

CHEQUE CLEARING OPERATIONS SYSTEM AGREEMENT

ARTICLE 1- PARTIES

This Agreement has been executed by and between İstanbul Takas ve Saklama Bankası A.Ş. operating at Reşitpaşa Mahallesi, Borsa İstanbul Caddesi, No:4 Sarıyer 34467 İstanbul andoperating at, on the basis of the following terms and conditions.

ARTICLE 2- DEFINITIONS AND ABBREVIATIONS

The following terms used in this Agreement shall bear the following meanings,

Relevant Legislation: The Cheque Law No. 5941 published in the Official Gazette numbered 27438 and dated 20 December 2009, article 10 of the Law No. 6493 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions published in the Official Gazette numbered 28690 and dated 27/06/2013, the Regulation on Activities of Payment and Securities Settlement Systems published in the Official Gazette numbered 29044 and dated 28/06/2014, the Regulation on Cheque Clearing Operations published in the Official Gazette numbered 30446 and dated 09/06/2018, and İstanbul Takas ve Saklama Bankası A.Ş. Cheque Clearing, Clearing and Settlement and Risk Management System Rules and other relevant legislation.

Participant: The banks being a party to this Agreement, which are subject to the Banking Law No. 5411 and dated 19/10/2005.

Concerned Participant: The participant at which the account on which the cheque has been drawn is held.

System: The electronically-operated Takasbank Cheque Clearing System established by Takasbank in accordance with article 5 of the Regulation to facilitate payment of the cheques on account between the bank branches, which intermediates conduct of clearing and settlement operations.

System Rules: İstanbul Takas ve Saklama Bankası A.Ş. Cheque Clearing, Clearing and Settlement and Risk Management System Rules.

Clearing: Delivering the information of the concerned participants' cheques presented to the participants to the clearing house in electronic environment, intermediating to the receipt of provision, and the netting operations.

Clearing house: Takasbank Cheque Clearing System environment in which the clearing and settlement operations are carried out.

Takasbank: İstanbul Takas ve Saklama Bankası A.Ş. being a party to this Agreement.

Regulation: The Regulation on Cheque Clearing and Settlement Operations published in the Official Gazette numbered 30446 and dated 09/06/2018.

ARTICLE 3- SUBJECT MATTER OF THE AGREEMENT

This Agreement stipulates the rights and obligations of the parties during the execution of system participation, clearing, settlement, guarantee mechanism contribution, default and cash transfer operations.

ARTICLE 4- RIGHTS AND OBLIGATIONS OF THE PARTICIPANT

The Participant accepts and undertakes that;

- 1) The regulations, communiques, system rules, circulars, general letters and principle resolutions issued by the Central Bank of the Republic of Turkey and Takasbank and all arrangements made under any name whatsoever and the provisions of other relevant legislation shall be applied together with the terms and conditions of this Agreement for all transactions to be conducted in the system, and Takasbank shall be authorized to interpret such legislation in its capacity as system operator, make decision on any unclear issue by taking account of the general provisions and lead the execution accordingly.
- 2) It shall allocate a sufficient number of staff qualified to perform the daily transactions.
- 3) It shall make the necessary infrastructure, software and systems ready and available for use in accordance with the arrangements to be made by Takasbank and other authorized entities and institutions to ensure the system security and its uninterrupted operation.
- 4) It shall adapt the system revisions to be made by Takasbank within the prescribed time periods and participate in the tests it is invited to ensure continuity of the uninterrupted and secure functioning of the system.
- 5) It shall establish the internal audit and control mechanisms and take the necessary measures for their maintenance to ensure security of the system.
- 6) It shall refrain from any activity that would risk the smooth execution of the clearing and settlement operations; and that it shall indemnify any loss and damage to be incurred in case of any fault on its part for the problems related to the functioning of the system.
- 7) It shall be responsible for the fulfillment of all obligations under this Agreement and the relevant legislation and for the functions performed by its employees pursuant to their duties.
- 8) It shall have unlimited liability for the obligations arising from all type of transactions conducted by its representatives it has authorized to conduct transaction on Takasbank system, and that, the conducted transactions shall be binding so long as any amendment to the powers of representation has not been informed to Takasbank in writing; and the responsibility for safekeeping of its user code and password used by its representatives to connect to the system shall belong to the Participant and that, it shall be responsible for any loss to be incurred from the use of its user code and password by unauthorized people with or without consent of its representative because of their capture by third parties; and that the responsibility arising from all loss incurred due to the lack of capacity of its representatives or of the customers on whose behalf the transaction is conducted or because of acting contrary to the instructions of its customers or conducting transaction on behalf of its customers without the customer instruction shall belong to itself.

- 9) It shall be obliged to take all necessary measures to prevent any unauthorized access to the systems over the web, copying and downloading of the content of data flow, any attempt to enter into the website menus that are forbidden to access, transmission of any request in a nature that might affect and damage the website or systems, any reverse engineering (discovering the structure, function or operation of the system through inferential reasoning) for the website or the systems and use of the website by any unauthorized user and to ensure that the contents transferred to the website do not violate the intellectual property rights of third parties, not include any statement constituting an offence such as an insult and defamation, not disclose the trade secrets of any business and are not fake, illegitimate and in obscene nature, and do not include discrimination, not encourage illegal actions, not contain any promotional factor, and not carry any virus, malicious software, spyware or other harmful content and codes; and that, it shall be responsible for indemnifying any loss to be incurred by Takasbank by virtue of any situation referred to in this paragraph.
- 10) The responsibility for the transactions it has conducted through the system shall belong to itself, and it shall indemnify any loss in case Takasbank and/or third parties incur(s) any for reasons arising from its own fault.
- 11) Takasbank shall not be a party to any conflict that might occur between itself and other Participants or between itself and third persons in the transactions conducted through the system.
- 12) It shall comply with the provisions of article 10 of the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions and of article 22 of the System Rules.
- 13) It shall provide, pursuant to the provisions of the relevant legislation, the system participation fee and system participation collateral to be required by Takasbank as well as the assets subject to the guarantee mechanism contribution to be calculated by in accordance with the System Rules.
- 14) After the guarantee mechanism contribution valuation process carried out by Takasbank, it shall fulfill such guarantee mechanism contribution margin call in accordance with the relevant legislation.
- 15) It shall deposit its cash debt arising from the netting operation performed in the system to the relevant accounts in accordance with the principles and procedures set forth in the System Rules.
- 16) It has authorized and entrusted each other to accept as agent, on behalf of the concerned banks, the cheques presented to them by their holders and forward the information on these cheques to the clearing house in electronic environment for further delivery to the concerned participant, perform the determination action compatible with the act of Law constituting the basis for printing the cheque for those failed to be paid because of having no sufficient amount in the account and make the necessary explanation on behalf of the concerned participant to the backsides of the cheques with other restrictions preventing their payment, and pay the amounts of honored cheques which have no constraint in their payment.
- 17) It is obliged to comply with the principles and the time periods stipulated in the System Rules for transmitting the information to the clearing house of the cheques presented to its branches.

- 18) It shall take all types of measures to conclude the provision transactions on the same day except for any extraordinary situation impeding the execution of clearing operations and being referred to in the System Rules and the Regulation.
- 19) It shall not return the check information sent to the clearing house on the grounds that the authorization has failed to be obtained, their images are not available or their physical presentation has not been made.
- 20) For the partially and fully dishonored cheques and the cheques to be returned for reasons such as imposition of seizure, pledge, precaution on the account or of prohibition of payment by the court, etc., their originals or copies shall be returned after signing the cheque by writing on its back "as agent to Bank Branch (the name of the branch at which the concerned participant holds its cheque account)" to their holders in accordance with the act of Law constituting the basis for printing.
- 21) It shall accept the cheques presented by the cheque holders for collection to its branches by controlling them for requirement as to form, their endorsement chain, presentation period and whether there is any tampering on them or not, and whether, along with the signature, there are valid in terms of forgery, authorization of the cheque holder, etc. and that they shall provide to each other a sufficient number of sample cheques that are in circulation and have been taken out of circulation, in order to ensure fulfillment of the said obligations.
- 22) If it is identified thereafter that the cheques recorded to the accounts of the banks to which cheques have been presented are dishonored due to the failure to get authorization within the prescribed time period or will not be paid for any reason, it shall act in accordance with the provisions of the System Rules and the Regulation.
- 23) The legal obligations regarding the partially or fully dishonored cheques, such as sending a notice to the drawer, informing the Banks Association of Turkey Risk Center, making notification to the Public Prosecution Office, etc. shall be fulfilled by the concerned banks.
- 24) In case of any emergency situation that would lead to the suspension or disruption of the cheque clearing and settlement operations, it shall act in accordance with the principles and procedures stipulated by Takasbank pursuant to article 43 of the System Rules and article 14 of the Regulation for ensuring the continuity of the clearing and settlement operations.
- 25) It shall be responsible for delivering the cheque information to the concerned participant on time, and any penalty amount that the concerned participant becomes obliged to pay due to the failure to timely deliver such information shall be paid by the bank to which the cheque has been presented together with the interest to be accrued from the moment of request to the time of payment over the higher of the weighted average overnight interest rates formed in Borsa Istanbul Repo-Reverse Repo Big Orders Market, Borsa Istanbul Interbank Repo-Reverse Repo Market, CBRT Interbank Money Market or Takasbank Money Market.
- 26) It shall be obliged to retain the cheques presented to its branches for a period of 10 years on behalf of the concerned bank; and should the original cheque be requested by the concerned bank within its retention period, it shall promptly fulfill such request.
- 27) If the original cheque is failed to be submitted within its retention period and the concerned participant loses any lawsuit and becomes obliged to pay any amount for this reason, the participant to which the cheque has been presented shall be responsible for paying the amount

it has paid to the concerned participant, within 3 business days from the date on which the request has been received by the bank to which the cheque is presented.

28) Due to transmission of erroneous information about the cheque amount to the concerned participant;

- a) If any amount exceeding the cheque value has been collected from the account at the concerned participant; it shall pay the amount exceeding the cheque value to the concerned participant together with the interest to be calculated for the period to be elapsed from the date of entry to its accounts to the repayment date over the higher of the weighted average overnight interest rates formed in Borsa Istanbul Repo-Reverse Repo Big Orders Market established by the Exchange and in which the government securities are traded, Borsa Istanbul Interbank Repo-Reverse Repo Market, CBRT Interbank Money Market or Takasbank Money Market.
- b) In addition, if the concerned participant has made to the account holder any payment exceeding the collection amount for any legally valid reason because of the excess collection referred to in the item (a) above and such payment has been established by a written evidence, the participant to which the cheque has been presented shall also pay the amount to the concerned participant together with the interest to be calculated in accordance with the rate referred to in the item (a) of this paragraph, without raising any objection thereof.
- c) If any amount less than the cheque value has been collected from the account at the concerned participant; it shall inquire from the concerned participant the amount available in the account at the moment of presentation of the cheque, and if the difference between the paid amount and the cheque value is still available in the account, it shall request the payment of that difference, and in cases when it acts as the concerned participant, it shall pay that difference requested from it, however, in the event the difference between the paid amount and the cheque value is not available in the account at the moment of presentation of the cheque, it shall perform the determination action compatible with the act of Law constituting the basis for printing the cheque.

29) If the concerned participant becomes obliged to return a part or entire amount of the cheque or a greater amount to the drawer upon determination after the collection of cheque amount from the concerned participant that there is counterfeiting on the cheque along with the signature forgery, the cheque has been tampered or is invalid; it shall pay such amount the concerned participant becomes obliged to pay to the drawer together with the interest to be calculated over the higher of the weighted average overnight interest rates formed in Borsa Istanbul Repo-Reverse Repo Big Orders Market established by the Exchange and in which the government securities are traded, Borsa Istanbul Interbank Repo-Reverse Repo Market, CBRT Interbank Money Market or Takasbank Money Market.

30) If Takasbank becomes obliged to file a lawsuit or initiate an enforcement proceeding for collecting the debts arising from this Agreement, it shall be responsible for paying all dues, expenses and attorney fees to be incurred due to such lawsuit and proceedings.

31) For any conflict to be arisen in relation to the Agreement; the Cheque Law No. 5941, the Turkish Code of Obligations No. 6098, the Turkish Commercial Code No. 6102, the Law No. 6493 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions and the secondary regulations issued pursuant to that law, the Regulation, the

System Rules and the provisions of this Agreement and the generally accepted banking practices shall be applied.

- 32) The allegations of error, cheating and economic distress regarding the trade confirmations referred to in the Cheque Clearing System Usage Guidelines and sent by Takasbank or generated by the system or the reports containing the trade information after the moment of their creation in the system shall not be valid so long as they are not acknowledged by Takasbank.
- 33) The Participant has designated the address given below as its legal place of residence for the fulfillment of issues referred to in this Agreement and the necessary warning and notifications to be served. The Participant accepts and declares that unless it informs Takasbank in writing of any change in its address, the warnings and notifications to be served to its address given in this Agreement shall be valid.
- 34) It can apply to Takasbank for arbitration to settle any conflict that might arise from the execution of this Agreement, and the arbitration center shall be Istanbul.
- 35) For any issue not stipulated in this Agreement, the regulations of Takasbank and the provisions of other relevant legislation shall be applied, and should any amendment be made to such legislation, the amended provisions shall be applied.
- 36) Takasbank shall be entitled to determine and enforce the measures to be taken in case of presence of any extraordinary situation that it expects the operability and reliability of the system to be adversely affected therefrom, and in such type of situations, it shall also be entitled to revise the risk calculation method and parameters, require additional guarantee mechanism contribution, change the clearing and settlement periods and conditions, restrict the guarantee mechanism contribution withdrawal by specific periods and conditions, change the trading hours, and take any measure accordingly.
- 37) It must act in compliance with the System Rules and implementing principles, the communiques and directives thereof and the terms and conditions of this Agreement, otherwise the penalties stipulated in the Regulation and System Rules shall be applied.
- 38) Takasbank central computers' records shall serve a valid, binding, final and exclusive evidential contract pursuant to article 193 of the Civil Procedures Law No.6100 for any conflict that might arise from the execution of the Agreement, and the Participant being a party to this Agreement has waived in advance its right to raise any objection against these records and tender an oath on whether such records are kept in due form.
- 39) Even if it has not defaulted, the guarantee mechanism contribution amount it has deposited can be used by Takasbank pursuant to the System Rules and the relevant legislation to conclude the settlement of the transactions conducted in the system.

ARTICLE 5- TAKASBANK'S RIGHTS AND OBLIGATIONS

- 1) Takasbank is entitled to all types of regulatory and amendatory rights with respect to the transactions to be conducted in the system provided that the necessary permits and approvals thereof are received from the relevant authorities.

- 2) Takasbank shall not take into account any request outside the working hours set forth in the System Rules, and it is authorized to change these hours at any time by informing the Participant thereof.
- 3) Takasbank is responsible for taking the necessary measures to ensure uninterrupted secure, efficient and effective functioning of the system and monitoring the transactions of the Participant and its compliance with the system rules in a regular manner.
- 4) Takasbank is obliged to follow the issues required to be performed by the Participant for compliance of the system with the obligations imposed by the relevant legislation and apply the penalties set forth in the legislation on the Participant's transactions failing to comply with such obligations.
- 5) Takasbank is responsible for minimizing the risks to be posed by the system and ensuring the stability of the system.
- 6) Takasbank is responsible for taking account of the risks that might result from the interconnected systems and taking the necessary measures to manage these risks in an efficient manner.
- 7) Takasbank is responsible for taking the necessary measures for the confidentiality and security of the information regarding the transactions conducted in the system.
- 8) Takasbank is responsible for designing the information systems that would facilitate the system to be operated in a smooth manner.
- 9) Takasbank is obliged to share, on its website, the system-related information required to be disclosed with respect to the transparency principle and the information society.

The participants are responsible for the fulfillment of clearing and settlement obligations within the prescribed time periods, and no Takasbank guarantee exists thereof. Completion of settlement operations within the prescribed time periods shall be conditional upon fulfillment by the Participants with settlement debt of their obligations. In cases when the creditor Participants fail to receive their receivables in full due to the non-fulfillment by the Participants with settlement debt of their obligations, Takasbank shall bear no responsibility against the Participants. If any default occurs, Takasbank shall resolve such default by using the guarantee mechanism contribution amount(s) of the defaulting Participant(s) and if that amount fails to be sufficient, by using the contributions of the non-defaulting Participants.

The Participant accepts, declares and undertakes in advance that it shall not raise any claim against Takasbank for the indemnification of its loss or make any indemnification request under any name whatsoever, alleging that it has incurred loss greater than the default interest.

ARTICLE 6- PRINCIPLES FOR THE GUARANTEE MECHANISM CONTRIBUTION

- 1) The Participant must provide the guarantee mechanism contribution designated by Takasbank for the system operations. The Participant is obliged to deliver the appreciated guarantee mechanism contribution up to the amount determined by Takasbank and in accordance with the conditions to be stipulated by Takasbank.

- 2) Takasbank is entitled to change the types of assets eligible as guarantee mechanism contribution depending on the general market conditions and the risk level of assets subject to the guarantee mechanism contribution. In such a case, the Participant accepts, declares and undertakes to make available the guarantee mechanism contribution determined by Takasbank and/or change its type without raising any objection thereof. Should such obligation be failed to be fulfilled, the default provisions shall be applied.
- 3) The Participant is responsible for ensuring that the composition of assets it would establish as guarantee mechanism contribution falls within the limits to be defined by Takasbank and for monitoring and providing that they stay within the defined composition.
- 4) The Participant unconditionally accepts that when the transactions in the System are failed to be concluded by this Agreement and it is able to access to the CBRT's liquidity facilities or has an opportunity to raise liquidity by borrowing against collateral from a financial institution, the assets provided as collateral by the Participant pursuant to the relevant legislation can be given as collateral by Takasbank to the CBRT or the financial institution extending the credit facility in accordance with the provisions of this paragraph to make use of the liquidity facility provided that it is compliant with such institutions' principles regarding collateral.
- 5) The obligation shall be fulfilled upon transfer by the Participant of the assets delivered as guarantee mechanism contribution to Takasbank to the relevant guarantee mechanism contribution accounts.
- 6) The right to use of the assets provided by the Participant for guarantee mechanism contribution purposes shall be transferred to Takasbank. Upon transfer of the asset values subject to the guarantee mechanism contribution to the relevant accounts, the use of such guarantee mechanism contributions shall be passed to Takasbank pursuant to the consent that has been given by the Participant in accordance with the fourth paragraph.

ARTICLE 7- ACCELERATION OF DEBT AND DEFAULT

- 1) The transactions conducted by the Participant in the market shall become due and payable in the following situations.
 - a) Expiration of the electronic cheque clearing settlement date and failure of the Participant to fulfill it in accordance with the principles and procedures set forth in the System Rules.
 - b) Failure of the Participant to fulfill its guarantee mechanism contribution margin call obligations in accordance with the principles and procedures stipulated in the System Rules.
 - c) Decision made by Takasbank for liquidation of the liabilities of the Participant due to occurrence of any situation necessitating the restriction of the Participant's activities pursuant to the relevant legislation.
- 2) If the Participant fails to fulfill its obligations in accordance with the principles and procedures set forth in the relevant legislation on the date on which the debt has become due and payable, it would have been defaulted without requiring Takasbank to issue a protest, serve any warning and grant an extension nor to initiate any legal proceeding and take any action thereof.

- 3) In case the Participant falls into default, it shall be obliged to pay a default interest at a rate set forth in the relevant legislation. If Takasbank incurs any loss exceeding the default interest due to default of the Participant, the Participant shall also be obliged to indemnify such losses. Takasbank shall have the right of settlement, off-set and retention on the Participant's current accounts at Takasbank and all of its rights and receivables against the Participant's debts that have become due and payable, all types of interest and other costs arising from such debt and any loss exceeding the default interest.
- 4) If the guarantee mechanism contribution is required to be used due to the default of the Participant in the payment to Takasbank of its debt arising from the transactions it has conducted in the Market or for the reasons stipulated in this Agreement or the relevant legislation, Takasbank shall be entitled to sell the assets/foreign currency subject to the guarantee mechanism contribution in the market or place them as collateral and cover the unsettled default amount from the sale proceeds thereof without having any obligation to fulfill any precondition such as serving any notice or warning, allotting time, obtaining any permission or approval from the administrative or judicial authorities, turning guarantee mechanism contribution into cash through an auction or another way, etc.
- 5) If any need to resort to the guarantee mechanism contribution arises due to the default, which assets subject to the guarantee mechanism contribution are firstly to be used shall be determined by Takasbank, and the Participant accepts in advance that it shall have no right to object to the decision of Takasbank thereof.
- 6) If the debt becomes due and payable due to the failure of the Participant to fulfill its guarantee mechanism contribution margin call obligation, Takasbank shall be entitled to liquidate the debts of the Participant by turning into cash, in accordance with the default provisions, the guarantee mechanism contributions of the relevant Participant causing the default.
- 7) The Participant accepts that it shall not raise any claim against Takasbank, alleging that it has incurred loss due to turning into cash of its guarantee mechanism contribution by Takasbank because of default or although it has an opportunity to provide liquidity by borrowing against its guarantee mechanism contribution, and that, all type of costs and other financial liabilities arising from these transactions shall belong to the Participant.
- 8) In case of any default, Takasbank may not allow the Participant to withdraw the assets subject to the guarantee mechanism contribution in its relevant accounts.

ARTICLE 8- FEES, COSTS AND COMMISSIONS

The Participant shall be obliged to pay all types of fees, commissions, taxes, duties, charges, funds and other liabilities arising from this Agreement and the transactions conducted at Takasbank, within the time periods announced by Takasbank.

ARTICLE 9- NOTIFICATION ADDRESS

The parties have acknowledged the addresses referred to in article 1 of this Agreement as their notification addresses. Unless the address changes are informed to other party, any notice to be made to the last notified address shall be deemed served to the relevant party.

ARTICLE 10- TERM AND TERMINATION OF THE AGREEMENT

This Agreement shall be valid for indefinite period and enter into force on the date of its execution. The agreement can be terminated pursuant to the provisions of the System Rules regarding the suspension of Participant activities and the departure from the System and the withdrawal from the System. However, termination of the agreement shall not remove any obligation arising from the relevant legislation nor from the business and transactions that have been conducted until the termination date.

ARTICLE 11- AMENDMENT TO THE AGREEMENT

Takasbank shall be entitled to amend the provisions of this Agreement in whole or in part in case of any legal and/or technical problem or of presence of any situation that it expects the reliability and operability of the transactions are adversely affected therefrom.

ARTICLE 12- NON-TRANSFERABILITY

The Participant cannot transfer its rights and obligations arising from this Agreement to third parties without the consent of Takasbank.

ARTICLE 13- EVIDENTIAL CONTRACT

The Participant accepts that in the resolution of any conflict that may arise in relation to the transactions to be conducted, only Takasbank computer records and other records kept by Takasbank shall serve conclusive evidence for the transaction subject to the conflict pursuant to article 193 of the Civil Procedures Law No.6100.

ARTICLE 14- CONFLICT RESOLUTION

Istanbul (Central) Courts and Enforcement Offices shall have jurisdiction over the settlement of any conflict arising from this Agreement.

This Agreement comprising of 14 articles has been signed by the parties in two copies on ../. /.... at Istanbul

On behalf of TAKASBANK A.Ş.;

Signature :

Name Surname :

Title :

On behalf of

Signature :

Name Surname :

Title :

ÖRNEKTİR