
ISTANBUL TAKAS VE SAKLAMA BANKASI A.Ş. CUSTODY OF EUROBONDS AND OTHER FOREIGN SECURITIES COLLATERALS PROCEDURE

Chapter One

Purpose, Scope, Basis, Definitions and Abbreviations

Article 1- Purpose

(1) The purpose of this Procedure; It regulates the procedures and principles regarding the transfer and custody of Eurobonds or other foreign securities accepted as collateral by Takasbank and deposited through global custodians.

Article 2- Scope

(1) Transfer of Eurobond or other foreign securities to/from Takasbank pool collateral accounts held at global custodians, custody and corporate actions are within the scope of this Procedure.

Article 3- Basis

(1) This Procedure has been prepared based on the Takasbank Custody Directive.

Article 4- Definitions and abbreviations

(1) In the implementation of this Procedure;

- a) **Bank, Takasbank:** Istanbul Takas ve Saklama Bankası Anonim Şirketi (Istanbul Settlement and Custody Bank Inc.)
- b) **BIC:** Bank Identifier Code, the identification code used by banks in the Swift system,
- c) **General Manager:** Istanbul Takas ve Saklama Bankası Anonim Şirketi General Manager,
- d) **ISIN (*International Securities Identification Number*):** International Securities Identification Code allocated for financial instruments traded in national and international markets in accordance with ISO 6166 standard,
- e) **ISO 6166 Standard:** The first 2 digits of the country code determined by the International Standards Organization (ISO), which is active in the development and publication of international standards, usually consists of an alphanumeric part consisting of 9 digits and a total of 12 digits, of which the last digit is the control digit. coding standard,
- f) **SWIFT (*Society for Worldwide Interbank Financial Telecommunication*):** International financial telecommunications network and messaging infrastructure
- g) **Member :** Organizations receiving the services regulated in this Procedure,
- h) **System, UTS System:** Takasbank International Clearing and Custody System (accessed from the International Clearing and Custody Transactions Menu on Takasbank member menu)
- i) **Takasbank cash correspondent:** Foreign cash correspondent bank with which Takasbank has an account relationship.
- j) **Global custodian:** Foreign central custodians, international central custodians, global custodian banks and other global custodians with which Takasbank has an account relationship,

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- k) **Foreign Central Security Depository (Foreign CSD):** An institution authorized to centrally deposit securities in a foreign country,
 - l) **International Central Securities Depository (ICSD):** The institution that carries out the central custody of international securities and is authorized to perform central securities custody in the country where it is located,
 - m) **Global custodian bank:** Banks that offer custodian services using various intermediaries or directly in one or more countries.
 - n) **Takasbank Collateral Pool Accounts, Collateral Pool Accounts:** Refers to pool accounts opened by Takasbank to keep collateral assets with global custodians.

Chapter Two

Collateral Accounts, Members, Capital Market Instruments Served

Article 5- Takasbank Collateral pool accounts

- (1) In collateral pool accounts, collateral assets of all members are tracked collectively. Balances on a member basis are monitored on Takasbank UTS system.
- (2) Takasbank's foreign collateral pool account is account number 15512 at Euroclear Bank (BIC: MGTCBEBEXXX).

Article 6- Members

- (3) Members using Eurobonds or foreign securities as guarantee funds or collateral in the markets operated by Takasbank and within the scope of services such as central counterparty, central clearing and collateral management.

Article 7- Capital market instruments subject to service

- (1) Foreign capital market instruments that are accepted as collateral assets by the relevant market and that can be kept through global custodians are included in the scope of the service.
- (2) Securities are reported by global custodians and Takasbank UTS system with ISIN code.

Article 8- Instructions and communication

- (1) Instructions are transmitted by the member in writing or as a free (free format) SWIFT message (MT199, 299 or 599) . Fax, mail or courier the signatures on the instructions sent with the bank must be compatible with the signatures on the signature circular of the member at Takasbank.
- (2) Written instruction or free format SWIFT message to the Global Custody and Numbering Team e-mail address (glo@takasbank.com.tr) or Takasbank BIC code (TVSBTRISXXX) should be sent until 16.30 Turkish time if the member's securities correspondent is Euroclear, and until 14.00 if it is Clearstream. Transfers regarding the orders to be sent after the relevant hours are processed with the next day's value.
- (3) The original of the written instruction must be delivered to Takasbank within 5 working days at the latest.
- (4) All necessary information must be included in the instructions in order to perform the desired operation.
- (5) Reports on the securities in the collateral pool accounts are monitored electronically by the members over the UTS system.

Chapter Three

Transfer, Custody and Corporate action Practices

Article 9- Transfers to the collateral pool account

- (1) Eurobonds or other foreign securities given as collateral must be sent by the member's custodian to Takasbank's account no 15512 at Euroclear. (Members who receive Global Custody Service from Takasbank must enter FOP Delivery (MT 542) instruction from the UTS menu.
- (2) For the securities sent to Takasbank accounts to be recorded in the member's free collateral account at Takasbank, the "Foreign Securities Collateral Free Receipt Instruction" must be sent to Takasbank in accordance with Article 8 of this procedure. In this instruction, the security correspondent or custodian of the member, the account number at the relevant correspondent or custodian, the ISIN code of the securities subject to the instruction, the nominal amount and the date of transaction and settlement should be included; The three-digit Takasbank member code of the member whose 5080- Euro bond collateral depot at Takasbank to be deposited must be specified in the instruction. An example of "Foreign Securities Collateral Free Receipt Instruction" is included in Annex 1.
- (3) In accordance with the "Foreign Securities Collateral Free Receipt Instruction", SWIFT free securities acceptance instruction (MT 540) is sent to global custodians. When the relevant transaction is made in Takasbank's foreign collateral pool accounts, the balance received in the UTS system is recorded in the 5080 Eurobond Collateral Free Depot of the member code specified in the " Free Receipt Notification Instruction for Foreign Securities Collaterals ".
- (4) UTS 5080 is the free depot where the assets to be used as collateral are kept. Members continue their transactions through the collateral functions in the relevant Takasbank system after the securities are booked at 5080 depot.
- (5) Members follow their depot movements and balances on the UTS system from Takasbank member menu..

Article 10- Transfers to be made from the collateral pool account

- (1) Eurobonds or other foreign securities given as collateral are kept in Takasbank's account numbered 15512 at Euroclear. Foreign securities issued by the member in the relevant market are transferred to the 5080 Eurobond Collateral Free Depot.
- (2) For the transfer of foreign securities in 5080 depot out, the "Foreign Securities Collateral Free Delivery Instruction" must be sent to Takasbank in accordance with the 8th article of this procedure. In this instruction, the security correspondent or custodian of the member, the account number at the relevant correspondent or custodian, the ISIN code of the securities, the nominal amount and settlement date, and the Takasbank member code of the member must be specified. An example of "Foreign Securities Collateral Free Delivery Instruction" is given in Annex 2.
- (3) In accordance with the "Foreign Securities Collateral Free Delivery Instruction", Takasbank sends a SWIFT free securities delivery instruction (MT 542) to global custodians. In order for this transaction to take place, this instruction must be met by the member's custodian. (Members who receive Global Custody Service from Takasbank must enter Free Receipt (MT 540) instruction from the International Clearing and Custody Menu Global Custody Instructions screen.
- (4) The status and results of the instructions can be monitored over the UTS system. Deliveries from Takasbank's foreign collateral pool accounts are carried in real time as confirmation received from the global custodian.

Article 11- Trading Hours

- (1) Written instruction or free format SWIFT message must be sent to the Global Custody and Numbering Team e-mail address (glo@takasbank.com.tr) or Takasbank BIC code (TVSBTRISXXX) until 16.30 Turkish time if the member's securities correspondent is Euroclear, and until 14.00 if Clearstream on full business days. On half-business days, same settlement date instructions are accepted until 10.30 Turkish time if the member's securities correspondent is Euroclear, and until 10.00 if Clearstream. Transfers regarding the orders to be sent after the relevant hours are processed with the next day's value.
- (2) Records of the transactions carried out with the global custodian are reflected to Takasbank systems on the same day during Takasbank working hours, and on the next working day if Takasbank is out of working hours.
- (3) Transaction hours of the global custodian are applicable. Transaction cutoffs and holidays of the global custodian are announced in the UTS system under Required Information.

Article 12- Custody operations

- (1) In accounts with global custodians, the custody transactions of the assets specified in Article 7 of this Procedure are carried out at the global custodian or in sub-custodians designated by the global custodian.
- (2) The assets in the custody accounts with the global custodian are followed in the UTS system balances by the breakdown of members. Global custodian statements and UTS balances are reconciled.

Article 13- Corporate action transactions

- (1) The follow-up of the corporate actions regarding the assets in the member accounts held at the global custodian is carried out with the notifications sent to Takasbank by the global custodian.
- (2) In order to distribute the rights received in cash, it is expected that the payment is reconciled with the relevant custodian, after reconciliation the amount is released. After confirmation of the receipt of the cash rights with the global custodian and the release of the payment, the rights distribution process begins at Takasbank.
- (3) The rights distribution process takes place in straight through processing automation.
- (4) The relevant rights are distributed to the members in proportion to the balance of securities they hold in the collateral pool account. The resulting securities movements are monitored over the UTS system, and cash movements are monitored over the Takasbank Banking system.
- (5) Rights received in the collateral pool accounts as cash amount related to the securities held in collateral deposits other than 5080 depots (collateralized in a market) are transferred to (i) the member's 11ECT accounts (ii) the member's Takasbank 11YP foreign currency cash accounts, and ultimately (iii) automatically transferred to the member's FX margin accounts in the relevant market. In order to realize this transfer, cash transfers are made from global custodians to the relevant Takasbank cash correspondents.
- (6) The rights received in the collateral pool accounts as cash amount related to the foreign securities in the 5080 depot, which is the free collateral deposit of the member, are transferred to the member's 11ECT account in proportion to the relevant securities balance of the member at Takasbank collateral pool account.

Article 14- Cash transfers to be made from the collateral pool account

- (1) Redemption payments and incoming cash rights related to assets in 5080 depot are booked in 11ECT cash accounts.

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- (2) For the transfer of cash in 11ECT accounts from Takasbank accounts, “Cash Transfer Instruction from Free Collateral Account” must be sent to Takasbank in accordance with Article 8 of this procedure. In this order, the cash correspondent of the member, the account number at the relevant correspondent, the foreign currency code subject to the order, the cash amount and the value date, and the member's Takasbank member code should be specified. An example of “Cash Transfer Instruction from Free Collateral Account” is given in Annex 3.
 - (3) In accordance with the “Cash Transfer Instruction from Free Collateral Account”, Takasbank sends a SWIFT cash transfer order (MT 202) to global custodians.
 - (4) The status and results of the order processed by the global custodian or the transaction subject to the order can be monitored over the UTS system. Withdrawals from Takasbank's foreign collateral pool accounts are carried in real time within the scope of the transaction confirmation received from the global custodian.

CHAPTER FOUR

Miscellaneous and Final Provisions

Article 15- Fees

- (1) The relevant items of Global Custody Service Tariff are applied.

Article 16- Enforcement

- (1) This Procedure shall enter into force on its publication date.

Article 17- Execution

- (1) The provisions of this Procedure shall be executed by the General Manager.

APPENDIX 1- “ Foreign Securities Collateral Free Receipt Instruction” Example

[On letterhead paper]

[Date]

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
Resitpasa District, Borsa Istanbul Street, No:4
Sariyer 34467 Istanbul

Attention Global Custody Team;

Eurobond has been sent to Takasbank's collateral account number 15512 at Euroclear Bank, to be used as collateral, with the instructions detailed below.

We request that Eurobond's *[member code]* member code *[member title]* be transferred to the free collateral depot 5080.

Eurobond Information Sent as Collateral to Takasbank's Euroclear 15512 Account		<i>Explanation</i>
Trade date		<i>The transaction date entered in the order (trade date)</i>
Settlement date		<i>Settlement date entered in the instruction The transaction date and the settlement date may be the same.</i>
ISIN		<i>ISIN code of the sent asset</i>
Nominal		<i>Nominal amount of the asset sent</i>
Delivering account		<i>Write the Euroclear or Clearstream account number of the Sending Account. Ex: "Euroclear xxxxx" or "Clearstream xxxxx"</i>
Member code to be debited		<i>Member code of the member whose securities will be transferred to the collateral free account</i>

[Authorized Person's Name- signature]

[Authorized Person's Name- Signature]

APPENDIX 2- Example of “Foreign Securities Collateral Free Delivery Instruction”

[On letterhead paper]

[Date]

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
Resitpasa District, Borsa Istanbul Street, No:4
Sariyer 34467 Istanbul

Attention Global Custody Team;

We kindly request that the following securities, which are in our free collateral deposit at Takasbank under the ...[member code] ... member depot 5080, be transferred to our foreign custody account with below details.

Securities Information to be Exited from Takasbank's Euroclear 15512 Account		<i>Explanation</i>
Trade date		<i>Transaction date (trade date)</i>
Settlement date		<i>Settlement date The transaction date and the settlement date may be the same.</i>
ISIN		<i>ISIN code of the sent asset</i>
Nominal		<i>Nominal amount of the asset sent</i>
Receiver account		<i>Euroclear or Clearstream heap number of the asset buyer account is written. Ex: "Euroclear xxxxx" or "Clearstream xxxxx"</i>
Member code		<i>Member code of the member from which the securities will be released from the collateral free account.</i>

[Authorized Person's Name- signature]

[Authorized Person's Name- Signature]

APPENDIX 3- Example of “Cash Transfer Instruction from Free Collateral Account” (Cash Transfers out of Takasbank)

[On letterhead paper]

[Date]

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
Resitpasa District, Borsa Istanbul Street, No:4
Sariyer 34467 Istanbul

Attention Global Custody Team;

At Takasbank [*customer no*] - 11ECT - [*currency no*] [*Takasbank account number must be written*]

We request that the cash amounts in our account be transferred to the following accounts.

11ECT Cash Transfer Order Information	
Value date	
Currency	
Amount	
Foreign Correspondent Bank BIC code	
Foreign correspondent bank account number	
Receiver Bank BIC code	
Receiver Bank Account no	
Beneficiary Name	
Member code	

[Authorized Person’s Name- signature]

[Authorized Person’s Name- Signature]

APPENDIX 4- Example of “Cash Transfer Instruction from Free Collateral Account”,” (Cash Transfer to Takasbank 11YP Accounts)

[On letterhead paper]

[Date]

İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.
Resitpasa District, Borsa Istanbul Street, No:4
Sariyer 34467 Istanbul

Attention Global Custody Team;

At Takasbank [*customer no*] - 11ECT - [*currency no*] [*Takasbank account number must be written*]

We request that the cash amounts in our account be transferred to the following accounts.

Cash Transfer Order Information from 11ECT to 11YP	
Value date	
Currency	
Amount	
Foreign Correspondent Bank BIC code	<i>If the currency is USD, write “CITIUS33XXX” If the currency is EUR, write “CITIDEFFXXX”</i>
Foreign correspondent bank account number	<i>If the currency is USD, write “36892258” If the currency is EUR, write “4115556024”</i>
Reciver Bank BIC code	<i>TVSBTRISXXX</i>
Receiver Bank Account no	<i>IBAN information of your Takasbank 11YP account</i>
Receiver Name	<i>Enter Takasbank 11YP account name</i>
Member code	<i>Enter the member code</i>

[Authorized Person’s Name- signature]

[Authorized Person’s Name- Signature]