

## TAKASBANK GOLD TRANSFER SYSTEM PARTICIPATION SUPPLEMENTARY AGREEMENT

Date :

Title :

(Hereinafter referred to as the “MEMBER”.)

Address : ..... and

TAKASBANK – Istanbul Takas ve Saklama Bankası A.Ş. operating at “Reşitpaşa Mahallesi, Borsa Istanbul Caddesi No:4, Sarıyer 34467 Istanbul - Turkey” (Hereinafter referred to as “Takasbank”) have executed this Supplementary Agreement (the “Supplementary Agreement”) to make amendments and additions in accordance with article 18 of the Custody Agreement (the “Custody Agreement”) signed by and between them.

This Supplementary Agreement shall be applied for all precious metals traded by the Member in the domestic markets and exercising any right thereon, and the provisions of the Custody Agreement shall be applicable to any issue not stipulated in this Supplementary Agreement.

### 1. Definitions

**Precious Metal Correspondent, Correspondent, Precious Metal Depository, Depository:** A correspondent and/or depository with which Takasbank has established an account relationship and in which it physically keeps the consideration of the precious metals on behalf of its members. The consideration of precious metals kept at Takasbank on account is held physically in the safe deposit boxes of Borsa Istanbul.

**Procedure for Takasbank Gold Transfer System Implementing Principles (Implementing Principles):** The Procedure for Implementing Principles containing the Implementing Principles, operational rules and additional rules for the dematerialized transfer system provided under this Agreement.

**Precious Metal:** Gold, silver and other precious metals in the standard that could be subject to the transfers designated between Takasbank and its members.

**Precious Metal Correspondent Accounts:** The accounts of Takasbank that are held at Borsa Istanbul.

**System Participant, Member:** A Takasbank-member institution participating in Takasbank Gold Transfer System by signing “Takasbank Gold Transfer System Participation Supplementary Agreement” with Takasbank and paying the system participation fee.

**Takasbank Accounts, Precious Metal Accounts, Accounts:** The dematerialized gold transfer system accounts that are opened at Takasbank. The member-based breakdown of the precious metal balances held at Borsa Istanbul are kept on account (in book-entry form) in these accounts. These precious metals are kept in dematerialized form in Takasbank systems, and the physical consideration of the balances in such accounts is held at Borsa Istanbul.

**Takasbank Precious Metal Sub-Accounts, Sub-Accounts:** The sub-accounts which are opened under Takasbank gold transfer system account at Borsa Istanbul. In these sub-accounts, the balances in the member accounts can be segregated on a function basis and by different breakdowns according to the need.

## **2. Scope**

By this Supplementary Agreement, the Member hereby authorizes Takasbank to appoint Borsa Istanbul providing precious metal custody service for the book-entry custody at Takasbank of the physical precious metals of the Member, intermediating to the transfer operations and getting the relevant services thereof.

In this context, Takasbank can have the precious metals of the Member safe-kept and hold them in the safe deposit boxes of Borsa Istanbul either individually or collectively with the precious metals of other members with the terms and conditions it deems appropriate, and to that end, it can open account/accounts in its name at Borsa Istanbul and monitor the precious metals in these account either individually or collectively with the precious metals of other members.

The Member accepts that the services provided by Takasbank are rendered through Borsa Istanbul and the scope of these services is limited to those provided by Borsa Istanbul to Takasbank.

## **3. Accounts**

After the signature of this Agreement by the parties, the accounts shall be opened on the dematerialized gold transfer system upon completion of the definitions in Takasbank systems. In the accounts on the system, the balances and movements shall be monitored with a breakdown by Borsa Istanbul. The sub-accounts can be opened on a function basis for each account. The sub-accounts shall be opened in the manner deemed appropriate by Takasbank.

The units and conversion rules to be used for the transactions to be conducted and the balances available in the accounts shall be defined in the Implementing Principles.

## **4. Orders**

The Member shall be obliged to deliver the precious metal transfer and other trade orders to Takasbank in the form, medium and within the time periods stipulated by the Implementing Principles of Takasbank.

The transmitted orders can be put on hold or rejected due to the noncompliance of the orders sent to Takasbank with the designated technical formats or the implementing principles, the ambiguity of information included therein, the inadequacy of the balance in the account of the Member or for other reasons. Takasbank shall bear no responsibility for the orders that are put on hold or rejected by Borsa Istanbul. The Member accepts that Takasbank shall not be responsible for any loss to be incurred due to incorrectness of the content of the order or failure to comply with the time periods designated for the orders. Takasbank shall only be responsible for delivering to Borsa Istanbul the orders sent by the Member to Takasbank for execution at Borsa Istanbul.

The terms and conditions for the order transmission shall be announced to the members by Takasbank. Takasbank may change the Implementing Principles and the rules regarding the order acceptance, when it deems appropriate.

## **5. Business days and working hours**

The business days and working hours shall be determined by Takasbank. The transactions can be conducted within the time periods designated in the Implementing Principles on the days in which Takasbank and its systems are open.

The responsibility for transmission to Takasbank system before the last trading hour of the orders sent to Takasbank or entered over Takasbank systems by the Member for delivery to Borsa Istanbul or for any delay related to the late order transmission shall belong to the Member.

The working hours for the transactions to be conducted in Takasbank systems shall be determined and announced to the members by Takasbank. Takasbank may change the system hours, when it deems necessary.

## **6. Precious Metal Inflows and Outflows**

Deciding on whether or not the precious metals to be taken under custody by Borsa Istanbul are eligible for safe-keeping as well as for deposit afterwards shall be at the discretion of Borsa Istanbul. All losses, costs and liability to be arisen from failure of the precious metal to be eligible for deposit shall belong to the Member.

The physical delivery (the inflow and outflow operations) of the precious metals to Borsa Istanbul and/or to the Member shall be subject to the rules and practices of Borsa Istanbul. Borsa Istanbul shall be entitled to reject the balances sent to the account, adjust and revoke the transactions recorded to the account. Takasbank shall be entitled to impose additional rules for the assets to be accepted to its accounts and for other transactions. The additional rules shall be stipulated in the Implementing Principles.

After the confirmation by Borsa Istanbul of the Member's precious metal inflow, the records for such inflow shall be created in Takasbank systems as soon as possible. Takasbank shall forward the Member's instruction for physical withdrawal of the precious metal in Takasbank sub-account to Borsa Istanbul in order for the precious metal to be handed over in the shortest time possible to the Member or any third person authorized by the Member. All costs, risk and liability for the physical delivery operations shall belong to the Member.

Upon execution of the precious metal inflows and outflows at Borsa Istanbul, the relevant transaction record shall be reflected in Takasbank systems. The Member shall be responsible for the proper delivery of the precious metals to Takasbank accounts at Borsa Istanbul. Should the precious metals intended to be credited to the account be rejected by Borsa Istanbul or the acceptance procedure be changed, Takasbank shall not assume any liability thereof.

In case of any situation which may impose required reserve, liquidity requirement and similar legal obligation on itself, Takasbank shall reserve its right to, by informing the Member thereof, not to process the orders of the Member; reject the precious metals to be transferred to the Member's precious metal correspondent account at Takasbank; and ex-officio transfer the precious metal in the Member account to another account of the Member. The Member accepts that Takasbank shall not be responsible, in any manner, for any loss, damage, cost, delay, expense and penalties (hereinafter collectively referred to as "Damage") that it might incur in such situations.

The terms and conditions for the transactions to be conducted at Borsa Istanbul shall be announced to the members by Takasbank. Takasbank may enforce additional rules when necessary. The additional rules shall be stipulated in the Implementing Principles.

## **7. Intra-System Transfers**

The system participants can transfer on account their free precious metal balances in Takasbank accounts to other system participants over Takasbank systems. The member which have no free balance on Takasbank system shall not be allowed to conduct any transfer operation. In determining the free balance, Takasbank may make available to the members an offsetting mechanism which takes into account the transactions conducted/to be conducted between the members within the day.

Takasbank cannot be held liable for any transaction expected to be executed but failed to be executed between the system participants, any erroneous transfer and all loss to be incurred thereof.

The terms and conditions for the operation of the system shall be announced to the members by Takasbank. Takasbank can change the Implementing Principles and the rules for the intra-system transfers when it deems appropriate.

## **8. Announcements and Notifications**

Takasbank sets the operation rules through the Implementing Principles for order acceptance, precious metal transfers and withdrawals to/from the account, transactions in Takasbank systems or at Borsa Istanbul, the trading hours and the communication channels to be used. Any situation not necessitating any change in the Implementing Principles shall be announced separately to the participants.

The announcements and the Implementing Principles can be announced on Takasbank website, through online announcement portal or via an electronic mail to be sent to the registered email addresses of the Member in the system. The Member shall be obliged to monitor and act accordingly to the announcements and any change made in the Implementing Principles.

The trade notifications and the account balance and movement details shall be made available to the monitoring of the Member over Takasbank systems or through other methods set forth in the Implementing Principles. No further notification shall be made to the extent not deemed necessary by Takasbank.

## **9. Scope of Liability**

The Member accepts that Takasbank shall not be responsible in any manner for any loss that might be incurred because of failing to fulfill its debts for reasons such as the custody or safe-keeping of the precious metals by Borsa Istanbul or any performance, non-performance, actions and transactions of Borsa Istanbul, bankruptcy and liquidation, etc. or of any breakdown and disruption that might occur beyond Takasbank's control in relation to telecommunication and information processing systems and due to other situations, without being limited to those referred to in article 11.c with heading "Indemnification" of the Custody Agreement and irrespective of whether they fall within that scope or not.

Takasbank's liabilities under this Supplementary Agreement do not include giving any investment advice. The responsibility for transferring precious metal to the accounts opened at Takasbank and conducting transfer operations over the account belong to the Member. The Member accepts that Takasbank shall not be responsible in any manner for any deduction, taxes and other financial obligations and any cost, loss and damages being incurred due to the conducted transactions or any member balance held at Borsa Istanbul.

The Member accepts and undertakes that it shall indemnify any loss incurred as a result of its own fault or negligence by Takasbank due to its custody and safe-keeping of the precious metals at Borsa Istanbul. In case the loss referred to herein occurs, Takasbank can take the measures it deems necessary at its sole discretion to reduce or eliminate such loss. In that case, all costs and expenses incurred to take these measures shall be borne by the Member.

The Member irrevocably accepts and undertakes to put at Takasbank's disposal, and not to request any interest in return for, the sum of the required reserve, liquidity requirement and similar obligation amounts ("Obligation") to be arisen in the name of Takasbank because of any precious metal balance left in its account, throughout the term of the obligation from the date on which such obligation is to be established.

Within the period to be elapsed from the determination date of occurrence of the obligation to the date on which such obligation is fulfilled, Takasbank may require the Member to provide collateral at the amount of the obligation, but may also put blockage on the cash, securities and precious metal assets and receivables of the Member at Takasbank for collateral establishment purposes. The blockage shall be lifted upon putting sum of the obligation amount at Takasbank's disposal by the Member.

Should the sum of the obligation amount be failed to be put at Takasbank's disposal as of the establishment date of the obligation, the Member's assets held under blockage at Takasbank, and if such assets fail to be sufficient, its other cash and security assets and receivables shall be converted to the relevant foreign currency and to the currency of other obligations and the total obligation amount shall be covered ex-officio from the Member's account, and they shall be returned to the Member account at the end of the obligation term.

The Member irrevocably accepts that Takasbank shall not be responsible in any manner for any type of loss that it might incur because of any situation referred to in this article.

## **10. Confidentiality**

The Member's information, account balance and movements are considered as Member secret.

Unless the disclosure is not required by the laws and the relevant legislation, the parties undertakes that they shall take all necessary measures to keep the classified information entirely confidential at all times against third parties and they shall not gain any advantage in any manner from such information other than the purpose of this Agreement.

## **11. Fees and Costs**

The fees and commissions to be paid by the Member to Takasbank for the Precious Metals held and safe-kept at Borsa Istanbul and the services received thereof shall be paid in accordance with the "Fees and Commissions Tariff" given in Appendix-1. In case of failing to provide any service over Takasbank systems; two-times the fees designated in Appendix-1 shall be collected for the transactions transmitted by the Members via fax or a written instruction and entered to the system by Takasbank personnel in accordance with the business continuity policy. A separate pricing can be applied for the items not included in the tariff. The commissions shall be collected on a monthly basis. If the Member fails to pay the fees, commissions and costs to be notified by Takasbank within **3 (three)** business days, the relevant amount shall be ex-officio collected from the Member's accounts at Takasbank. Takasbank shall be entitled to change the Fees and Commissions Tariff, set and enforce new rates, when necessary.

In addition, Takasbank shall collect all costs, fees, expenses (the relevant taxes, duties and legal charges) and loss reflected by Borsa Istanbul in itself from the Member. The Member shall be obliged to pay all taxes, interests, costs, fees, expenses and losses arising from its transactions. In case any tax or expense is required to be paid under the prevailing legislation by Takasbank on behalf of the Member, the Member shall be obliged to pay these amounts to Takasbank. If the Member fails to pay the required amounts to Takasbank within the prescribed time periods, such amount shall be ex-officio collected from the Member's cash, securities, precious metal assets and receivables at Takasbank.

## **12. Termination of Agreement**

This Supplementary Agreement shall also be deemed terminated upon termination of the Custody Agreement in accordance with the provisions of the Custody Agreement. The parties can terminate the agreement at any time by giving 1 month' advance notice. Termination of the agreement shall not remove the obligations of the parties arising from the business and transactions conducted until the termination date nor those resulting from this Supplementary Agreement and the relevant legislation.

## **13. Dispute Resolution**

Istanbul Central Courts and Enforcement Offices shall have jurisdiction over any dispute that might arise from the interpretation and execution of this Agreement.

## **14. Counterparts**

This Agreement consists of ..... pages and two counterparts.

## **15. Enforcement**

This Agreement signed on .../.../..... with indefinite term at Istanbul shall enter into force on the date of signature.

For any issue not specifically stipulated in this Supplementary Agreement, the provisions of the Custody Agreement shall be applicable.

On behalf of **TAKASBANK**;

Stamp :

Signature :

Name :

Title :

On behalf of .....

Stamp :

Signature :

Name :

Title

### Appendix 1 – Gold Transfer Fee Tariff

**Participation Fee\*** : 50.000 TL (fixed, in entering to the system)

**Custody Commission** : BIST PMTP's applicable Custody Fee Tariff  
1 bps (1 per mile) is charged on the trade volume.

**Transfer Trading Commission\*\*** : 1-10 gr; 2,00 TL  
: 11 gr – 100 gr; 3,00 TL  
101 gr – 250 gr; 4,00 TL  
251 gr – 500 gr; 5,00 TL  
Over 501 gr; 1 bps (one per mile on TL equivalent of the transaction)

*\* It shall not be collected from the members participating in the system during 2018.*

*\*\* To contribute the development of the system, no transfer transaction commission shall be collected from the members until the end of 2018.*