Central clearing organisations may provide capital and capital equivalent source for the use of default management and pledge collaterals and guaranty fund assets as security with the intention of borrowing in order to provide liquidity within the scope of default management. Central clearing organisations may keep cash collaterals in the accounts to be opened on their behalf in the banks and depository institutions the purpose of hedging and custody of the securities. The second paragrapg of the article 73 also applies to the capital and capital equivalent sources allocated to the default management by central clearing organisations. The second paragraph of the article 73 and the first paragraph of the article 79 also apply to the assets subject to currency exchange and / or currency swap transactions deposited or transferred to settlement and reconciliation accounts at the central clearing organisation or central depository institution, limited to the period until the final settlement agreement is made.

(4) Conditions pertaining to clearing membership and types of membership as for the capital market instruments subject to central counterparty system will be regulated by the relevant clearing organization with a prior approval of the Board, in such manner to contain also the minimum conditions as to members' obligations and as to capital, internal audit and risk management system.

(5) Central clearing organizations acting as a central counterparty are under obligation to keep an adequate level of capital in line with the financial risks and other risks assumed by them for the relevant capital market instruments, and to establish and maintain the required information processing infrastructure and internal control, risk management and internal audit systems. Internal audit unit of these organizations is under obligation to inspect and check the reliability and adequacy of risk management and information processing infrastructures at least semi-annually, and to report the audit results to the Board. The Board may order that the said inspection be conducted more frequently, and may request an independent audit with regard to said points. Furthermore, the Board shall also be authorized to request inspection of the financial adequacy of an organization acting as central counterparty by various methods to be specified, also including stress tests, and if and when deemed necessary, to request a credit rating thereof.

(6) For the sake of protection of financial stability, the Board may impose additional obligations, also including capital requirements, on these organizations and their members having a systemic significance therein for.

(7) Collaterals received by the organization acting as central counterparty, and properties and assets of account holders therein are required to be traced separately from properties and assets of the organization. Except for clearing and settlement transactions, the organization acting as central counterparty cannot use the said collaterals or assets for non-intended purposes. The organization acting as central counterparty will take measures in order to assure compliance with the provisions of this paragraph.

(8) Organizations acting as central counterparty are not required to enter into a separate agreement for each transaction with the parties thereto.

(9) The procedures and principles regarding the default management to be carried out in accordance with this article, the guarantees to be taken from the members of the clearing organisations with regard to the central counterparty service, the guarantee funds to be contained within their structures shall be determined by the Board upon the recommendation of the clearing organisation.

(10) Capital or capital equivalent sources allocated for each marketplace, for which central clearing institutions offer central counter-party services, collaterals received and guarantee funds that are set up may not be used for any purposes other than the intended purpose. The collaterals and guarantee fund assets received within the scope of the central counter-party services offered in connection with capital markets shall be monitored separately from the collaterals and guarantee fund assets received within the same scope in connection with money markets.

Definiteness of Settlement and Right of Pledge

Article 79 – (1) Clearing and settlement instructions and transactions and payment transactions of capital market instruments cannot be withdrawn or cancelled for any reason whatsoever, also including temporary or permanent suspension of activities of members of central clearing organizations, and initiation of liquidation processes in administrative and juridical authorities.

(2) Where member organizations show as guarantee the properties and assets of themselves or their customers or third parties, the provisions of articles 988 to 991 of the Turkish Civil Code no. 4721 dated 22/11/2001 are applicable also on acquisition of ownership or limited real rights on the dematerialized capital market instruments standing as collaterals. Lack of the rights of disposal of investment institutions on the collateralized properties or assets for any reason whatsoever does not preclude the central clearing organization from acquiring rights in rem in good faith. Interpleaded reliefs or limited real right claims of third parties on the collateralized properties and assets cannot be claimed against central clearing organization.

(3) Rights and powers of central clearing organization on the properties and assets taken as collateral due to clearing, settlement and central counterparty transactions can by no means and in no case be limited or restricted. The granting of a time to a member organization or to collateral giver for composition with creditors, or approval of composition with creditors, or initiation of composition with creditors following bankruptcy, or of composition with creditors through cessionary bankruptcy, or conciliatory restructuring of debts, or insolvency and bankruptcy, or postponement of bankruptcy, or other legal proceedings under the Code no. 2004, or provisions of this Law pertaining to gradual liquidation can by no means limit or restrict the central clearing organization to use its rights and powers on the said collaterals.

Central Depository Institutions (Central Custodians)

Article 80 – (1) Central depository institutions are institutions being a private law legal entity organized in the form of a joint-stock company engaged in central custody of capital market instruments and in services of use of rights associated thereto. Foundation of central depository institutions is permitted by the relevant Minister upon a prior consent of the Board. Activation of these institutions is subject to a prior consent of the Board. Procedures and principles relating to capital and profit distribution of central depository institutions, and their activities in the scope of this Law, and temporary or permanent suspension of their activities, and audit, supervision, financial reporting

standards, independent audit of financial statements, and cooperation with other institutions and organizations shall be determined by the Board.

(2) Rules pertaining to membership, collaterals, principles of custody services, discipline, capital, income and other issues of central depository institutions are regulated by regulations to be prepared by the Board or if deemed fit by the Board, by the relevant central depository institutions and to be approved by the Board.

(3) The Board determines the types of capital market instruments for which central depository institutions may serve as central custodians. The Board may require that capital market instruments be kept in custody in one or more than one central depository institution. If deemed fit by the Board, central depository institutions may assume custody services also in present and future markets other than capital markets. Central depository institution of the dematerialized capital market instruments is CRA (Central Registry Agency).

(4) The Board is the supervisory and audit authority of all central depository institutions described in this article. Accordingly, the Board may request the central depository institutions and their members to take all kinds of actions and to give or regularly send all and any information and documents as and when deemed necessary with regard to central custody services and activities.

(5) The provisions of article 44 hereof are applicable also on central depository institutions.

Central Registry Agency

Article 81 – (1) Central Registry Agency is a joint-stock company being a private law legal entity, established in order to carry out the process of dematerialization of capital market instruments, and to trace these instruments and the associated rights by members and right owners in electronic medium, and to hold these instruments in central custody.

(2) Foundation, activities, membership, working and auditing principles, income and profit share distribution principles of CRA are regulated by a regulation to be enacted and issued by the Board.

(3) In addition to its duties mentioned in the first paragraph hereof, CRA assumes and performs the following duties and activities as well:

(a) To create an electronic platform for communication of companies and their partners and investors for the sake of compliance of companies with the corporate governance principles set forth in the Code no. 6102 and other applicable laws and regulations; and

(b) To create an electronic data bank for collection of all data relating to capital markets at a single point, and to ensure the use of these data within the frame of principles to be determined by the Board; and

(c) To perform other duties vested in by the Board within the frame of capital markets laws and other relevant laws, as well as transactions required as per the laws and regulations; and

(d) To take actions for dematerialization of certificates of commodity issued by the depots, and for tracing of them and the associated rights on book-entry basis in electronic medium, and to create a platform therein for, providing that it is authorized to do so pursuant to the applicable laws and regulations.

(4) Within the frame of regulations to be enacted by the Board, CRA shall be authorized to request information and documents from and to audit and inspect its members with regard to their activities and operations. The members cannot refrain from giving information in reliance upon the confidentiality and secrecy obligations arising out of their special statutes with respect to the fields of business of CRA.

(5) CRA and its members shall be held liable to the extent of their faults for the losses and damages that may be incurred by right owners due to keeping of records inaccurately.

(6) The Board is the supervisory and audit authority of CRA. Accordingly, the Board may request CRA and its members to take all kinds of actions and to give or send upon demand or regularly in writing or in electronic medium all and any information and documents as and when deemed necessary with regard to dematerialization of capital market instruments.

THIRD SECTION
Other Institutions

Indemnification of Investors

Article 82 – (1) If and when it is determined that investment institutions have failed or will in a short period of time not be able to perform their obligations of cash payment or delivery of capital market instruments arising out of capital market activities, the Board decides to indemnify the investors. This decision is taken within three months following the date of determination. The Board's rights and powers to take actions and measures as stipulated in this Law are, however, reserved.

(2) In order for the Board to decide indemnification about banks pursuant to the preceding first paragraph, the Banking Regulatory and Supervisory Authority is required to be duly consulted. The provisions of this Law pertaining to indemnification of investors are not applicable on cash payment obligations considered and treated as deposits or participation funds pursuant to the banking laws and regulations.

Investor Indemnification Center

Article 83 – (1) YTM (Investor Indemnification Center) is hereby founded as a public legal entity for the purpose of indemnification of investors under the conditions set forth in this Law. YTM will be represented and managed by the Board within the frame of a regulation to be issued and enacted by the Board. Transactions and works of YTM are required to be carried out by the Board's personnel and the personnel to be employed specifically for this purpose. The pertinent procedures and principles shall be regulated by a regulation to be issued and enacted by the Board.

(2) Investment institutions are obliged to participate in YTM. Procedures and principles relating to participation of investment institutions in YTM, and their obligation to pay entrance fees, yearly contributions or additional subscriptions thereto shall be determined by a regulation to be issued and enacted by the Board. This regulation may, with regard to determination of the amount of subscription/contribution, specify different principles depending on types and risk exposures of investment institutions.

(3) If deemed necessary by YTM, it may be decided that the payments of an investment institution ordered by the Board to indemnify investors be suspended, and all properties and assets thereof be solely at the disposal of YTM. This provision is applicable on banks in terms of their obligations of cash payment and delivery of capital market instruments arising out of their capital market activities.

(4) All kinds of safety deposits and receivable arising out of investment services and activities shall be transferred to YTM as safety deposit, if not claimed and collected within ten years following the date of last claim, transaction or written instruction of the account holder given in any manner whatsoever, or for investment funds and variable capital investment partnerships, following the date of liquidation. Shareholding rights, other than the costlessly share acquisition and the right to receive dividends, arising from capital market instruments transferred to YTM, will freeze until they are returned to the right holders by YTM. The procedures and principles regarding the transfer and monitoring of these safety deposits and receivables, the use of the rights arising from these safety deposits and receivables and their return to the applicant which are right holders shall be outlined by the Board. Provided, however, the amounts recorded as income to YTM, before the publication date of the Law which is amending this paragraph, shall not be refunded.

(5) Properties of YTM cannot be used for non-intended purposes, or shown as guarantee, or attached or pledged or included in bankrupt's estate or restricted by injunction reliefs even for recovery of public claims and receivables.

(6) Transactions of YTM under this Law are exempted from public fees, and documents to be issued by YTM under this Law are exempted from stamp duty. Due to its activities and operations under this Law, YTM cannot be considered to have founded an economic enterprise within the meaning ascribed thereto by the Corporate Tax Law no. 5520 dated 13/06/2006.

Scope of Indemnification

Article 84 – (1) Scope of indemnification is composed of claims arising out of non-performance of the obligations of cash payment or delivery of capital market instruments belonging to investors and kept in custody or managed by the investment institution in the name of investor in the course of investment services and activities or ancillary services associated thereto.

(2) Investors of investment institutions ordered to indemnify their investors have a right of claim for indemnification of their losses under this article. Losses of investors arising out of investment consultancy or price movements in the market are excluded from the scope of indemnification.

(3) Claims of investors who are convicted of offences mentioned in articles 106 and 107 herein below or of the offence of laundering of criminal properties and revenues are also excluded from the scope of indemnification, solely for the receivables with regard to such criminal acts. Payments due to any person who is denounced of the aforementioned offences will be suspended for the period from the start of prosecution on the said offences to the date the court verdict becomes final thereon.

(4) The following persons and entities are not indemnified:

(a) Directors, executives and personally liable partners, and partners holding five percent or more of capital shares, and audit committee members of investment institutions ordered to indemnify their investors, and persons holding the same or similar positions in other companies included in the same group with the relevant investment institution, and their spouses and relatives by blood or by marriage up to second degree, and third persons acting for and on behalf of the said persons; and

(b) Other companies included in the same group with investment institutions ordered to indemnify their investors; and

(c) Companies where the persons and entities mentioned in sub-paragraph (a) hereof hold twenty-five percent or more of capital shares; and

(d) Persons who are held liable for or have profited from the events which have caused financial distress of investment institutions or have had important effects in distortion of financial situation.

(5) Maximum amount of indemnity payable to each eligible investor is 1,143,379 Turkish Liras*. This amount is increased by the revaluation coefficient published every year. Total amount of indemnity may be increased up to five times thereof by the President upon a proposal of the Board. This limit covers all of the claims of an investor from the same institution, regardless of number, types and currencies of accounts. If and to the extent the portion of claims in excess of the maximum amount payable by YTM has been transferred and assigned to another investor, no such payment will be made by YTM to the assignee.

Indemnification Process

Article 85 – (1) Investors file their claims in writing to YTM. The right of claim is time-barred upon lapse of one year following the date of announcement of the decision of indemnification.

(2) YTM is under obligation to make the required preparations for indemnification of the eligible investors as soon as possible, and to make the payments within three months after the eligible investors and the amounts of indemnity are determined. If and when required, this time may be extended by not more than three months with a prior approval of the Board.

(3) Claims of investors are calculated over the obligations of cash payment and return of capital market instruments not met and satisfied by the investment institution. Capital market instruments kept in custody in the name of investors are first of all allotted and distributed to eligible investors. These capital market instruments are set off on the basis of each account and particularly for the settlement obligations not fulfilled. Amount of indemnity is determined by also taking into consideration the offset and similar other claims of the investment institution in accordance with the legal and contractual conditions. Procedures and principles relating to calculation of receivables of investors shall be determined by the Board.

(4) Following completion of indemnification process, the Board decides to close the indemnification process upon a notice of YTM. YTM presents to the Board the results of indemnification process, together with its reasoned suggestions as to whether it is necessary and useful to demand gradual liquidation or bankruptcy of investment institutions ordered to indemnify their investors. A decision of gradual liquidation or bankruptcy does not prevent the indemnification process. YTM becomes subrogated to the rights and claims of investors to the extent of the amounts of indemnity paid by it.

(5) In order for an investment institution the investors of which are partially or fully indemnified to restart its investment services and activities, without prejudice to other conditions sought for by the applicable laws, it is required to indemnify all and any payments effected and all and any expenses incurred by YTM with regard to indemnification, including all principals and interests thereof.

(6) Without prejudice to provisions of other articles of this Law, procedures and principles relating to notification and announcement of the decision of indemnification, operational procedure of indemnification process, obligations of investment institutions ordered to indemnify their investors towards YTM, sanctions applicable in the case of failure in performance of these obligations, principles as to protection to be provided to investors registered in domestic and foreign branches, obligations of investment institutions ordered to indemnify their investors to keep the investors informed, rights and obligations of YTM, provisions as to utilization of properties and assets of YTM, YTM's financial statements, books and reports, and other relevant matters shall be regulated by a regulation to be enacted and issued by the Board within the frame of general law provisions

Gradual Liquidation

Article 86 – (1) About the investment institutions, except for banks, ordered to indemnify their investors pursuant to article 82 hereinabove, the Board may, together with its decision for closing of indemnification process, also take a decision of gradual liquidation. Thereupon, the gradual liquidation process is conducted by YTM.

(2) Purpose of gradual liquidation is to ensure that outstanding receivables and claims of investors not indemnified under the indemnification process described in article 85 hereof, and receivables of YTM arising out of subrogation of YTM to investors are paid out of the properties and assets of investment institutions decided to be gradually liquidated or out of the proceeds of sale upon realization and encashment of such properties and assets. Gradual liquidation decisions and transactions are not subject to provisions of the Code no. 6102, the Code no.2004 and other applicable laws pertaining to liquidation. Procedures and principles relating to gradual liquidation are regulated by a regulation to be issued by the Board.

(3) Duties and powers of legal organs of the investment institutions decided by the Board to be gradually liquidated shall be performed and used by YTM during the period from the date of gradual liquidation decision to the completion of liquidation. The transactions required to be registered are registered and announced upon demand of YTM without payment of any public fees thereinfor. As of the date of announcement of completion of gradual liquidation, the legal organs of investment institutions existing prior to the gradual liquidation decision reassume their duties and powers without any further action.

(4) Payments of investment institutions decided to be gradually liquidated are suspended, and their properties and assets may be disposed of only by YTM. YTM first determines the assets and liabilities of investment institution subject to gradual liquidation. Rights and obligations of relevant persons arising out of their contracts which become due after the gradual liquidation decision will also be determined as of their maturities. Collaterals and guarantees provided pursuant to the applicable laws are also considered as a part of assets. Rate of default interest to be applied for the period from indemnification to liquidation will be determined by the Board. In the case of a gradual liquidation decision, no adjudication of bankruptcy can be issued until the date of closing of gradual liquidation. As for the investment institutions decided to be gradually liquidated, no proceedings may be conducted under the Code no. 2004 and the Law on Procedure of Collection of Public Receivables no. 6183 dated 21/07/1953, and the pending proceedings are suspended, and the periods of limitation and foreclosure which can be interrupted and suspended by a legal proceeding are not counted.

(5) YTM determines the real right owners covered by liquidation and their receivables and payables in reliance upon the information and documents collected during the indemnification process. Receivables of YTM arising out of subrogation of YTM to investors and costs of liquidation are also considered and treated as YTM receivables. Assets of the investment institutions decided to be gradually liquidated are used for payment of these receivables either directly, if in cash, or indirectly after encashment, if not in cash. First, receivables of customers are paid out of assets. Should the receivables of customers cannot be paid in full, payments will be effected on pro-rata basis. Balance of proceeds remaining after payment of all of these receivables is first used for payment of public receivables on pro-rata basis, and the remainder is used for reimbursement of payments effected by YTM pursuant to article 85 hereof, and for payment of claims due to liquidation costs. The balance thereof is allotted to other creditors. Other principles relating to encashment and realization of non-cash properties of investment institutions decided to be gradually liquidated, and procedures and principles of payments on pro-rata basis shall be regulated by a regulation to be enacted by the Board.

(6) The Board may decide and order transfer to another institution of the management of portfolios under management of an investment institution decided to be gradually liquidated.

(7) YTM, together with its decision of indemnification and without delay, requests the partners who directly or indirectly, alone or jointly, hold the management and supervision of investment institutions decided to be gradually liquidated, and the natural person shareholders holding more than five percent of capital shares of their legal entity partners, to submit and file a declaration of property showing the real properties and participations, and attachable movable assets and properties, claims and receivables, securities and all kinds of income and revenues of themselves or their spouse and their children under guardianship, as well as the real properties, attachable movable assets and properties, claims and receivables, and securities acquired or transferred by them with or without consideration within two years immediately before the date of announcement of the gradual liquidation decision. The declaration of property requested as per this paragraph is required to be submitted and filed to YTM within maximum seven days. YTM shall be authorized to apply to the competent court for all kinds of actions and measures as and to the extent required for protection of interests of creditors, including, but not limited to, injunction reliefs and precautionary attachments on properties of partners directly or indirectly, alone or jointly holding the management and supervision thereof, without any security in relation therewith, and interdiction of exit of relevant persons. Pertinent provisions of the Code no. 2004 shall be applicable on provisions and results of this declaration of property. If and to the extent no lawsuit is brought forward or no execution or insolvency proceedings are initiated within six months following the injunction reliefs and attachments decided within the frame of provisions of this paragraph, then and in this case, said decisions will automatically terminate.

(8) Upon an application of YTM, the Board decides to close the gradual liquidation process. In the event that it is determined that the assets of an investment institution decided to be gradually liquidated are not sufficient to

pay the receivables of right owners eligible for indemnification under the liquidation, and payments made as a part of indemnification, and liquidation costs, then YTM may further demand insolvency and bankruptcy of the relevant persons as well with a prior consent of the Board.

(9) All kinds of actions for damages and actions of debt brought or to be brought forward against YTM's legal representatives, executives or employees due to performance of their duties during gradual liquidation proceedings will be opened against YTM. The provisions of article 133 hereof are applicable for criminal actions to be brought forward against YTM personnel. YTM personnel cannot be held liable for present or future public debts, or debts owed to social security organizations, or other financial obligations of companies liquidated gradually as a part of gradual liquidation process. YTM personnel are not further obliged to report to the competent court any loss of capital and/or any debt-choked situation of capital market institutions decided to be gradually liquidated. The provisions of articles 179, 277 and et seq. and 345/a of the Code no. 2004 are not applicable due to failure of these persons to report any such event, nor can a personal liability suit be commenced against them pursuant to article 341 of the Code no. 6102. YTM, however, reserves its right of recourse to its personnel due to gross negligence or malicious misconduct of them.

(10) The rights of action of YTM with regard to institutions decided to be gradually liquidated are subject to overall time of limitation. Upon occurrence of any of the events mentioned in articles 278, 279 and 280 of the Code no. 2004, a suit of nullity may be brought forward by YTM without submission of any certificate of insolvency. During performance of its duties arising out of this article, YTM shall be authorized to request injunction reliefs and precautionary attachments free from any security or guarantee thereinfor.

Data Storage Institutions

Article 87 – (1) For the sake of supervision of systemic risk and protection of financial stability, and with regard to transactions executed in capital markets, the Board may request those who execute these transactions to disclose the information on these transactions in the format and with the contents to be determined by the Board either directly to the Board or indirectly to a data storage institution to be authorized by the Board. Those who are obliged to disclose such information under this article cannot refrain from giving the requested information in reliance upon their confidentiality and secrecy obligations arising out of their special statutes.

(2) The procedures and principles as to obligations of the data storage institution if and to the extent the information is disclosed to a data storage institution authorized by the Board, and as to format and media of storage of information, and duties arising out of this article shall be determined by a regulation to be enacted by the Board.

(3) Sharing of information held by data storage institutions with third parties, also including public legal entities is subject to prior approval of the Board. For the purposes of this paragraph, the provisions of laws and regulations pertaining to use of personal data shall be complied with.

(4) For the purpose of enhancing of efficiency in data storage, the Board may require the persons and entities being a party to financial transactions in Türkiye to receive and hold an identification code or number from an organization to be appointed by the Board. Procedures and principles relating to implementation of this paragraph shall be regulated by the Board.

PART FIVE
Audit and Precautionary Measures in Capital Markets
FIRST SECTION
Audit, Search and Confiscation

Audit Activities and Audit Authorities

Article 88 – (1) Professional personnel are authorized to audit the implementation of provisions of this Law and other applicable laws pertaining to capital markets, and all kinds of capital market activities and transactions. This authorization is used by professional personnel appointed by the Chairman of the Board.

(2) The Board determines the significance and priority principles for audit activities, as well as the measures and rules of conduct to be followed in risk assessments. Audit activities are conducted as per a program to be prepared by the Chairman of the Board within the frame of significance and priority principles and risk assessments. The Chairman of the Board may order unscheduled audits on matters required to be inspected out of the program.

Conduct of Audit Activities

Article 89 – (1) Audit covers all activities and transactions of all and any institutions and entities covered by this Law and other relevant persons and entities with regard to provisions of this Law and other applicable laws and regulations pertaining to capital markets. Audit personnel are authorized to request from the relevant persons and entities all kinds of information and documents with regard to provisions of this Law and other applicable laws and regulations pertaining to capital markets, and to inspect and audit their books and documents, including the tax-related records, as well as information systems and all kinds of records and information, including those kept in electronic media, and to request access to and take copies of them, and to supervise and audit their transactions and accounts, and to take written or verbal information from the relevant persons, and to issue the required memoranda in connection therewith.

(2) Relevant persons are under obligation to satisfy the requests of audit authorities mentioned in the first paragraph, and to sign the memoranda. In the case of refraining from signature, the reasons thereof are required to be clearly shown in the memorandum.

(3) If and when deemed necessary, the required locations may be searched with the help of security forces upon a decision of the judge of the competent criminal court of peace upon a demand of the Chairman of the Board. Books and documents found in the search and deemed necessary for prosecution are determined in a detailed memorandum, and if it is not possible to examine them onsite, they are confiscated, and taken to the workplace of auditor.

Confidentiality and Secrecy Obligations

Article 90 – (1) The persons and entities from whom information is requested pursuant to first and second paragraphs of article 89 hereinabove cannot refrain from giving information in reliance upon the confidentiality and secrecy provisions of this Law and their special statutes.

(2) The persons investigated, and all persons and entities, including public entities, from whom information and documents are requested about the underlying events and subject matter are under obligation to keep in confidence the existence and contents of investigation.

SECOND SECTION
Precautionary Measures

Precautionary Measures Against Unlawful Issues and Breaches of the Information and Explanations in the Prospectus

Article 91 – (1) Against those who are determined to have issued or attempted to issue capital market instruments in contradiction with this Law, without prejudice to all kinds of civil and criminal liabilities in relation therewith, the Board shall be authorized to take all kinds of measures free from any kind of public fees and without any security, and to claim injunction reliefs and precautionary attachments on the proceeds of sale and on the capital market instruments to be sold, again free from any kind of public fees and without any security.

(2) The Board sends a written notice to the issuer within thirty days following the date of determination for elimination of results of issue effected in conflict with this Law and for refund of cash funds and other assets to the right owners. The issuer will, within no later than thirty days following the date of notice, report to the Board and announce and publish by means to be determined by the Board detailed information about the persons and entities from whom funds are collected and about the amount of funds collected. The persons and entities from whom funds are collected may, within three months following the date of this announcement, file an appeal to the court of first instance of the city of the registered offices of the company. After the said list is finalized, the issuer refunds the moneys to the right owners thereof. Injunction reliefs and precautionary attachments imposed pursuant to first paragraph hereof cannot be removed before completion of such refunds.

(3) In case of actions in breach of the undertakings and explanations in the prospectus which may affect the investors' investment decision, or the undertakings not being fulfilled within reasonable time and the undertakings and explanations are not amended in accordance with the regulations of the Board, the Board is authorized to request the correction of the breaches or performing the envisaged transactions from the relevant persons within a period to be determined by the Board, and regardless of whether any amendents were made on the undertakings and explanations, if any document and/or explanation showing that the circumstances rely on economic or financial reasons is not submitted to the Board, request injunction relief or precautionary attachments exempt from any fees and collaterals for the operations and transactions conducted in breach of the undertakings and explanations in the public disclosure document in order to prevent the usage of cash and other assets collected with the issuance or take any other measures, without prejudice to the civil and criminal responsibilities. The Board is further authorized to file a lawsuit for the cancellaton of the transactions conducted in breach of the prospectus within three months following the detection or within two years following the approval of the prospectus, in order for the cancellation of the operations and transactions detected to be resulting in the funds collected from the issuance to be used against the prospectus and for returning the collected cash and other assets to the partnership or the collective investment institution which published the prospectus.

(4) If the results of an issue affected in conflict with this Law cannot be entirely eliminated within one year following the date of written notice of the Board, the Board shall be authorized to bring forward lawsuits for refund of cash and other assets to right owners or for dissolution and liquidation of the company.

(5) Rights of the persons from whom funds are collected, arising out of general law provisions, are, however, reserved.

Precautionary Measures Against Unlawful Acts and Capital or Property Reducing Acts of Issuers

Article 92 – (1) If the Board determines that the issuers governed by this Law have caused reduction or loss of capital or properties through unlawful acts in conflict with the laws, capital markets regulations, articles of association, and fund bylaws or the objectives and fields of business of the company, then and in this case, the Board shall be authorized:

(a) Without prejudice to the pertinent provisions of the Code no. 6102, to request the relevant persons to take actions and measures for remedy of breaches and if needed, to report the breaches to the relevant authorities; and

(b) To bring forward a suit of nullity within three months following determination by the Board of the unlawfulness of such acts and in any case, within three years following the date of occurrence of such events, and bring forward an action for avoidance or a declaratory action for determination of nullity within five years thereafter; and

(c) If the occurrence of such acts and events is determined by a judgment of a court of first instance, or if, without such a judgment, it is decided so by the court upon demand of the Board, then, to withdraw the signature authorization of the persons held liable thereinfor, and in the case of a denunciation against the relevant persons, to dismiss the relevant persons until completion of prosecution, and to appoint replacement directors in lieu of dismissed directors until the next general assembly meeting.

(2) Before taking any action under this article about the publicly held banks, the Banking Regulatory and Supervisory Authority is consulted.

(3) In lawsuits and proceedings initiated by the Board and claims for interim injunction and interim attachment, within the scope of this article, the Board shall be exempt from all kinds of charges and deposits

Precautionary Measures Applicable in Registered Capital System

Article 93 – (1) Against the decisions of board of directors taken within the frame of principles set down in article 18 hereof, the Board shall, within thirty days following the date these decisions are made public, be authorized to bring forward a suit of nullity in the competent commercial court of first instance of the city of the registered offices of the company, and to claim deferral of implementation of such decisions.

Precautionary Measures Applicable in Transfer of Hidden Income

Article 94 – (1) The Board is authorized to request the publicly held companies and collective investment institutions detected to have committed the acts mentioned in article 21 hereof and their affiliates and subsidiaries to announce and publish the audit results to their partners in accordance with the procedures and principles to be determined by the Board, and to bring forward an action for refund of an amount to be determined by the Board within a period of time to be designated by the Board.

(2) First paragraph and third paragraph of article 92 are also applicable for the purposes of this article.

Observer in General Assembly Meetings

Article 95 – (1) The Board may, if and when deemed necessary, assign and send observers to general assembly meetings of publicly held companies, without any right to vote therein.

Precautionary Measures Applicable in Unlawful Activities or Acts of Capital Market Institutions

Article 96 – (1) Upon detection of any activities of capital market institutions in conflict with the applicable laws, standards determined by the Board, articles of association and fund bylaws, the Board is authorized to request the relevant persons to correct and remedy the breaches within a period of time to be designated by the Board and to assure compliance with the applicable laws, and objectives and principles, or directly to limit or temporarily suspend the activities of such institutions, or to cancel their authorizations entirely or only for certain capital market activities, or to take all kinds of other actions that may be deemed fit and necessary under the available circumstances.

(2) The Board shall be authorized to permanently or temporarily cancel the licenses of executives and employees detected to be liable and responsible for the unlawful activities or acts, and to limit or cancel their signature authorization for the period from the date of decision of denunciation to the end of legal proceedings, and to dismiss the directors who are detected to be liable for the unlawful acts or activities as proven by a court judgment, and to appoint replacement directors in lieu of them until the next general assembly meeting. Before dismissal of directors of banks, the Banking Regulatory and Supervisory Authority is consulted

Precautionary Measures Applicable in Case of Impairment of Financial Situation

Article 97 – (1) If and when it is determined that a capital market institution fails to meet its capital adequacy liabilities, or fails to perform or will not be able to perform its obligations cash delivery or delivery of financial instruments arising out of capital market activities, or separately therefrom, its financial structure is substantially weakened or its financial situation has worsened to such extent that it fails to pay its debts, then and in this case, the Board shall be authorized to request it to reinforce its financial structure within an appropriate period of time up to three months or to directly and temporarily suspend the activities of it without granting any time, or to withdraw its authorizations entirely or specifically for certain capital market activities, or to order it to indemnify its investors, or to temporarily or permanently cancel the licenses of its executives or employees held liable for its failure, or to limit or cancel their signature authorization, or if required, to dismiss its director, and to appoint replacement directors in lieu of dismissed directors until the next general assembly meeting, and to decide gradual liquidation of it and following completion of liquidation, if required, to apply for bankruptcy of it, or directly to apply for bankruptcy without gradual liquidation, or to take other actions and measures deemed necessary thereabout.

(2) Properties and assets of a capital market institution whose authorization is permanently cancelled and withdrawn can, except for the transactions to be executed by the Board or by YTM within the frame of gradual liquidation, not be transferred, pledged, shown as a guarantee, restricted by injunction reliefs, or attached at any time during the period from the date of the decision of the Board with respect to cancellation of authorization until the date of announcement of completion of gradual liquidation process, or following completion of gradual liquidation or in the case of direct application for bankruptcy, until the date of court judgment as to merits of the application for bankruptcy. All attachments and injunction reliefs thereon are foreclosed, and all pending execution and bankruptcy proceedings are automatically suspended, and the periods of limitation and foreclosure which can be interrupted and suspended by a legal proceeding are not counted. If an adjudication of bankruptcy is taken, receivables arising out of payments effected by YTM are recovered and collected with priority as privileged and preferential receivables after the receivables of the state and the social security organizations covered by the Law no. 6183. These receivables are paid before the schedule of receivables is finalized as specified in article 232 of the Code no. 2004, depending on cash funds of the estate. As for banks and other institutions subject to provisions of the Law no. 5411 and as for persons and entities subject to provisions of the Law no. 5411, receivables of YTM come after receivables of the Saving Deposits Insurance Fund.

(3) Properties and assets of a capital market institution whose authorization is temporarily suspended pursuant to first paragraph hereof can, except for the transactions to be executed by the Board, also not be transferred, pledged, shown as a guarantee, restricted by injunction reliefs, or attached at any time during the period from the date of the decision with respect to temporary suspension until the date of permission of reactivation. All attachments and injunction reliefs thereon are foreclosed, and all pending execution and bankruptcy proceedings are automatically suspended, and the periods of limitation and foreclosure which can be interrupted and suspended by a legal proceeding are not counted. As for the capital market institutions whose activities are decided by the Board to be resumed, all proceedings which were outstanding before suspension of activities and were suspended pursuant to first sentence of this paragraph will be continued.

(4) Temporary suspension period cannot exceed two years for the capital market institutions whose activities are temporarily suspended by the Board or upon their own demand pursuant to this Law.

(5) Except for the measures aimed at remedying of breach of capital markets laws and regulation or at conduct of capital market activities, the Banking Regulatory and Supervisory Authority decides to apply the precautionary measures mentioned in first paragraph about banks, while application of the said measures about banks the

management or supervision of which is transferred to the Saving Deposits Insurance Fund pursuant to the pertinent provisions of the Law no. 5411 is decided by the Saving Deposits Insurance Fund.

Precautionary Measures Applicable in Gradual Liquidation and Bankruptcy

Article 98 – (1) In the case of bankruptcy of capital market instruments or in the case of gradual liquidation pursuant to article 86 hereof, the Board shall be authorized to apply for personal bankruptcy and insolvency of shareholders directly or indirectly holding more than ten percent of capital shares, and former or present directors and authorized signatories, and portfolio management company executives, and fund board members of house finance funds and asset finance funds, providing that their liability therein for is determined pursuant to article 97 hereinabove.

Precautionary Measures Applicable in Unauthorized Capital Market Activities

Article 99 – (1) The Board shall be authorized to take all kinds of measures for prevention and stoppage of unauthorized capital market activities, and without prejudice to all kinds of civil and criminal liabilities in connection therewith, to bring forward legal actions for cancellation of results of the unauthorized capital market activities and transactions or for refund of cash or return of capital market instruments to right owners thereof within one year following the date of learning and in any case, within five years following the date of occurrence.

(2) The provisions of second paragraph of article 96 are applicable by analogy about the persons and entities engaged in unauthorized capital market instruments and the partners and executives held liable by the Board, irrespective of finalization of the damages and losses resulting from the said activities.

(3) When it is determined that unauthorized capital market activities are conducted via the internet, the Board shall resolve to remove the content and/or block access to the publications made via the internet. The resolution shall be sent to the Association of Access Providers for implementation.

(4) If and when an information that money is being collected from public through crowdfunding platforms without permission from the Board or leveraged transactions are provided abroad to persons located in Türkiye through internet and derivative instrument transactions which are determined to be subject to the same provisions as leveraged transactions, is obtained, the Board decides to remove the content and/or block access in relation to the publications made through the internet. The resolution shall be sent to the Association of Access Providers for implementation.

Measures to be Applied in the Activities of Cryptoasset Service Providers

Article 99/A – (1) Article 96 of this Law shall apply for the measures to be applied in unlawful activities and transactions of cryptoasset service providers; Article 99 of this Law shall apply for the measures to be applied in unauthorized cryptoasset service provider activities; and the provisions of the first paragraph of Article 100 of this Law shall apply for the notices, advertisements and statements and all kinds of commercial communications of those engaged in unauthorized cryptoasset service provider activities. Engaging in activities for residents in Türkiye by platforms residing abroad or providing a prohibited activity related to cryptoassets to residents in Türkiye within the scope of the regulations to be made by the Board shall also be deemed as unauthorized cryptoasset service provision. In the event of any of the following situations: opening a workplace in Türkiye, creating a Turkish website, engaging in promotional and marketing activities directly and/or through persons or institutions resident in Türkiye regarding the cryptoasset services offered by platforms residing abroad, the activities are deemed to be directed to residents in Türkiye. Additional criteria for determining that the activities are directed to persons resident in Türkiye may be determined by the Board.

(2) In the event that the Board determines that cryptoasset service providers are unable to fulfill their cash payment and cryptoasset delivery obligations arising from their activities, or will be unable to fulfill them in a short period of time, or that their financial structure is seriously weakening independently of these, or that their financial situation

has weakened to such an extent that they are unable to meet their commitments, the Board is authorized to request the strengthening of their financial structure within an appropriate period of time not exceeding three months, or to temporarily suspend the activities of cryptoasset service providers directly without giving any period of time; to revoke their operating authorizations; to limit or remove the signature authorizations of managers and employees whose responsibility is determined. The provisions of the third paragraph of Article 97 of this Law shall apply to cryptoasset service providers whose activities are temporarily suspended pursuant to this paragraph.

(3) In the following cases, the Board shall decide to remove the content and/or block access to publications made via the internet. The decision shall be sent to the Access Providers Association for implementation.

(a) Obtaining information that notices, advertisements and announcements are made over the internet in violation of the principles or prohibitions set by the Board

(b) Obtaining information on investment advisory and/or portfolio management for cryptoassets is made in violation of the principles determined by the Board

(c) Determination by the Board of that the cryptoasset service provider activity is carried out through the internet without obtaining authorization

(4) Without prejudice to subparagraph (a) of the third paragraph, in case it is detected that notices, advertisements and announcements are made through channels other than the internet in violation of the principles determined by the Board, the notices and advertisements of those responsible may be suspended in accordance with the relevant legislation, and their illegal documents, notices and advertisements may be collected. These procedures shall be carried out by the authorized administrations determined in the legislation on workplace opening and work licenses upon notification of the highest local administrative authority.

Supervision of Cryptoasset Service Providers and Sanctions to be Imposed

Article 99/B – (1) Articles 88, 89 and 90 of the Law shall apply to the audit of compliance of cryptoasset service providers with this Law and the relevant legislation. In the audit of the compliance of cryptoasset service providers with this Law and the relevant legislation, personnel may be assigned from institutions and organizations affiliated, related, associated with ministries and other public institutions upon the request of the Board, with the approval of these institutions and organizations, in order to perform audit activities together with the Board personnel with the authority determined pursuant to the first paragraph of Article 88 of the Law, or to supervise the audit activities by providing technical support to those conducting audit activities as permitted by their own regulations, without the requirement of being profession personnel. Articles 89, 90, 111 and 113 of the Law shall also apply to those assigned pursuant to this Law.

(2) Financial audit and independent audit of information systems of cryptoasset service providers shall be conducted by independent audit institutions included in the list announced by the Board. Additional procedures and principles regarding information systems audit shall be determined by the Board in consultation with TUBITAK or other institutions and organizations deemed necessary. The Board personnel and other personnel assigned within the scope of the first paragraph of this Article may accompany each stage of the information systems audits to be conducted by the authorized institutions within the framework of the program to be determined by the Board, as a monitor without prejudice to the principle of auditor independence. Those who participate in the audit in this way shall not bear any responsibility for the audit results obtained by the independent audit institutions and may not use the know-how of the authorized institution to benefit themselves or another authorized institution.

(3) Cryptoasset service providers are liable for the damages arising from the unlawful activities of cryptoasset service providers and failure to fulfill their cash payment and/or cryptoasset delivery obligations. In the event that the damages cannot be recovered from the cryptoasset service providers or it is obvious that they cannot be recovered, the members of the cryptoasset service providers shall be liable to the extent that the damages can be attributed to them according to their fault and the requirements of the situation, and Article 110/B of this Law shall be applied in relation to personal liability.

(4) Cryptoasset service providers shall be liable under Article 71 of the Law No. 6098 for the losses of cryptoassets arising from the operation of information systems, all kinds of cyber-attacks, acts such as information security breaches or any kind of behavior of the personnel. In the event that the losses cannot be compensated from the cryptoasset service providers or it is obvious that they cannot be compensated, the members of the cryptoasset service providers shall be liable to the extent that the losses can be attributed to them according to their fault and the requirements of the situation, and the provisions of Article 110/B of this Law shall apply regarding personal liability. Damages arising from interruptions in the services provided without the fault of the cryptoasset service providers, in cases where orders cannot be transmitted, or transactions/transfers cannot be made for a temporary period and similar situations are not considered within the scope of this paragraph.

(5) Those who violate Articles 35/B and 35/C of the Law or the regulations to be made by the Board are subject to administrative fines pursuant to Articles 103 and 105 of this Law.

(6) Articles 111, 112, 113 and 115 of this Law shall apply to cryptoasset service providers. In the event that cryptoassets, the principles of which are foreseen to be determined by the Board, other than cryptoassets that provide rights specific to capital market instruments within the scope of the sixth paragraph of Article 35/B of this Law, are sold or distributed in violation of this Law and the relevant regulations, the measures stipulated in Articles 91 and 92 of the Law may be applied. In such violations, the sanctions stipulated in Article 109 of the Law shall be applied.

(7) All kinds of administrative and judicial requests such as injunction, seizure and similar regarding cash and cryptoassets belonging to customers shall be fulfilled exclusively by cryptoasset service providers. Article 78 of Law No. 2004 shall apply to the interrogation of cash and cryptoassets through information systems and their seizure in electronic environment. For receivables to be pursued in accordance with the provisions of Law No. 6183, inquiries can also be made through information systems and seizure can be applied electronically. In the event that cash and cryptoassets belonging to customers are seized by judicial authorities, all necessary procedures for the custody of the seized assets in the wallets created at the custody service providers authorized by the Board shall be established by the judicial authorities.

Precautionary Measures Applicable in Unlawful Disclosures, Advertisements, Promotions and Statements

Article 100 – (1) In the event that company name, advertisements or promotions of a capital market institution contain words or phrases giving the impression that it is active and operating in capital markets, although it has entered into unauthorized activities in capital markets, and its certificate of authorization is cancelled, or its activities are suspended, or its decentralized organization units are shut down, in addition to the criminal prosecution about the persons responsible therein for, if a delay would cause objectionable results, the advertisements and promotions of the institution may be suspended, and its unlawful documents, advertisements and promotions may be recalled and withdrawn, and its workplaces may be temporarily closed by the highest civilian authority of the relevant city upon demand of the Board, pursuant to the applicable laws and regulations.

(2) The Board may request suspension and removal of advertisements, promotions and statements determined to be in contradiction with third paragraph of article 7 hereof.

Precautionary Measures Applicable in Prosecutions For Market Abuse, Misuse of Information and Market Frauds

Article 101 – (1) With respect to persons or entities and duly authorized officers of legal entities who are reasonably suspected of commission of the acts listed in articles 104, 106 and 107 herein below, and the relevant capital market instruments, the Board shall be authorized to take all kinds of measures required for effective and healthy operation of markets, and to determine the procedures and principles as to implementation of these measures, including, but not limited to:

(a) Temporary or permanent interdiction of trading in exchanges;

(b) Change of clearing and settlement methods;

(c) Imposition of limitations on margin trading, short selling, lending and borrowing transactions;

(d) Imposition or change of obligations as to collaterals;

(e) Trading in different markets or determination of different trading principles;

(f) Limitation of scope of distribution of market data; and

(g) Imposition of trading or position limits.

(2) In the case of application of a program for purchase of own shares pursuant to article 22 hereof, the Board may put restrictions or limitations on trading of shares of the relevant publicly held company by persons or entities and other relevant persons with whom the relevant publicly held company is directly or indirectly affiliated in terms of management, supervision or capital shares.

(3) Within the scope of the examinations and inspections carried out pursuant to Articles 104, 106 and 107 of this Law, the Board may decide to remove the content and/or block access to publications made via the internet. In this case, the decision shall be sent to the Access Providers Association for implementation.

Notification Obligation

Article 102 – (1) Upon detection of any information or doubt as to commission of offences listed in articles 106 and 107 hereof, the relevant investment institutions and the capital market institutions determined by the Board are under obligation to notify it to the Board or to other institutions and entities to be determined by the Board. The Board determines the procedures and principles of notification obligation.

(2) Even if provided otherwise in their special statutes, those who send a notification to the Board cannot disclose any information about the notifications made pursuant to this article and about the subject matter thereof to third parties and entities and institutions, also including the parties to the transaction, except for courts, public prosecutors and the Presidency of the Financial Crimes Investigation Board.

PART SIX
Acts Requiring Administrative Fines and Capital Market Offences
FIRST SECTION
Acts Requiring Administrative Fines

General Principles

Article 103 – (1) Persons who act in conflict with the regulations issued in reliance upon this Law, and standards and forms, and general and special decisions taken by the Board are sentenced by the Board to pay an administrative fine of from 246,511.47 Turkish Liras up to 3,081,378.30 Turkish Liras*. However, if there is also achieving of advantages and benefits as a result of such breach of obligations, the amount of administrative fine cannot be less than twice the amount of benefits derived there from. For legal entities, an administrative fine not less than the minimum amount stated in the first sentence of this paragraph and up to the amount which is the higher one of 1% of the gross sale revenues or 20% of the pre-tax profit as stated in the last independently audited financial statements before the date of breach is applied by taking the weight of the breach and the count of suffered

parties. According to the nature of the legal entity, the procedures and principles regarding the determination of gross sales revenue and profit before tax shall be regulated by the Board.

(2) If the person breaching the obligations mentioned in the first paragraph is an organ or representative of a private law legal entity or is not an organ or representative, but has assumed a duty or task within the frame of activities of that legal entity, an administrative fine will be separately inflicted on the legal entity as well according to the first paragraph provisions. However, if the breach of obligations results in a loss of the represented legal entity, no administrative fine will be inflicted on the legal entity.

(3) Persons or entities who fail to perform their share purchase offer obligation pursuant to article 26 and if required, within an additional period of time that may be granted by the Board will be sentenced by the Board to pay an administrative fine up to the total price of shares being the subject matter of share purchase offer.

(4) Regardless of the presence of information mentioned in article 106 hereof, unless otherwise permitted by the Board and within a period of time to be determined by the Board, the directors and executives of issuers who derive benefits out of trading of the relevant capital market instruments are under obligation to transfer the net benefits to the issuer. Those who fail to perform this obligation within thirty days will be sentenced by the Board to pay an administrative fine equal to twice the benefits derived there from.

(5) Members who fail to perform their obligations mentioned in sixth paragraph of article 75 hereof will be sentenced by the Association of Capital Markets of Türkiye to pay an administrative fine of from 61,607.66 Turkish Lira up to 616,263.62 Turkish Lira*.

(6) In the event that publicly held companies and collective investment institutions and their affiliates and subsidiaries act so as to lead to increase of profits or properties of persons or entities related to them by omitting or disregarding the activities they are indeed required to perform in order to protect or increase their own profits or properties as a prudent and honest merchant and in accordance with the market usage and practices and within the frame of their articles of association or internal bylaws and memorandum, the relevant legal entity will be sentenced by the Board to pay an administrative fine of from 246,511.47 Turkish Liras up to 3,081,378.30 Turkish Liras*. However, the amount of administrative fine cannot be less than twice the amount of benefits derived there from.

(7) The persons who do not provide the information, documents, statements and records (including the ones kept at electronic mediums) requested by the Board or the persons nominated in accordance with this Law from the real persons and legal entities in relation to this Law and the provisions of other legislations relating to the capital markets, within the time period or in compliance with the requested format or provide the documents or statements in missing, incorrect or misleading forms, and the persons who prevent or hinder the performance of the duties of the Board or the persons nominiated in accordacne with this Law, are sentenced to pay administrative fines as per the first sentence of the first paragraph.

(8) The Board sentences the persons who cause an audit as per article 88 of this Law by providing incorrect, misleading information, documents and statements, to pay an administrative fine from 5,249.78 Turkish liras up to 131,244.50 Turkish liras*.

(9) In the benefit calculations specified in this Article and Article 104 of the Law; the calculation shall be made without taking into account the commissions, taxes, loan interests, consultancy fees and other costs that the person pays in the transactions and activities related to the acquisition of the benefit and without taking into account whether the benefit is converted into cash or not. The principles regarding the prices, cost methods and other issues to be taken into account in the benefit calculations to be made in relation to trading transactions shall be determined by the Board.

Market Disruptive Acts

Article 104 – (1) Acts and transactions which cannot be justified by a reasonable economic or financial justification and which may disrupt the operation of exchanges and other organized markets in trust, transparency and stability will, if not classifiable as an offence, be considered and treated as market disruptive acts. Any person who commits a market disruptive act as determined by the Board will be sentenced to pay an administrative fine of from 246,511.47 Turkish Liras up to 6,168,483.34 Turkish Liras*. However, if such market disruptive acts are used for gaining of advantages and benefits, the amount of administrative fine cannot be less than twice the amount of benefits derived there from.

Enforcement of Administrative Fines

Article 105 – (1) Defense of the relevant person is taken before enforcement of administrative fines. If no defense is filed within thirty days following the date of delivery of the notice requesting the defense, the relevant person is deemed to have waived from his right of defense.

(2) If and when any one of misdemeanors described in this Law is committed more than once until the decision of administrative sanction, the relevant person or entity is, according to the relevant provisions, sentenced to pay an administrative fine, and the fine is doubled. However, if such misdemeanor is used for gaining of advantages and benefits or causes any damages and losses, the amount of administrative fine cannot be less than twice the amount of benefits derived there from or the amount of damages and losses caused thereby.

(3) Fifty percent of administrative fines collected is recorded as income to the general budget, while the other fifty percent is transferred to ICC (Investment Compensation Center) for recording as income.

(4) One may appeal to administrative courts against decisions of administrative fines inflicted pursuant to this Law.

SECOND SECTION
Capital Market Offences

Abuse of Information

Article 106 – (1)

(a) Executives of issuers or their affiliates or controlling shareholders

(b) Persons holding such information due to being a shareholder in issuers or their affiliates or controlling shareholders;

(c) Persons holding such information due to performance of their profession, job or duty;

(d) Persons acquiring such information through commission of an offence or

(e) Persons who know, or if proven, must know that the information they hold are of the nature mentioned in this paragraph,

who give purchase or sale orders or change or cancel their orders with regard to capital market instruments, in reliance upon information which are directly or indirectly about capital market instruments or issuers and may affect the price or value of relevant capital market instruments or the decisions of investors and are not yet made public, thereby gaining benefits for themselves or for others shall be sentenced to imprisonment from three years to five

years or to a juridical fine. However, if a juridical fine is inflicted on this offence, the fine cannot be less than twice the amount of benefits derived from there.

Market Fraud

Article 107 – (1) Those who trade or give trading orders or cancel or change orders or realize account movements with the intention of creating untrue or misleading impressions about prices, variation of prices, supply or demand of capital market instruments shall be sentenced to imprisonment from three years to five years and to juridical fine equal to from five thousand days up to ten thousand days. However, the amount of juridical fine to be inflicted on this offence cannot be less than the amount of benefits derived from the offence.

(2) Those who give false, untrue or misleading information or make rumor or inform or make comments or prepare reports or broadcast untrue or misleading information and benefit from this way, with the intention of affecting the price or value of capital market instruments or the decisions of investors shall be sentenced to imprisonment from two years up to five years and to juridical fine up to five thousand days.

(3) If any offender of offences described in first paragraph regrets and pays to the Treasury an amount up to twice the amount of benefits derived there from, which shall not be less than five hundred thousand Turkish Lira; if such payment is made:

(a) before the start of investigation, no penalty will be imposed; or

(b) during the investigation stage, penalty will be reduced by half; or

(c) during the legal proceedings stage before the judgment is issued, penalty will be reduced by one-third.

Events Not Considered as Abuse of Information or Market Fraud

Article 108 – (1) The following events shall not be considered and treated as abuse of information or market fraud:

(a) Transactions executed for implementation of money, exchange rate and public debt management policies or for financial stabilization by the Turkish Central Bank or any other authorized public entity or by any persons acting for and on behalf of them; and

(b) Repurchase programs applied according to the Board's regulations, or employee stock option schemes, or other types of allotment of shares to employees of issuer or its affiliates; and

c) Trading of or giving orders for trading of or cancellation of orders for capital market instruments solely for the purpose of supporting the market price of these instruments for a predetermined period of time, providing that they are executed in accordance with the regulations of the Board pertaining to price stabilization transactions and market making under this Law.

Improper Public Offering and Unauthorized Capital Market Activities

Article 109 – (1) Those who offer capital market instruments to public without publishing an approved prospectus or who sell capital market instruments without an approved certificate of issue shall be sentenced to imprisonment from two years up to five years and to juridical fine equal to from five thousand days to ten thousand days.

(2) Those who work in capital markets without an authorization shall be sentenced to imprisonment from two years up to five years and to juridical fine equal to from five thousand days up to ten thousand days. If these persons

also commit the offence described in the first paragraph, only the offence described in this paragraph is penalized, and penalty is increased by half.

Unauthorized Cryptoasset Service Provider Activity

Article 109/A – (1) Real persons and officials of legal entities found to be operating as cryptoasset service providers without obtaining authorization shall be sentenced to imprisonment from three years to five years and to a judicial fine from five thousand days to ten thousand days.

Breach of Trust and Forgery

Article 110 – (1) The following acts are considered and treated as a qualified type of the offence of breach of trust; provided, however, that the penalty to be imposed according to second paragraph of article 155 of the Law no. 5237 cannot be less than three years:

(a) To sell, use, pledge, conceal or deny in one's own interests or in interests of third parties the capital market instruments, cash funds or all other types of assets which are entrusted or delivered or provided physically or on book-entry basis due to capital market activities or as custodian or for management purposes or as security or under any other name or for any other reason whatsoever to an investment institution or to a fund board mentioned in article 58 or to collateral responsible mentioned in article 59 hereof;

(b) To artificially reduce the profit or properties of publicly held companies by entering into camouflaged transactions applying prices, rates or considerations which are explicitly different from the current market prices, rates or considerations with another entity or person who is directly or indirectly related in terms of management, supervision or capital; or

(c) To artificially reduce profits or properties or artificially prevent the increase of profits or properties through entering into agreements or commercial practices or generating a transaction volume containing different prices, fees, considerations or terms and conditions in non-compliance with the arm's length principle, market usage and practices, and principles of prudence and honesty in trading life, with publicly held companies and collective investment institutions and their affiliates and subsidiaries and persons or entities with whom they are directly or indirectly related in terms of management, audit or shareholding.

(2) Persons who distort, destroy, alter or make inaccessible the records kept by an investment institution or a fund board mentioned in article 58 or a collateral responsible mentioned in article 59 hereof shall be sentenced to imprisonment from two years up to five years and to juridical fine equal to from five thousand days up to ten thousand days. However, legal results of conviction due to provisions of the Law no. 5237 pertaining to forgery in documents are applicable also on the convicts of this offence.

(3) If any offender of the breach of fair offence described in sub-paragraphs (b) and (c) of first paragraph actively regrets and pays to the Treasury an amount equal to the payment specified in fourth paragraph of article 21 hereof, plus an amount equal to twice of it:

(a) before the start of investigation, no penalty will be imposed; or

(b) during the investigation stage, penalty will be reduced by half; or

(c) during the legal proceedings stage before the judgment is issued, penalty will be reduced by one-third.

Embezzlement in Crypoasset Service Providers

Article 110/A – (1) The chairman and members of the board of directors and other members of the cryptoasset service provider who embezzle the money or money substitute documents or bills, other goods or cryptoassets entrusted to him due to his duty as a cryptoasset service provider or which he is obliged to protect, keep and supervise, shall be sentenced to imprisonment from eight years to fourteen years and to a judicial fine up to five thousand days and shall be sentenced to compensate the damage of the cryptoasset service provider.

(2) If the offense is committed by fraudulent behavior to ensure that the embezzlement is not revealed, the perpetrator shall be sentenced to imprisonment from fourteen years to twenty years and a judicial fine up to twenty thousand days. However, the amount of the judicial fine may not be less than three times the damage suffered by the cryptoasset service provider and its customers.

(3) It shall be considered as embezzlement if the real person partners of a cryptoasset service provider, whose operating license has been revoked, who have legally or actually held the management or control of the cryptoasset service provider, cause damage to the cryptoasset service provider or its customers by directly or indirectly using the resources of the cryptoasset service provider or its customers for the benefit of themselves or others in a way that jeopardizes the safe operation of the cryptoasset service provider by any means whatsoever. Those who commit these acts shall be sentenced to imprisonment from twelve years to twenty-two years and a judicial fine up to twenty thousand days; however, the amount of the judicial fine may not be less than three times the amount of the damage suffered by the cryptoasset service provider and its customers. Furthermore, it shall be decided that the damage incurred shall be paid severally.

(4) Two thirds of the penalty to be imposed shall be reduced if the embezzled money or money substitute documents or bills, other goods or cryptoassets are returned in kind or the loss incurred is fully compensated before the investigation is initiated.

(5) In the event that the embezzled money or money substitute documents or bills, other goods or cryptoassets are voluntarily returned in kind or the damage incurred is fully compensated before the prosecution begins, half of the penalty to be imposed shall be reduced. If this situation occurs before the prosecution, one third of the penalty to be imposed shall be reduced.

(6) The penalty to be imposed shall be reduced from one-third to one-half due to the small value of the money or money substitute documents or bills or other goods or cryptoassets constituting the subject matter of the offense of embezzlement on the date of the commission of the offense.

(7) In the implementation of this Article, control means the control defined in Article 3 of the Law No. 5411.

Personal Liability for Cryptoassets

Article 110/B – (1) The chairman and members of the board of directors, other members of the cryptoasset service provider who are found to have made resolutions and transactions deemed as embezzlement within the scope of Article 110/A of this Law, real person shareholders who legally or de facto hold the management or control of the cryptoasset service provider may be decided by the court to be personally bankrupt directly upon the request of the Board, by way of their personal liability in order to ensure that they are compensated primarily from the amount determined to have been embezzled limited to the damage caused to the customers. If these resolutions and transactions are made for the purpose of providing benefits to third parties, it shall also be applied to the persons obtaining benefits on the basis of the benefits obtained. The cash assets of those against whom a personal bankruptcy decision has been taken shall be used to pay the losses of the customers directly, and the non-cash assets shall be used to pay the losses of the customers by converting them into cash. Customer losses shall be paid first from the assets. In case the customer losses cannot be fully covered, payment shall be made equally. After the customer losses are fully covered, the remaining part shall be returned to those against whom a personal bankruptcy resolution has been taken. The provisions of Article 257 and the following articles of Law No. 2004 shall be applied by the court to those whose bankruptcy is requested according to the provisions of this article.

Failure to Give Information and Documents, or Prevention of Audit

Article 111 – (1) A person who refuses to give or fails to give as requested the information, documents and records, including those kept electronically, demanded by the Board or other persons authorized by this Law shall be sentenced to imprisonment from one year up to three years.

(2) A person who precludes the Board or other persons authorized by this Law from performing their duties shall be sentenced to imprisonment from six months up to two years. In the case of coercion or threat on the authorities during this prevention, penalty will be separately imposed according to the relevant articles of the Law no. 5237.

Fraud in Legal Books, Accounting Records and Financial Reports and Statements

Article 112 – (1)

(a) Those who maliciously fail to properly keep the books and records they are legally liable to keep and

(b) Those who maliciously fail to keep the books and documents they are legally liable to keep for the legal periods of time specified thereinfor

shall be sentenced to imprisonment for six months to two years and to juridical fine up to five thousand days.

(2)

(a) Those who maliciously give untrue information in financial statements and reports; or

(b) Those who maliciously open untrue accounts; or

(c) Those who maliciously commit any kind of accounting frauds in records; or

(d) Those who maliciously issue untrue or misleading independent audit and valuation reports and directors or responsible executives of issuers ordering such reports

shall be punished according to the pertinent provisions of the Law nob 5237. However, for penalization due to offence of forgery in special documentation, the forged document is not required to have been used.

(3) Investment institutions and other institutions referred to in Forth Section of Part Three of this Law shall be considered and treated as bank or crediting institution in terms of the offence of prevention or distortion of system or destruction or alteration of data as defined in article 244 of the Law no. 5237.

Secrecy Obligation

Article 113 – (1) Those who disclose the information and documents requested in the course of inspection or audit activities conducted by the Board to third parties shall be sentenced to imprisonment for one year to three years and to juridical fine up to five thousand days

Security Precautions on Legal Entities

Article 114 – (1) In the case of commission of the offences described in articles 106 and 107 in the interests of a legal entity, the security precautions specifically applicable on legal entities shall be taken about the relevant legal entity.

Written Application and Special Investigation Procedures

Article 115 – (1) An investigation for the offences described in or referred to in this Law is subject to a written application filed by the Board to the competent public prosecutor's office. This application is a condition precedent of criminal procedures.

(2) If a criminal case is filed upon application, upon acceptance of the bill of indictment, a copy of the bill of indictment is notified to the Board, and the Board automatically becomes an intervening party to the criminal case.

(3) During the investigation of offences described in or referred to in this Law, the public prosecutor may make use of the professional personnel of the Board. In taking testimony of any persons as suspect or witness of such offences, the professional personnel of the Board may also be present.

(4) If, at the end of an investigation of offences described in or referred to in this Law, it is decided not to start a criminal prosecution, the Board is authorized to appeal against such decision,

(5) The provisions of article 8 of the Law on Regulation of Broadcasts via Internet and on Fight Against Offences Committed by These Broadcasts no. 5651 dated 4/5/2007 are applicable also for the offences described in article 109 hereof.

Special Investigation Procedure for Embezzlement of Cryptoassets

Article 115/A – (1) Investigations and prosecutions for the offenses referred to in the third paragraph of Article 110/A of this Law shall be conducted by public prosecutors upon written notification of the Board, or ex officio in cases where delay is inconvenient and the Board shall be notified. If a public prosecution is filed upon application, a copy of the endictment shall be served to the Board upon its acceptance and the Board shall also become a participant.

(2) If the decision of non-prosecution is resolved as a result of the investigations initiated pursuant to the first paragraph of this Article, this resolution shall be notified to the Board and the relevant parties to the investigation. The Board and those concerned are authorized to appeal against these served resolutions in accordance with the Code of Criminal Procedure dated 4/12/2004 and numbered 5271. In case a public prosecution is filed, a copy of the endictment shall be served to the Board.

(3) The cases pertaining to the offense of embezzlement as defined in this Law shall be heared in the heavy criminal courts numbered (1), which shall be named after the province where the act was committed. Where deemed necessary, upon the proposal of the Ministry of Justice, the Council of Judges and Prosecutors may assign other heavy criminal courts in those places to hear such offenses.

(4) In the investigation and prosecution of offenses falling within the scope of the third paragraph of Article 110/A of this Law, the provisions of Article 166 of Law No. 5411 shall be applied.

(5) Conditional release provisions shall not be applied to those convicted for the offenses specified in Article 110/A of this Law, unless they pay the debts and compensations owed to the Treasury or these debts and compensations cannot be collected from their assets.

(6) In respect of the offense defined in Article 110/A of this Law, the provisions of Article 128 of the Law No. 5271 on confiscation and Article 133 on the appointment of a trustee for the management of the company may be applied.

Jurisdiction in Subject Matter and in Venue

Article 116 – (1) The offences described in or referred to in this Law shall be in the jurisdiction of the criminal courts of first instance to be appointed as specialized courts by the Supreme Board of Judges and Prosecutors.

PART SEVEN
Principles on Capital Markets Board

Foundation and Independence

Article 117 – (1) Capital Markets Board, being an administratively and financially autonomous public legal entity, is hereby founded to perform the duties and use the powers vested in by this Law and other applicable laws. The Board is headquartered in Istanbul. The Board is composed of a Board Decision Making Body and the Presidency organization.

(2) The Board independently performs and uses under its own responsibility the duties and powers vested in it by this Law and other applicable laws. Decisions of the Board cannot be made subject to a discretionary power audit. No organ, body, authority or person may give orders or instructions in order to affect the decisions of the Board.

(3) The Board freely uses its financial resources held within the frame of this Law and other applicable laws to the extent required for performance of its duties or use of its powers and in accordance with the procedures and principles set forth in its own budget.

(4) The Board employs an adequate number of personnel of the required qualifications in order to perform the duties and use the powers vested in it by this Law and other applicable laws.

(5) Moneys, documents and all kinds of properties of the Board are considered and treated as state-owned property, and cannot be attached or pledged.

Board Decision Making Authority

Article 118 – (1) The Board Decision Making Authority is composed of seven members, including a chairman and a second chairman. Chairman of the Board is at the same time the head of the Presidency organization.

(2) If and when the Chairman is dismissed due to leave, sickness, domestic or foreign assignments or similar other events, he is deputized by the second chairman, and in his absence as well, by the deputy chairman.

Principles on Chairman and Members of The Board

Article 119 – (1) Chairman and members of the Board are required to satisfy and meet the following qualifications:

(a) All conditions and qualifications listed in sub-paragraphs (1), (4), (5), (6) and (7) of paragraph (A) of article 48 of the Public Servants Law no. 657 dated 14/7/1965; and
(b) At least to be a university graduate.

(2) Chairman, second chairman, deputy chairman and the members are appointed by the President.

(3) Chairman and members of the Board take an oath before the First Presidency Board of the Supreme Court of Appeals verifying that they will perform their duties with great care, honesty and neutrality and will not breach and will not cause others breach the laws throughout their terms of office. Application for oath is considered as an urgent matter by the Supreme Court of Appeals. Board Chairman and members are not considered to have come into office unless and until they take oath.

Terms of Office of Board Chairman and Members

Article 120 – (1) In the case of vacancy in Chairmanship or a membership, the vacated seat is filled in by an appointment within maximum two months in accordance with the principles set down in article 119 hereof.

(2) Chairman and members of the Board cannot be dismissed for any reason whatsoever before the end of their terms of office. Provided, however, that Chairman and members of the Board who will be incapable of working for a period of longer than six months due to severe sickness or disability, or have lost the conditions and qualifications of appointment, or are in conflict with the provisions of article 121 hereinbelow, or are convicted of an offence relating to their duties by a final court verdict are dismissed with a prior consent of the President before the end of their terms of office. Furthermore, if a temporary disability continues for more than six months, membership of the affected member falls.

Prohibitions

Article 121 – (1) The Board Chairman and members may publish scientific publications, and give lectures and conferences, and collect copyrights and tuitions and conference fees relating thereto, providing that they do not fail in performance of their basic duties. However, unless otherwise permitted by a special statute, they cannot assume any public or private position or duty beyond and other than their official duties in the Board, and cannot accept a managerial duty in societies, foundations, cooperatives or similar other organizations, and cannot engage in trade or self-employment activities. Nor can they acquire or hold shares in partnerships or institutions which are regulated and supervised by the Board, or act or serve as arbitrator or expert surveyor.

(2) The Board Chairman and members are, within thirty days following the date they take office in the Board, under obligation to dispose of by selling all kinds of capital market instruments of institutions which are regulated and supervised by the Board, out of the capital market instruments owned and held by them or their spouse and children under guardianship, except for debt instruments and pension fund units issued by the Treasury Undersecretariat, to third parties other than spouse, foster children, blood relatives up to third degree and relatives by marriage up to second degree. A member who does not perform his obligations arising out of this paragraph within thirty days after the date he takes office will be deemed to have resigned from membership.

(3) The Board Chairman and members and the Board personnel cannot disclose to third parties, other than legally authorized authorities, or use in their own interests or in interests of third parties, any of the confidential information and trade secrets they acquire during performance of their duties in the Board, even if they have retired or resigned from office.

(4) The Board Chairman and members cannot take office in investment institutions for two years following the date they retire or resign from the Board. Any person who breaches this paragraph will be penalized as specified in article 4 of the Law on Prohibited Jobs After Termination of Civil Service no. 2531 dated 2/10/1981.

(5) The Board Chairman and members are subject to the provisions of the Law on Declaration of Property, and Fight Against Bribery and Corruptions no. 3628 dated 19/4/1990.

(6) The Board's professional personnel cannot, for two years after they retire or resign from the Board, assume any office in any one of publicly held companies and capital market institutions inspected or audited by them during the recent two years.

Duties and Powers of The Board Decision Making Body

Article 122 – (1) The Board Decision Making Body composed of Chairman and members of the Board performs the following duties and uses the following powers in addition to those specifically mentioned in this Law and other applicable laws:

(a) To discuss and resolve on the relevant draft regulations and communiqués, application files, and inspection and audit reports prepared by the Board personnel, with regard to the Board and to the fields of regulation and supervision of the Board;

(b) To discuss and resolve on the Board's budget, final account and yearly activity report;

(c) To appoint the Board vice chairmen and department heads upon nomination by the Chairman;

(d) To discuss and resolve on motions relating to opening of domestic or foreign representation offices, and purchase, sale, construction or lease of real properties;

(e) To resolve on all kinds of transactions, including, but not limited to, settlement, release, discharge and arbitration, with regard to claims, receivables and debts of the Board with third parties; and

(f) To resolve on membership in international organizations dealing with the fields of activity of the Board, and payment of subscriptions to such organizations, and making contributions to the projects, related to the Board's fields of activity, of international organizations where the Republic of Türkiye is a member.

(2) The Board Decision Making Body may delegate to the Board Chairman the duties and powers of the Board mentioned in sub-paragraphs (e), (f) and (k) of first paragraph of article 128 hereinbelow, by a written decision and within definitely delineated borders.

Operating Principles of Board Decision Making Body

Article 123 – (1) The Board Decision Making Body basically meets with an agenda at all times if and when deemed necessary, but at least fortnightly. Motions, documents and exhibits included in the meeting agenda determined by the Board Chairman will be circulated to members no later than three days prior to the date of meeting, and providing that it is accepted by majority of the members present in the meeting, any matters not included in the meeting agenda may also be discussed in the Board meeting. In this case, the decisions taken are documented by a memorandum. The Board meetings may be held in the Board head offices or representation offices or in other centers within the borders of Türkiye, as may be decided by the Board. Holding of meetings without an agenda, but with participation of all members who do not have a justified excuse for absence, and remote participation in the Board meetings, and other issues relating to meetings shall be regulated by an internal bylaws to be issued by the Board. Upon demand of a member, the Board Decision Making Body may designate also the Board representation offices out of the Board head offices as the permanent workplace of the relevant member.

(2) A Board member who fails to attend a total of five meetings in a calendar year without a justified excuse such as assignment, leave or sickness will be deemed to have resigned from the Board, as will be documented by a Board decision and notified to the relevant Minister.

(3) The Board Decision Making Body meets with presence of minimum five members and takes its decisions with affirmative vote of minimum four members. Members cannot use abstention vote. In the case of equality of votes, the Chairman or in the absence of Chairman, the Second Chairman shall have a cast vote.

(4) The Board Chairman and members cannot take part in discussions and voting relating to issues related to themselves or their spouse, foster children and blood relatives up to and including third degree or relatives by marriage up to and including second degree, as will be separately stated in the written decisions pertaining thereto.

(5) Meetings of the Board Decision Making Body are basically confidential. If needed for consultation purposes, the Board's personnel or third persons out of the Board, who are deemed useful and necessary by the

Board Decision Making Body, may also be invited to meetings of the Board Decision Making Body. However, the Board decisions cannot be taken in presence of outsiders.

(6) Without prejudice to the provisions of this Law, the Board Decision Making Body makes public through appropriate means, also including internet, its decisions other than those which are required to be kept confidential for the sake of national economy and public order.

(7) Professional and ethical principles to be followed by the Board members and personnel and other matters relating to operating procedures and principles of the Board Decision Making Body shall be regulated by a regulation to be enacted by the Board.

Chairman

Article 124 – (1) Chairman, being the top executive of the Board, is in charge of overall management and representation of the Board.

(2) Duties and powers of the Chairman are as listed below:

(a) To determine agenda, date and time of meetings, and chair the meetings, of the Board Decision Making Body; and

(b) To finalize and present to the Board Decision Making Body the proposals of the Board service units; and

(c) To ensure that decisions of the Board Decision Making Body are published and implemented, and to monitor and check the implementation thereof;

(d) To ensure that the Board's yearly budget, financial statements, activity reports and performance reports are prepared in accordance with the Board's strategies and targets, and to present the same to the Board Decision Making Body;

(e) To ensure that the service units operate efficiently and consistently, and to resolve conflicts of duty and power between the Board's service units, and if required, to vest additional duties and responsibilities in the service units;

(f) To assess and evaluate the strategies, policies and laws relating to the fields of activity of the Board, and to assess the performance measures of Presidency and personnel of the Board;

(g) To conduct and handle relations of the Board with other organizations;

(h) To appoint the Board personnel other than those to be appointed by the Board Decision Making Body;

(i) To make press statements and publish press bulletins to press and media in the name of the Board;

(j) To ensure that the Board's budget is implemented, and its revenues are collected, and its expenditures other than those within the authorization of the Board Decision Making Body are spent;

(k) To determine the principles of foundation and modus operandi of the internal organization required for the scientific studies and researches mentioned in sub-paragraph (k) of first paragraph of article 128 hereinbelow;

(l) To perform other duties relating to management and operation of the Board; and

(m) If and when an investment agreement issued as per this Law and other applicable laws is related to fields requiring sector specialization, to request other public entities and administrations to assign specialized personnel or give working reports on certain fields and issues.

(3) The Chairman may delegate a part of his duties and powers, not related to the Board Decision Making Body, to his subordinates by a written decision and within definitely delineated borders

Vice Chairmen of Board

Article 125 – (1) Five vice chairmen of the Board are appointed by a decision of the Board to assist the Chairman in performance of his duties. Board vice chairmen are required to satisfy and meet the qualifications set forth in second paragraph of article 119 hereinabove.

Service Units

Article 126 – (1) The Board is composed of twelve service units organized in the form of departments. New departments up to half of the initial number of service units may be organized, or the existing departments may be closed or combined, providing that total number does not fall below twelve, or some of their duties and powers may be delegated to the newly founded departments, by a proposal of the Board Decision Making Body and with prior consent of the relevant Minister. The service units will be regulated by a regulation to be enacted by the President upon a proposal of the Board Decision Making Body, in compliance with the fields of activity, duties and powers set forth in this Law.

(2) Representation offices may be opened at cities deemed necessary within the borders of Türkiye by a decision of the Board Decision Making Body, or in foreign countries having intensive relations in terms of capital markets by a decree of the President. The procedures and principles as to the locations of foreign representation offices, and duration thereof, and operating procedures and principles of representation offices, and characteristics, number, and term of office of, and fees or wages payable to the personnel to be employed in representation offices, and items of expenditures other than personnel wages, and procedures of expenditures shall be determined by the President.

(3) The Board Decision Making Body may establish a Research Center Directorate for the scientific studies and researches mentioned in sub-paragraph (k) of first paragraph of article 128 hereinbelow.

Board Personnel

Article 127 – (1) Permanent duties and services required by the assignments vested in the Board by this Law and other applicable laws and regulations will be conducted by the Board personnel comprising the professional personnel, the Board presidency advisors and other personnel in other staff positions named in the list attached hereto in exhibit (1). The professional personnel are composed of the Board vice chairmen, department heads, deputy department heads, and senior specialists, specialists and vice specialists on capital markets, and senior specialist lawyers, specialist lawyers and vice specialist lawyers, and senior specialists, specialists and vice specialists on informatics. The Board presidency advisors, group heads and managers who have already become eligible for the professional personnel status in the Board will also be deemed and treated as professional personnel.

(2) The Board personnel are subject to and governed by the Law no. 657, other than the matters dealt with in this Law.

(3) Staff positions of the Board are shown in the list attached hereto in exhibit (1). Providing that the total number of staff positions specified in the said list is not exceeded, and limited by the existing job positions and the

job positions named in the lists attached to the Governmental Decree in Force of Law on Overall Staff Positions and Procedures no. 190 dated 13/12/1983, the Board Decision Making Body shall be authorized to determine the procedures and principles relating to change and use of the existing staff positions, job positions and degrees.

(4) The Board personnel, other than the professional personnel, cannot be temporarily assigned to other public entities and institutions.

(5) Those to be appointed as vice specialist on capital markets, or vice specialist lawyer, or vice specialist on informatics shall be subject to the provisions of supplementary article 41 of the Law no. 657.

(6) The working procedures and principles of the Board personnel shall be regulated by a regulation to be enacted by the Board.

Duties, Powers and Responsibilities of The Board

Article 128 – (1) Duties, powers and responsibilities of the Board are as follows:

(a) To take necessary actions so as to ensure that the duties vested in by this Law are performed, and the practices ordered by this Law are implemented, and the results foreseen herein are attained;

(b) To take general and special decisions for timely, adequate and accurate public disclosures;

(c) To determine the conditions and operating principles relating to independent audit, rating, valuation and information systems audit of the institutions and companies covered by this Law, and to announce the lists of those satisfying these conditions;

(ç) For the sake of financial stability and for compliance with requirements of national and international laws and regulations, to enter into all kinds of cooperation and exchange of information with other financial regulatory and supervisory authorities;

(d) To sign bilateral or multilateral memoranda of agreement and enter into all kinds of cooperation with regard to capital markets with its equivalent foreign authorities and bodies in charge of regulation and supervision of capital markets, as to mutual exchange of information, and as to fulfillment of requests of documentation, and as to conduct of audits in the service providers working within the frame of a written agreement signed with head offices, branches or affiliates in Türkiye of the authorities and organizations operating in capital markets in foreign countries, and as to the required administrative precautions, and as to sharing of costs of such activities, within the frame of principles of reciprocity and protection of professional secrets;

(e) To regulate the procedures and principles applicable on and audit the new capital market institutions and instruments for the sake of development of capital markets;

(f) To determine the principles of certification of officers of publicly held companies and of executives and other employees of capital market institutions with regard to professional education, professional competency and professional qualifications, and to establish centers or firms to that end, and to determine their operating procedures and principles;

(g) To determine the procedures and principles to be followed by persons and entities who will make investment advices to investors and savors in capital markets;

(ğ) To determine the operating and working principles of the Public Disclosure Platform, and the procedures and principles of notifications and applications to be filed to the Board pursuant to this Law;

(h) To determine the procedures and principles relating to operation of information systems of capital market institutions, publicly held companies, exchanges and self-regulatory institutions, and relating to audit of them within the frame of this Law;

(ı) To request working groups comprising local or foreign academicians or practitioners, or individuals, to conduct national or international scientific studies and researches on capital markets, for use in the preferences as to existing or future regulations;

(i) To take part in the works of international organizations, or financial, economic and professional organizations, where the Board is a member, and of international organizations where Türkiye is a direct member, and to develop joint projects with and make contributions to projects of these organizations; and

(j) To enroll in international organizations, or financial, economic and professional organizations dealing with the fields of activity of the Board.

(k) If, at the board of directors of publicly held corporations, meeting quorum cannot be provided as a result of expiry of terms of office of all or part of the board members, or as a result of their membership positions having become vacated, and if it is not possible to convene the general assembly meeting within 30 days following expiry of the terms of office or vacation of membership positions, for the purpose of electing the new members to replace those whose terms of office have expired or whose membership positions have become vacated, or if sufficient number of board members cannot be elected at the general assembly meeting, the Board shall appoint, ex officio, board members, fulfilling the independence criteria listed in the Board's corporate management principles, of minimum number allowing the board of directors' meeting quorum to be provided, in order to serve until the time the general assembly of the publicly held corporation elects new members, or other members are appointed by the Board, in their lieu. Until the time the Board makes appointments for the board membership positions of the publicly held corporation which became vacated due to expiry of members' terms of office, the board members whose terms of office have expired shall continue their office. For the vacant membership positions remaining after the ex officio appointment made by the Board, it will request the shareholders of the publicly held corporation to nominate persons in such number as equals to three times of the number of vacant membership positions, who fulfil the independence criteria listed in the corporate management principles. The Board shall designate this request by considering the share percentages of the shareholders held in the publicly held corporation and shall make the appointment pursuant to the principles set out in this subparagraph. In publicly held corporations which did not hold their ordinary general assembly meetings in due time for two consecutive accounting periods and whose board members were appointed by the Board partly or in whole as per the above paragraphs, the powers of the general assembly may be exercised by the YTM (Investor Compensation Centre). The principles and procedures regarding implementation of this subparagraph shall be designated by the Board.

(2) The Board uses its powers by engaging in regulatory transactions and taking special decisions. The Board may decide to publish its decisions in the Official Gazette or in appropriate means of communication, including internet. Regulations and communiqués in the form of regulatory transactions are put into effect through promulgation in the Official Gazette.

(3) The Board may use and disclose to the relevant authorities within the frame of memoranda of agreements to be signed with them in accordance with the relevant regulations, all or any kinds of information and documents received from its equivalent organizations in charge of regulation and supervision of capital markets in foreign countries, except for requests of juridical bodies or prosecution of offences.

(4) The Board Presidency organization may demand comments and information from ministries and other relevant public or private persons or entities in performance of its duties. The ministries and other relevant public or private persons or entities are obliged to satisfy such demands and to facilitate the performance of duties of the Board officers. The Board reports to the relevant authorities all and any matters legally required to be followed up by other authorities.

Transparency and Accountability

Article 129 – (1) Yearly activity report is published in the Board's internet website and sent to the relevant Minister by the end of June of the year following the reporting period. The Board gives information about its activities and operations to the Plan and Budget Commission of the Turkish Grand National Assembly at least once a year.

(2) The Board gives information to the Presidency if and when deemed necessary by the relevant Ministry.

(3) Regulations of the Board and all and any amendments and updates therein shall be continuously published in the Board's internet website.

(4) Format and contents of and procedures and principles relating to periodical reports to be issued by the Board shall be determined by the Board.

Audit of Board Budget, Expenditures and Operations

Article 130 – (1) The income of the Board is basically required to meet its expenditures. The Board's budget is prepared and approved pursuant to the procedures and principles set forth in the pertinent provisions of the Public Fiscal Management and Control Law no. 5018 dated 10/12/2003.

(2) Should the income of the Board fail to meet its expenditures, the deficit thereof will be closed by Treasury grants from the overall national budget.

(3) Issuers or public offerors are under obligation to deposit a fee equal to zero point three percent of the issue value of capital market instruments to be offered for sale, but in any case not less than their nominal value, for recording as income to the Board's budget. A fee equal to five per one hundred thousand of net asset value of investment funds and variable capital investment partnerships as of the last business day of quarterly periods is also deposited in the Board's account within the following ten business days. The Board Decision Making Body may decide different rates by considering the nature, maturity or issuer of the relevant capital market instruments, providing that the rates specified in this paragraph are not exceeded. The President shall be authorized to increase the rates of fees up to twice the legal rates or to reduce back to legal rates.

(4) Starting from the income pertaining to year 2015, in connection with all the income, other than interest income, of stock exchanges and other organised markets, central clearing institutions, central depository institutions, which are regulated and supervised by the Board, as well as of the CRA, the amounts which will be found by increasing, every year, their amounts of income registered with the Board based on their 2014 income, by the arithmetic mean of rates of variation from the month of December to the month of December of the previous year, of the Consumer Price Index and Domestic Producer Price Index calculated by Turkish Statistics Institution for Türkiye in general, shall be registered by the Board as income to the Board's budget. For the institutions within the scope of the paragraph, which will be founded after the date of effect of this paragraph, a certain ratio to be designated by the Board for each calendar year (maximum ten per cent), of their all income, other than their interest income, starting from the year following the year in which they are founded, shall be registered by the Board as income to the Board's budget. However, the time and amounts of payment to be made as per this paragraph shall be notified by the Board to the relevant institutions at least thirty days in advance, considering the cash status of the Board, during the calendar year following the year in which the income was obtained. The amounts not claimed during a calendar year shall be added to the amount to be paid in the following years, and may be claimed by the Board through the same procedure.

(5) Each year, one percent of all revenues of the platforms, excluding the interest income of the previous year, shall be paid to the Board and one percent shall be paid to the TUBITAK budget, to be used in the development of blockchain and related information technologies, until the end of May of the relevant year and recorded as income. Other principles regarding accruals and payments to be made according to this paragraph shall be determined by the Board.

(6) By the end of June every year, the Board issues an activity report containing its decisions taken for its operations and activities of the previous year, and secondary regulations pertaining thereto, and analyzing their economic and social effects. Activity report further contains the comparison and evaluation of performance goals and practical results of the Board.

(6) Principles relating to sales and similar other transactions of fixtures and assets of the Board, and budget applications, and expenditures, and the Board's internal audit principles and procedures shall be regulated by a regulation to be enacted by the Board, without prejudice to provisions of the Law no. 5018 applicable on the Board.

Wages, and Fiscal and Social Rights and Benefits

Article 131 – (1) The Board Chairman and members and the Board personnel are paid the payments currently paid to equivalent peer personnel as a part of fiscal and social rights and benefits stipulated as per supplementary article 11 of the Governmental Decree in Force of Law no. 375 dated 27/6/1989, within the frame of the same procedures and principles. The Board Chairman and members and the Board personnel are considered as equivalent to the peer personnel also in terms of pension rights. Payments made to equivalent peer personnel not subject to any tax withholding or other legal deductions will not be subject to any tax withholding or other legal deductions under this Law as well.

Resignation of Board Chairman and Members

Article 132 – (1) The Board Chairman and members sever their relations with their previous job position as long as they take office in the Board. However, the civil servants appointed as a Board member will, upon termination of their term of office in the Board or if and when they wish to resign from the Board and apply to their former organization within thirty days thereafter, be appointed to an appropriate and equivalent job position, fit for their vested rights, by the appointing authority within one month thereafter, providing that they have not lost their qualifications for becoming a civil servant. Until the date of appointment, the Board continues to make all kinds of wage payments to them. Any person who does not work in a public entity or administration and is appointed as Chairman or member of the Board will, after termination of his duty in the Board as stated above, be eligible to receive all kinds of his wage payments from the Board until he starts a new job or work. However, the payments to be continued to be made by the Board to ex-members of the Board as stated in this article cannot exceed two years in total.

(2) Durations of the term of office of the Board Chairman and members in the Board will be counted as a part of their professional service as per the laws applicable on them. This provision is applicable also for the Board Chairman and members transferred from academic staffs of universities, without prejudice to the conditions of eligibility for academic titles.

Civil and Criminal Liabilities of Board Chairman and Members and Board Personnel

Article 133 – (1) Investigations relating to the offences alleged to have been committed by the Board Chairman and members and the Board personnel with regard to their duties in the Board are carried out under general law provisions with a prior permission of the relevant Minister for the Board chairman and members, and with a prior permission of the Chairman for the Board personnel. For the investigations relating to the offences alleged to be committed in complicity by the Board members and the Board personnel, the permission for investigation of the Board personnel will also be received from the relevant Minister.

(2) Investigations relating to the offences alleged to have been committed by the Board Chairman and members and the Board personnel with regard to their duties in the Board may be permitted only if and when there are clear and sufficient signs and evidences proving that these persons have derived personal benefits from their acts by acting with the intention of deriving personal benefits or causing harm to the Board. If an investigation permission is given, it is duly notified to the relevant persons. Decisions to or not to give permission for an

investigation may be appealed in the State Council within fifteen days following the date of notification of the decision. Even if permission is given, the investigation is not started until the end of the period of appeal or until a final court judgment is taken upon appeal to the State Council.

(3) Investigations and prosecutions initiated for offences alleged to have been committed by the Board Chairman and members and the Board personnel with regard to their duties in the Board, even if they have in the meantime resigned from the Board, will be handled and traced by a lawyer to be appointed under an attorney retainer agreement signed with the lawyer upon demand of the relevant member or personnel. All court expenses of such legal proceedings and an attorney fee up to fifteen times the then-current attorney fee specified in the minimum attorney fee tariff declared by the Turkish Association of Bars will be paid out of the Board's budget.

(4) All kinds of actions for damages and actions of debt commenced or to be commenced against the Board Chairman and members and the Board personnel with regard to the decisions, acts and transactions of the Board pertaining to the duties specified in this Law, either during performance of their duties or after termination of their duties will be deemed to have been brought forward against the Board. In this legal actions, the Board will be sued. The provisions of the preceding third paragraph relating to attorney fees and court expenses are applicable also for these civil cases. If the court judges and decides against the Board, and the Board makes a payment upon finalization of the verdict, the Board claims this payment from the relevant persons. However, the Board may claim this payment from the relevant persons only if and when the court judgment on their faults is finalized.

Jurisdiction Against Decisions of The Board

Article 134 – (1) Administrative lawsuits against decisions of the Board are in the jurisdiction of administrative courts. Applications against decisions of the Board are considered as urgent matters.

Keeping and Disclosure of Secrets

Article 135 – (1) The Board Chairman and members and the Board personnel cannot disclose to third parties, other than those authorized pursuant to this Law or special statutes, and cannot use in their own interests or in interests of third parties, any of the secrets they learn or acquire during performance of their duties. Service providers of the Board and their employees are also subject to this law provision. This confidentiality obligation continues after they resign from office.

(2) For the purposes of this Law, the information and documents to be disclosed by the Board pursuant to memoranda of agreement to be signed by the Board with its equivalent supervisory authorities in foreign countries are not considered as a part of the secrets cited in the first paragraph hereinabove. The Board is liable to assure the confidentiality of all secrets to be acquired through memoranda of agreement or through other ways. Information and documents obtained by the Board and considered and treated as secrets may be used in public offering, in foundation and operating licenses, in audit of activities, in checking of compliance with laws and regulations, and in administrative lawsuits that may be commenced against the decisions of the Board. Information and documents obtained by the Board and considered and treated as secrets as per this paragraph may not be disclosed or provided to any person or entity, other than public prosecutors and criminal courts as a requirement of criminal investigations or prosecutions, and other than the Board Chairman and members and the Board personnel who may demand such information and documents for use in investigations and prosecutions commenced due to the offences alleged to have been committed by them with regard to their duties, even if they have in the meantime resigned from the Board. The Board cannot be held liable for disclosure of secret information being the subject matter of a court judgment.

(3) If the memorandum of agreement mentioned in the second paragraph gives an authorization of sharing within clearly delineated borders, or if it is not based on reciprocity, or if the counterparty is not held subject to the same degree of secrecy obligations, then the provisions of the second paragraph pertaining to secrecy shall be applicable by analogy.

PART EIGHT
Final and Transitory Provisions

Reserved Provisions and Exceptions

Article 136 – (1) The provisions of this Law, excluding the article 47 hereof, shall not be applied on the Turkish Central Bank (hereafter **"TCB"**), TCB transactions and operations, markets in TCB, and payment and security transfer and settlement systems established in TCB.

(2) Capital market instruments issued by TCB or the Treasury Undersecretariat or asset leasing companies founded within the frame of the Law on Regulation of Public Finance and Debt Management no. 4749 dated 28/03/2002 will not be subject to the provisions of first and second sections of part two of this Law, excluding the article 13 hereof, to the provisions of article 31 and first paragraph of article 69 hereof. Principles relating to application of the provisions of articles 13 and 80 on capital market instruments issued by TCB, the Treasury Undersecretariat and asset leasing companies founded within the frame of the Law no. 4749 will be determined by the Board, without prejudice to the regulations pertaining to tracing, custody and trading of these instruments in and through TCB.

(3) The provisions of the Law on Turkish Central Bank no. 1211 dated 14/01/1970 and other applicable laws giving duties and powers to TCB are, however, reserved.

(4) Special status to be applied in the case of membership of TCB in the institutions within the scope of this Law, and principles applicable on transactions of TCB in the said institutions will be determined by the relevant regulations to be issued by the Board in due consultation with TCB.

(5) Banks which sell their own capital market instruments by offering to public or without any public offering, and banks dealing with the investment services and activities as defined in this Law, shall be governed by and subject to the provisions of this Law. , solely for their related activities and operations. The provisions of this Law are not applicable on banks, in terms of number of partners. Principles relating to foundation, supervision, accounting and independent audit standards of banks and insurance companies governed by the Law no. 5411, and dividends to be distributed by banks the shares of which are sold through public offering, and use of equity of revaluation increase fund shall be subject to the special statutes pertaining thereto.

(6) The Treasury Undersecretariat and asset rental companies founded within the frame of the Law no. 4749 are exempted from provisions of article 61, and first paragraph of article 71 and article 130 of this Law.

(7) Provisions of article 53 of the Law on the Union of Chambers and Commodity Exchanges of Türkiye and on Chambers and Commodity Exchanges no. 5174 dated 18/5/2004 pertaining to certificates of commodity and futures contracts are, however, reserved.

Miscellaneous Provisions

Article 137 – (1) Provisions of article 47 may be applicable also on guarantee agreements on all or some capital market instruments which are not traced on book-entry basis in CRA, by a decree of the President.
(2) Strike and lock-out are prohibited in services rendered and offered by exchanges and other organized marketplaces, central clearing institutions, central depository institutions and CRA which are founded and operating in accordance with this Law.

(3) Registering in the share book the shares of publicly held companies purchased as a result of exchange transactions cannot be refrained. Shares of these companies not listed and traded in the exchange shall be governed by articles 493 and 494 of the Code no. 6102.

Borsa İstanbul Anonim Şirketi

Article 138 – (1) A joint-stock company named "Borsa İstanbul Anonim Şirketi" is hereby incorporated to engage in the exchange activities and operations listed in article 67 and subject to the provisions of this Law. Aforesaid Company will be automatically and ex officio registered in the trade registry as of the effective date of this Law without any further transaction. Upon registration in the trade registry of its articles of association to be prepared as per second paragraph of this article, Borsa İstanbul Co., Inc. will be deemed to have received the license as to foundation and operations of exchanges and market operators as specified in article 65 of this Law.

(2) Articles of association of Borsa İstanbul Co., Inc. containing its objectives and fields of business, amount of capital, capital shares, principles of transfer of shares, privileges to be granted to shares without being subject to fourth paragraph of article 478 of the Code no. 6102, dissolution and liquidation, transfer, merger, termination, public offering limitations, organs, committees and their formation, composition, duties, powers and responsibilities, and working procedures and principles, and accounts, and distribution of profits and organization and otherissues will be prepared by the Board and will, following receipt of approval of the relevant Minister, be directly registered and announced within maximum six months following the effective date of this Law, without being bound by general provisions pertaining thereto. This period of time may be extended up to maximum three months by a decision of the relevant Minister. Until the articles of association is registered and announced, the current provisions of the laws and regulations pertaining to foundation and organization of Securities Exchanges, which are not in conflict with this Law, shall be continued to be enforced.

(3) Transactions to be conducted for foundation and registration of Borsa İstanbul Co., Inc. and for preparation, registration and announcement of its articles of association as per this article are exempted from public fees, and documents to be issued thereinfor are exempted from stamp duty. No fee will be charged on registration in the trade registry.

(4) Legal personality of Istanbul Stock Exchange incorporated by virtue of the Governmental Decree in Force of Law no. 91 repealed by this Law and legal personality of Istanbul Gold Exchange founded by virtue of article 40/A of the Law no. 2499 repealed by this Law will terminate upon registration of the articles of association of Borsa İstanbul Co., Inc.

(5) Upon registration of the articles of association of Borsa İstanbul Co., Inc., all kinds of assets and liabilities, receivables and payables, rights and obligations, all kinds of records, including those kept in electronic media, and other documents of Istanbul Stock Exchange and Istanbul Gold Exchange will be deemed to have automatically been transferred as a whole to Borsa İstanbul Co., Inc. without any further act, excluding the exceptions cited in this article. Provided, however, that the title on the real property mentioned in the list (2) attached hereto, which is owned by Istanbul Stock Exchange, together with its annexes and accessories, is hereby transferred to the Board. Real properties belonging to Istanbul Stock Exchange as listed in the list (3) attached hereto will ex officio be registered in the land registries in the name of the Treasury without any cost and be deemed to have been allocated to the Ministry of National Education. Prior consent of the Ministry of Finance is sought for about the purpose of use of the real properties listed in the list (3) attached hereto. Real properties belonging to Istanbul Stock Exchange as listed in the list (4) attached hereto will ex officio be registered in the land registries in the name of the Treasury without any cost. Real properties listed in the list (4), together with buildings thereon, are directly allocated for use by Borsa İstanbul Co., Inc. for a total period of twenty-nine years, with a grace period of the initial fifteen years thereof. The Treasury Undersecretariat is hereby authorized to sign a protocol with Borsa İstanbul Co., Inc. with regard to purpose of use, fee for use, principles of construction, building and alteration and other issues relating to the real properties allocated for use by Borsa İstanbul Co., Inc. Following the transfer to be effected pursuant to first sentence of this paragraph, the positive difference between assets and liabilities, other than the real properties transferred to the Treasury and the Board, shall constitute the initial capital of Borsa İstanbul Co., Inc. Transactions to be effected as per this paragraph are exempted from the succession and inheritance tax and other public fees, and documents to be issued hereunder are exempted from stamp duty.

(6) In the articles of association of Borsa İstanbul Co., Inc., forty-nine percent of capital shares of Borsa İstanbul Co., Inc. will be registered in the name of the Treasury, with all transactions relating to this shareholding

to be conducted by the Treasury Undersecretariat, while fifty-one percent thereof will be registered in the name of Borsa İstanbul Co., Inc. for use primarily for the purposes stated below:

(a) Following the registration and announcement of the articles of association, four percent of the share capital will be costlessly and equally transferred to the existing members of Istanbul Stock Exchange, and zero-point three percent thereof will be costlessly and equally transferred to the existing members of Istanbul Gold Exchange, and one percent thereof will be transferred to the Association of Capital Markets of Türkiye without any cost.

(b) Within one month following the date of registration of the articles of association of Borsa İstanbul Co., Inc., upon demand of the existing partners of Futures and Options Exchange Co., Inc. and in consideration of the shares they hold in Futures and Options Exchange Co., Inc., the existing partners of Futures and Options Exchange Co., Inc. will be allotted and given shares of Borsa İstanbul Co., Inc. at a rate to be calculated by multiplying their existing capital shares by 0.05. This transfer of shares will not be subject to article 7 of the Law no. 4054 dated 7/12/1994.

(c) A portion of capital shares of Borsa İstanbul Co., Inc. may, if required, be transferred with a prior approval of the Board to the relevant parties in consideration of establishment of strategic partnerships and/or to other exchanges and market or system operators in consideration of transfer of technology, know-how and competencies.

(d) Any capital shares remaining in the possession of Borsa İstanbul Co., Inc. by the end of three years following the promulgation date of this Law will, if any, be transferred to the Treasury without any cost.

(7) The public offering or sale by other methods of within the frame of this Law of the state-owned shares of Borsa İstanbul Co., Inc. can be executed in accordance with the procedures and principles to be determined by the President.

(8) Until chairman and members of board of directors of Borsa İstanbul Co., Inc. are elected in accordance with its articles of association, the current chairman of Istanbul Stock Exchange will serve as the chairman of board of directors of Borsa İstanbul Co., Inc., and the current members of board of directors of Istanbul Stock Exchange will serve as members of board of directors of Borsa İstanbul Co., Inc.. In the case of a vacancy in chairmanship or directorships until the chairman and members of board of directors of Borsa İstanbul Co., Inc. are elected, the Treasury Undersecretariat will appoint the replacement chairman or directors as the case may be. Chairman and members of board of directors of Istanbul Gold Exchange will be deemed to have resigned from their offices as of the date of registration of the articles of association of Borsa İstanbul Co., Inc.

(9) **(a)** The provisions of the laws and regulations pertaining to Istanbul Stock Exchange and Istanbul Gold Exchange, which are not in conflict with the provisions of this Law, shall be continued to be enforced until the effective date of new regulations to be issued and enacted under this Law.

(b) References made in the laws and regulations to Istanbul Stock Exchange and Istanbul Gold Exchange will be deemed to have been made to Borsa İstanbul Co., Inc. as the case may be.

(10) Upon termination of legal personality of Istanbul Stock Exchange and Istanbul Gold Exchange, all kinds of ongoing exchange activities and all other pending deals, transactions and operations is conducted by Borsa İstanbul Co., Inc. In the present or future lawsuits and execution proceedings brought forward by or against these exchanges, Borsa İstanbul Co., Inc. will automatically become a party thereto.

(11) Until the state-owned shares in capital of Borsa İstanbul Co., Inc. decreases below fifty percent, all and any accounts and operations of Borsa İstanbul Co., Inc. and its affiliates will be audited only by an independent audit firm to be selected by the Treasury Undersecretariat from among the independent audit firms included in the

list of the Board. Independent audit report will simultaneously be presented to the Board and the Treasury Undersecretariat. First and third paragraphs of article 72 of this Law are applicable also on Borsa İstanbul Co., Inc.

(12) Borsa İstanbul Co., Inc. and its affiliates and subsidiaries are not governed by or subject to the laws, regulations, practices and restrictions applied on public entities, administrations and partnerships more than half of the capital of which are state-owned and which are founded as per special statutes or Presidential Decree, including public economic enterprises. The Treasury Undersecretariat and asset rental companies founded pursuant to the Law no. 4749 are, for the securities issued by them, exempted from the registration fee and quotation fee payable by issuers to Borsa İstanbul Co., Inc.

(13) Provisions of the Governmental Decree in Force of Law no. 233, and the Governmental Decree in Force of Law no. 399, dated 22/1/1990, on Regulation of Personnel Regime of Public Economic Enterprises and Repealing of Some Articles of the Governmental Decree in Force of Law no. 233, and the Law no. 657, and the Governmental Decree in Force of Law no. 631, dated 4/7/2001, on Regulations in Fiscal and Social Rights and Benefits of Civil Servants and Other Public Officers and on Revisions in Some Laws and Governmental Decrees in Force of Law, and the Governmental Decree in Force of Law no. 190, and the Allowances Law no. 6245 dated 10/2/1954, and the Law on Supreme Court of Public Accounts no. 6085 dated 3/12/2010, and the Law on Audit of Public Economic Enterprises and Funds by the Turkish Grand National Assembly no. 3346 dated 2/4/1987, and the Public Competitive Biddings Law no. 4734 dated 4/1/2002, and the Public Competitive Bidding Contracts Law no. 4735 dated 5/1/2002, and the State Bid Tenders Law no. 2886 dated 8/9/1983, and the Motor Vehicles Law no. 237 dated 5/1/1961, and the State-owned Houses Law no. 2946 dated 9/11/1983, and the Law on Organization of Press Advertisements Agency no. 195 dated 2/1/1961, and the Law on Privatization Practices no. 4046 dated 24/11/1994, and the Governmental Decree in Force of Law no. 527 dated 18/5/1994,and the Law on Protection of Competition no. 4054 dated 7/12/1994, and their exhibits and amendments are not applicable on Borsa İstanbul Co., Inc. and its affiliates and subsidiaries which are associated to Borsa İstanbul Co., Inc. through direct or indirect shareholding of Borsa İstanbul Co., Inc. therein.

(14) The relevant Minister is authorized to remove the hesitations or doubts that may occur in the course of implementation of this article.

Amended and Repealed Provisions

Article 139 – The Capital Markets Law no. 2499 dated 28/7/1981 is hereby repealed and superseded. Therefore, references made in the laws and regulations to the provisions of the Law no. 2499 will be deemed to have been made to the corresponding provisions of this Law.

Article 140 – The Governmental Decree in Force of Law on Securities and Stocks Exchanges no. 91 dated 3/10/1983 is hereby repealed and superseded.

Article 141 – The following paragraph is hereby added to supplementary article 4 of the Law on Organization and Functions of Treasury Undersecretariat no. 4059 dated 9/12/1994:

"Upon occurrence of a negative development which may spread over to the whole financial system, and upon determination of this development by the Financial Stability Committee, the Council of Ministers shall be authorized to determine the actions and measures to be taken, and all relevant entities and organizations shall be authorized and liable to immediately implement and enforce all such actions and measures."

Article 142 – Fourth paragraph of article 6 of the Law on Liquidation of Some Funds no. 4568 dated 23/5/2000 is hereby repealed and superseded.

Article 143 – First paragraph of article 53 of the Law no. 4174 is hereby amended and shall hereafter read as follows, and ninth paragraph thereof is hereby repealed and superseded, and the following new paragraphs are hereby added to the same article:

"Specialized commodity exchanges which combine supply and demand of one or more than one commodity included in their quotation within trust, free competition and stability principles and in conformity with economic requirements; and act as an intermediary in trading of certain commodities classified according to the current commodity standards in physical or electronic media organized by themselves; and may conduct both physical trading of commodities and trading of certificates of commodity and future contracts issued by licensed depot institutions for the commodities; and have reliable recording and storage facilities for trading; and are equipped by data processing, technical and electronic equipment and corporate and financial infrastructures which may trace and publicize other similar and alternative markets; and may operate on national or international bases, shall be established and founded in the form of joint-stock companies by a decree of the Council of Ministers upon proposal of the Ministry and the Capital Markets Board. Specialized commodity exchanges may enter into contract with one or more than market operator governed by the provisions of the Capital Markets Law for operation and/or management of themselves or their markets. However, such contracts do not become effective without an approval of the Ministry and the Capital Markets Board. Following these approvals, the market operators start to use the rights granted to the specialized commodity exchanges within the frame of their contracts signed with the exchange and to perform all obligations arising out of the Capital Markets Law and other applicable laws,"

"Acts and transactions which cannot be justified by a reasonable economic or financial justification and which may disrupt the operation of specialized commodity exchanges in trust, transparency and stability will, if not classifiable as an offence, be considered and treated as market disruptive acts. Any person who commits a market disruptive act is sentenced to pay an administrative fine pursuant to the Capital Markets Law."

"Procedures and principles relating to intermediation in trading of certificates of commodity and future contracts in specialized commodity exchanges, and authorization of intermediaries, and suspension and cancellation of this authorization, and supervision and audit of intermediaries, and other transactions relating to intermediation services on certificates of commodity and future contracts shall be regulated by regulations to be issued and enacted jointly by the Ministry and the Capital Markets Board."

"Supervision and audit activities on transactions on certificates of commodity and future contracts shall be regulated by a regulation to be issued and enacted jointly by the Ministry and the Capital Markets Board. Measures and actions to be taken with respect to results of these activities shall be governed by the Capital Markets Law and other applicable laws and regulations."

Article 144 – Second paragraph of article 15 of the Agricultural Products Licensed Depots Law no. 5300 dated 10/2/2005 is hereby repealed and superseded.

Article 145 – In the Law no. 5411:

(a) First paragraph of article 33 is hereby amended and shall hereafter read as follows:

"Additional conditions to be sought for as per article 15 in independent audit firms authorized by the Public Supervision, Accounting and Audit Standards Authority shall be determined by the Board in due consultation with the Central Bank and the unions of institutions, and list of independent audit firms meeting such conditions shall be made public. The Board is authorized to temporarily or permanently exclude from the list any one of independent audit firms, included in the list, if and when it is detected to have breached the standards or applicable laws as a result of quality control and audit works on independent audit activities of independent audit firms covered by this Law. The Board reports to the Public Supervision, Accounting and Audit Standards Authority the results of its quality control and audit works. Independent audit firms are responsible and liable for all damages that may be suffered by third parties due to their activities conducted pursuant to this Law."

(b) First paragraph of article 37 is hereby amended and shall hereafter read as follows:

"Banks are under obligation to apply the uniform accounting systems in accordance with the procedures and principles to be determined by the Board in due consultation with the Public Supervision, Accounting and Audit Standards Authority and the unions of institutions; and to recognize all of their transactions in accordance with their true nature pursuant to the accounting and financial reporting standards published by the Public Supervision, Accounting and Audit Standards Authority; and to prepare and issue their financial reports accurately and timely, in a format and with contents capable of meeting the information requirements, and in an easily understandable, reliable and comparable manner, and fit for audit, analysis and interpretation."

(c) Article 72 is hereby repealed and superseded.

Article 146 – The following paragraph is hereby added to article 23 of the Governmental Decree in Force of Law on Organization and Functions of the Public Supervision, Accounting and Audit Standards Authority no. 660 dated 26/9/2011:

"(4) The provisions of the Capital Markets Law and the Banking Law are hereby reserved in implementation of this article."

Article 147 – The following paragraph is hereby added to article 26 of the Governmental Decree in Force of Law no. 660:

"(3) Independent audit firms which breach and violate the regulations issued, and the standards and forms determined, and the general and special decisions taken by the Board, in reliance upon the provisions of this Governmental Decree in Force of Law, shall be sentenced by the Board to pay an administrative fine of ten thousand Turkish Lira to fifty thousand Turkish Lira. Administrative fines applied pursuant to this article are recorded as income to the budget."

Article 148 – Third paragraph of article 27 of the Governmental Decree in Force of Law no. 660 is hereby amended and shall hereafter read as follows:

"(3) The institutions and boards established by laws for regulation and supervision of certain fields may issue some limited regulations in details with respect to standards applicable in their own fields, subject to compliance with the Turkish Accounting Standards."

Article 149 – The following sentence is hereby added to fourth paragraph of temporary article 1 of the Governmental Decree in Force of Law no.660:

"The powers of the Capital Markets Board and the Banking Regulation and Supervision Authority to apply administrative fines on independent audit firms authorized as per their own laws are reserved."

Regulatory Acts:

Temporary Article 1 – (1) Regulations pertaining to the implementation of this Law will be issued and made effective within one year following the promulgation date of this Law. Until the regulations to be issued as per this Law enter into force, the provisions of the existing regulations which are not in conflict with this Law shall be continued to be enforced.

(2) Outstanding applications which are not discussed and resolved by the Board Decision Making Body as of the promulgation date of this Law shall be concluded in accordance with the provisions of this Law.

Transitory Provisions Relating to Intermediary Institutions and Futures Intermediary Companies:

Temporary Article 2 – (1) The procedures and principles relating to provision of investment services and activities and ancillary services associated thereto shall be determined by the Board within six months following the promulgation date of this Law. In the course of granting of new certificates of authorization to intermediary institutions and to futures intermediary companies, the relevant institutions shall adapt themselves to the said procedures and principles within an appropriate time to be granted, or otherwise, the relevant institution is not allowed to engage in the subject investment services and activities and ancillary services.

(2) Until the effective date of the required regulations within the frame of first paragraph hereof, intermediary institutions and futures intermediary companies shall continue their operations pursuant to their existing authorizations.

(3) Intermediary institutions and futures intermediary companies which have already received an operating license from the Board as of the promulgation date of this Law shall continue their activities covered by the Law no. 2499 repealed by this Law until the end of the period mentioned in first paragraph hereof.

Special Fund

Temporary Article 3 – (1) A Special Fund is hereby established for partial payment, within the frame of principles of this article, of receivables arising out of capital market activities of investors of brokerage houses all authorization certificates of which are cancelled by the Board prior to 18/12/1999. The Special Fund will be managed and represented by YTM.

(2) In order to makepayments to the said brokerage house creditors out of the Special Fund, by also taking into consideration the sources of the Fund, a bankruptcy case must have been brought forward prior to or after 18/12/1999, and in the bankruptcy liquidation, the receivables must have been documented in an insolvency certificate. Reserving the rights of those who have applied prior to the effective date of this Law, no payment will be effected out of the Special Fund to the creditors who fail to make an application for recording of their receivables in the bankrupt's estate within two years following the promulgation date of this Law.

(3) In the calculation to be made by the bankruptcy administration during the bankruptcy liquidation, total amount of cash and securities receivables as of the date of cancellation of the certificate of authorization will be converted into United States Dollar over the foreign exchange buying rate of TCB valid as of the date of cancellation of the certificates of authorization. Payments made during the bankruptcy liquidation after opening of bankruptcy of these brokerage houses will be converted into United States Dollar over the foreign exchange buying rate of TCB valid as of the date of payment, and will then be set off against the principal sum of receivables in USD. The balance calculated as above is converted into Turkish Lira over the foreign exchange buying rate of TCB valid as of the date of issuance of the insolvency certificate, and is paid to the right owners according to the principles set forth in the fourth paragraph hereinbelow.

(4) The amount of payment to be made to a creditor until 31/12/2012 cannot exceed 230,838* Turkish Liras. This amount is increased every year by the revaluation coefficient rate published every year after 1/1/2013. However, pursuant to the preceding third paragraph, the amount of interim payments set off from the principal sum of receivables in United States Dollar currency will be converted into Turkish Lira over the foreign exchange buying rate of TCB as of the date of cancellation of the certificate of authorization, and be deducted from the maximum payment amount specified in this paragraph, to find the maximum amount payable to the right owners.

(5) Principles relating to management and investment of properties of the Special Fund will be regulated by a regulation to be prepared by YTM and approved by the Board. The Special Fund cannot be used for any purpose other than the payments to be affected pursuant to this article. If the Special Fund is not sufficient to meet the payments, an additional source to be determined by a decree of the President will be funded by the Treasury. The properties of the Special Fund held in Istanbul Stock Exchange as of the promulgation date of this Law shall be transferred within three months following the date of transfer of receivables, payables and rights from the Investor Protection Fund to YTM.

(6) Payments to be made for the receivables documented by insolvency certificates submitted by the bankruptcy administrations will be determined by the calculation method described in third and fourth paragraphs hereof, and will be effected by the Special Fund to the bankruptcy administrations. In order to ensure that payments are affected in accordance with the provision of this article, the Special Fund is entitled to make a mutual inspection by virtue of the finalized schedule of receivables, bankruptcy file documentation, and other documents that may be requested from bankruptcy administration and bankruptcy office, and to refuse the requests of payment in conflict with this article and other applicable laws and regulations.

(7) Payments to right owners are made by bankruptcy administrations. No payment will be made under this article to the partners, directors, members of audit committee, and personnel of the bankrupt brokerage house or to their spouse and blood relatives or relatives by marriage up to and including third degree, and to capital market institutions. Rights of the creditors arising out of general law provisions for their receivables in excess of the payments effected pursuant to this article are, however, reserved.

(8) The Board shall be authorized to determine the procedures and principles and issue the required regulations with regard to implementation of this article.

Transitory Provisions Relating to Investor Protection Fund

Temporary Article 4 – (1) All rights, receivables and payables of the Investor Protection Fund are transferred to YTM within six months following the promulgation date of this Law.

(2) Legal proceedings relating to institutions which have been started to be gradually liquidated prior to the promulgation date of this Law, and procedures and transactions for liquidation of these institutions will be completed by CRA. YTM makes to CRA the payments required for the said procedures and transactions.

(3) The provisions of article 84 are not applicable about brokerage houses the gradual liquidation of which is ongoing within the frame of article 46/B of the Law no. 2499 repealed by this Law. All cash payment and stock certificate delivery obligations, also including those invested, of these institutions towards their customers arising out of stock trading transactions in the course of capital market activities and transactions are met and satisfied.

Transitory Provisions Relating to The Association of Capital Markets of Türkiye and The Association of Appraisers of Türkiye

Temporary Article 5 – (1) Name of the Association of Capital Markets Intermediary Institutions of Türkiye regulated by article 40/B of the Law no. 2499 repealed by this Law is hereby changed as the Association of Capital Markets of Türkiye regulated by article 74 of this Law. This change of name shall become effective as of the date the Bylaws amendments are made effective by a decree of the Council of Ministers, pursuant to third paragraph of article 75 of this Law.

(2) The institutions which are required to be enrolled in the Association of Capital Markets of Türkiye other than the existing members of the Association of Capital Markets Intermediary Institutions of Türkiye are under obligation to apply to the Association of Capital Markets of Türkiye within one month following the effective date of the Bylaws amendments. Within two months following the end of this time, the Association calls its members for a general assembly meeting in order to elect its organs in accordance with the new Bylaws.

(3) The appraisal companies which are required to be enrolled in the Association of Appraisers of Türkiye are under obligation to apply to the Association of Appraisers of Türkiye within three months following the effective date of the Bylaws issued pursuant to third paragraph of article 75. Within three months following the end of this time, the Association of Appraisers of Türkiye calls its members for a general assembly meeting in order to elect its organs in accordance with the new Bylaws.

(4) The Board is authorized to remove the hesitations that may occur in the course of implementation of this article.

Transitory Provisions Relating to Collective Investment Institutions

Temporary Article 6 – (1) Procedures and principles relating to the provisions of articles 48 to 56 shall be determined by the Board within six months following the promulgation date of this Law.

(2) Until the required regulations mentioned in first paragraph are put into effect, the provisions of regulations issued in reliance upon the Law no. 2499 repealed by this Law will be continued to be implemented, and the applications will be finalized within the frame of such regulations.

(3) Investment funds and investment partnerships which have been founded prior to the promulgation date of this Law are, within one year following the effective date of secondary regulations mentioned in first paragraph, under obligation to apply to the Board in order to adapt their internal bylaws or articles of association, structure and organization to the relevant regulations, or otherwise, the Board decides transfer or liquidation of investment funds, while investment partnerships are deemed to be removed from the investment partnership status, whereupon the provisions of fifth paragraph of article 26 hereof are applied by analogy.

(4) Portfolio management companies which have been founded prior to the promulgation date of this Law will, within one year following the effective date of secondary regulations mentioned in first paragraph, adapt their articles of association, structure and organization to the relevant regulations, or otherwise, they are under obligation to apply to the Board in order to change their main fields of activity and the phrase "portfolio management company" included in their company name.

(5) The Board is authorized to extend the periods of time mentioned in this article up to twice.

Transitory Provisions Relating to Board Chairman and Members and Board Personnel

Temporary Article 7 – (1) The Board Chairman and members who are on duty as of the promulgation date of this Law cease to be members of the Board as of the promulgation date hereof. In order to complete their terms of office according to the laws underlying their appointment, they are deemed to have been automatically appointed as the Board Presidency Advisors as shown in the list (5) attached hereto, and shall perform the advisory duties determined by the Chairman. The Board Presidency Advisor staff positions allocated under this paragraph shall be deemed to have been automatically cancelled in the case of a vacancy therein for any reason whatsoever or upon termination of the remaining terms of office of the ex-Chairman and ex-members deemed to have been appointed to the said positions according to the laws underlying their appointment. The Chairman and members deemed to have been appointed to the Board Presidency Advisor staff positions under this paragraph shall be eligible to receive the payments made for fiscal and social rights and benefits of the Chairman and members of the Board, until the end of their terms of office according to the laws underlying their appointment, within the frame of second paragraph hereof.

(2) For the personnel in the Board staff positions as of 15/1/2012, the provisions of the applicable laws and regulations current and in force prior to the said date shall be continued to be applied, by also considering the provisions of temporary article 10 of the Governmental Decree in Force of Law no. 375. If the total amount of payments calculated according to the provisions continued to be applied is less than the total amount of payments calculated according to the provisions of this Law, the payments to the relevant persons are effected as per the provisions of this Law. The personnel registered in social security organizations, other than the Social Security Agency, as of the effective date of this article remain registered therein.

(3) The personnel whose position does not change in the Board due to the amendments made by this Law shall be deemed to have been appointed to the same staff positions. The personnel whose position is changed or removed will be appointed to an appropriate new position in the Board within one year following the effective date of this article, and may be assigned to the needed jobs by the Board until such appointment. Until being appointed

to a new position, they continue to receive their monthly wages, bonuses and similar other fringe benefits of their former staff positions, by also considering the provisions of second paragraph hereof.

(4) The fiscal and social rights and benefits and the employment of the personnel working in contracted status in the Board as of the effective date of this article in accordance with the provisions of the Law no. 2499 repealed by this Law, and other applicable laws and regulations, shall be continued to be governed by the laws and regulations effective prior to the promulgation date of this Law.

(5) The Board is headquartered in Ankara until the process of moving of the Board head offices to Istanbul is completed.

(6) The provisions of fourth and sixth paragraphs of article 121 hereof are not applicable on the Board Chairman and members and the Board professional personnel who have resigned from the Board prior to the date of promulgation of this article.

Other Transitory Provisions

Temporary Article 8 – (1) Istanbul Stock Exchange, Custody and Settlement Bank Co., Inc. shall continue its capital market activities conducted as of the promulgation date of this Law as and in the capacity of central clearing organization, without any further authorization or license thereinfor.

(2) The provisions of fourth paragraph of article 13 are applicable about the capital market instruments dematerialized and delivered prior to the promulgation date of this Law and about the capital market instruments which have not yet been delivered in spite of the decision of dematerialization.

(3) The period of two years stipulated in article 16 hereof shall start as of the promulgation date of this Law for the publicly held companies, as defined by this Law, of which shares are not listed and traded in the exchange as of the promulgation date of this Law.

(4) The provisions of third sentence of fourth paragraph of article 33 shall be applied on companies which were considered as a publicly held company according to the Law no. 2499 repealed by this Law as the number of partners is between 250 to 500, but are not classifiable as a publicly held company according to this Law, as of the promulgation date of this Law.

(5) The limitation mentioned in sixth paragraph of article 26 is started to be applicable as of the promulgation date of this Law.

(6) The five-years period mentioned in second paragraph of article 28 is started to be applicable as of the promulgation date of this Law.

(7) Article 32 is applicable about liabilities arising out of the public disclosure documents to be made public after the promulgation date of this Law.

(8) The revaluation coefficient rate regulated by fifth paragraph of article 84 of this Law is started to be applied as of 1/1/2014.

Registration of Trading of Securities

Temporary Article 9 – (1) Trading transactions executed by investment institutions out of Borsa İstanbul Co., Inc. with regard to the securities traded in Borsa İstanbul Co., Inc., or quoted in Borsa İstanbul Co., Inc., or registered in Borsa İstanbul Co., Inc. are required to be registered in Borsa İstanbul Co., Inc. under the conditions to be determined by Borsa İstanbul Co., Inc. and approved by the Board.

Procedures and Principles regarding the Payments Made to the Beneficiary Owners of the Capital Markets Instruments Ownership of Which Transferred to YTM

Temporary Article 10 – (1) The principles and procedures for applications to be filed with the request that capital market instruments whose ownership were conveyed to the Investor Compensation Centre (YTM) because of not having been delivered until the end of the seventh year following the date of dematerialisation be returned, and that their prices be paid if they were sold, as well as the principles and procedures for the payments to be made by YTM to the right holders upon an application, and the principles and procedures for cancellation and destruction of the capital market instruments that will be delivered by the right holders, and obligations of the issuers in respect of such applications shall be designated by the Board. From amongst the capital market instruments that were conveyed to YTM; those which were not sold pursuant to the applicable legislation shall be paid in kind; and those which were sold, shall be paid in cash on the basis of the sale prices to be calculated within the framework of the principles to be designated by the Board. In the payments to be made, the accretions to the related yield (earning) actually obtained by the YTM as a result of making use of the relevant amount within the scope of Article 12 of the Law numbered 4749, corresponding to the amount to be paid shall be taken as basis. The procedures in relation to payments to be made under this article and the records to be kept and papers to be arranged in relation with such procedures shall be exempt from stamp duty.

Temporary Provisions Regarding Cryptoasset Service Providers

Temporary Article 11 – (1) Those carrying out cryptoasset service provider activities on the date of entry into force of the Law enacting this article are obliged to apply to the Board with the documents to be determined by the Board within one month following the effective date of the Law and submit a declaration that they will make the necessary applications to obtain an operating license by meeting the conditions to be stipulated in the secondary regulations to be issued pursuant to the provisions of Articles 35/B and 35/C of the Law or that they will take a liquidation decision within three months without damaging the rights and interests of the customers and that they will not accept new customers during the liquidation process. Those who wish to commence operations after the enforcement of the Law enacting this Article shall apply to the Board before commencing their operations and declare that they will make the necessary applications to obtain an operating license by meeting the conditions to be stipulated in the secondary regulations. The applications made to the Board within the scope of this paragraph shall be announced on the Board's website. Institutions to be liquidated shall announce this situation on their websites and also notify their customers via electronic mail, text message, telephone and similar communication tools.

(2) The provisions of Articles 99/A and 109/A of the Law may be applied to those who fail to fulfill the obligations specified in the first paragraph. Failure to fulfill the transfer requests of customers who have accounts in institutions that choose to go into liquidation or do not apply to the Board within the specified period constitutes the crime of unauthorized cryptoasset service provider activity under Article 109/A. General provisions shall apply to disputes arising from these transfer requests.

(3) After the secondary regulations to be issued by the Board pursuant to this Law enter into force, institutions other than those specified in the first paragraph may not commence their activities without obtaining an operating license, and institutions operating within the scope of the first paragraph shall apply to the Board for an operating license within the period to be specified in the secondary regulation. Upon the publication of the secondary regulations, the Board may set a deadline for the completion of the authorization procedures of the institutions operating within the scope of the first paragraph, and may request the institutions that fail to obtain an authorization certificate within this period to terminate their activities. The Board may extend the deadlines determined. The provisions of Articles 99/A and 109/A of the Law shall apply to those who violate the provisions of this paragraph.

(4) Non-resident cryptoasset service providers shall terminate their activities for Turkish residents as specified in the first paragraph of Article 99/A of the Law within three months following the date of entry into force of the Law enacting this Article.

(5) The activities of ATMs and similar electronic transaction devices located in Türkiye that allow customers to convert cryptoassets into cash or cash into cryptoassets and to transfer cryptoassets shall be terminated within three months following the date of entry into force of the Law enacting this article, and ATMs that do not terminate their activities shall be closed by the competent authorities determined in the legislation on workplace opening and work licenses upon notification of the highest local administrative authority. The provisions of Articles 99/A and 109/A of the Law shall apply to those who continue to operate and to those who enable them to do so.

(6) Pursuant to Article 130 of this Law, the practice of recording income to the budget of the Board and TUBITAK over the revenues of the platforms shall be started in 2025 over the revenues of 2024.

(7) The secondary regulations to be issued pursuant to Articles 35/B and 35/C of this Law shall be put into force within six months from the date of entry into force of this Article.

Effective Date

Article 150 – (1) This Law becomes effective as of the date of its promulgation.

Enforcement

Article 151 – (1) The provisions of this Law will be enforced and executed by the Council of Ministers.

LIST NO. (1)
CAPITAL MARKETS BOARD
LIST OF STAFF POSITIONS

CLASS	JOB POSITION	DEGREE	NO.
General Administrative Services (GAS)	Vice Chairman of Board	1	5
GAS	Advisor to Chairman of Board	1	15
GAS	Department Head	1	12
GAS	Foreign Representative of Board	1	5
GAS	Provincial Representative of Board	1	3
GAS	Deputy Department Head	1	16
GAS	Senior Specialist	1	70
GAS	Senior Specialist	2	50
GAS	Senior Specialist on Informatics	1	2
GAS	Senior Specialist on Informatics	2	2
GAS	Specialist	3	45
GAS	Specialist	4	35
GAS	Specialist	5	90
GAS	Specialist on Informatics	3	3
GAS	Specialist on Informatics	4	5
GAS	Specialist on Informatics	5	10
GAS	Deputy Specialist	8	90
GAS	Deputy Specialist on Informatics	8	10
GAS	Executive Assistant to Presidency	1	1
GAS	Manager	1	15
GAS	Manager	2	2
GAS	Manager	3	4
GAS	Vice Manager	2	21
GAS	Vice Manager	3	2
GAS	Application Programmer	3	4
GAS	Application Programmer	6	3
GAS	Civil Defense Specialist	3	1
GAS	Press Advisor	3	1
GAS	Computer Operator	3	1
GAS	Computer Operator	7	3
GAS	Public Relations Specialist	3	7

GAS	Public Relations Specialist	5	4
GAS	Public Relations Specialist	6	6
GAS	Protection and Security Supervisor	3	1
GAS	Protection and Security Group Head	3	2
GAS	Protection and Security Officer	3	2
GAS	Protection and Security Officer	5	1
GAS	Protection and Security Officer	6	1
GAS	Protection and Security Officer	8	2
GAS	Protection and Security Officer	9	3
GAS	Accountant for Equipment and Office Supply	3	1
GAS	Chief	3	24
GAS	Chief	4	4
GAS	Chief	5	5
GAS	Assistant Chief	3	19
GAS	Assistant Chief	4	1
GAS	Assistant Chief	5	4
GAS	Assistant Chief	6	3
GAS	Assistant Chief	7	1
GAS	Assistant Chief	8	9
GAS	Assistant Chief	9	1
GAS	Data Preparation and Control Operator	3	17
GAS	Data Preparation and Control Operator	5	10
GAS	Data Preparation and Control Operator	9	5
GAS	Translator	5	2
GAS	Officer	3	6
GAS	Officer	5	17
GAS	Officer	6	10
GAS	Officer	7	5
GAS	Officer	8	4
GAS	Officer	9	4
GAS	Driver	3	3
GAS	Driver	5	2
GAS	Driver	6	4
GAS	Driver	8	1
GAS	Driver	9	5
LAW SERVICES	Senior Specialist Lawyer	1	10

(LS)			
LS	Senior Specialist Lawyer	2	13
LS	Specialist Lawyer	3	20
LS	Specialist Lawyer	4	15
LS	Specialist Lawyer	5	20
LS	Deputy Specialist Lawyer	8	25
LS	Lawyer	3	1
TECHNICAL SERVICES (TS)	System Analyst	1	5
TS	System Analyst	2	6
TS	System Analyst	3	6
TS	System Analyst	4	5
TS	System Analyst	5	6
TS	System Analyst	6	9
TS	System Analyst	7	1
TS	System Analyst	8	3
TS	System Programmer	1	1
TS	System Programmer	3	1
TS	System Programmer	5	1
TS	System Programmer	6	3
TS	System Programmer	7	2
TS	Statistician	2	1
TS	Statistician	3	1
TS	Statistician	6	2
TS	Engineer	3	3
TS	Engineer	5	2
TS	Engineer	6	4
TS	Technician	3	2
TS	Technician	5	3
TS	Mechanist	3	2
TS	Mechanist	5	1
TS	Mechanist	7	1
TS	Mechanist	8	2
TS	Mechanist	9	9
TS	Librarian	3	1
TS	Librarian	5	1
TS	Archivist	3	1

TS	Archivist	5	1
HEALTH SERVICES (HS)	Medical Doctor	2	1
HS	Medical Doctor	5	1
HS	Paramedic	3	1
AUXILIARY SERVICES (AS)	Cook	8	1
AS	Servant	7	2
AS	Servant	8	1
AS	Servant	9	1
	TOTAL		**920**

LIST (2)

LIST OF REAL PROPERTIES

TO BE TRANSFERRED TO THE BOARD

PROVINCE	COUNTY	NEIGHBORHOOD	PLOT NO.	ISLAND NO.	PARCEL NO.
Ankara	Çankaya/2	Karakusunlar	-	13911	4

LIST (3)
LIST OF REAL PROPERTIES
TO BE TRANSFERRED TO THE TREASURY

PROVINCE	COUNTY	NEIGHBORHOOD	PLOT NO.	ISLAND NO.	PARCEL NO.
Istanbul	Sarıyer	İstinye	F22D11C3B	1352	7
Istanbul	Sarıyer	İstinye	51	360	3
Istanbul	Sarıyer	İstinye	51	360	64
Istanbul	Sarıyer	İstinye	50	380	38
Istanbul	Sarıyer	İstinye	50	380	17
Istanbul	Sarıyer	İstinye	50	380	18

LIST (4)

LIST OF REAL PROPERTIES TO BE TRANSFERRED TO THE TREASURY AND TO BE ALLOTTED TO USE OF BORSA İSTANBUL CO., INC.

PROVINCE	COUNTY	NEIGHBORHOOD	PLOT NO.	ISLAND NO.	PARCEL NO.
Istanbul	Sarıyer	Mirgün	48	154	119
Istanbul	Sarıyer	Mirgün	48	154	120

LIST (5)

CLASS	JOB POSITION	DEGREE	NUMBER
GAS	Board Presidency Advisor	1	7
		TOTAL	**7**

List of amendments in Law:

1- In the Official Gazette dated 2/8/2013 and numbered 28726, the Law (numbered 6495) on Amending Certain Laws and Decree-Laws was published.

2- In the Official Gazette dated 23/11/2013 and numbered 28830, the decision of the Constitutional Court dated 14.11.2013, under File No. 2013/24, Decision No: 2013/43 (Stay of Execution), on staying execution of the expression "such as/like" in subparagraph (b) of the 1st paragraph of Article 110 of the Law was published.

3- In the Official Gazette dated 27/2/2014 and numbered 28926, the Law (numbered 6525) on Amending Certain Laws and Decree-Laws was published.

4- In the Official Gazette dated 22/7/2014 and numbered 29068, the decision of the Constitutional Court dated 14.11.2013 under File No. 2013/24, Decision No.2013/133 was published, and thereafter, the decision became effective.

5 In the Official Gazette dated 7/4/2015 and numbered 29319, the Law (numbered 6637) on Amending Certain Laws and Decree-Laws was published.

6 The decision of the Constitutional Court dated 22.10.2015, under File No. 2015/20, Decision No. 2015/95 concerning cancellation of the expression "*and participation certificates may not be retrieved*" given place in the third sentence of the 4th paragraph of Article 13, as well as the fourth, the fifth and the sixth sentences of the same paragraph, was published in the Official Gazette dated 12.11.2015 and numbered 29530, and entered into force.

7- The Law on Amending the Law on Granting Pensions to Destitute, Weak and Helpless Turkish Citizens Who Are 65 Years of Age and Older, and Amending Certain Laws and Decree-Laws dated 14.4.2016 and numbered 6704, which amends the 1st, 2nd and 3rd paragraphs of Article 78, and inserts the 9th and 10th paragraphs to the same article, and inserts Temporary 10, was published in the Official Gazette dated 26.4.2016 and numbered 29695.

8- The "Decree-Law on Making Certain Arrangements within the Scope of State of Emergency" numbered 684/KHK, which inserts 3rd paragraph to Article 92, and amends the 2nd paragraph of Article 94, was published in the Official Gazette dated 23.1.2017 and numbered 29957.

9- The "Decree-Law on Making Certain Arrangement within the Scope of State of Emergency" numbered 690/KHK, which inserts Article 61/A, and 4th paragraph of Article 99, was published in the Official Gazette dated 29.4.2017 and numbered 30052.

10- The "Law Amending Certain Tax Codes and Certain Other Codes" numbered 7061, which amends of Article 3, 4, 16 and 99 and inserts Article 35/A, was published in the Official Gazette dated 5.12.2017 and numbered 30261.

11- The "Law on Adopting the Decree-Law on Making Certain Arrangement within the Scope of State of Emergency with Amendment" numbered 7074 which adopts the amendments of Article 92 and 94, was published in the Official Gazette dated 1.2.2018 and numbered 30354.

12- The "Law on Adopting the Decree-Law on Making Certain Arrangement within the Scope of State of Emergency with Amendment" numbered 7077 which adopts the amendments of Article 61/A and 99, was published in the Official Gazette dated 8.3.2018 and numbered 30354.

13- The "Decree-Law on Making Amendements on Certain Laws and Decree-Laws for Compliance with the Amendments in the Constitution" numbered 703 which amends of Article 3, 65, 75, 84, 119, 120,

126, 129, 130, 137, 138 and Temporary Article 3, was published in the Official Gazette dated 9.7.2018 and numbered 30473.

14- The "Law Amending Banking Law and Certain Laws" numbered 7222 which amends Article 23, 24, 26, 35/A, 38, 52, 58, 91, 103, 106 and 107 and adds Article 31/A, 31/B and 61/B was published in the Official Gazette dated 25.2.2020 and numbered 31050.

15- The "Law Amending Certain Laws and Decree-Laws" numbered 7247 which amends Article 42 was published in the Official Gazette dated 26.6.2020 and numbered 31167.

16- The "Law Amending the Law on Financial Leasing, Factoring and Financing Companies and Certain Other Laws" numbered 7292 which amends Article 57 was published in the Official Gazette dated 7.3.2021 and numbered 31416.

17- The "Law Amending the Law on Collection Procedure of Public Receivables and Certain Other Laws" numbered 7316 which amends Article 83 was published in the Official Gazette dated 22.4.2021 and numbered 31462.

18- The "Law Amending the Capital Markets Law" numbered 7518 which amends Article 3, 13, 46, 74, 99, 101, 103, 130 and inserts Article 35/B, 35/C, 99/A, 99/B, 109/A, 110/A, 110/B, 115/A, and Temporary Article 11 was published in the Official Gazette dated 2.7.2024 and numbered 32590.

* : Revalued Amount/Value for the period 1/1/2024-31/12/2024 with the Announcement Made Pursuant to the Decision of the Capital Markets Board Decision Body dated 28/12/2023 and numbered 81/1811