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COMMUNIQUÉ ON PORTFOLIO MANAGEMENT COMPANIES AND ACTIVITIES OF SUCH COMPANIES (III-55.1)

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FIRST PART
Purpose, Scope, Basis, Definitions and Abbreviations

Purpose and Scope

ARTICLE 1 – (1) The purpose of this Communiqué is to regulate principles as to portfolio management companies and activities and operations of such companies within the frame of provisions of article 55 of the Capital Market Law numbered 6362 dated 6/12/2012.

Basis:

ARTICLE 2 – (1) This Communiqué is published on the basis of sub-paragraph (ç) of first paragraph of Article 35 and articles 39 and 55 of the Capital Market Law numbered 6362.

Definitions and Abbreviations:

ARTICLE 3 – (1) For the purposes of this Communiqué the following definitions shall apply:

a) **"The Association"**: Capital Markets Association of Turkey,

b) **"Exchange"**: Systems, marketplaces and foreign exchanges defined in sub-paragraph (ç) of the first paragraph of article 3 of the Capital Markets Law numbered 6362,

c) **"Fund":** An investment fund,

ç) **"Specialised Personnel"**: research specialist, fund manager, internal control employee, inspector, portfolio manager, risk management unit personnel and investment advisor,

d) **"Law"**: Law numbered 6362,

e) **"PDP"**: Public Disclosure Platform,

f) **"Fund Units":** A dematerialized capital market instrument which demonstrates the participation of the investor in the fund and which carries the rights of the investor,

g) **"Collective Investment Scheme":** Investment funds and investment companies established under the Law,

ğ) **"Board"**: Capital Markets Board,

h) **"CRA"**: Central Registry Agency Incorporation,

ı) **"Inspector"**: Personnel in charge of supervision and audit of conduct of activities of central and decentralized organizations of the portfolio management company in accordance with the capital market legislation and other relevant laws and regulations and within the frame of provisions of articles of association and written procedures pertaining to internal control and risk management system,

i) **"Customer"**: Collective investment schemes receiving services from a portfolio management company within the frame of a portfolio management agreement to be signed,

j) **"Partner of Significant Influence"**: Ownership of shares representing 5% or more of capital shares or voting rights in the company, or of privileged shares which give the right to elect or nominate a number of directors corresponding to absolute majority of the number of members of the board of directors in the general assembly of shareholders, even if they are below this threshold,

k) **"Portfolio"**: Total of money market and capital market instruments, precious metals and all other assets and transactions deemed appropriate by the Board,

l) **"Portfolio Custodian"**: A firm providing portfolio custody services according to article 56 of the Law,

m) **"Portfolio Management"**: Individual and collective portfolio management activities,

n) **"SPL"**: Capital Markets Licensing Registry and Training Institution Incorporation,

o) **"Company"**: A portfolio management company,

ö) **"Takasbank"**: İstanbul Settlement and Custody Incorporation,

p) **"Other Organized Marketplaces"**: Alternative operating systems, multilateral trading platforms and other organized markets, other than exchanges, which bring together the buyers and sellers of capital market instruments, intermediate their trading, and establish and operate systems and platforms for them,

r) **"TCC":** Turkish Commercial Code numbered 6102 dated 13/01/2011,

s) **"TTRG":** Turkish Trade Registry Gazette,

ş) **"Investment Firms"**: Intermediary institutions and other capital market institutions which are established to provide investment services and activities the establishment and operating principles of which are determined by the Board and banks.

t) **"Subcontracted Portfolio Management"**: the activity of managing a certain part or all of the portfolio under the management of the Company or an authorised organisation abroad, by institutions authorized abroad or by companies authorized by the Board to carry out portfolio management activities., under an agreement to be signed, , without directly executing agreements with the customers of the organisation or Company to which services are provided

u) **"Full time"**: Not to be engaged in another job professionally and to be in a position that will provide continuity in the working environment in order to ensure institutionalism.

SECOND PART
Foundation Principles of Portfolio Management Companies Portfolio

Management Company

ARTICLE 4 – (1) Portfolio management company is a capital market institution founded in the form of a joint-stock company the main field of activity of which is to establish and manage funds. Management of portfolios of investment companies, and pension funds established according to the Individual Pension Saving and Investment System Law numbered 4632 dated 28/03/2001, and foreign collective investment schemes established abroad which are their equivalents is also assessed as part of the main field of activity of the Company.

(2) The Company may also be set up in order to provide services limited to the activities set out in Article 9.

(3) The Company may engage in portfolio management and investment advisory services under the condition of receiving a license from the Board. A license may grant authorization for one or more investment services and activities.

(4) Without being dependent on a license, and with a prior notice to the Board, and within the frame of principles determined by the Board:

a) the Company may provide ancillary services described in sub-paragraph (c) of the first paragraph of article 38 of the Law,

b) the Company holding the capital indicated in sub-paragraph (c) of the first paragraph of article 28 of this Communiqué may further offer ancillary services described in sub- paragraph (a) of the first paragraph of Article 38 of the Law,

c) the Company holding the capital indicated in sub-paragraph (ç) of the first paragraph of article 28 of this Communiqué may offer ancillary services described in sub-paragraphs (a) and (e) of the first paragraph of article 38 of the Law.

(5) The companies are obligated to notify to the Board, at the time of their filing application for operating permit, the ancillary services which they plan to offer. If the company wishes to offer other ancillary services after obtaining the operating permit, it must send a further notification to the Board for such services. Unless the Board issues dissenting opinion within 20 business days following such notification sent to the Board, the ancillary services which were set out in the notification shall be performed in compliance with the regulations of the Board concerning investment services and activities. The periods that will elapse for completing the missing information and documents as may be required by the Board shall not be taken into consideration in calculation of such period of time.

(6) The board of directors is authorized to represent and bind the funds founded by the Company. The board of directors may delegate this power to one or more managing directors or to one or more third persons appointed as managers. However, transactions relating to foundation, issue of fund units, transformation, liquidation, or increase of management fee, of the funds founded by the Company, and other transactions which may affect the investment decisions of the fund unit holders must be based upon a decision of the board of directors.

Foundation Conditions of Portfolio Management Company

ARTICLE 5 – (1) In order for the foundation permit applications to be eligible for evaluation by the Board, it is obligatory that;

a) The Company be founded in the form of a joint-stock company subject to authorized capital system pursuant to provisions of TCC,

b) All shares of the Company be registered shares,

c) Shares of the Company be issued for cash,

ç) The initial capital of the Company be at least 30.000.000 TL,

d) The articles of association of the Company be in conformity with the provisions of the Law and the Board regulations,

e) The founding partners;

1) must not be bankrupt, or must not have declared composition with creditors, or there must be no decisions for postponement of bankruptcy rendered against them,

2) must not be from amongst persons having liability for the sanction requiring cancellation of operating permit in institutions whose one of operating permits was cancelled by the Board,

3) must not have a finalised conviction due to the crimes set out in the Law,

4) no liquidation decisions must have been rendered against them or the entities in which they have a shareholding, according to the Decree-Law dated 14/1/1982 numbered 35 on the Transactions of Bankers in Payment Difficulty, and its annexes,

5) must not, even if the durations indicated in article 53 of the Turkish Criminal Code dated 26/9/2004 and numbered 5237 have elapsed, have been sentenced to imprisonment for five years or more due to crimes intentionally committed, or must not have been convicted for crimes committed against the security of the state, crimes committed against the constitutional order and the functioning of such order, the crimes of embezzlement, corruption, bribery, theft, fraud, forgery, abuse of confidence, fraudulent bankruptcy, rigging an auction, rigging performance of an obligation, hindrance or destruction of an information system, deletion or alteration of data, abuse of bank or credit cards, laundering proceeds of crime, smuggling, tax evasion or unjust enrichment,

6) must not have been convicted due to crimes covered by the Law on Prevention of Financing of Terrorism dated 7/2/2013 and numbered 6415,

7) must not have been banned from making transactions,

8) must not have outstanding tax payables,

9) must have the required honesty and reputation required by the job,

10) must have the required financial strength,

f) the shareholding structure must be transparent and clear,

g) partners of significant influence must carry the conditions set out in items (1) to (9) of subparagraph (e) of the 1st paragraph.

(2) The conditions set out in item (1) of sub-paragraph (e) of the 1st paragraph shall not be taken into consideration in implementation of this paragraph if ten years have elapsed as of the date of the decision for removal, closing of bankruptcy or approval of the proposal for composition with creditors, and the conditions set out in item (2) thereof, shall not be taken into consideration in implementation of this paragraph if ten years have elapsed after the date of finalization of such decision.

(3) If the company partners are residing abroad, the equivalents of the documents set out in this article shall be sought. If the partner of significant influence is residing abroad, the principles on evaluation of the conditions set out

in subparagraph (g) of the 1st paragraph shall be designated by the Board.

(4) If the founder partner or partner of significant influence is a bank, it will be sufficient to send to the Board the information and documents evidencing that the bank meets the criterion set out in item (8) of subparagraph (e) of the 1st paragraph and for the Board to obtain the affirmative opinion of the Banking Regulatory and Supervisory Authority. In case of having the status of partner of significant influence in the Company through direct or indirect shareholding in the Bank, the conditions set out in subparagraph (e) of the 1st paragraph shall not be sought for such persons.

Use of Trade Name and Company Name

ARTICLE 6 – (1) The Company is under obligation to include "portfolio management" in its trade name. If the Company is founded exclusively to establish and manage venture capital investment funds or real estate investment funds, it is obligatory that its trade name contains "venture capital portfolio management company" or "real estate portfolio management company". If the Company would like to use a company name, it is required to obtain permission from the Board and to have this company name registered and announced as well.

(2) In all kinds of announcements and advertisements to be published in press and media and in all kinds of correspondences of the Company, it is obligatory to use the trade name together with the company name.

Foundation Procedures

ARTICLE 7 – (1) Founders apply to the Board for a foundation permit by submitting:

a) Foundation application form and draft articles of association prepared in accordance with the standards determined by the Board,

b) Notary-certified declaration prepared in accordance with the formats given in annexes (1) and (2) of this Communiqué,

c) Notary-certified copies of decisions taken by authorized organs of founding legal entities, related to participation in the Company as a partner;

ç) documents evidencing that the founders fulfil the conditions set out in subparagraph (e) of the 1st paragraph of Article 5, and partners of significant influence fulfil the conditions set out in items (1) to (9) of subparagraph (e) of the 1st paragraph of Article 5,

d) Other information and documents that may be requested by the Board.

(2) If financial statements of legal entity founding partners, audited by an independent auditor are submitted to the Board, such partners shall not be obliged to prepare the declaration as specified in sub-paragraph (b) of the first paragraph of this article.

(3)

(4) The provisions of this article shall be applied by analogy about the information and documents to be submitted by persons resident abroad. The Board may request that the documents to be submitted should be translated by a sworn translator.

(5) In foundation applications, the Board may seek the condition that a special independent audit is conducted for legal entity partners of the Company. This condition may further be sought for in applications for operating license and for changes in ownership structure.

(6) Foundation applications shall be finalized by the Board within six months following full submission of all required documents to the Board, and the state of affairs shall be notified to the relevant persons. If the application is found acceptable as a result of evaluation by the Board, the Company shall apply to the Ministry of Customs and Trade for completion of foundation procedures.

THIRD PART
Operating Conditions of Portfolio Management Companies

Operating Conditions and Permission for Activity

ARTICLE 8 – (1) In order to be entitled to start its portfolio management activities, the Company is under the obligation to apply to the Board for the required operating permit and certificate of authorisation within no later than three months following the date of receipt of the foundation permit granted by the Board. Otherwise, the foundation permit that was granted shall be cancelled. In case of presence of reasonable grounds as will be found appropriate by the Board, the three-month period set out in this paragraph may be extended on one-time basis for a further three months.

(2) In order for the permission for activity applications to be evaluated by the Board, the Company;

a) Must have not lost the foundation conditions,

b) Must have fulfilled the obligations related to capital adequacy, as specified in article28 of this Communiqué,

c) Must have blocked the collaterals envisaged under the legislation, if any, with Takasbank in the name of the Board;

ç) Must have signed a contract with a portfolio custodian for receipt of portfolio custody services;

d) Must have all its managers and personnel to satisfy the conditions specified in article 20 of this Communiqué;

e) For its portfolio management activities, must have employed an adequate number of portfolio managers as per Article 20 paragraph 6 of this Communiqué, satisfying the conditions specified in the relevant regulations of the Board, depending on the collective investment scheme the portfolio of which will be managed,

f) Must have established a research unit in its organization which is composed of a sufficient number of research experts for its research activities;

g) Must have established an adequate organization for regular work flow and communication and accounting, recording, information and documentation systems, and must have recruited a personnel solely in charge of these functions, and must have procured all of the required technical equipment including data processing infrastructure;

ğ) Must have appointed its general manager,

h) Must have established an organization structure in accordance with the principles stated in articles 10, 11, 12, 13, 14 and 19 of this Communiqué, and must have organized its internal control and risk management system and inspection unit and fund service unit, and must have determined the job definitions, powers, duties and responsibilities of its personnel accordingly.

(3) Job definitions and work flow procedures containing the powers, duties and responsibilities of all levels of specialized personnel of the Company will be documented in writing, and resolved by the Company's board of directors, and delivered to the relevant personnel against a signed acknowledgement of receipt. These job definitions must further contain obligations of all personnel to perform their duties and functions in strict compliance with written procedures to ensure effective internal control, as well as procedures for reporting, to the senior management, events such as practices in contradiction with professional rules and principles, illegal activities or activities contrary to corporate policies. Changes in duties, powers and responsibilities and in work flow procedures

will also be notified to the personnel against a signed acknowledgement of receipt.

(4) The portfolio of funds established by the Company may either be managed by the Company itself, or this service may be received from another portfolio management company through an agreement to be signed. Principles relating to the portfolio management services to be received shall be determined within the frame of an agreement containing the minimum elements listed in annex (3) of this Communiqué. A copy of the agreement is required to be sent to the Board within six business days following the date of signature. If the party entering into agreement with the Company is operating in a foreign country, a document evidencing that said party has already been authorized to deal with portfolio management activities by the relevant authority of that country, and a copy of the said agreement, are required to be sent to the Board no later than 15 days prior to the effective date of the agreement. Even if the portfolio management services for a fund established by the Company are outsourced, the Company shall remain liable for management of the fund.

(5) Managers of portfolio custodians or investment companies acting as an intermediary in trading of assets for the fund portfolio, and persons authorized to represent and bind them, cannot be a partner, manager or representative of the Company. Partners, managers of the Company and the persons authorized to represent and bind such companies cannot act as manager or representative in the portfolio custodian. The other arrangements of the Board on the subject are reserved. In the implementation of this provision, managers and persons authorized to represent and bind are; chairman and members of board of directors, general manager, deputy general managers, and persons in charge of management of units related with capital markets, as well as superiors to whom they report.

(6) In addition to the provisions of this Communiqué, for a Company which will establish and manage a real estate investment fund or a venture capital investment fund, the provisions of the venture capital investment fund and real estate investment fund regulations of the Board pertaining to managers, personnel and organization structure are reserved.

(7) Before delivery of the license, it is obligatory that the charges pursuant to the Charges Law dated 2/7/1964 and numbered 492 are deposited, and the receipt of this payment is submitted to the Board. The foundation permit shall be cancelled if a receipt evidencing payment of the charges is not submitted to the Board within a maximum period of one month following the date of notice of the Board.

(8) After receipt of a foundation permit, the Company must satisfy the operating conditions throughout its activities. If any one of these conditions is lost, it is obligatory that the Board is notified within three business days.

(9) In case the Company's customers have previously signed a contract with a portfolio custodian authorised by the Board or in case the Company's customers, the persons with whom the Company signed a fund distribution and marketing contract or the persons to whom the Company provides individual portfolio management services are residents abroad or citizens of foreign countries and have signed a contract with a custodian authorised within the framework of the legislation of the relevant country, the Company will not be obligated to again sign a contract with a portfolio custodian with the condition that the information and documents evidencing the above fact as well as a declaration by such persons representing that such persons have undertaken the risks that will arise as a result of their not having signed a contract with a portfolio custodian authorised by the Board, are submitted to the Company.

Principles on Portfolio Management Companies with Limited Activities

ARTICLE 9 – (1) The Company may be founded with an aim to;

a) to set up and manage foreign collective investment firms whose shares will be exclusively marketed to persons who are resident abroad, and to provide portfolio management services to persons who are resident abroad,

b) to exclusively set up and manage venture capital investment funds,

c) to exclusively set up and manage real estate investment funds,

ç) to set up and manage real estate and venture capital investment funds**.**

(2) Without prejudice to the other provisions of this Communiqué which are not contrary to the provisions of this article, the following principles shall be applied with respect to the companies falling within the scope of the 1st paragraph:

a) Provisions of subparagraph (e) of the 2nd paragraph of Article 8, subparagraphs (a), (b) and (c) of the 3rd paragraph of Article 20, and the 5th paragraph of Article 28 shall not be applied in respect of the Company. The initial capital amount set out in subparagraph (ç) of the 1st paragraph of Article 5 and the minimum equity capital and capital amounts set out in the 1st, 2nd and 4th paragraphs of Article 28 shall be applied as half of those amounts.

b) The statements that will be prepared in relation to capital adequacy and the information regarding number and size of portfolios managed within the scope of subcontracted portfolio management shall be sent, at monthly intervals, to the Board through methods to be found appropriate by the Board within five business days following the relevant period. If it deems necessary, the Board may change the times for calculation of those statements and the time for their being sent to the Board.

c) The Company, within the framework of the principles set down in article 19 of this Communiqué, may receive information systems services from investment firms and other specialized institutions, research services from investment firms or from the companies that have established the said service unit within their own structure, and, provided that the control and follow-up is carried out by the board of directors, risk management system and and fund service unit service from investment firms, other specialized institutions or companies that have established the said service units within their own structure According to the managed portfolio size, the Company, which falls within the scope of subparagraphs (a) and (b) of the first paragraph of Article 28, may also receive internal control and inspection services from investment firms or from companies that have established the said service units within its own body. Companies with limited activities may only serve the founding company for venture capital investment funds and/or real estate investment funds of which they are the manager, and limited to their fund service unit duties, if they have been established within their own structure.

ç) The duties and responsibilities of the internal control employee may also be fulfilled by the inspector with the condition that he meets the condition of experience.

d) A full-time accounting officer is employed within the Company to fulfill the duties specified in subparagraph (g) of the second paragraph of Article 8 of this Communiqué.

(3) The personnel in charge of accounting of the real estate portfolio management company may fulfil the duties set out in the 1st paragraph of Article 14 without the need to set up a fund service unit. The Company may not perform individual portfolio management activities and investment counselling activities, and in relation to participation shares of investment funds, which it is not the founder or manager of, may not perform marketing and distribution activities, and may not provide the ancillary services set out in this Communiqué. At least one member of the board of directors, must have an experience of at least five years in the field of real estate investments, other than real estate purchase and sale, general manager must hold Capital Market Activities Level 3 License or at least five years' experience in the field of real estate investments other than purchase and sale of real estate. The Company must constitute within the structure of the organisation an investment committee of at least three persons, comprised of an appraisal expert holding real estate appraisal licence pursuant to the regulations of the Board concerning licencing, and a board member specified in this paragraph and a general manager. At least one portfolio manager will be employed for management of the part of the portfolio concerning money and capital market instruments or investment counselling and/or portfolio management services will be procured from other Companies, within the framework of an agreement to be signed. This requirement shall not be sought in case investment is made in money and capital market instruments only for the purpose of providing liquidity for the fund.

(4) The personnel in charge of accounting of the venture capital portfolio management company may fulfil the

duties set out in the 1st paragraph of Article 14 without the need for setting up a fund service unit. The company may not perform individual portfolio management activities and investment counselling activities; and in relation to investment funds, which it is not the founder or manager of, may not perform marketing and distribution activities and may not perform the ancillary services set out in this Communiqué. At least one member of the board of directors, must have an experience of at least five years in the field of venture capital investments, general manager must hold Capital Market Activities Level 3 License or at least five years' experience in the field of venture capital investments. In addition, it is obligatory to set up an investment committee of at least three persons, comprised of one person who holds degree of at least 4 years higher education and having at least five years' experience in the field of venture capital investments, the board member specified in this paragraph and a general manager. The general manager may assume executive duties in companies that are included in the portfolios of the venture capital investment funds, which the company is the founder and/or manager of, with the condition that such duties will be limited to the objective to perform the activities set out in the regulations of the Board concerning venture capital. Within the structure of the Company, at least one portfolio manager will be employed and/or investment counselling and/or portfolio management services will be procured from other Companies within the scope of an agreement to be signed, for the purpose of management of the part of the portfolio relating to money and capital market instruments. This requirement shall not be sought in case investment is made in money and capital market instruments only for the purpose of providing liquidity for the fund.

(5) It is obligatory for the real estate and venture capital portfolio management company to meet the conditions relating to personnel and organisational structure as set out in the 3rd and 4th paragraphs and the other conditions, all together, and the other provisions set out in those paragraphs shall be implemented for such company. The Company's general manager must hold the Capital Market Activities Level 3 Licence or must have at least five years' experience in any of the fields of real estate investments, other than real estate purchase and sale business, and venture capital investments.

(6) The company that has been founded with an aim to set up and manage foreign collective investment organisations whose shares will be exclusively marketed to persons residing abroad, may provide investment counselling, portfolio management and the ancillary services under this Communique to persons who are residents abroad, and may perform marketing and distribution activities in relation to the participation shares of funds, which it is not the founder and manager of. If, for the foreign collective investment organisation, which the Company is the founder and/or manager of, a similar organisation is constituted in order to perform the duties and responsibilities of the fund service unit in the country in which it is founded and if the information and documents evidencing the same are sent to the Board, the condition to set up a fund service unit within the framework of Article 14 shall not be sought, only with respect to such customers. It is compulsory that at least one of the board members and the general manager of such company have at least five years' experience in the field of financial markets. It is compulsory to employ at least one portfolio manager within the organisational structure of the company for the purpose of management of the part of the portfolio relating to money and capital market instruments.

Prevention of Conflict of Interests

ARTICLE 10 – (1) In the course of its activities, the Company is required to behave fairly and honestly by considering the integrity of market and the interests of recipients of its services.

(2) For the sake of prevention of conflicts of interests, the Company:

a) Must establish organizational structure and decision making processes and must take the required measures which minimize the probable conflicts of interests,

b) Must identify and define the probable conflicts of interests among its own personnel, or between its personnel and the recipients of its services, or among the recipients of its services, and must formulate a written conflict of interests policy containing the measures that may be taken for prevention of conflicts of interests and the procedures to be followed if a conflict of interests cannot be prevented, and must have this policy formalized by a decision of its board of directors,

c) Must fairly treat the recipients of its services in a manner not substantially different from the current prices,

rates and practices in the market, and must inform the recipients of its services in the case of an inevitable conflict of interests,

ç) Must create transparent and effective procedures for recording and evaluation of complaints of the recipients of its services.

(3) In formulating its conflicts of interests policy, the Company takes into consideration size of the Company, size of managed portfolios, its organization structure and its activities. If the Company is a member of a group of companies, the conflicts of interests policy is formulated by considering the organization structure of the group of companies, and activities of other institutions included in the group.

(4) The principles of this Communiqué pertaining to conflict of interests cannot be used so as to result in unlawful acts and transactions.

Internal Control System

ARTICLE 11 – (1) It is obligatory that internal control system is established by covering the organization plan applied and all principles and procedures of the Company, in order to ensure that all operations and activities of the Company including its decentralized organization units are carried out regularly, efficiently and effectively in accordance with its management strategies and policies, and within the frame of the applicable legislation and rules, and that its accounting and recording systems are held integrally and reliably, and that information in its data system can be obtained and collected timely and accurately, and that probable mistakes, frauds and breaches are detected and prevented, and that;

a) All activities relating to the managed portfolios are carried out in accordance with the legal requirements, fund rules, prospectus, investor information form and portfolio management agreement,

b) Transactions in the name of the managed portfolios are realized in reliance upon general and special authorities, and in accordance with the relevant agreements, and the documents required for such transactions are issued,

c) Accounting, documentation and recording systems of the managed portfolios are operated effectively,

ç) Risks are identified and necessary measures are taken in order to minimize the risks arising out of irregularities and errors,

d) It is determined whether the transactions executed by the Company personnel in their own names may lead to conflict of interests with the managed portfolios or not,

e) It is determined whether the expenditures made from the managed portfolios are based upon documents and are in conformity with the current market rates or not,

f) The compliance of valuation related to managed portfolios determination of fund unit value of managed funds and rates of limitations on managed portfolio with the legislation, fund rules, prospectus and the agreement is checked,

g) The principles to be followed in the operations and transactions with the related parties are determined.

(2) All policies and procedures relating to internal control system required to be formed in the Company must be written and must be put into force by a decision of the board of directors. It is necessary that the same procedures and principles are also applied to changes in these policies and procedures.

(3) Internal control activities of the Company are regulated and conducted as an integral part of daily activities so as to allow the monitoring of the identified risks as well. To ensure an effective internal control, the obligation of the personnel to perform their duties in accordance with written procedures and for providing that they report to top

management events such as applications in contradiction with professional principles illegal activities, activities contrary to corporate policies, the duties and powers of all personnel are defined in writing and notified to the relevant personnel. Procedures are formed in such manner to ensure effective participation of all levels of personnel to internal control system. The reports to be prepared with respect to internal control activities are required to be presented to the Company's board of directors on a monthly basis.

(4) The Company's board of directors appoints one of its members who is not responsible for executive units as the "Member of Board of Directors in Charge of Internal Control". The member of board of directors in charge of internal control shall be responsible:

a) to take actions for operation of internal control system in accordance with the regulations, professional rules and written procedures, and for determination and management of the probable risks, and to inform the board of directors accordingly,

b) to identify the acceptable risk levels within the frame of the Board regulations and the Company policies, and to prepare internal control policies and procedures and present them to the approval of the board of directors,

c) for appropriateness of internal control targets, traceability of control results, and independency, objectivity and reliability of internal control activities.

(5) At least one internal control officer is employed for performance of activities within the internal control system. Internal control officer is required to have a minimum three years of experience in the fields of capital markets, accounting, tax, foreign exchange, information systems audit, business enterprise analysis, organization and supervision or law, and a license evidencing his professional competences pursuant to the regulations of the Board pertaining to licensing. Internal control officer cannot assume any duty, function or responsibility other than internal control.

(6) Depending on size of the managed portfolio, in a Company covered by sub-paragraph (a) or (b) of first paragraph of article 28 of this Communiqué the duties, functions and responsibilities of the internal control officer may also be performed by an inspector, provided that he satisfies the experience condition.

Risk Management System

ARTICLE 12 – (1) The Company is required to set up a risk management system for its operations and the portfolios under its management, and to document its related procedures in writing. Written procedures relating to the risk management system must be accepted and implemented by a decision of board of directors of the Company. It is necessary to comply with the same principles and procedures in case of any change in such procedures.

(2) Risk management system must contain formation of a risk measurement mechanism including identification of basic risks to which the managed portfolio may be exposed, and regular review of risk definitions, and updating of risk definitions parallel to the material developments, and consistent assessment, determination, measurement and control of the exposed risks. Risk management system must be formed in accordance with investment strategy of the managed portfolio, and structure and risk level of the invested assets, and must be integral to the internal control system of the Company.

(3) The unit that provides risk management service within the Company's own organisational structure must be independent of the unit which is responsible for management of the portfolio. It is necessary that the personnel of the unit which will perform risk management has sufficient level of information and experience for performing the procedures related with risk control, and hold Capital Market Activities Level 3 Licence and Derivative Instruments Licence, and at least one person in the unit will be exclusively responsible for setting up and implementing the risk management system for the portfolio.

(4) Risk management unit is responsible:

a) to identify the risks that the Company and the portfolios under its management may be exposed to;

b) to determine the risk measurement methods and the risk measurement model to be used in this context together with the manager it is reporting to and present them to the board of directors, and implement the risk measurement model approved by the board of directors, and regularly review the model within the frame of the changing activities and market conditions, and report the demands of change required in the model, if any, to the manager it is reporting to,

c) to monitor on daily basis the compliance with the risk limits determined by the board of directors, and report the limit excesses to the manager it is reporting to in the same day, and if and when deemed necessary, request changes in limits in accordance with the market and corporate conditions,

ç) to monitor on daily basis all risks arising out of all transactions, and submit written reports daily to the manager it is reporting to, and weekly to the board of directors about the probable results of and the measures and actions required to be taken against risks,

d) in the case of determination of any event which may result in extraordinary results for the financial situation of the Company, to submit its relevant report to the board of directors as soon as possible.

(5) Risk management system of companies intending to establish or manage venture capital investment funds and real estate investment funds must not only comply with the provisionsof this article, but also be organized in such manner to cover the principles related to finance risk and liquidity risk of these investments at the minimum.

(6) (REPEALED)

Inspection Unit and Supervision of Internal Control System

ARTICLE 13 – (1) The Company must have an inspection unit independent from daily activities of the Company, and in charge of supervision and inspection functions covering all activities, operations and organization units of the Company, particularly the functioning of internal control system and risk management system, also including audits of compliance with laws and the Company policies, depending on requirements of management and structure of the Company.

(2) The Company is required to employ an adequate number of inspectors working solely and exclusively in inspection unit.

(3) The inspection unit reports directly to and is responsible towards the board of directors. The board of directors may delegate its powers in relation to the inspection unit to the member of the board of directors in charge of internal control. However, if the Company has an audit committee, the board of directors may also delegate its powers related to the inspection unit to the audit committee.

(4) The procedures and principles relating to functioning of inspection process shall be determined by the Company and presented to the approval of the board of directors.

(5) Reports prepared by inspectors as a result of inspection activities conducted separately for each accounting period are submitted to the Company's board of directors within no later than three months following the end of that accounting period, and such reports are finalized by the board of directors. These reports are required to be kept in the Company for a minimum period of five years or any reports being the subject matter of a dispute during this time are required to be kept in the Company until finalization of the dispute.

(6) Upon determination of any event which may weaken the financial situation of or may create extraordinary results for the Company, or upon determination of breaches of legislation which may lead to suspension or termination of activities of the Company, the inspection unit presents its relevant report to the board of directors as soon as possible, and sends a copy of such report to the Board in the same day.

(7) The Company is under obligation to make it convenient for the inspector or inspectors to conduct their inspection activities and have access to all kinds of information and documents.

(8) The fees and other personal rights of the inspectors shall be designated by the board of directors or if transferred based on an internal directive pursuant to Article 367 of the Turkish Commercial Code, by the board member responsible for internal control.

(9) The inspectors are required to be objective and to abide by confidentiality obligations in their activities.

(10) By taking into consideration the activities and operations of the Company, the Board is authorized to impose additional obligations on inspection unit or to grant an exemption from any of the obligations stated above.

(11) depending on size of the managed portfolio, in a Company covered by sub-paragraph (a) or (b) of the first paragraph of article 28 of this Communiqué the duties, functions and responsibilities of the internal control officer may also be performed by the inspector, providing that he satisfies the experience condition.

Fund Service Unit

ARTICLE 14 – (1) Fund service unit performs at minimum duties such as keeping of fund accounting records, cash reconciliations, control of fund unit purchase and sale orders, and preparation of fund reports at the ends-of-day, as well as the trial balance, balance sheet and income statement of the fund.

(2) It is obligatory to make available a fund manager and the required space, technical equipment and accounting system as well as sufficient number of personnel for the fund procedures within the organisation of the fund service unit. Fund manager is at least responsible for organization of fund service unit, and coordination, performance and follow-up of legal and other procedures in connection with the fund. Fund manager cannot be engaged in portfolio management activities. In cases where the fund manager leaves office for any reason, a new fund manager is appointed within six business days and notified to the Board.

Decentralized Organizations of Portfolio Management Company

ARTICLE 15 – (1) The company's decentralized organizations consist of agencies, branches, and liaison offices. The Company may open branches or liaison offices at home or at abroad, and may establish agency relations with banks and intermediary institutions.

(2) The agency service will be limited to promotion of the Company's activities, and only collections and payments relating to portfolio management and/or marketing and distribution activities for fund units, disclosure to the agency service recipients of information and documents received from the Company in the course of investment advisory activities, and ensuring that contracts regarding the activities for which the company is authorized are signed between the customer and the Company. The said contracts may be made electronically in compliance with the principles set forth in the Communiqué on Remote Identification Methods to be Used by Intermediary Institutions and Portfolio Management Companies and the Establishment of Contract Relationship in Electronic Environment (III-42.1) published in the Official Gazette dated 8/2/2022 and numbered 31744. If the Company appoints agent, the following principles shall be applicable:

a) The Company notifies the Association regarding the intermediary institution and bank branches which are providing agency service to the Company.

b) The legal liability arising out of transactions performed through agencies and out of relations established with the recipients of services will be jointly and severally borne by the principal Company and the agent intermediary institution or bank. The rights of recourse of the Company and the agent intermediary institution or bank to each other pursuant to the legislation and agreement are reserved. The Company and the agent intermediary institution and bank cannot incorporate clauses eliminating or diminishing the liabilities arising out of this sub-paragraph into contracts signed between them or with the recipients of

services.

c) The agent is under the obligation:

1) to sign a contract with the recipients of services, which contains the minimum elements stipulated in the relevant communiqués separately for each activity, and the principal Company's trade name, and a phrase stating that it is an agent of the principal Company, provided that the conditions specified in article 107 of TCC are satisfied, and to deliver a copy of this contract to the recipients of services,

2) to comply with the regulations of the Board pertaining to accounting, recording and documentation systems related to transactions made.

ç) If the intermediary institution or bank providing agency services also offers the recipients of services with investment services and activities, a single contract may be signed, provided that the principles specified in subclause (1) of sub-paragraph (c) of the second paragraph are complied with.

(3) Other than the powers granted by this Communiqué, the agent may not enter into transactions or offer services on other issues covered by the fields of business of the Company. However, the activities of the agent intermediary institution or bank based on its licenses in its capacity as bank or intermediary institution are excluded from this provision.

(4) In order to open a branch, the Company:

a) must provide adequate place and technical equipment required for its services,

b) must have established a sound management appropriate for the fields of business and the needs of the branch, and accounting, recording and documentation systems linked to the head office and in conformity with the Board regulations,

c) must have employed a branch manager and an adequate number of specialized personnel satisfying the conditions stated in article 20 of this Communiqué.

(5) Liaison offices are service units responsible for the promotion of the Company and its activities. In order for the company to open a liaison office, the following conditions must be met:

a) Providing the space and technical equipment required by the service

b) A liaison office officer who meets the conditions listed in sub-clauses (1) to (7) of sub-paragraph (e) of paragraph one of Article 5 of this Communiqué, graduated from a school which giving at least 2 years of associate degree education and has a Capital Markets Activities Level 1 License and sufficient number of personnel to be employed as per the requirements of the office,

(6) The Company shall apply to the Board for a decentralized organization opening permission with a notary-certified copy of a decision of its board of directors and with other information and documents that may be requested by the Board.

(7) Also in the case of transfer of a decentralized organization of the Company, the same conditions as specified in this article for decentralized organization opening are sought for, and former decentralized organization is cancelled from the registry, and the new organization is registered and announced in accordance with the principles specified in this Communiqué.

(8) After any decentralized organization of the Company starts its activities, if any transactions or actions of the decentralized organization in contradiction with the legislation are determined as a result of the audits to be conducted by the Board the decentralized organization activities may be halted and/or restrictions may be imposed on decentralized organization opening activities of the Company.

(9) All kinds of civil and criminal liabilities arising out of the transactions and actions of the decentralized organizations shall be borne by the Company.

Prohibited Transactions and Actions of Company

ARTICLE 16 – (1) The Company:

a) may not perform intermediary activities,

b) may not issue documents containing its own financial commitments related to or independent from capital market instruments, may not deal with lending, and may not borrow loans except for meeting its short-term cash requirements. Loans borrowed for the transactions executed as per the delivery versus payment principle defined in the regulations of the Board pertaining to custody of capital market instruments are not considered under this sub-paragraph,

c) other than the transactions and activities of its probable operations within the frame of this Communiqué, may not engage in any commercial, industrial or agricultural activities, and may not acquire real properties more than necessary,

ç) may not collect deposits or may not take actions which may result in collection of deposits as defined in the Banking Law dated 19/10/2005 and numbered.

d) may not hold shares in corporations which hold more than 10% of its capital and in corporations in which the managers hold more than 25% of capital, either individually or collectively."

Emergency and Contingency Plan

ARTICLE 17 – (1) It is obligatory that the Company prepares an Emergency and Contingency Plan and work flow procedures which set down the conditions, methods and procedures regarding its obligations towards its customers, intermediary institutions, market participants and third parties in emergency and contingency situations. The adequacy of these work flow procedures must be reviewed on yearly basis by considering the activities of the Company as well as changes in its organization structure, such as opening or closing of branches, and the necessary changes must be made in these procedures.

(2) Notwithstanding that work flow procedures related to emergency and contingency plans are required to be determined according to size and requirements of the Company, these work flow procedures must at least contain the following items:

a) Withholding financial statements and all kinds of records and negotiable instruments that are required to be kept in accordance with the applicable legislation as printed documents and/or in the electronic environment pursuant to article 82 of TCC,

b) Providing the continuity of data processing systems for the purpose of uninterrupted conduct of activities of the Company, taking backing up systems and keeping these electronic back-ups for a period of five years,

c) Assessment of operational risks including financial and information communication infrastructure,

ç) Providing and maintaining the continuity of alternative channels of communication with the recipients of services,

d) Providing and maintaining the continuity of alternative channels of communication with the Company and its employees,

e) Determining alternative Company center and decentralized organization units,

f) An assessment about probable effects of emergency and contingency situations on the counterparty,

g) Notification of the Board about the measures taken, and method of routine mandatory notifications,

ğ) In cases where the Company decides that the activities cannot be continued, access to the accounts of customers, and transfer of these accounts to another company.

(3) If any one of the items listed above is not included in work flow procedures, the reason of non-inclusion is required to be separately explained in the work flow procedures. The Company is under obligation to inform the recipients of its services about the methodology of business continuity in emergency and contingency situations and about the relevant work flow procedures. This information should be given at the time of signature of a portfolio management agreement and separately via the Company's website.

(4) Data processing systems in emergencies and contingencies refer to the systems which are used to enable the Company to continue its activities normally, and used for transmission and execution of orders of the recipients of services, clearing and custody operations, and for custody and follow-up of accounts of the recipients of services.

(5) Emergency and contingency plan and the associated work flow procedures are required to be approved by the Company's board of directors, and a Company employee at least at the level of a deputy general manager, and another Company employee as an alternative are required to be appointed by the board of directors as persons responsible for implementation of emergency and contingency plan, and names and all kinds of communication data of these persons are required to be reported to the Board, CRA, Istanbul Settlement and Custody Incorporation, and other institutions to be designated by the Board.

Limitation and Cancellation of Permission for Activity, or Temporary Suspension of Activities

ARTICLE 18 – (1) Upon occurrence of any one of the following events, the Board may, depending on the nature and materiality of the event, cancel the Company's permission for activity and/or license, or limit or temporarily suspend its activities:

a) Pursuant to the first paragraph of article 96 of the Law, determination of breaches of the applicable legislation, standards determined by the Board, articles of association, fund rules and prospectus;

b) Pursuant to the first paragraph of article 97 of the Law, determination of weakening of financial situation of the Company and of failure of the Company in performance of its obligations,

c) In cases where it is determined that the Company does not satisfy the conditions listed in this Communiqué pertaining to foundation and operations, or has lost the qualifications, failure of the Company to comply with these conditions within three months following the date of delivery to the Company of a notice of the Board for compliance with legislation;

ç) In cases where the guarantees specified in the relevant regulations are required to be increased or completed after receipt of the permission for activity, if it is determined that the additional or deficient guarantees are not deposited within no later than three months following the date of occurrence of this situation,

d) If the Company explicitly waives from its permission for activity, or fails to start any activities covered by the permission for activity for a period of two years following the date of being granted the permission for activity,

e) If the permission for activity has been obtained by making wrong or misleading statements or through other unlawful ways.

(2) In cases where after receipt of the permission for activity, the Company willingly suspends or halts its activities for a period of longer than one year, the Board may cancel the Company's permission for activity and/or license.

(3) If the same activity of the Company is temporarily suspended twice in a period of two years, the same sanction shall not be applied to the Company for a third time, but the Company's license covering its relevant permission for activity shall be cancelled.

(4) The Company whose activities are decided to be temporarily suspended shall be granted a maximum period of one year starting from the date of decision of the Board. This period may be extended for a maximum period of one year either upon demand of the Company or ex officio by the Board. If the Company does not restart its activities by the end of the period of time granted by the Board, all permissions for activity and licenses of the Company shall be cancelled.

(5) The Company whose license is cancelled upon its own demand or by a decision of the Board, and the Company who fails to file a permission for activity application within the time stated in the first paragraph of article 8 of this Communiqué and/or whose application is found non-acceptable by the Board shall, within maximum three months after notification of the state of affairs, be liable to amend the provisions of its articles of association pertaining to trade name, objectives and fields of activities so as to exclude the collective portfolio management activities, and to submit to the Board a copy of TTRG where the aforementioned amendments are published, within six business days following the date of publishing.

(6) Upon cancellation of the license or permission for activity, the funds founded and managed by the Company, and portfolios of other persons managed by the Company shall be transferred to another company deemed appropriate by the Board.

Principles on Outsourcing of Services

ARTICLE 19– (1) The Company,, within the framework of the principles set out in this article and provided that with the permission of the Board, may get the fund service unit services and services for the risk management system and information system from investment firms and other specialized institutions. The principles set forth in Article 9 of this Communiqué regarding portfolio management companies with limited activities are reserved.

(2) (REPEALED)

(3) (REPEALED)

(4) For the purpose of outsourcing the services, in such services, the Company should keep the decision-making power and responsibility in such functions as management, content design, access, control, audit, updating, receiving information or reports.

(5) Outsourcing of services shall be performed under an agreement that is fit for the nature of the work, executed between the Company and the service provider.

(6) The Company must determine whether the service provider has the required technical equipment, infrastructure, financial strength, experience, know-how and human resources for provision of the services in the desired quality or not. It is obligatory that the specialised personnel that will be appointed by the service provider meet the criteria set out in the Communiqué. If such service is procured from investment firms, it will be sufficient if the professional qualifications, and if any, the experience condition, sought for the relevant specialised personnel under the Communiqué, are provided. In addition, it is obligatory that job descriptions of such specialised personnel containing their duties, responsibilities and powers and work flows are set out in writing, and attached to the agreement on procurement of services, and delivered to the relevant person against signature.

(7) The Company outsourcing the services is under obligation to create the work flow procedures and install the internal control mechanisms required for outsourcing of services. Information relating to the risks that may arise out of

outsourcing of services, and an action plan to be implemented in cases where the services are interrupted or halted for any reason, information on management of such risks, and substitutability of the support services received shall be given in the emergency and contingency plan to be prepared pursuant to this Communiqué.

(8) Outsourcing of services shall not relieve the Company of its obligations arising under capital markets legislation, and may not have a character hindering the Company from performing its legal obligations, complying with the relevant regulations and being effectively supervised.

(9) Also for the services outsourced under this Communiqué, the Company shall be responsible for taking all kinds of measures necessary for protection of interests of the persons to whom it provides portfolio management services and for maintaining confidentiality.

(10) If the service is procured from abroad;

a) the relevant regulations and practices of the foreign country where the service provider is operating must not contain any obstacle against providing the information and documents required by the Board timely, completely and accurately, or hindering performance of audits by the Board with respect to services received from such providers.

b) The Company is under the obligation to consider the country risk, and to make available action plans which will ensure continuity of business and if necessary, allow such service to be procured within the country, in case of any interruption or suspension in the services.

c) The status of the company that will provide such service and its employees, under the conditions of the Communiqué, shall be evaluated by the Board taking into consideration the regulations of the relevant country.

(11) The Board is authorised to request from service providers all kinds of information related to the provisions of the Law and this Communiqué, and to examine all of their books and documents, and all records including those kept in electronic, magnetic and similar media, and any other media containing data, as well as the data processing system, and to request access thereto, and to take their copies, and to audit their transactions and accounts, and to receive written or verbal information from the relevant persons, and to issue the required minutes, and the relevant persons are obliged to provide access to the requested information, books and documents, and all records including those kept in electronic, magnetic and similar media, and any other media containing data, as well as the data processing system, and to give copies of records and other media containing data, and to provide written and verbal information, and to sign the minutes.

FOURTH PART
Principles on Managers and Personnel of Portfolio Management Companies

Conditions Relating to the Company Managers and Personnel

ARTICLE 20 – (1) The Company personnel is composed of general manager, deputy general managers, specialized personnel, and the personnel other than service personnel. Managers are chairman and members of the board of directors, general manager, deputy general managers and persons in charge of management of the units relating to capital markets.

(2) Chairman and members of board of directors, and general manager of the Company must meet the qualifications set out in items (1) to (9) of subparagraph (e) of the 1st paragraph of Article 5, the deputy general manager, specialised personnel and the unit managers to whom such specialised personnel report must meet the qualifications set out in items (1) to (7) of subparagraph (e) of the 1st paragraph of Article 5. In addition, the company managers and fund manager are required to have graduated from institutions giving four-year licence degree education.

(3) With regards to the Company;

a) The general manager and deputy general managers of the Company must have at least seven years professional experience in the field of financial markets and Capital Market Activities Level 3 Licence Certificate pursuant to the licensing regulations of the Board,

b) majority of the members of the board of directors of the Company comprised of at least three persons must have at least seven years professional experience in the field of financial markets, and in addition, at least one of the board members must hold Capital Markets Activities Level 3 Licence Certificate and Derivative Instruments Licence Certificate pursuant to the licensing regulations of the Board,

c) The fund manager of the Company must have at least seven years' experience in the field of capital markets and hold Capital Markets Instruments Level 2 Licence Certificate pursuant to the licensing regulations of the Board,

ç) The specialised personnel of the Company must hold a licence certificate showing their professional competencies pursuant to the licencing regulations of the Board

d) The manager, if any, of the unit in which the Company's personnel, working in positions and tasks subject to license as per the Communiqué and the applicable legislation, are working, must also hold the related license.

(4) General manager must be employed on full-time basis and solely for this position. However, the general manager may also be employed as a portfolio manager in the Company, and/or as a member of board of directors in entities with which the Company has managerial, supervisory or ownership relations, or the entities whose management, capital or supervision is controlled by the aforementioned entities, or in exchanges and other organized market places, clearing banks and portfolio custodians and other financial institutions deemed appropriate by the Board, providing that such directorship is non-executive and does not preclude the general manager from performing his functions in the Company.

(5) In the case of retirement of general manager from office for any reason whatsoever,the person to be appointed as new general manager, together with documents proving that he satisfies all conditions specified in second paragraph and sub-paragraph (a) of third paragraph of this article, should be declared to the Board within 15 business days following the date of retirement from office. Only if the Board does not express a negative opinion about the proposed appointment within 15 business days following the notification to the Board, the relevant person may be appointed, and this appointment is reported by the Company to the Association within 10 business days thereafter. General manager's office cannot be deputized for more than three months in a yearly period.

(6) The number of portfolio managers to be employed within the Company cannot be less than three, four, five and six, respectively, according to the managed portfolio size ranges specified in the first paragraph of Article 28 of this Communiqué. Regarding the calculation of the managed portfolio size to be made within this scope, the portfolios of real estate and venture capital mutual funds founded by the Company are taken into account as a deduction item.

(7) If the portfolio managers and the fund service unit are established within the Company, the fund manager is employed by the Company to perform these duties full-time and exclusively.

(8) Personnel employed pursuant to subparagraph (g) of the second paragraph of Article 8 of this Communiqué may also be assigned for transactions carried out on the Turkish Electronic Fund Trading Platform.

Professional Attention and Care Principle

ARTICLE 21 – (1) Managers and personnel of the Company are expected to show the required professional attention and care in their work and decisions. Attention and care refer to the importance given to details, and the care and efforts to be shown, by a diligent and prudent person under the same conditions.

Independency Principle

ARTICLE 22 – (1) The Company and portfolio managers and inspectors are required to be independent in their activities. Independency is a set of conceptions and behaviors which ensures honest and objective conduct of professional activities. Portfolio managers must act honestly and objectively in their activities, and there must not exist any special circumstances which may prejudice their independency.

(2) Managers and personnel of the Company are under obligation to keep away from conflicts of interests that may arise during performance of their job duties, and not to allow any interventions that may affect their honesty and objectivity, and to refrain from all kinds of acts and transactions which may affect their honesty and objectivity.

Confidentiality

ARTICLE 23 – (1) Managers and personnel of the Company may not disclose to third parties, and may not use in their own interests or in interests of third parties, any of the confidential information that may come to their knowledge about the recipients of their services.

(2) The announcements and advertisements published for public disclosure purposes as per the applicable legislation, and all kinds of juridical investigations and prosecutions, and all kinds of administrative investigations and prosecutions conducted by persons authorized by legislation, and reporting of information about criminal acts and activities are not considered as a part of confidentiality obligation.

FIFTH PART
Obligations Applicable for Portfolio Management Companies

Amendments to Articles of Association and Shareholding Structure and Share Transfers

ARTICLE 24 – (1) Amendments to articles of association of the Company are subject to permission of the Board.

(2) Changes in shareholder structure of the Company are subject to the following principles.

a) Share acquisitions where a person becomes a shareholder of the Company by acquiring the shares representing 10% or more of the Company's share capital, or results in the shares of a shareholder to exceed 10%, 20%, 33% or 50% of the Company's share capital, and share acquisitions resulting in the shares of a shareholder to fall below the above ratios shall be subject to the permission of the Board.

b) Transfer of shares which grant privilege in management participation rights or over which there is a usufruct right granted is subject to permission of the Board, irrespective of the ratio. However, in the event that the existing shareholders who hold the majority of the shares which grant a privilege in management participation rights or over which there is a usufruct right granted acquire shares of the same character, it will be sufficient to notify the Board.

c) Transfer of the own shares by legal entities with shareholding in the Company shall be subject to the consent of the Board in respect of the Company's operational conditions, in case such share transfers indirectly cause the capital or voting rights held by the legal entity's partner in the Company to exceed 10%, 20%, 33% or 50% or to fall below such ratios.

ç) Share transfers made by the Company partners resident abroad within the framework of provisions of this article shall be evaluated by the Board by also considering the legislation of the relevant country.

d) In case of share transfers directly or indirectly by a person which do not reach or that remain between the

above ratios of the Company's capital, notice shall be sent to the Board together with the information and documents pertaining to the new shareholder within 10 business days following such share transfer.

e) For natural persons and legal entities that acquire shares or commit to raise capital either by acting alone or jointly, in direct and indirect share transfers within the scope of this article, conditions listed in subparagraph (e) of the first paragraph of Article 5 and for partners of significant influence, the conditions listed in (1) to (9) of subparagraph (e) of the 1st paragraph of Article 5 shall be sought. If the natural person and legal entity shareholder that acquired the shares or commit to raise capital and the partner of significant influence are resident abroad, the 3rd paragraph of Article 5 shall be applied.

f) In share acquisitions by banks under this article, it is compulsory to fulfil the conditions set out in the 4th paragraph of Article 5.

(3) For the purposes of this article, shares owned:

a) by a natural person or his/her spouse and minor children or by companies where they are partners with unlimited liability or serve as chairman or member of board of directors, general manager or deputy general manager,

b) by companies where legal entities, other than public legal entities, or persons mentioned in the preceding sub-paragraph directly or indirectly hold 25% or more of the capital,

c) by persons or entities of which the Board determines that such persons and entities have an employment relation or contractual relation or act together for other reasons, are considered to be held by one single person. The provisions of sub-paragraph (a) of the second paragraph of this article are applicable also in share transfers between these persons.

(4) Transfers executed in contrary with this article are not to be registered in the share register, and the records in the share register in conflict with this article is null and void.

Book and Record Keeping and Independent Audit Obligations

ARTICLE 25 – (1) The Company is under obligation to keep the books and records required to be kept pursuant to TCC and the Tax Procedures Code dated 4/1/1961 and numbered 213 and to keep these documents pursuant to article 82 of TCC, and to comply with theregulations of the Board in its accounting records and transactions relating to its activities.

(2) The Company is obligated to comply with the regulations of the Board concerning financial reporting and independent audit and to publish its financial reports in the PDP.
(3) The Company is obligated to keep and make available the books and records to track the accounts, cash and securities movements of the customers to which it provides individual portfolio management, investment counselling, fund participation share marketing and distribution services and ancillary services, within the organisational structure of its head-office and if any, branches, within the framework of the applicable legislation.

Notification Obligations

ARTICLE 26 – (1) The Company is under obligation to inform SPL of:

a) any change in the conditions of its partners and partners of significant influence as specified in article 5, and any change in the conditions of its managers and personnel as specified in Article 20, within 10 business days following the date of such change; and

b) resignation of its managers and personnel and the personnel employed in decentralized organizations, employment of new persons to replace them or new persons in addition to those present, change of job

positions or places of duty, and any other similar changes; for those who are newly employed, together with the documents showing that they carry the conditions set out in Article 20, as well as their identity details, within 10 business days following the date of such change.

(2) The Company is under obligation to inform the Association of:

a) decisions of the board of directors related to appointment of managing directors in the Company and determination of their powers and responsibilities pursuant to sixth paragraph of article 4 of this Communiqué, and changes therein, within 10 business days following the date of the relevant decision of the board of directors,

b) contact information, website, tax identity number and trade registry number and changes therein, within 10 business days following the date of change,

c) information about the independent audit firm selected pursuant to the regulations of the Board pertaining to independent audit, and changes therein, within 10 business days following the relevant date,

ç) documents showing the addresses of head offices and decentralized organizations and the conditions of activity, and changes therein, within 10 business days following the relevant date,

d) the current signature circular and in the case of a change therein, the updated signature circulars, within 10 business days following the date of the relevant decision of the board of directors,

e) legal actions and proceedings commenced by the Company against its partners, managers, personnel, customers and other entities, or legal actions and proceedings commenced by them against the Company, and results thereof, within 10 business days following the date of learning,

f) newspapers where the advertisements made pursuant to article 27 of this Communiqué are published, within 10 business days following the date of publishing.

(3) The Association and SPL will create and keep a database with the information notified to them pursuant to this article, and will immediately open such database to access of each other and the Board. All notifications to the Association and SPL may also be taken with electronic signature.

(4) If, as a result of the notifications made to it pursuant to this article, the Association identifies any breach of provisions of this Communiqué with respect to the Company and its decentralized organizations, or SPL identifies any breach of provisions of this Communiqué with respect to its partners, managers and personnel, they will send written notice to the Board within three business days.

(5) If the Company general manager or inspector vacates the office, the reasons of vacation from office shall be notified also to the Board within the frame of the same principles.

(6) The Company is obligated to inform the Board about the information of the number of customers or recipients of individual portfolio management services and the size of the portfolios under management in a way of which standards and periodicity is determined by the Board.

Registration and Announcement Obligations

ARTICLE 27 – (1) All kinds of license and permission certificates, decentralized organization opening permits, and company name utilization permits shall be published in the Company's website and in PDP immediately upon the receipt of permission from the Board. In addition, permits granted for opening of decentralized organization units by the Company will be registered in the relevant trade registry and announced in TTRG within 10 business days following the date of receipt of permission from the Board.

(2) Upon temporary suspension of activities or cancellation of any operating license, it shall be published in the

Company's website and in PDP immediately upon receipt of relevant notification from the Board.

(3) In cases where the activities of a decentralized organization unit are temporarily suspended by the Board or upon demand of the Company, it shall be published in the Company's website and in PDP immediately upon receipt of relevant notification from the Board. In the case of closure of a decentralized organization unit, in addition, that decentralized organization unit shall be cancelled from the trade registry, and such cancellation shall be announced in TTRG, within 10 business days following the date of receipt of relevant notification from the Board.

(4) Costs of announcements published as per this article will be in the account of the Company.

Obligations on Capital Adequacy

ARTICLE 28 – (1) If the assets under management is;

a) Up to or equal to 1.000.000.000, TL the Company must have a minimum shareholders' equity of 30.000.000 TL,

b) Equal to or more than 1.000.000.001 TL and up to or equal to 4.000.000.000 TL, the Company must have a minimum shareholders' equity of 40.000.000 TL,

c) Equal to or more than 4.000.000.001 TL and up to or equal to 36.000.000.000 TL, the Company must have a minimum shareholders' equity of TL 50.000.000; and

ç) More than 36.000.000.000 TL, the Company must have a minimum shareholders' equity of 100.000.000 TL.

(2) The arithmetic average of the assets under management in the capital adequacy statements of the last three months is taken into account in determination of minimum capital requirement of the Company pursuant to first paragraph. On the other hand, if the assets under management exceeds TL 72,000,000,000, the Company is required to hold an additional shareholders' equity equal to 0.02% of the amount in excess of TL 72,000,000,000. If, however, the Company's shareholders' equity is above TL 200,000,000, this additional shareholders' equity amount is not be applicable.

(3) When including the portfolios of the persons to whom individual portfolio management services are provided, portfolios of investment firms, portfolios of pension retirement funds and portfolios of the funds which it is the founder of, to the portfolios that are being managed by the Company as set out in the 1st paragraph of this article; only the portfolios of the funds which it is the founder of, portfolios which are subject to subcontracted portfolio management and the own portfolio of the Company shall not be included. Information regarding the number and size of the portfolio managed within the scope of subcontracted portfolio management activities shall be included into the notifications to be sent to the Board pursuant to the 5th paragraph of this article.

(4) In addition to the obligations set down in this article, the Company is subject also to capital adequacy requirements regulated by the Board with respect to intermediary institutions. As to the capital adequacy regulations, the Company's minimum shareholders' equity requirement is determined by taking into consideration the amount of shareholders' equity corresponding to the assets under management to be calculated pursuant to first and second paragraphs. The Company's minimum paid capital cannot be less than TL 30,000,000.

(5) Tables of capital adequacy are sent to the Board once every 15 days within three business days following the end of the relevant period by methods deemed appropriate by the Board. The Board may, if deemed necessary, change the timing of calculation and delivery of these tables to the Board.

(6) The minimum shareholders' equity requirement mentioned in first paragraph of this article shall be applied by half for a period of two years following the date of registration of foundation of the Company.

(7) A capital increase required for remedy and correction of a breach of capital adequacy obligations is

required to be completed within one month following the date of detection of such breach by the Board.

Documentation System and Customer Notification Obligations

ARTICLE 29 – (1) The Company is under obligation to send an account statement, containing information about nominal and current values of assets included in their portfolios, and about cash and trade activity therein, as well as a form indicating the calculation method, amount and ratio to the portfolio of the fees collected from the customer account, with reference to the related parties defined in the relevant regulations of the Board, to its customers and to recipients of its individual portfolio management services. Such documents are not needed to be sent if demanded otherwise in writing by the customers and the recipients of individual portfolio management services.

(2) All notifications are required to be in writing and sent by registered and reply paid mail to addresses of the customers and the recipients of individual portfolio management services. However, these documents may be opened for access in electronic environment, and may be sent to the designated electronic mail address, or may be transmitted to the customer by any other appropriate method to be determined upon written demand of the customers and the recipients of individual portfolio management services.

(3) The Company is, pursuant to article 82 of TCC, required to keep all documents relating to its activities under this Communiqué. The documents related to a dispute must be kept until the resolution of the dispute.

Associates and Participation Limitations

ARTICLE 30 – (1) Holding of capital shares of a company which are not listed and traded in the exchange, or holding 10% of shares or voting rights or rights of nomination for the board of directors of a company, or holding of capital shares of a company for more than one year is considered and treated as an associate for participation purposes.

(2) Total amount of participation of the Company may not exceed 25% of its shareholders' equity. Company shares acquired as bonus shares due to capital increases and increases in value of company shares not requiring any fund outflow shall not be taken into consideration in calculation of the aforementioned limitation of participation.

(3) The Company may participate in capital market institutions, precious metals intermediary institutions, insurance firms, private pension companies, financial leasing, factoring, finance and asset management companies, asset lease companies and other financial institutions deemed appropriate by the Board, as specified in article 35 of the Law, without being subject to any limitation.

(4) (REPEALED)

Know-the-Recipient of Portfolio Management Services Rule

ARTICLE 31 – (1) Before opening of an account, the recipients of portfolio management services must be identified, and in joint accounts, such identification must be made separately for each account holder pursuant to the provisions of the Law on Prevention of Laundering of Criminal Revenues dated 11/10/2006 and numbered 5549 and other applicable laws and regulations.

SIXTH PART
Collective Portfolio Management

Collective Portfolio Management

ARTICLE 32 – (1) Collective portfolio management refers to management of customer portfolios as a proxy in the name of each customer, within the frame of a signed portfolio management agreement, in consideration of a commission.

(2) Collective portfolio management covers the following activities and services:

a) Portfolio management,

b) Legal and accounting services, and keeping of records,

c) Customer relations management,

ç) Valuation and calculation of fund unit prices,

d) Monitoring and control of compliance of portfolios with applicable laws, fund rules, prospectus and articles of association,

e) Calculation and distribution of fund revenues and expenses,

f) Issue and buy back of fund units,

g) Performance of obligations arising due to transactions and agreements related to portfolio management.

(3) Portfolios of funds and portfolios of investment companies that outsource the portfolio management services are managed exclusively and solely by portfolio management companies.

Principles on Collective Portfolio Management

ARTICLE 33 – (1) The Company is under obligation to protect the interests of holders of fund units and shares of collective investment schemes in the course of conduct of its activities within the frame of this Communiqué. Accordingly:

a) If the Company receives commissions, discounts or similar other benefits from any issuer or investment firm due to a trading transaction made for portfolio, it is under obligation to disclose such benefits in PDP.

b) The Company may in no event purchase assets above their current value for, or sell assets below such market price from, the customer portfolio. Current value refers tothe exchange market price for assets traded in the exchange, and the lowest price in purchases for the portfolio, or to the highest price in sales from the portfolio, current in the trading day, for assets not traded in the exchange.

c) The Company cannot enter into any legal transaction in its own favor or in favor of third parties with respect to assets in the portfolio. Nor may the Company transfer or deliver assets in the portfolio to any third party for any purpose other than the portfolio management, without a written instruction of the customer.

ç) The Company may not engage in purchase and sale of assets in its own interests in any manner. The Company is under obligation to show the required attention, care and prudence in its orders given in the account of its customers.

d) The Company may invest its own cash in the instruments and transactions covered by its portfolio

management activities, provided that it acts like a prudent proxy who assumes business and services in similar fields and does not lead to any conflict of interests with portfolios under management.

e) If the Company manages more than one portfolio, it cannot make transactions in favor of one or more of portfolios and in disfavor of other portfolios in conflict with the objective good faith rules.

f) The Company is under obligation to rely its investment decisions upon reliable grounds, information, documents and analyses, and to comply with the investment principles set down by fund rules, prospectus and/or articles of association. Both such information and documents, and researches and reports relied upon in the trading decisions are required to be kept by the Company for a minimum period of five years.

g) The Company may not give any verbal or written assurance that the portfolio will provide a certain pre-determined income, and may not use such and similar words or expressions in its advertisements and promotions. Nor may the Company give any representation or warranty beyond the contents of the prospectus with respect to the guarantee in capital guaranteed investment funds, or to the targeted protection and yield in capital protected investment funds within the frame of regulations of the Board pertaining to investment funds.

ğ) The Company is obliged to act in favor of the portfolio in the case of a conflict of interests between interests of its customer portfolio and its own interests.

h) The Company is liable to establish and manage the portfolios in accordance with the investment strategy described in the fund rules, prospectus and articles of association of collective investment scheme.

ı) The Company may not trade unnecessarily for portfolios under management with the aim of providing revenue in its own interests, and may not help or assist third parties in doing so.

i) The Company may not use names and expressions associated with any activity, other than portfolio management, with respect to customer portfolios, and may not cause the savers to participate in a particular portfolio, and may not publish advertisements and promotions containing such expressions.

j) The Company may by no means allow or permit its employees to trade in their own name and account by using the means of the Company beyond the ordinary customer – company relations.

k) The Company may not use the results of investment-oriented researches in its own favor or in favor of third parties before its customers.

l) The Company may not use any information obtained during portfolio management in its own favor or in favor of third parties.

m) The Company is liable to ensure that the intermediary institution uses customers' numbers in trading of shares in the exchange when the transaction is made for the portfolio.

Portfolio Management Agreement

ARTICLE 34 – (1) Except for the funds founded by it, the Company is obliged to enter into a written agreement containing the minimum contents specified and listed in annex (3) of this Communiqué with its customers with respect to its activities in connection therewith. Portfolio management agreement sets down the rules of management by the Company of the customer's portfolio, the management of which is transferred according to fiduciary transfer principle, within the frame of principles stipulated in this Communiqué and in the agreement, and under diligence and loyalty obligations.

(2) In cases where the portfolio manager or managers named in the agreement leave the Company or are replaced, the Company is under obligation to immediately inform its customers by the most appropriate communication means. The customers may then unilaterallyterminate the agreement if they do not find the newly

appointed portfolio manager appropriate.

(3) The agreement is drafted with serial numbers and in at least two original copies, one of which is delivered to the customer.

(4) The Company shall be held directly liable towards the customer for all kinds of transactions committed by portfolio managers in conflict with the agreement, fund rules, prospectus, articles of association, capital markets regulations and general law provisions during performance of their duties, and for damages and losses they may cause to their customers due to acts contrary to diligence and loyalty obligations. No provision or clause stating otherwise may be inserted in the portfolio management agreement.

(5) The agreement may not contain provisions contrary to the regulations of the Board and the exchange, or provisions which prejudice to the rights of customers or provide unilateral and extraordinary rights in favor of the Company. Any matters on which the agreement remains silent shall be governed by general law provisions.

Custody of Customer Assets

ARTICLE 35 – (1) The assets included in the customer portfolios are required to be kept in custody within the framework of the regulations of the Board concerning portfolio custody services and providers of such services. If the assets included in the portfolios of foreign collective investment firms are kept in custody with a custodian authorised within the framework of the legislation of the relevant jurisdiction, it will be deemed that this obligation has been fulfilled.

(2) The Company is obliged to request the portfolio custodian to indemnify compensate any damages caused by breach of the provisions of the Law or the regulations of the Board pertaining to portfolio custody services and providers of such services.

Principles on Use of Administrative and Financial Rights

ARTICLE 36 – (1) The Company may offer such services as collection and payment of principal, interests, dividends and similar other revenues of portfolio assets, and use of preemptive rights and voting rights associated to shares, in the name and account of the customer depending upon the powers granted by the customer in the portfolio management agreement.

SEVENTH PART
Activities of Marketing and Distribution of Investment Fund Units, Investment Advisory Activity and Individual Portfolio Management Activity

Principles on Marketing and Distribution of Investment Fund Units

ARTICLE 37 – (1) In order for the Company to be eligible for marketing and distribution of fund units including the units of funds founded by it, and of shares of variable capital investment companies, the Company must have received a permission from the Board for such activities, and its articles of association must contain a clause in relation to this, and it must have place, technical equipment and an adequate number of personnel, proper for such activities, so as to be capable of carrying out the works and processes.

(2) In order for the Company to be eligible for marketing and distribution of units of funds founded by other companies, the Company must have entered into an agreement with such other companies. This agreement must at least contain the following terms:

a) Parties to agreement, and name of the fund the units of which are covered by the agreement,

b) Term of agreement,

c) Fees payable to the Company in consideration of marketing and distribution of fund units, and terms of payment,

ç) Principles on purchase and sale of fund units,

d) Principles of notification of the daily purchase-sale results to the founding company,

e) Other terms that may be deemed necessary by the Board.

(3) The Board may determine and apply different principles if the fund units are marketed and distributed through a central fund distribution platform deemed appropriate by the Board, and founded in exchanges and/or clearing institutions.

(4) The Company may accept the fund participation share trading instructions only by signing an agreement with the persons who gave the instructions. The cash and fund shares of persons with whom a portfolio management agreement is not signed must also be kept in custody with the portfolio custodians authorized by the Board, within the framework of the regulations of the Board concerning investment services and activities. It will also be deemed that this obligation has been fulfilled if the cash and fund shares of persons who are resident abroad or who are citizens of foreign countries, and with whom the Company has signed fund distribution and marketing agreement, are kept in custody with a custodian authorised within the framework of the legislation of the relevant jurisdiction

Principles on Investment Advisory Activity

ARTICLE 38 – (1) The Company may provide investment advisory activity on condition that it has been licenced by the Board and within the frame of regulations of the Board pertaining to investment services and activities.

Principles on Individual Portfolio Management Activity

ARTICLE 39 – (1) In order for the Company to be eligible to provide individual portfolio management within the frame of regulations of the Board pertaining to investment services and activities, it is sufficient for the Company to meet the operating conditions set down in this Communiqué.

(2) Assets available in the portfolio of persons to whom individual portfolio management services are provided shall be kept in custody with the portfolio custodians authorized by the Board, within the framework of the regulations of the Board concerning investment services and activities. It will also be deemed that this obligation has been fulfilled if the assets available in the portfolios of persons to whom individual portfolio management services provided and who are resident abroad or who are citizens of foreign countries, are kept in custody with a custodian authorised within the framework of the legislation of the relevant jurisdiction.

EIGHTH PART
Other Provisions

Principles on Advertisements and Announcements

ARTICLE 40 – (1) The Company is under obligation to comply with the following rules and principles in all kinds of advertisements published in press and media and in the electronic environment with respect to activities of the Company.

(2) In the expressions, words and digital data contained in advertisements and announcements:

a) it is required not to use expressions or words that may deceive or mislead the service recipients, or may exploit their lack of knowledge and experience,

b) it is required not to use graphics and figures visually misleading the customers by exaggeratedly changing the words, images, photos or scales,

c) non-objective information must not be given,

ç) information which is determined by the Board or is required to be disclosed as per other Board regulations must not be concealed.

(3) Quantitative data about the financial situation of the Company, and data about "size of assets under management" and "number of customers", and similar other expressions which can be proven by official data may be used in advertisements and announcements only by making reference to sources relied upon. For such information, only the relevant publications of the public authorities and entities and the relevant sources of professional organizations in finance may be shown as reference.

(4) The Company is under obligation to keep a copy of all kinds of advertisements and announcements published in press and media and in the electronic environment with respectto activities of the Company, and the documents associated for a period of five years.

Redetermination of Amounts

ARTICLE 41 – (1) The amounts specified in articles 5 and 28 of this communiqué may bere- determined by the Board every year. The Company is required to comply with the re-determined amounts by no later than the end of sixth month of the relevant year.

Principles concerning the collaterals that will be deposited by the companies

ARTICLE 41/A – (1) If the Board deems necessary in connection the financial status of the Companies, it may request all, one part of or any of the Companies to block a collateral in a certain amount or in a certain ratio with Takasbank in the name of the Board for a certain period of time.

(2) The principles concerning use of the collaterals shall be clearly specified in the Board decision concerning depositing of such collaterals. The collaterals may not be used for any purposes other than those purposes, may not be transferred to third parties, may not be attached, pledged or included in the bankrupt's estate and may not be made subject to interim injunction, even if the purpose is aimed at public receivables.

(3) The collaterals that will be deposited by the Companies may be in the form of cash; public instruments of debt; lease certificates issued within the scope of Law on Regulating Public Finance and Debt Management dated 28/03/2002 and numbered 4749; letters of guarantee issued by a bank that is founded in Turkey and that has no direct or indirect relation with the company in respect of capital, management or inspection; or participation shares in money market investment funds, which the company is not a founder of.

Principles on depositing, monitoring and using of collaterals/margins

ARTICLE 41/B – (1) The Company which has been required to deposit collateral/margin as per Board decision shall block those collaterals, in the amounts designated by the Board, with Takasbank for the period set out in the relevant Board decision. When it may deem necessary, the Board may extend the period of blocking of the collaterals.

(2) If the collateral is delivered by a third party in the name of the Company, the third party will issue a letter of

assignment stating that it has assigned its rights in the collateral to the Company. The procedures required to be performed with the Board in connection with the collateral shall be conducted by the Company. The procedures for release of the collateral shall also be under the responsibility of the Company.

(3) In valuation of the collaterals deposited by the Companies, the principles of valuation given in Board's regulations concerning capitals and capital adequacy of intermediary institutions shall be taken as basis. Accordingly, the collaterals will be monitored by Takasbank on a monthly basis, and all procedures, including margin calls to Companies which have not fulfilled their margin requirements, will be performed by Takasbank.

(4) The Companies which do not fulfil their obligations of depositing the margins for the first time or replenishing their margins, within five business days after receiving notice on the same shall be forthwith notified by Takasbank to the Board.

(5) Takasbank will prepare a report on the status of the collaterals, and send the same to the Board within 20 business days after year-end.

Release of collaterals

ARTICLE 41/C – (1) For the Companies which are in operation, their collaterals, which were blocked with Takasbank in the name of the Board pursuant to the 1st paragraph of Article 41/A, shall be returned by Takasbank to the Companies, upon a notification letter to be sent by the Board, without seeking any conditions, after the cause of blocking of such collaterals as specified in the Board decision is no longer applicable or after expiry of the period of time designated by the Board.

(2) For the Companies whose operations have been temporarily ceased, their collaterals, which were blocked with Takasbank in the name of the Board pursuant to the 1st paragraph of Article 41/A, shall not be released until they resume operation or until their operating permits are cancelled. The collaterals of those Companies that have resumed their operations shall be released by Takasbank, upon a notification letter to be sent by the Board, with the condition that they have continued their operations for at least 1 year without interruption. In calculating one-year term for the Companies whose operations are temporarily ceased again before expiry of such one-year term and which subsequently resume their operations, such term shall start on the date of last resuming of operations.

(3) Out of Companies whose operating permits have been cancelled, for those against whom there is no bankruptcy decision rendered, it is necessary to file an application with the Board for release of their collaterals. In order for such application to be taken within the scope of evaluation; it is necessary that the following conditions are fulfilled:

a) There should be no inspections being carried out in the Company, which may hinder release of the collaterals, or there should be no complaints and disputes advised to the Board,

b) The Company should have no financial obligations towards the Stock Exchange, Takasbank, Central Registry Agency (CRA), Association and the Board,

c) The Company's trade name and field of operation should have been changed such that it does not include capital market activities or a decision should have been rendered for termination of the Company.

The collaterals of those Companies that have fulfilled the above conditions and whose applications have been found appropriate by the Board shall be released by Takasbank upon the notification letter of the Board.

(4) Out of the Companies whose operating permits have been cancelled within the scope of Article 41 of the Law, for those against which decision for bankruptcy has been rendered; their collaterals shall not be released until finalisation of the bankruptcy process. Such collaterals shall be kept with Takasbank until the bankruptcy liquidation is completed, after the bankruptcy administration applies to the commercial court for closing of bankruptcy, and, pursuant to the Execution and Bankruptcy Law dated 9/6/1932 and numbered 2004, the court resolves for closing of bankruptcy and then the bankruptcy administration announces the said decision. For those who may hold rights

over the collateral, from amongst the creditors tom whom the bankruptcy administration has issued certificates of insolvency according to the priority chart obtained from the bankruptcy office, after completion of the closing of the bankruptcy, the decision will be published by the Board in at least two of the nationwide newspapers with the highest circulation rate; and for at least five business days, in the PDP. From amongst those who apply until the end of the third month following such announcements, those who are determined to have outstanding receivables from the Companies, shall be notified to Takasbank, in order that payment will be made to them, in full amount, if the collateral amount covers whole of their receivables, or on a pro-rata basis, if the collateral amount does not cover the whole of their receivables. If, after such payment is made, there is still is any balancing collateral, such amount shall be released by Takasbank in order to be delivered to the bankruptcy office, upon a notice by the Board, at the end of the sixth month following publication of the announcements

Repealed Communiqué

ARTICLE 42 – (1) The Communiqué on Principles of Portfolio Management Activities and Providers of Portfolio Management Services (Serial V, No. 59), published in the Official Gazette dated 21/1/2003 and numbered 25000, is hereby repealed.

Transition Provisions

TEMPORARY ARTICLE 1 – (1) The companies active and operating as of the date of promulgation of this Communiqué are obliged to adapt their articles of association, structure and organization to the provisions of this Communiqué and other relevant regulations, and to comply with provisions of sub-paragraph (ç) of first paragraph of article 5 and first, second and fourth paragraphs of article 28 of this Communiqué within one year following the effective date of this Communiqué, or otherwise, they must apply to the Board in order to change their main fields of business and the portfolio management company phrase in their company name.

(2) If, in respect of the companies which were in operation before 1/7/2014, at least one of the current board members, general manager, deputy general managers in office as at 1/7/2014, and the persons acting in the position of fund manager as at 1/7/2014 do not hold the licences stipulated in the 3rd paragraph of article 20 of this Communiqué, said persons shall continue their offices until 1/7/2016 or until the date of declaration of results of the fourth examination provided that they enter in the first four examinations to be opened as from the effective date of this Communiqué, while the board member who is required to hold a Capital Market Activities Derivative Instruments Licence Certificate shall continue his office until the date of declaration of results of the sixth examination provided that he/she enters in the first six examinations to be opened as from the effective date of this Communiqué, provided, however, that they satisfy the past experience condition. Those who have not been found eligible for the required licences as a result of the examinations referred to above will be deemed to have lost the required job qualifications as of the end of the month following the declaration of results of the last examination or as of 1/7/2016.

(3) If a person working as general manager as of the date of promulgation of this Communiqué is continuing this job since at least one year and has a past experience of 10 years or more in the local and foreign capital markets, the license condition specified in sub-paragraph (a) of the third paragraph of article 20 of this Communiqué is not sought for.

(4) Companies that have obtained an establishment permit before the effective date of this clause must comply with the provisions of sub-clause (ç) of the first paragraph of Article 5 of this Communiqué and the first, second and fourth paragraphs of Article 28 as of 31/12/2021 at the latest.

(5) Companies that obtained an establishment or operating permit before the date which this paragraph took effect shall make their organizational structures compatible with the amendments made with the Communiqué and must comply with the provisions of subparagraph (ç) of the first paragraph of Article 5 of this Communiqué and with first, second and fourth paragraphs of the article 28, until 30/6/2023 at the latest. The period specified in this paragraph may be extended up to six months if there are reasonable grounds deemed appropriate by the Board.

Finalization of Current Applications

TEMPORARY ARTICLE 2 – (1) In the applications for foundation not yet decided by the Board as of the effective date of this Communiqué, the requirement of minimum initial capital is in the amount specified in sub-paragraph (ç) of the first paragraph of article 5 of this Communiqué.

(2) Applications not yet decided by the Board as of the effective date of this Communiqué are finalized and responded according to the provisions of this Communiqué.

(3) The amount in sub-clause (ç) of the first paragraph of Article 5 of this Communiqué shall be applied as the minimum initial capital for establishment applications that have not been decided by the Board before the effective date of this paragraph.

(4) The amendments made with the Communiqué establishing this paragraph shall be applied in the finalization of the establishment applications that have not been yet decided by the Board before the effective date of this paragraph**.**

Release of Present Collaterals

TEMPORARY ARTICLE 3 – (1) The collaterals of the Companies that are in operation as at the effective date of this Communiqué, which are blocked in Takasbank in the name of the Board, within the scope of the 1st paragraph of Article 6 of the abolished Communiqué on Principles of Use of Collaterals Deposited by Portfolio Management Companies (Serial: V, No: 130), shall be released by Takasbank upon a notice by the Board after the information and documents evidencing harmonisation/ compliance with this Communiqué are delivered to the Board.

(2) If there are disputes referred to courts for any reason whatsoever in relation to the collaterals that have been blocked in Takasbank by Companies whose operations were ceased or field of business was changed before the effective date of this Communiqué, such collaterals shall not be released for the time until the decisions on such disputes are legally finalised.

Effective Date

ARTICLE 43 – (1) Sub-paragraph (ç) of the first paragraph of article 5 of this Communiqué shall become effective as of the date of publishing, while other provisions shall become effective as of 01/07/2014.

Enforcement:

ARTICLE 44 – (1) The provisions of this Communiqué shall be enforced by the Board.

ANNEX 1

Statement on Founders / Transferees of Shares of Portfolio Management Company (For Legal Entities)

Legal Entity's:			
Name:			
Tax Department and Account Number:			
Registered Offices and Trade Registry Number:			
Date of Foundation:			
Ownership Structure: Paid / Issued and Nominal Capital:			
Address:			
Fields of Business:			
Balance Sheet Figures for the Last Five Years (TL)			
Year	Net Profit (Loss) (1)	Shareholders' Equity	Total Assets

Associates (2)				
	Company Name	Fields of Activity	Capital	Share Price

Owned Real Properties (3)						
	Location	Kind	Plot No.	Block No.	Parcel No.	Encumbrances

Securities (Detailed) (4) (5)

Detailed List of Sources of the Subscribed Capital

Banks (6) (7)	**1**	**2**	**3**	**4**	**5**
Bank's Name					
Branch Name					
Deposits (TL)					
Time Deposits					
Demand Deposits					
Credits (TL)					
Amount					
Collaterals					
Types					
Maturity					

Debts Owed to Persons or Entities, Other Than Banks (8)

	Creditor's Name	**Debt's**		
		Type	**Amount**	**Maturity**

Material Projects Previously Completed in Its Fields of Business

Whether the credits utilized by the Company or by persons or entities holding more than 10% of capital of the Company from local or foreign banks during the last five years have been subject to legal proceedings or not:
Detailed explanations about the current material legal disputes of the Company:
Exhibit: Copies of Corporate Tax Returns of the Company for the last three years

Signature
Date:

EXPLANATIONS

(1) Amount remaining after the tax provisions are set aside shall be inserted.

(2) To be filled in if the rate of participation is equal to 5% or more of capital of the affiliate.

(3) All owned real properties, together with encumbrances thereon, if any, shall be inserted.

(4) Shares, bonds, debentures, gold, precious metals, etc., together with encumbrances thereon, if any, shall be inserted.

(5) Shares of affiliates shall be excluded.

(6) If more than one type of credits are used from the same bank, they shall be shown separately.

(7) In the case of working with more than one branch of the same bank, they shall be shown separately.

(8) Debts equal to 5% or more of the legal entity capital shall be inserted.

Sums insured of the insured assets shall be specified separately.

Note: An additional form may be used if the boxes of the form do not suffice.

ANNEX 2

Statement on Founders / Transferees of Shares of Portfolio Management Company (For Natural Persons)

Name & Surname:				Photograph	
Birth Place and Date:					
Nationality:					
Mother's Name:					
Father's Name:					
Residence Address:					
Education Status (Detailed):					
Name and Address of Present Premises:					
Profession and Job Position:					
T.R. Identity Number:					
Tax Identity Number:					
Previous Premises and Employers					
	Company Name (1)		Dates of Recruitment & Retirement	Job Position	
Yearly Income Taxes and Paid Income Taxes of Last Five Years (TL)					
Year		Net Income		Paid Income Tax	
Companies Shares of Which Are Held (2)					
	Company Name		Fields of Activity	Capital	Share Price
Owned Real Properties (3)					
	Location	Kind	Plot No.	Block No.	Parcel No.	Encumbrances
Capital Market Instruments (Detailed) (4) (5)					
Detailed List of Sources of the Subscribed Capital					
Other Assets Owned					
Banks (6) (7)	**1**	**2**	**3**	**4**	**5**
Bank's Name					
Branch Name					
Deposits (TL)					
Time Deposits					
Demand Deposits					
Credits (TL)					
Amount					
Collaterals					

Types					
Maturity					

Debts Owed to Persons or Entities, Other Than Banks				
	Creditor's Name	**Debt's**		
		Type	**Amount**	**Maturity**

For which financial sector has the applicant previously applied for an operating license in Turkey or in another country, and if the application has been refused, or the operating license has been cancelled, the reasons thereof (8):
Whether the credits or other financial sources utilized by the applicant from local or foreign banks or other financial institutions during the last five years have been subject to legal proceedings or not:
Whether the credits utilized by companies, shares of which are held by the applicant, from local or foreign banks or other financial institutions during the last five years have been subject to legal proceedings or not:
Whether there is a pending public action brought forward against the applicant or not; if any, subject matter of the public action:
Whether there is a pending action, other than public actions, brought forward against the applicant or not; if any, subject matter of the action:
Name & surname, address and telephone numbers of two persons for reference purposes:
Detailed explanations about the current material legal disputes of the applicant:

Signature
Date:

EXPLANATIONS

(1) Name or trade title of the company, employer or legal entity shall be inserted.

(2) To be filled in if the rate of participation is equal to 5% or more of capital of the affiliate.

(3) All owned real properties, together with encumbrances thereon, if any, shall be inserted.

(4) Shares, bonds, debentures, gold, precious metals, etc., together with encumbrances thereon, if any, shall be inserted.

(5) Shares of the companies listed under the heading of "Companies Shares of Which Are Held" shall be excluded.

(6) If more than one type of credits are used from the same bank, they shall be shown separately.

(7) In the case of working with more than one branch of the same bank, they shall be shown separately.

(8) Banks, insurance, financial leasing, factoring companies, authorized enterprises and institutions operating according to the Capital Markets Law, etc. shall be inserted. Sums insured of the insured assets shall be separately stated.

ANNEX 3
Minimum Contents of Portfolio Management Agreement to Be Signed with Collective Investment Schemes and Pension Funds

I. Signature Date and Number of Agreement

II. Definitions and Abbreviations Used in Agreement

III. Parties

a) Name of Investment Fund / Pension Fund / Investment Company
b) Title/name of portfolio management company
c) Title, and if any, company name, trade registry number and contact data of pension company
d) Information about authorized signatories of parties, and their representation powers, and change of authorized signatories or limits of representation powers (if any)

IV. Subject and Scope of Agreement

Clause stating that portfolio of Investment Fund / Pension Fund / Investment Company shall be managed in accordance with and within the frame of investment strategies determined pursuant to the capital markets laws, regulations pertaining to private pension system[1],and fund rules/prospectus/articles of association.

V. Introductory Information on Portfolio Management Company

a) Date of foundation and past activities of the Portfolio Management Company,
b) Title, address, telephone number and similar other information,
c) Current issued capital and shareholding structure,
d) Net profit of period of last three years,
e) Names of members of the Board of Directors,
f) Names of portfolio managers, and companies they worked in the last five years, and their job positions therein,
g) Whether any indictment has been filed about partners, directors and specialized personnel of the Portfolio Management Company in accordance with the capital markets laws and other applicable legislation,
h) Information about portfolio custodian,
i) Information on applicable portfolio management fee, brokerage commission and other commissions
j) Number of customers as individuals, legal entities and collective investment schemes
k) Size of assets under management
l) Intermediary institutions it works with

VI. Principles Relating to Collective Portfolio Management / Portfolio Management of Pension Funds

Principles set down in article 33 of this Communiqué / principles set down in articles 20 and 21 of the Regulation on Principles of Foundation and Activities of Pension Funds promulgated in the Official Gazette dated 13/03/2013 and numbered 28586

VII. Technical Principles on Portfolio Management

VIII. Principles on Portfolio Management Fee and Performance-Based Fees

Method of calculation to be applied in determination of fees or commissions payable to the portfolio management company, and terms of payment thereof

[1] It is a must to use this phrase in the portfolio management agreement relating to pension funds.

IX. Portfolio Custody Principles

X. Principles of Use of Managerial and Fiscal Rights Arising out of Capital Market Instruments Kept in Custody in Portfolio Custodian

XI. Principles of Exchange of Information Between Parties to the Agreement

XII. Term and Termination of Agreement

XIII. Amendments to Conditions of Agreement

XIV. Applicable Provisions

"Provisions of the Agreement in conflict with the Board regulations are not applicable. All and any matters on which the Agreement remains silent shall be governed by the pertinent Board regulations and the laws pertaining to private pension system[2], and all and any matters on which the said regulations remain silent shall be governed by the general law provisions." Clause will be inserted.

XV. Competent Courts and Execution Offices

XV. Authorized Signatures and Notice Addresses

[2] It is a must to use this phrase in the portfolio management agreement relating to pension funds.

LIST REGARDING THE AMENDMENTS TO THE COMMUNIQUÉ

1) Communiqué (III-55.1. a) amending the Communiqué on Portfolio Management Companies and Activities of Such Companies (III-55.1) was published in the Official Gazette dated 22/06/2014 numbered 29038

2) Communiqué (III-55.1. b) amending the Communiqué on Portfolio Management Companies and Activities of Such Companies (III-55.1) was published in the Official Gazette (fourth duplicate) dated 31/12/2014 numbered 29222

3) An amendment to the Communiqué (III-55.1. b) was published was published in the Official Gazette dated 21/01/2015 numbered 29243

4) Communiqué (III-55.1. c) amending the Communiqué on Portfolio Management Companies and Activities of Such Companies (III-55.1) was published in the Official Gazette dated 17/01/2017 numbered 29951

5) Communiqué (III-55.1. ç) amending the Communiqué on Portfolio Management Companies and Activities of Such Companies (III-55.1) was published in the Official Gazette dated 27/05/2021 numbered 31493

6) Communiqué (III-55.1. d) amending the Communiqué on Portfolio Management Companies and Activities of Such Companies (III-55.1) was published in the Official Gazette dated 18/02/2023 numbered 32108