

**TURKISH DERIVATIVES EXCHANGE
CLEARING HOUSE
RULES AND REGULATIONS**

1. LEGAL GROUND

Takasbank has been assigned as the Clearing House for Turkish Derivatives Exchange (TURKDEX) with the resolution taken in the meeting of Capital Markets Board dated 10.12.2004 and number 48/1602. The settlement of the contracts traded in TURKDEX is executed within the framework of the provisions in the General Regulation, TURKDEX Regulation and related legislation, Communiqué on the General Principles on Clearing and Default of TURKDEX and Takasbank Rules numbered 808 and 880.

2. COMMITMENT AND LIABILITY OF CLEARING HOUSE

Commitment and liability of the Clearing House are stated in article 76 of TURKDEX Regulation:

Clearing House,

- a) Executes clearing and settlement within the framework of the principles specified in this Regulation,
- b) Executes Guarantee Fund management, and determination of the members' contribution amounts to the Guarantee Fund,
- c) Uses the Guarantee Fund in clearing and settlement process if necessary,
- d) Collects collaterals from members with respect to utilization of the Guarantee Fund,
- e) Determines the measures and the acceptance rules for the securities accepted as an eligible collateral and the principles relating to their procurement, collection and completion by taking due opinion of the Exchange,
- f) Announces margin calls and monitors fulfillment of members margin call obligations,
- g) In case of any market crash described in this Regulation, requests extra margin in addition to the initial margin, and off-sets open positions determined by the Exchange or transferring related collaterals to another member,
- h) Collects and administers the collaterals, paying to clients by liquidating them into cash if necessary,
- i) Values margin collaterals.
- j) Determines default terms and conditions,
- k) Determines the required precaution for default of the members,
- l) Advises on initial and maintenance margins,
- m) Performs mark to market,
- n) Fulfills the delivery orders,
- o) Transmits the delivery related information to the members in due time,
- p) Executes the transactions suggested in this Regulation for the prompt delivery,
- r) Opens clearing accounts for clearing members,
- s) Informs the Turkish Derivatives Exchange in case of determining any adverse situation relating to the financial adequacy of any clearing member with respect to the fulfillment of obligations relating to clearing membership,
- t) Realizes the collection and payment of option premium,
- u) Executes all necessary operations and transactions required within the scope of the settlement of the transactions performed in the stock exchange.

3. CLEARING RULES

- The Clearing House interposes itself between counterparties to contracts traded in Turkdex, becoming the buyer to every seller and seller to every buyer in the capacity of CCP as prescribed in Turkish Derivatives Exchange Directive .
- The Clearing House guarantees the derivatives market with the Guarantee Fund established by the contributions of clearing members and their cash and/or non-cash assets deposited as “Initial Margin” relating to their open positions.
- Financial liability of the Clearing House is limited up to the amount of the contracts of each counterparty position.
- Clearing House guarantee is limited to the accounts opened in the Clearing House only and contracts monitored in such accounts.
- In case of a default of clearing members their margins and Guarantee Fund contributions shall be used. For the amounts not met by the Guarantee Fund no recourse will be made to own resources of the Clearing House.
- Clearing member is required to fulfill its margin call obligation no later than 2:30 PM on the following trade date (T+1 day).
- Clearing obligations must be deposited in cash.
- Margin call obligation can be fulfilled either in cash or by offsetting position.
- Clearing and settlement are executed on sub-account basis.
- Position losses are directly cut from the sub-accounts on the same trading day (T+0) while the profits are deposited to the accounts on the following trading day (T+1) by Clearing House during the mark to market process.
- If the clearing member does not completely fulfill its obligation until the settlement deadline, it is deemed to be in default without any further notification.

4. CLEARING HOURS

Subject	Period
Normal session	09:15-17:35
Announcement of margin calls	17:45
Clearing hours	17:45 - (next business day) 14:30

5. CLEARING MEMBERSHIP

There are two types of clearing memberships in Turkish Derivatives Exchange: Direct Clearing Membership (DCM) and General Clearing Membership (GCM). DCM bears the risk and liability of the clearing and settlement of its own position and/or client accounts. GCM bears the entire risk and liability of the clearing and settlement of the portfolio and/or client accounts of other non-clearing members. Currently there is only Direct Clearing Membership.

The terms and conditions and application documents requested for clearing membership to Turkish Derivatives Exchange Clearing House are stated in “Communiqué on Membership Principles” of the Exchange numbered 2005/3. No Clearing membership shall be allowed without being a member to the Turkish Derivatives Exchange.

Requirements for Direct Clearing Membership are as follows:

- a) License for Derivatives Trading from Turkish Capital Markets Board,
- b) Applicant shall be a Turkish Derivatives Exchange member,
- c) Shall sustain technical infrastructure and hardware for clearing membership,
- d) The clearing member has to sign the “Letter of Undertaking for Turkish Derivatives Exchange clearing membership”,
- e) Shall deposit the required Guarantee Fund contribution,
- f) Shall comply with insurance and other regulations suggested by the Clearing House in general and special character where the financial and legal responsibility to arise against the clients and other third parties are secured,
- g) Shall submit other information and documents requested by the clearing house within the framework of Exchange regulation.

The conditions for general clearing membership shall be determined separately by Clearing House.

The information and documents to be sent in applying for clearing membership.

Application for clearing membership must be with a letter written to the attention of the Takasbank listing the application request and enclosed to this letter;

- a) Clearing House Membership Application Form,
- b) Turkish Capital Markets Board License for Trading Derivatives (Notary Approved Copy),
- c) TURKDEX Membership Certificate (Notary Approved Copy),
- d) Letter of Undertaking for Clearing Membership,
- e) Notary approved signature specimen,
- f) Trade registry gazette containing the announcement of incorporation,
- g) Tax license,
- h) Letter of Undertaking for Cash, Security, Collateral, Real Time Gross (RTG) DvP Settlement and Electronic Fund Transfer Instruction,
- i) Application Agreement Relating to Customer Instructions to be Sent to ISE Settlement and Custody Bank Inc. via Fax Machine (Double Copies)

The company representatives signing the Letter of Undertaking for Clearing Membership must be authorized by the company to represent and bind the company in respect to the definition of the company signature specimen.

6. OPENING ACCOUNTS

Four types of account can be opened in Takasbank system:

- i. Portfolio account: Account for Clearing Members’ own portfolio.
- ii. Client account: Account for Clearing Members’ clients.
- iii. Global account: It is the account type where multiple customers are trading by using a single account number.
- iv. Market maker account: Account for Clearing Member as TURKDEX Market Maker.

Clearing process is executed on sub-account basis in the derivatives exchange, portfolio, global and client accounts have to be opened in Takasbank Derivative Clearing System (TDCS). Market maker accounts are not available in the system yet. Opening multiple accounts for the same individual client under the same clearing member is not allowed.

In order to open accounts in TDCS, first of all it is required to open these accounts in “Takasbank Customer Based Custody System (MIS)”. It is required to match the account (to define the Takasbank registration number) by defining the identity information relating to the accounts opened in Takasbank MIS system in 7 days. The accounts of which the identity information is not defined within given time are immobilized and withdrawal of collateral is not allowed.

Global accounts can only be opened by Takasbank staff via an instruction prepared and signed by the clearing member. The transactions for defining the sub-account affiliated to global account are performed by the related clearing member in accordance with the identity matching procedure.

In order to be eligible for trading in TURKDEX at the current date; the newly opened accounts have to be opened in TDCS until 5:45 pm of the previous Trading Day. The accounts opened after 5:45 pm will be eligible for trading on the second day following the Trading Day.

7. TRADE MARGINS

The principles regarding the securities acceptable as collateral in Turkish Derivatives Exchange, their valuation method and haircuts, collateral composition rates and collateral deposit/withdrawal transactions are regulated with the “Communiqué on the Principles of Collateralization and Other Risk Management” of the Exchange numbered 2005/6.

The eligible assets for trade margins may be in cash or non-cash assets. Only Turkish Lira (TRY) is accepted as cash collateral.

The types of cash and non-cash assets:

I. Cash collateral

-TRY (TL)

II. Non-cash collaterals

A. Foreign Currency (F/X)

-US Dollar (USD)

-Euro (EUR)

B. Government Debt Securities (DIBS)

- Government Bond (DT)

- Treasury Bill (HB)

- Foreign Currency Indexed Government Bond (DTE)

- Government Bond with Foreign Currency Denomination (DTY)

C. Equities (HS)

- ISE 30 index-equities.

- Exchange Traded Funds (ETF)

D. Mutual Fund Participation Certificates(in dematerialized form)

Debt securities with 5 business days left to redemption are not accepted as collateral. If there are debt securities with 5 business days left to redemption which were previously accepted as non-cash collateral, a warning message is sent to the related members by Takasbank in electronic environment for the replacement of the securities. In case the debt securities subject to redemption are not replaced despite the warning, the price of the security is set to zero at the end of the day prior to redemption without requiring the customer's instruction. The redemption amount is deposited as the cash margin to the related sub-account.

For the acceptance of stripped DIBS as collateral, the principal and coupons representing the entire security all together have to be deposited as collateral. Otherwise, strips are not accepted as collateral.

In case of a corporate action, because of equity margins price change in ISE, total margin amount may be lower than the maintenance margin level. The corporate action receivables are added to each client account.

7.1. Collateral Composition

Minimum %30 of the total trade margin must be deposited in cash. Non-cash collaterals can be maximum %70 within the total trade margin. In case the loss amount is deducted from the accounts incurring a loss during the mark to market process, the requirement of minimum cash holding is not asked for.

The total share of the equities and A type -mutual fund certificates within non-cash collateral cannot exceed %50 of total non-cash amount. Additionally, each equity and/or A-type mutual fund certificates cannot exceed %20 of this limit (%10 of total non-cash collaterals).

Eligible Exchange traded funds (ETF) portfolio composition must include ISE-30 index equities only.

Composition of cash and non-cash collateral types are presented in the table below

Cash/Non-cash	Collateral Type	Collateral Group	Min.	Max.
Cash	TRY	TRY	0.30	1.00
Non-cash	Foreign currency	F/X	0.00	0.70
Non-cash	Treasury Bill	HB	0.00	0.70
Non-cash	Government Bond	DT	0.00	0.70
Non-cash	Foreign Currency Indexed Government Bond	DTE	0.00	0.70
Non-cash	Government Bond with Foreign Currency Denomination	DTY	0.00	0.70
Non-cash	Stocks (stocks included in the ISE-30 index)	ISE-30	0.00	0.35
Non-cash	Stocks (exchange traded funds)	ETF	0.00	0.35
Non-cash	Mutual Fund Participation Certificate (Physical) A Type	Type A	0.00	0.35

Non-cash	Mutual Fund Participation Certificate (Physical) B Type	Type B	0.00	0.70
Non-cash	Mutual Funds Participation Certificate(Physical) Liquid	Liquid	0.00	0.70

7.2. Trade Margin Haircuts

The non-cash assets accepted as trade margins have certain haircuts that are pre-determined by the liquidity preferences of the assets:

Cash/Non-cash	Collateral type	Collateral group	Haircut
Cash	TRY	TRY	1.00
Non-cash	Foreign currency	F/X	0.95
Non-cash	Treasury Bill	TB	0.90
Non-cash	Government Bond	GB	0.80
Non-cash	Foreign Currency Indexed Government Bond	F/X GB	0.80
Non-cash	Government Bond with Foreign Currency Denomination	GB F/X	0.80
Non-cash	Stocks	ISE-30	0.70
Non-cash	Stocks (ETF)	ETF	0.70
Non-cash	MutualFund Participation Certificate - A Type	Type A	0.70
Non-cash	Mutual Fund Participation Certificate - B Type	Type B	0.80
Non-cash	MutualFund Participation Certificate - Liquid	Liquid	0.90

7.3. Mark to Market Process

The non-cash assets accepted as trade margin are subject to valuation by Takasbank at the end of every trading day.

Valuation criterias for Each Type of Eligible Assets

Collateral type	Valuation criteria	Explanation
Foreign Currency	CBTR F/X Buying Rate	Next day value price announced at 15:30
Treasury Bill	Price announced by the ISE	TR-Current price announced by the ISE
Government Bond	Price announced by the ISE	TR-Current price announced by the ISE
Equities	ISE weighted average price of 2nd session	Previous price is taken into consideration if there is no trading
Exchange Traded Fund	ISE weighted average price of 2nd session	Previous price is taken into consideration if there is no trading
Mutual Fund Share	Unit share price of the fund	Price announced by the founder

The trade margins - can be subject to revaluation within the day by Takasbank if -necessary.

7.4. Deposit/Withdraw Cut-off Time for Trade Margins

Although EFT hour is the cut-off time for TRY payments and SWIFT hour is for foreign currency payments in Takasbank system, market liquidity and operational risks are also taken into consideration in determining the cut-off times.

Type of Asset	Transaction	On account	Physical *	Instruction cut-off time	Explanation
TRY	Deposit	17:00	13:30		Deadline for effective TRY collateral depositing
	Withdraw	15:40		13:30	For same day value drawing transaction
Foreign Currency	Deposit	17:00**	n/a		For USD Citibank NY 36892258 For EUR Citibank FF 411/5556/024
	Draw		n/a	15:00**	For same day value drawing transaction
Government Bonds	Deposit	17:00	n/a		Delivery deadline for physical DIBS

	Draw	17:00	n/a		Delivery deadline for physical stocks
Stocks and ETF	Deposit	17:00	n/a		
	Draw	17:00	n/a		
MutualFund Shares	Deposit	17:00	n/a		
	Draw	17:00	n/a		

* No any assets are allowed to deposit/withdraw from clearing accounts physically. To deposit assets physically, clearing member must deposit these assets to their current accounts (for TRY, foreign exchange)and securities) at Takasbank system. The cut-off times are Takasbank physical deposit/withdraw hours except for foreign currency. Physical deposit shall not be accepted for foreign currencies.

** GMT +02:00

7.5. Initial and Maintenance Margins*

* Margins can be changed by Turkish Derivatives Exchange as the result of the fluctuation of the asset price forming the basis of the contract.

CONTRACT TYPE	INITIAL COLLATERAL (TRY)	MAINTENANCE COLLATERAL (TRY)
ISE 30 INDEX FUTURES	600	450
ISE 100 INDEX FUTURES	500	375
T-BENCHMARK BOND FUTURES	300	225
TRY/US DOLLAR FUTURES	160	120
TRY/ EURO FUTURES	220	165
COMMODITIES		
COTTON	240	180
WHEAT	240	180
GOLD	400	300

8. MARK TO MARKET PROCESS

Mark to Market Process is daily performed in accordance with the “Communiqué on Settlement and Default Principles” numbered 2005/5 of Turkish Derivatives Exchange. The losses are deducted on trade day (T+0) to margin accounts in cash. If the cash margin is insufficient or total margin falls below the maintenance margin as a result of mark to market process or asset valuation, margin call announcement shall be placed electronically. After charging the loss to the account, even if the remaining total margin, where the cash collateral is below “0”, is above maintenance collateral, margin call will be announced and the cash collateral amount of the related account will be completed to at least “0”. The principles regarding margin call and margin process are determined in the Exchange Communiqué numbered 2005/5.

Margin call obligations can be fulfilled either in cash or by offsetting partial/entire positions.

In accordance with the regulations in the Exchange Communiqué, to open a new position at least 30% of total collateral must be deposited in cash. However, if a position loss is incurred during clearing process, than the loss amount is deducted from cash margins of the relevant

accounts and the requirement of holding minimum cash is not asked for. In this framework, depending on the ratio of cash composition in the system, subjecting other collaterals to evaluation is based on the following conditions:

- Until the margin call obligation is fulfilled, the non-cash margin deposited shall not be subjected to the asset valuation.
- If the maximum non-cash collateral, which might be valued depending on the cash composition, exists in the system, other non-cash collaterals that were deposited are not subject to valuation. The cash composition is updated when additional cash is deposited to the related account and non-cash collaterals which are not previously valued are taken into account.

The profits are transferred into such accounts on T+1 day. If all losses have been collected, than profit distribution takes place prior to the session, if there is any uncollected loss, after 2:30 pm. hrs will be the deadline for profit distribution. The accounts with a profit of the members having a margin obligation are blocked in the amount equal to the related margin call amount and profit receivables are not paid until the obligation is fulfilled completely. The member is also not allowed to withdraw collateral from the sub-account that is subject to the margin call.

The depositing of cash collateral and/or offsetting of positions against margin call must be realized on the next business day (T+1) until 2:30 pm. Margin transactions made due to mark to market process must be realized on related sub-account basis.

9. GUARANTEE FUND

Guarantee Fund is established by the Exchange with the contribution of all clearing members for fulfillment of settlement obligations in default situations. The contribution amount to be made by clearing members is determined by the Clearing House. Guarantee Fund is represented and administered by the Clearing House.

The principles such as the establishment of Turkish Derivatives Exchange Guarantee Fund, time of the payments made to Guarantee Fund, securities to be deposited, valuation method, collection are all regulated with the “Communiqué on the Establishment and Functioning Principles of the Guarantee Fund” numbered 2005/7.

The clearing members contribution to the guarantee fund is defined as follows;

- i. Every clearing member has to deposit the minimum contribution share, even if it does not have an open position. (200,000 TRY)
- ii. The general clearing member has to deposit to the guarantee fund an additional contribution share of 100,000 TRY per each tranche for every non-clearing member of which they have provided settlement guarantee.

As of the end of day, the open positions of every clearing member are recalculated and their guarantee fund contribution percentage corresponding to the total market risk exposure is calculated. It is checked whether the open position value is in line with the predetermined guarantee fund contribution or not and if required, a margin call is made. The tranche level is calculated as follows:

Open position market value (TRY)*	Tranche level	Contribution amount (TRY)**
0-20 million	1	200.000
20-30 million	2	300.000
30-40 million	3	400.000
40-50 million	4	500.000
50+10xn	5+n	500.000+100.000xn

* For each 10 million TRY increase in open position, additional collateral of 100.000 TRY has to be deposited as guarantee fund contribution.

** Minimum %20 of total contribution amount has to be in form of cash (TRY)

The contribution amount deposited to the Guarantee Fund are in two different types being cash (TRY) and non-cash (other). The minimum contribution is determined with the related Communiqué of the Exchange and the variable contribution is calculated by multiplying the members' open positions with daily settlement prices, have to be deposited to the Clearing House in accordance with the principles and settlement deadline as determined in the related Communiqué.

Above mentioned principles relating to the depositing of trade margins are also applicable for the Guarantee Fund contribution.

The maintenance margin of the Guarantee Fund is %90. The clearing member's Guarantee Fund contribution can be equal or under the maintenance margin level (%90) for the following reasons.

- Decrease in value of the collateral
- Use of Guarantee Fund contribution in case of a default
- Increase of required collateral level

The margin calls for the Guarantee Fund have to be fulfilled within 3 business days. In case the Guarantee Fund is used because of a default of clearing member and the clearing member does not fulfill its Guarantee Fund contribution within due time, the follow-up of Fund receivables and bankruptcy process are carried out by the Clearing House. The contribution of the members of which Guarantee Fund contributions are used are proportionally payback with interest following the fulfillment of Guarantee Fund's deficiency. The default penalty for the Guarantee Fund is applied as twice of the default interest rate.

The letters of guarantee to be accepted as non-cash Guarantee Fund contribution have to be denominated in TRY or foreign currency (USD or Euro). The letters of guarantee have to be in the form of performance bond and indefinite in time, those letters of guarantee, which will mutually be given among clearing members and by the banks of the same group to each other, are not accepted. Besides, as the letters of guarantee to be deposited to the accounts of the Guarantee Fund opened with Takasbank are to be accepted according to the limits determined by Takasbank within the framework of risk centralization, it has to be confirmed prior to the acceptance of the letters of guarantee whether the limit of the related bank is available or not. The letters of guarantee have to exactly comply with the letter of guarantee text provided in the annex.

Cash or non-cash collaterals available in the Guarantee Fund account can be withdrawn in the first 3 business days of each month. The available collaterals of the Guarantee Fund, not drawn in the first 3 business days, can not be withdrawn until the beginning of the following month. The non-cash collaterals deposited to the Guarantee Fund can be replaced with the approval of Takasbank.

10. DEFAULT TERMS AND CONDITIONS

The member not depositing its collateral obligation to the related sub-account by 02:30 pm on T+1 day, is deemed to be in default without requiring any notification. The methods and principles, which will be followed in default cases, have been regulated with the Regulation and Communiqué of Turkish Derivatives Exchange no. 2005/5.

The general principles applied in default conditions are as follows:

- a) It is of essence to fulfill the settlement obligations on T+1 day until 2:30 pm. The members not fulfilling their obligations within due time is deemed to be in default.
- b) In case, the margin call obligation is not fulfilled on T+1 day from 2:30 pm to EFT Closing Hour, this is considered as first default. The member is charged a default interest equaling to the highest interest rate level of overnight weighted average interest rates observed in the ISE Repo-Reverse Repo Market or CBRT Interbank Money Market.
- c) In case the default is paid on T+1 day after EFT closing or left to subsequent days, this is considered as second default. In this case a default interest equaling to %300 more of the highest interest rate level of overnight weighted average interest rates observed in the ISE Repo-Reverse Repo Market or CBRT Interbank Money Market is applied.

The information related with the default process is provided in the table below:

Default Time	Default Process	Sanctions to be Applied
T+1 Day 2:30 pm-EFT closing	First Default	more of the highest interest rate of overnight weighted average interest rates observed in the ISE Repo-Reverse Repo Market or CBTR Interbank Money Market. Default interest calculated less than 10 TRY is collected as 10 TRY. No default interest is applied for default amounts of 100 TRY and less.
	Second Default	% 300 more of the
T+1 Day EFT closing-subsequent days		

		highest interest rate of overnight weighted average interest rates observed in the ISE Repo-Reverse Repo Market or CBTR Interbank Money Market. Default interest calculated less than 10 TRY is collected as 10 TRY. No default interest is applied for default amounts of 100 TRY and less.
T+1 Day from 2:30 pm onwards	Position Liquidation	The positions of the member can be liquidated on T+1 day from 2:30 pm. In case the default is not paid on T+1 day from 2:30 until the session end the position liquidation may continue in the following days until the default is paid.
T+1 Day from 2:30 pm onwards	Liquidation of Non-cash Collaterals	The non-cash collaterals of the member can be liquidated on T+1 day beginning from 2:30 pm. In case, the non-cash collaterals are not sold on T+1 day from 2:30 until the session end of spot markets, the liquidation of non-cash collaterals may continue in the following days until the default is paid.

In case, the margin obligations are not fulfilled within due time and the default interests calculated in accordance with the related Exchange Communiqués and accrued to the members are not paid within stated periods of time, the interest amount is ex officio collected

from the related members' current accounts within Takasbank. The default penalties are credited to the Guarantee Fund itself .

In case of default, the following order shall be observed:

- a) The default amount is paid from the cash part of the guarantee fund. First recourse is made to the cash contribution of the guarantee fund of the defaulted member.
- b) In case the default is not paid, the cash contributions of the other members within the guarantee fund are used proportionally.
- c) For the obligations not paid on T+1 day until 2:45 pm, the non-cash collaterals of the defaulting account not evaluated are subject liquidation, if any.
- d) The open positions of the defaulting account are liquidated in an amount to pay the default and the non-cash collaterals now released are liquidated.
- e) If the obligation can still not be paid, the non-cash collaterals of the clearing member deposited to the Guarantee Fund are liquidated.
- f) In case the obligation is not paid, recourse is made to the portfolio account of the clearing member. Positions and collaterals are liquidated and used for the fulfillment of the obligation.
- g) In case the obligation is not settled, all rights and receivables of the member with the Exchange can be used.
- h) In case the default can not be paid, upon resolution of the Exchange and the Clearing House, recourse can be made to the non-cash collaterals of other members within the Guarantee Fund.

11.CASH COLLATERAL ACCUMULATED INTEREST BY CLEARING HOUSE

Cash collaterals against trading margin and Guarantee Fund contribution are accumulated an interest under the best terms possible by Clearing House. Only cash collaterals in TRY -no other currency- are accumulated interest. Non-cash collaterals are excluded. Interest accumulation transactions are performed at 3:40 pm over available balances of member accounts. The cash collaterals kept in margin accounts and Guarantee Fund contributions are subjected to interest accumulation by Takasbank in the CBTR Interbank MoneyMarket as of 3:40. After 3:40 pm Takasbank will accumulate interest in Interbank Secondary Market according to current market conditions by showing best efforts and the interest amount is transferred into the related accounts on the next business day. Under extraordinary market conditions interest accumulation can not be possible. Due to market conditions, if the Fund Management of Takasbank could not make interest accumulation, then no interest is paid. After deducting legal costs such as statutory provision obligation costs, banking and insurance transaction tax (BSMV) and "Exchange Collateral Follow-up Fee" in the amount of %1.7 of gross interest amount, from gross interest amounts obtained from the interest accumulation on cash transaction collaterals, the resulting interest income is added to related accounts daily within the framework of the principles stated in the Exchange Communiqués no 2005/6 and 2005/7. For accumulating interest on the cash contribution shares in the Guarantee Fund under the best terms possible, the cash contribution shares may be invested by Takasbank in the early hours of the day. Takasbank may borrow the required funds, in the event of the funds maintained at the Guarantee Fund are needed for making payments to the members. In such a case, if there is a negative difference between two interest rates, this difference is reflected to the interest of the Guarantee Fund as deduction. The members receive payment on the next business day if Takasbank could not borrow due to market conditions.

12. TURKDEX CLEARING HOUSE DAILY WORK FLOW

PROCESS	HOURS
Opening of Session	9:15 am
Settlement Deadline (Start Time for Default)	2:30 pm
Profit Distribution Deadline	2:35 pm
Deadline for Withdrawing of Cash Collateral	3:40 pm
Interest Accumulation Transaction	3:40 pm
Deadline for Withdrawing/Depositing Collateral	5:20 pm
End of Session	5:35 pm
Announcement of Settlement Price and Margin Calls	5:45 pm
Deadline for Account Opening	5:45 pm
Mark to Market Process	5:50 pm+
Deadline for Notification of Global Account Position	9:00 pm
TDCS End-of-day Transactions	9:00 pm+