İSTANBUL TAKAS VE SAKLAMA BANKASI A.Ş.

BORSA İSTANBUL A.Ş. DEBT SECURITIES MARKET PROCEDURE ON CLEARING AND SETTLEMENT AND CENTRAL COUNTERPARTY SERVICE PRINCIPLES

List of the Procedure amendments:
1. Published by the General Letter numbered 1741, dated December 14, 2022
2. Published by the General Letter numbered 1758, dated January 05, 2022
3. Published by the General Letter numbered 1783, dated March 17, 2022
4. Published by the General Letter numbered 1790, dated April 08, 2022
5. Published by the General Letter numbered 1859, dated February 03, 2022
6. Published by the General Letter numbered 1862, dated February 21, 2023
7. Published by the General Letter numbered 1889, dated June 19, 2023
8. Published by the General Letter numbered 1896, dated July 27, 2023
9. Published by the General Letter numbered 1910, dated September 29, 2023
10. Published by the General Letter numbered 1920, dated October 31, 2023
11. Published by the General Letter numbered 1949, dated January 22, 2024
12. Published by the General Letter numbered 1987, dated July 09, 2024
13. Published by the General Letter numbered 2027, dated December 30, 2024
14. Published by the General Letter numbered 2049, dated February 14, 2025
15. Published by the General Letter numbered 2094, dated November 21, 2025
16. Published by the General Letter numbered 2128, dated February 26, 2026
17. Published by the General Letter numbered 2155, dated July 09, 2026
18. Published by the General Letter numbered 2167, dated August 29, 2026

CHAPTER ONE
General Provisions

Purpose

ARTICLE 1- (1) The purpose of this Procedure is to regulates the principles and procedures regarding membership, collateral, clearing and settlement, default, discipline and revenues and other issues related with the clearing and settlement and central counterparty services to be provided for Borsa İstanbul A.Ş. Debt Securities Market by İstanbul Takas ve Saklama Bankası A.Ş. as the central clearing agency.

Scope

ARTICLE 2- (1) This Procedure covers the matters regarding membership, collateral, clearing and settlement, default, discipline and revenues and other issues related with the clearing and settlement and central counterparty services to be provided for BİAŞ. Debt Securities Market by İstanbul Takas ve Saklama Bankası A.Ş. as the central clearing agency.

Basis

ARTICLE 3- (1) This Procedure has been prepared in accordance with articles 77 and 78 of the Capital Markets Law no. 6362 published in the Official Gazette no. 28513 dated 30/12/2012, article 10 of the Law on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions published in the Official Gazette no. 28690 dated 27/06/2013 and İstanbul Takas ve Saklama Bankası A.Ş. Central Clearing and Settlement Regulation published in the Official Gazette no. 28711 dated 18/07/2013, İstanbul Takas ve Saklama Bankası A.Ş. Central Counterparty Regulation published in the Official Gazette

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no. 28735 dated 14/08/2013 and the Regulation on Activities of Payment and Securities Settlement Systems published in the Official Gazette no. 29044 dated 28/06/2014, and Directives on Collateral, Risk, and Default Management Related with Markets where İstanbul Takas ve Saklama Bankası A.Ş. Provides Central Counterparty Service and Clearing and Settlement Related with Markets where İstanbul Takas ve Saklama Bankası A.Ş. Provides Central Counterparty Service.

Definitions and Abbreviations

ARTICLE 4- (1) The following terms used in this Procedure shall bear the following meanings;

a) **Open Offer Method**: The method where Takasbank interposes itself between the Market participants and becomes buyer against the seller and seller against the buyer at the time a transaction is matched.

b) **Initial Margin:** Margin calculated upfront to cover potential price movements in the Market that may occur during the period from the occurrence of a member's default until its resolution.

c) **Unit Collateral Value**: The collateral amount required to be made available for per unit of asset independently from the contract size and the portfolio-based collateralization effect.

ç) **Debt Securities**: Bonds, share convertible bonds, exchangeable bonds, bills, precious metal securities, Sukuk drawn and issued in accordance with the provisions of the relevant legislation by the issuers in their capacity as debtor as well as all capital market instruments whose nature is accepted as debt instrument by the Board.

d) **Exchange/BİAŞ:** Borsa İstanbul A.Ş.

e) **Multiple Position Account**: The accounts opened at Takasbank in the name of the CCP members, where positions of the members' proprietary portfolio or of their clients are collectively monitored but where, in any event, the own positions of the CCP member and the positions of its clients are segregated.

f) **Appreciated Collateral:** The amount of the total deposited collateral being calculated by applying of margin haircuts, group limits and sub-group limits.

g) **Variation Margin**: Margin calculated based on the difference between the current values of the positions and the market prices.

ğ) **GDDS**: The government domestic debt securities.

h) **EFT:** The Electronic Fund Transfer System.

ı) **ESTS**: The Electronic Securities Transfer System.

i) **General Manager:** The General Manager of İstanbul Takas ve Saklama Bankası A.Ş.

j) **General Regulation:** The General Regulation on the Establishment and Operating Principles of the Central Clearing and Settlement Institutions published in the Official Gazette no. 28662 dated 30/05/2013.

k) **Intra-day Risk Calculation:** Risk and collateral valuations made by using the last balances and prices of collateral and positions determined during the day.

l) **Issuer:** The legal persons issuing the capital market instruments, applying to the Board to issue them, or whose capital market instruments are offered to public.

m) **Trading Institution**: An institution having authorization to trade in the market but executing settlement of the obligations of such transactions through intermediation of a general CCP member.

n) **Law:** The Capital Markets Law No. 6362 published in the Official Gazette dated 30/12/2012 and numbered 28513.

o) **PDP:** The Public Disclosure Platform.

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ö) **Collective Investment Undertakings:** The mutual funds, private pension funds and investment trusts.

p) **Board:** The Capital Markets Board.

r) **CRA**: The Central Registry Agency Inc.

s) **CCP**: The Central Counterparty.

ş) **Securities:** Any type of capital market instrument traded at Borsa İstanbul Debt Securities Market and defined as securities in the Capital Markets Law no. 6362.

t) **Central Counterparty Regulation:** İstanbul Takas ve Saklama Bankası A.Ş. Central Counterparty Regulation published in the Official Gazette dated 14/08/2013 and numbered 28735.

u) **Central Clearing and Settlement Regulation:** İstanbul Takas ve Saklama Bankası A.Ş. Central Clearing and Settlement Regulation published in the Official Gazette dated 18/07/2013 and numbered 28711.

ü) **PSDS**: The private sector debt securities.

v) DvP: Delivery Versus Payment

y) Special status participant: Legal Person who is subjected to different rules than other participants who are member at the system provided that are being taken of approval from CBRT by Takasbank

z) **Share**: Any security representing the capital of the partnership and entitling its holder to the shareholding right.

aa) **Market:** Borsa İstanbul A.Ş. Debt Securities Market.

bb) **Position:** Settlement payables and receivables arising in relation to the transactions conducted in the Market.

cc) **Procedure:** The implementing principles containing the procedures for operation and practices in accordance with the rules and principles stipulated in the Market Directives, which have been approved by the General Manager.

çç) **PTRM:** BISTECH pre-order/trade risk management system.

dd) **PTRM Margin Calculation Method:** The method defined in the "BISTECH Pre-Trade Risk Management (PTRM) Implementing Principles and Procedures" document published by the Exchange.

ee) **System:** Takasbank system established for clearing and settlement of the transactions being conducted in BİAŞ Debt Securities Market.

ff) **Clearing and Settlement:** The definition of clearing and settlement referred to in the Law No. 6493 on Payment and Securities Settlement Systems, Payment Services and Electronic Money Institutions and in the Central Counterparty Regulation.

gg) **Takasbank:** İstanbul Takas ve Saklama Bankası A.Ş. operating at Reşitpaşa Mahallesi, Borsa Istanbul Caddesi, No:4 Emirgan, Sarıyer, 34467 Istanbul /Türkiye.

ğğ) **Collateral Accounts**: The accounts opened at Takasbank in the name of the CCP members, where collateral required to be maintained by the members due to the positions of their proprietary portfolio or of their clients is monitored.

hh) **Collateral received for clearing and settlement:** The amount collected from the members for the securities to which CCP service is not provided, in an effort to not to get affected from the risk of any price change of such securities subject to default during the time period elapsed from the occurrence of an event of default to its resolution.

ıı) **CBRT:** The Central Bank of the Republic of Türkiye.

ii) **TETS:** Takasbank Electronic Transfer System.

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jj) **TIC:** The cash accounts of the banks at the CBRT.

kk) **Member**: The CCP members that are allowed, pursuant to article 6 of the Central Counterparty Regulation, to become a party to the clearing and settlement services provided by Takasbank as the central counterparty in the Market.

ll) **Investment Institution**: The brokerage houses that have received permission from the Board to engage in investment services and activities and other capital market institutions whose establishment and operating principles are determined by the Board to engage in investment services and activities, and the banks,

mm) **Market Directives**: Directives on Collateral, Risk, and Default Management Related with Markets where İstanbul Takas ve Saklama Bankası A.Ş. Provides Central Counterparty Service and Clearing and Settlement Related with Markets where İstanbul Takas ve Saklama Bankası A.Ş. Provides Central Counterparty Service.

nn) **Board of Directors:** The Board of Directors of Takasbank.

CHAPTER TWO

Principles for Membership

Membership

ARTICLE 5- (1) The investment institutions satisfying the conditions set forth in article 8 of the Directive on Clearing and Settlement Related with Markets where İstanbul Takas ve Saklama Bankası A.Ş. Provides Central Counterparty Service may become a member to the CCP service to be provided by Takasbank in the System for the transactions conducted in the Market provided that they are authorized by the Board of Directors.

(2) The CBRT is a special status participant in the system, and is the natural member of the CCP service to be provided by Takasbank for the transactions conducted in the Market, without requiring any application and assessment.

Membership Types

ARTICLE 6- (1) The members are divided into two groups: direct CCP members and general CCP members. The CCP members are authorized to perform all transactions irrespective of whether or not the CCP service is provided in the Market.

(2) The direct CCP members are authorized to perform only the clearing and settlement transactions of themselves and/or of their clients.

(3) In addition to the clearing and settlement transactions of themselves and/or of their clients, the general CCP members are also authorized to perform the clearing and settlement transactions of the trading institutions.

(4) The general and direct CCP membership classification is made by taking into consideration the member's equity capital amount, the adequacy of its internal systems and technical infrastructure as well as the internal rating, financial analysis and intelligence studies carried out by Takasbank.

(5) Members trading in the Market are accepted as a direct CCP member so long as they request no status change.

(6) Applications for a general CCP membership in the Market starts on the date of entry into force of this Procedure.

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Transition Between Membership Types

ARTICLE 7- (1) The membership status of general and direct CCP members may be amended by considering their compliance with the conditions set forth by Takasbank. In this context, a direct CCP member may be accepted later as a general CCP member, but a general CCP member may also be accepted as a direct CCP member.

(2) The general CCP members may apply to become a direct CCP member. The applications of general CCP members to this effect may be accepted by Takasbank provided that all rights, obligations and accounts, if any, related to the trading institutions of which clearing and settlement transactions are executed are transferred or settled completely.

(3) The general CCP membership applications of the direct CCP members satisfying the general CCP membership criteria are finalized by Takasbank within 2 months. The time period being elapsed due to request for additional information and documents shall not be taken into account in the calculation of 2 months' period.

(4) If the members losing the general CCP membership conditions fail to meet the relevant criteria within the time period set by the Board of Directors from the date the loss of eligibility is notified to them by Takasbank, they may be authorized as a direct CCP member provided that they satisfy the conditions listed in article 8 of the Directive on Clearing and Settlement Related with Markets where İstanbul Takas ve Saklama Bankası A.Ş. Provides Central Counterparty Service . In this case, transfer to another general CCP member or liquidation of all rights, obligations and accounts relating to the trading institutions, if any, must be completed. Should this requirement be failed to be met, article 13 of the Directive on Clearing and Settlement Related with Markets where İstanbul Takas ve Saklama Bankası A.Ş. Provides Central Counterparty Service shall be applied.

CCP Membership Conditions

ARTICLE 8- (1) The right to determine and assess satisfaction of the membership conditions belongs to Takasbank and at least the following conditions in addition to those stipulated in article 7 of the CCP Regulation must have been met for membership.

a) The conditions for membership of the Central Clearing and Settlement Regulation must have been met.

b) The trading authorization in the Market must not have been revoked due to oppositions to the legislation.

c) The CCP service-related agreements and/or undertakings whose content is determined by Takasbank must have been signed and submitted to Takasbank.

ç) Their financial structure must be at a level to fulfill their commitments towards Takasbank.

d) Other information and documents to be requested by Takasbank must have been submitted.

e) The declaration in the format compatible with the template set by Takasbank for their data processing, risk management, internal control and internal audit systems must have been approved and submitted by the Board of Directors of the Members.

f) The relevant accounts must have been opened at Takasbank, the CRA and at the correspondent banks designated by Takasbank.

(2) In order for the Brokerage Houses to become a Direct CCP Member, the following conditions must also have been met in addition to those listed in the first paragraph.

a) They must become a member to the Market at the Exchange in accordance with the Exchange legislation.

b) They must have a limited or general custody service license pursuant to the relevant

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legislation.

c) They must have a minimum equity capital of 100.000.000 TRY.

ç) They must hold at least D rating as a result of the internal rating conducted by Takasbank.

(3) In order for the banks to become a Direct CCP Member, the following conditions must also have been met in addition to those listed in the first paragraph.

a) They must have a limited or general custody service license pursuant to the relevant legislation.

b) They must have a minimum equity capital of 200.000.000 TRY.

c) They must hold at least D rating as a result of the internal rating conducted by Takasbank.

(4) In order for the Brokerage Houses to become a General CCP Member, the following conditions must also have been met in addition to those listed in the first paragraph.

a) They must have obtained the operating permit related to general custody service, which enables them to provide the custody of positions and collateral arising from the transactions being conducted.

b) They must have a minimum equity capital of 400.000.000 TRY.

c) They must hold at least B rating as a result of the internal rating conducted by Takasbank.

(5) In order for the banks to become a General CCP Member, the following conditions must also have been met in addition to those listed in the first paragraph.

a) They must have obtained the operating permit related to general custody service, which enables them to provide the custody of positions and collateral arising from the transactions being conducted.

b) They must have a minimum equity capital of 1.000.000.000 TRY.

c) They must hold at least B rating as a result of the internal rating conducted by Takasbank.

(6) As part of the internal rating study conducted by Takasbank to determine the rating of the company; the financial statements of such company, its activity report, company introductory information form, company key information form, its trading volumes in the markets, Turkish Lira custody balances, default and intelligence information, and the ratings received from the rating agencies, if any, and the market intelligence information and the news in the visual and printed media are used. Takasbank announces on its web site the parameters used in the internal rating methodology it adopts and the effect of these parameters on the rating notes.

(7) Takasbank is authorized to determine the minimum criteria it would seek for technical infrastructure, data processing, risk management, internal control and internal audit systems, to grant time for compliance to institutions failing to meet the prescribed criteria, to get commitment and to check whether the criteria have been met or not.

(8) The Board of Directors is authorized to increase the minimum equity capital amounts or decrease them up to their previous level by taking the relevant capital markets and banking regulations as well as the market conditions into consideration.

Membership application and admission

ARTICLE 9- (1) The institutions to be applied for membership are required to submit their application request addressed to the Takasbank Head Office together with a letter accompanied by the information and documents affirming the fulfillment of the conditions prescribed for membership in this Procedure and to send the information and documents referred to in article 10 of the Central Counterparty Regulation as well as the following documents by appending them to the said letter to Takasbank.

a) Membership application form,

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b) Authorization certificate

c) Membership Agreement and Pre-Agreement Information Form,

ç) Letter of Undertaking for Cash, Assets, Collateral, RTGS (Real time Gross Settlement) and Electronic Funds Transfer (EFT) Instruction,

d) Implementation Agreement for the Client Instructions to be sent to İstanbul Takas ve Saklama Bankası A.Ş. via Fax Machine,

e) Other documents to be requested by Takasbank in accordance with the relevant legislation.

(2) For the membership applications to be eligible for assessment by Takasbank, the information and documents referred to in the first paragraph of this article as well as other documents to be requested by Takasbank must have been completed. The filed applications shall be reviewed by Takasbank in terms of whether the conditions laid down in article 8 have been met or not. The decision made by Takasbank on the application shall be notified to those concerned within 2 months in writing. The time period being elapsed due to request of additional information and documents shall not be taken into account in calculating the 2 months' period.

(3) In order to commence its operations at Takasbank, the institution whose membership application is accepted should, within 1 month from the notification that its membership application has been found eligible;

a) deposit the membership admission fee,

b) deposit the membership collateral,

c) deposit the Guarantee Fund contribution amount,

ç) authorize the personnel who will trade on behalf of the Member in Takasbank system.

Otherwise the membership permission given to the relevant institution shall be revoked. The date on which such obligations have been fulfilled shall be deemed the date on which the institution has become a member to the clearing and settlement service provided in the Market, and the member shall become entitled to trade from that date.

General Obligations of Members

ARTICLE 10- (1) The Members are obliged to comply with the following issues:

a) Act in accordance with all rules and principles stipulated by this Procedure and other relevant legislation for the market clearing and settlement transactions and the central counterparty service.

b) Act in accordance with the principles of honesty and good faith towards their clients and other members.

c) Deposit the guarantee fund contributions stipulated by Takasbank.

ç) Take all necessary measures to ensure sustainability of the internal control, risk management and internal audit mechanisms necessary to become a CCP member.

d) Inform the clients of the fact that the positions of other clients are also monitored in the multiple client position accounts, that the collateral associated with such accounts shall be used for the total risk arising from multiple position account, and that it is acknowledged by Takasbank that collateral associated with such accounts belongs to the member.

e) Cover the collateral to be deposited for the portfolio accounts entirely from their own assets.

f) Cover the collateral to be deposited for multiple client position accounts from their own collateral or from the collateral on which it has gained the right of disposition in accordance with the Law.

g) If the collateral deposited for multiple client position accounts have been obtained from

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the clients or other persons and institutions through transfer of ownership agreements, establish an effective recording and monitoring system which would ensure safekeeping of transfer of ownership agreements and matching of the clients, persons and institutions from which the collateral have been obtained with the collateral deposited in the multiple client position accounts.

ğ) Act in accordance with all principles and rules stipulated in the Law and other relevant regulations for monitoring and safekeeping of client assets and collateral.

h) Fulfil the dues, charges, commissions and other obligations required by Takasbank in due time.

ı) Adapt the system revisions to be made by Takasbank within the prescribed time periods and participate in the tests.

i) Establish constant reconciliation between the records of the position accounts at Takasbank and of the portfolio/client positions and collateral at itself.

j) Deposit the collateral to the relevant collateral accounts at Takasbank,

k) Convey all type of information and documents to be requested on issues deemed necessary by Takasbank and the Board in relation to their business and transactions within the scope of this Procedure, and provide any support in the investigations to be carried out by those commissioned by Takasbank and the Board.

l) In addition to the books and records they are required to be kept legally, keep other records determined by Takasbank, draw the information and documents in due form; and convey them to Takasbank in a periodic manner or at times requested by Takasbank, and maintain such documents and records for a period of 1 year.

m) Make notification to Takasbank within 15 days in case of transfer of shares providing direct or indirect management control.

n) Inform Takasbank of any change in the head office address, Members of the Board of Directors and the General Manager at the latest on the business day following the date on which the change has occurred.

o) Fulfill other obligations under this Procedure in a complete manner and within their time periods.

(2) If any Member foresees that it will be unable to either partially or wholly fulfill its obligations, this Member is obliged to notify such situation immediately to the Board and other relevant public entity and institutions together with all substantiating information and documents describing its reasons thereof. Such notification shall not constitute an impediment for Takasbank to take the necessary measures stipulated in this Procedure.

(3) The members are responsible for the fulfillment of all obligations relating to the transactions they have conducted in accordance with the activities stipulated under the Procedure and for any function performed by their employees pursuant to their duties.

(4) The direct CCP members are responsible for the clearing and settlement of all transactions they have conducted in the Market including those they have conducted on behalf of the collective investment undertakings. The responsibility for the positions transferred to another member through the methods permitted in accordance with the legislation in the Market shall belong to the transferee member.

(5) The members conduct their transactions via remote access by using the user codes and passwords allocated to the personnel they have authorized. The responsibility arising from the transactions conducted in the system by using the allocated password and from the use of the password by unauthorized people shall belong to the member.

(6) In cases when access to the system is not possible, the transactions may be executed by Takasbank

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in accordance with the written instructions to be given by people holding authority to represent the member.

Responsibilities of General CCP Members

ARTICLE 11- (1) The general CCP member performing the clearing and settlement operations of a trading institution shall be unconditionally responsible towards Takasbank for fulfilling the obligations related to the transactions conducted by the relevant institution over itself. The general CCP member performing the clearing and settlement operations and the trading institution of whose clearing and settlement operations are performed by that member shall be jointly and severally liable as debtor and surety towards Takasbank for the obligations arising from the trading institution's transactions of itself and of its clients that are conducted over the relevant general CCP member.

(2) A general CCP member shall be in charge of monitoring whether the obligations set forth in article 12 have been fulfilled by the trading institutions whose clearing and settlement operations are performed by that member; taking all necessary measures in cases where it is determined that the obligations have not been fulfilled; and acting in accordance with the provisions set forth in the third paragraph of the same article in cases where it is determined that the obligations have still not been fulfilled despite the measures.

(3) The general CCP member shall be relieved from its responsibility referred to in the second paragraph of this article provided that all rights, obligations and accounts of the relevant trading institution towards Takasbank resulting from the transactions it has conducted in the Market are liquidated or transferred to another general CCP member.

Responsibilities of the Trading Institutions

ARTICLE 12- (1) The positions and collateral of the trading institutions are monitored in the exclusively opened sub- accounts linked to the general CCP members.

(2) The trading institutions are obliged to ensure the following issues:

a) Comply with the regulations stipulated in this Procedure for the collateralization procedures and monitoring of positions and collateral at their structure as well as at the general CCP member.

b) Act in accordance with all rules and principles laid down in the Law and other relevant regulations for monitoring and safekeeping of client assets and collateral.

c) Establish continuous reconciliation between their clients' accounts at the general CCP member they are affiliated to and the records of the client positions and collateral at their structure.

ç) Ensure that their clients are informed in an accurate and complete manner of the fact that the power of disposition on the collateral accounts of their clients opened at the general CCP member or Takasbank belongs to the relevant general CCP member and that, this power is restricted by Takasbank as to be limited only to the accounts at their structure and the required collateral.

d) Convey all type of information and documents to be requested on issues deemed necessary by the relevant general CCP member, Takasbank and the Board in relation to their business and transactions within the scope of this Procedure, and provide any support in the investigations to be carried out by those commissioned by Takasbank and the Board.

(3) If it is determined by the relevant general CCP member that any trading institution has failed to either partially or wholly fulfill the obligations referred to in the second paragraph of this article, this situation shall be notified immediately to Takasbank together with all information and documents substantiating non-fulfillment of such obligations, and all measures shall be taken to resolve these discrepancies thereof.

(4) In cases where the relevant trading institution has failed to fulfill its obligations despite all measures taken by the general CCP member, the positions and collateral of the clients of the trading institution,

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upon request of the relevant CCP member conveyed to Takasbank, shall be transferred to the relevant general CCP member making the request in accordance with the agreement between each other in order to ensure protection of the clients of the trading institutions. The transfer shall be made by taking account of the prices of the positions and collateral determined by Takasbank. The trading institution shall notify the ownership information of the transferred client positions and collateral to the Member taking over them. Takasbank shall inform the Board and the relevant public authority of the transfer operation within 1 business day together with the reasons of such transfer received from the relevant general CCP member.

(5) The provisions stipulated in other regulations for the trading institutions they are subject to shall be reserved.

Restriction of Member Activities

ARTICLE 13- (1) The activities of the members under this Procedure may be restricted by Takasbank in the following situations.

a) Suspension of its activities in the markets or the capital market instruments for which clearing and settlement service is provided or removal from membership pursuant to article 13 of the Central Clearing and Settlement Regulation or article 14 of the Central Counterparty Regulation.

b) Failure to fulfill the obligations stipulated in the Market Directives, the Procedure and the membership agreement.

c) Identification of any unfavorable situation for the member such as protest, seizure, provisional injunction, etc., or temporary or permanent suspension of its activities, cancellation of its relevant operating permit, prohibition to conduct any transaction for the capital market instruments traded in the Market for any reason, decision rendered on its gradual liquidation or bankruptcy or receipt of any negative intelligence about it.

ç) Determination of the fact that the creditworthiness of the member has either impaired or does not exist at all as a result of the intelligence, financial analysis and/or rating studies periodically conducted by Takasbank.

(2) If any situation referred to in this article occurs, Takasbank may resolve the outstanding positions of the Member to be liquidated either in part or in whole.

(3) If the member's activities are restricted for reasons referred to in this article, the situation shall be notified to the Exchange, the Board and the relevant public authority.

(4) Takasbank is authorized to take all types of measures it deems necessary, including those given below, for completing the clearing and settlement transactions of the institution whose activities are suspended or who is removed from the membership.

a) Preventing the member from trading directly on its accounts at Takasbank,

b) Using the settlement receivables of the member to close its settlement debts,

c) Resorting to the member's assets held in its free accounts at Takasbank.

Termination of Membership

ARTICLE 14- (1) The CCP membership may be terminated in the following situations by the Board of Directors'decision.

a) Determination by Takasbank that any of the CCP membership conditions stipulated in this Procedure and other relevant regulations is no longer met.

b) Determination by Takasbank that risks of significant nature that would jeopardize the secure and uninterrupted functioning of the CCP system have arisen due to failure to fulfill the obligations

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stipulated in this Procedure or other relevant regulations.

c) Failure of the CCP members whose operations have been restricted in accordance with the provisions of the second paragraph of article 14 of the CCP Regulation to fulfil their respective obligations within a maximum period of six months granted to them pursuant to the sixth paragraph of the same article.

ç) Upon direct request of the CCP member provided that Board of Directors decision.

(2) Those intending to terminate their CCP membership in accordance with the item (ç) of the first paragraph of this article shall notify Takasbank of the situation in writing. However, the relevant member intending to terminate its CCP membership must have fulfilled all of its obligations under the CCP Regulation and other relevant regulations. In such cases, the Board of Directors may consent the termination of CCP membership. If the request for termination of the membership is submitted without fulfilling all obligations under the Procedure and other regulations, the member shall be given a period of 30 days for fulfilling such obligations. The member that fulfills such obligations within the period of time granted shall notify Takasbank of such case in writing, and the request for termination by the member shall be addressed at the next meeting of the Board of Directors following such notification. Members who fail to fulfill such obligations within a period of 30 days may only apply for terminating their membership once they have closed all their positions.

(3) Takasbank receives the opinion of the Exchange in terminating the membership of a CCP member.

(4) Takasbank shall be entitled to take all necessary measures, including the transfer of positions of the relevant trading institutions and of their clients to another general CCP member, to ensure systematic and uninterrupted processing of the transactions of the trading institutions whose clearing and settlement operations are performed by those whose CCP membership has been terminated.

(5) Even after the termination of CCP membership, the obligations of the relevant institution towards Takasbank under this Procedure and other relevant regulations in relation to the transactions conducted until the date of the Board of Directors' decision regarding the termination of membership shall prevail.

(6) The Board, other relevant public entities and institutions and the relevant market operator must be immediately informed of the member whose CCP membership has been terminated.

CHAPTER THREE

Clearing & Settlement and CCP Service Principles

Takasbank's Liability

ARTICLE 15- (1) Takasbank is the central counterparty with the open-offer method for the transactions conducted in the Market and cleared and settled in the system. For these transactions, Takasbank undertakes completion of clearing and settlement by acting as buyer against the seller and as seller against the buyer. Without prejudice to the limitations stipulated in article 36 of the Central Counterparty Regulation, Takasbank assumes, in its capacity as the central counterparty, the clearing and settlement obligations arising from the transactions conducted in the Market by the members in accordance with the principles and procedures stipulated in this Procedure and the legislation.

(2) In the open-offer method, the liability of Takasbank towards the parties of the transaction starts at the moment when the buy and sell orders are matched and ends upon completion of the clearing and settlement. For the transactions being cancelled by the Exchange, the liability of Takasbank towards the parties shall cease at the moment when the updates are made by Takasbank for cancellation of the transactions. Should the limit allocated by Takasbank to the Member on a transaction basis in accordance with the fourth paragraph of article 5 of the Central Counterparty Regulation be exceeded, Takasbank shall, without prejudice to the provisions of article 33, not be liable for any loss arising out of the

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transactions it has refrained from.

(3) For the transactions conducted in the Market, Takasbank deals only with the members. Takasbank shall not be liable for the obligations of the members towards their clients and of the general CCP members towards the trading institutions.

(4) The risks arising from the issuer are excluded from the undertaking given in its capacity as a CCP.

(5) In covering the liquidity needs and the losses to be incurred in case of any default, the provisions regulated in Chapter Five of the Central Counterparty Regulation shall apply.

General Principles Regarding Clearing & Settlement and the Marketplaces and Platforms to which CCP Service is provided

ARTICLE 16- (1) Clearing and settlement of all transactions conducted in the marketplaces and platforms under the structure of the Market is performed by Takasbank except for the exemptions imposed by the Board. The provision of article 17 of the Central Clearing and Settlement Regulation shall be reserved.

(2) Clearing and settlement of the foreign currency denominated transactions conducted in the marketplaces/ platforms under the structure of the Market are concluded by Takasbank by using the accounts held at the correspondent banks and/or Takasbank.

(3) Takasbank Board of Directors may decide, if it is also deemed appropriate by the Board, upon request or by obtaining the opinion of the Exchange, to provide only clearing and settlement service and not to provide CCP service or terminate the CCP service for some marketplaces or platforms to be newly established or already existing in the Market or for some securities to be newly issued or already being traded therein. Takasbank announces the marketplaces/securities to which it will provide CCP service via a General Letter.

(4) No Takasbank guarantee exists for completion of clearing and settlement relating to the marketplaces/ platforms and/or securities to which CCP service is not provided in accordance with the affirmative opinion of the Board.

(5) Completion of clearing and settlement operations in due time is conditional upon the fulfillment by the obligor members of their obligations on time.

(6) Collateral at an amount calculated in accordance with the methods determined by Takasbank shall be received from the members as to be used for any default which may arise from the clearing and settlement transactions of the securities to which the CCP service is not provided in the Market. Collateral received for clearing and settlement shall be collected from the members to ensure not to get effected from the price change risk of the securities subject to default during the period from occurrence of any default to its resolution. Takasbank's liability for any default related to the securities to which CCP service is not provided shall be limited to the collateral received for clearing and settlement.

Accounts to be Used for Fulfillment of the Obligations

ARTICLE 17- (1) Clearing and settlement transactions are performed over Takasbank system.

(2) The rights and obligations of the members arising from their transactions subject to clearing and settlement are concluded on account by using the accounts designated by Takasbank.

(3) Obligations relating to the transactions conducted in the Market shall be fulfilled on the settlement date by using the relevant cash/security settlement accounts.

(4) For the cash settlement transactions, the following accounts shall be opened at Takasbank in the name of the member.

a) For cash debts of other markets (except for the Equity Repo Market) to which Takasbank

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provides CCP service, the "Member Bonds Settlement Debt Account" no. 33;

b) For cash debts of other markets to which Takasbank provides no CCP service, the "NCCP Markets Cash Debt Coverage Account" no. 33NTL.

c) For cash debts of the Committed Transactions Market of Sukuk , the "Committed Transactions Market of Sukuk Member Debt Coverage Account" no.SKKR.

ç) For Equity Repo Market cash debts, the "Member Equity Repo Settlement Debt Account" no. 90;

d) For cash receivables related to all markets, the "Member Free Account" no.11;

e) For foreign currency cash debts/receivables, the cash accounts on the basis of the relevant currency.

(5) For the securities settlement transactions;

a) The following accounts shall be opened at Takasbank;

i. For GDDS-type capital market instruments, the "Free Depo Account" no. 501/701.

ii. To be able to block the reverse-repo securities to which Takasbank provides CCP service, the "On-Exchange Reverse Repo Collateral Depo Account" no. 1101.

iii. To be able to block the reverse-repo securities to which Takasbank does not provide CCP service, the "On-Exchange Reverse Repo Collateral Depo Account (NCCP)" no. 2101.

iv. For the Sukuks to be traded in the Committed Transactions Market of Sukuk , the "STIP Security Settlement Account" no.501/702.

v. To be able to block the Sukuk to be traded in the Committed Transactions Market of Sukuk , the "STIP Blockage Settlement Depo Account" no.7101.

b) The following accounts shall be opened at the CRA;

i. For PSDS debts of the securities to which Takasbank provides CCP service, the " Securities Repo Clearing Pool Account" no. MRTAH.

ii. For PSDS debts of the securities to which Takasbank does not provides CCP service, the "Securities Repo Pool Account (NCCP) " no. MRNCH.

iii. In order to block the repo receivables of the Securities Preferred Repo Market, for PSDS debts of the securities to which Takasbank provides CCP service MRBL "Securities Repo Clearing Blocked Sub-Account" under MRTAH "Securities Repo Clearing Pool Account CCP", for PSDS debts of the securities to which Takasbank provides no CCP servicethe MRBL "Securities Repo Settlement Internal Blocked Sub-Account" sub-account under the MRNCH "Securities Repo Settlement Pool Account NCCP".

iv. Securities for which Takasbank renders CCP service 'Equity Repo Pool Account' No. RPTAH.

v. RPBL "Repo Blocked" sub-account under RPTAH "Equity Repo Pool Account" for blocking the Equity repo receivables of the securities for which Takasbank provides CCP service,

vi. For the transactions conducted in foreign currency, a security account shall be opened by the member at the depository institution to be designated by Takasbank.

Settlement date and period

ARTICLE 18- (1) TL denominated transactions conducted in the Market shall be settled on the value date

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(T+0), and foreign currency denominated transactions shall be settled the first business day following the day on which the transaction has been conducted (T+1). Repo-reverse repo transactions, on the other hand, shall be made subject to settlement on the start and end dates of the transaction. Settlement of the future-dated transactions shall be performed on the value date.

(2) In determining the settlement periods, the business days on which Takasbank, the Market and the correspondent banks are open shall be taken into account. The clearing and settlement times for the transactions are as follows.

Transaction Type	Start Time	End Time
Net Settlement Cash Debt Coverage	15:00	16:45 (16:45 Included)
Net Settlement Security Debt Coverage	15:00	16:45 (16:45 Included)
Security Allocation for Repo Transaction	09:30	15:00
Net Settlement Cash Debt Coverage (Half-day)	12:00	12:30 (12:30 Included)
Net Settlement Security Debt Coverage (Half-day)	12:0:00	12:30 (12:30 Included)
Security Allocation for Repo Transaction (Half-day)	09:30	11:50
Equity Repo Market Net Cash Settlement Debt Coverage	14:00	16:45 (16:45 Included)
Equity Repo Market Net Security Settlement Debt Coverage	14:00	16:45 (16:45 Included)
Equity Repo Market Net Cash Settlement Debt Coverage (Half-	No Settlement	No Settlement
Equity Repo Market Net Security Settlement Debt Coverage	No Settlement	No Settlement
Committed Transactions Market of Sukuk Cash Settlement Debt Coverage	14:00	16:45 (16:45 Included)
Committed Transactions Market of Sukuk Security Settlement Debt Coverage	14:00	16:45 (16:45 Included)
Committed Transactions Market of Sukuk Cash Settlement Debt Coverage (Half-day)	12:00	12:30 (12:30 Included)
Committed Transactions Market of Sukuk Security Settlement Debt Coverage (Half-day)	12:00	12:30 (12:30 Included)
RTGS (Real Time Gross Settlement) (BISTECH)	9:00	17:05
RTGS (Real Time Gross Settlement) (Takasbank)	9:00	17:00
RTGS (Real Time Gross Settlement) (BISTECH) (Half-day)	9:00	12:45 (12:45 Included)
RTGS (Real Time Gross Settlement) (Takasbank) (Half-day)	9:00	16:00 (16:00 Included)
Security allocation and virement for repo transactions conducted on the exchange but settled outside	14:00	17:45

(3) For all transactions conducted in the system, the system time shall be taken as the base.

(4) It is not possible for the parties to conclude the clearing and settlement transactions by fulfilling their security or cash obligations before the settlement date.

(5) Settlement cut-off times of the Market shall be determined by Takasbank Board of Directors by obtaining the opinion of the Exchange.

(6) Default provisions shall be applied without the need for any further notice for the obligations failing to be fulfilled within the settlements periods set forth in the second paragraph.

(7) The settlement period can be temporarily changed by the General Manager due to the problems arising from the clearing and settlement, custody, payment or market operating systems.

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(8) Completion of settlement transactions for the marketplaces/platforms/securities to which CCP service is not provided within their time periods shall be conditional upon timely fulfillment by the obligor members of their obligations. No Takasbank guarantee exists for the completion of transactions on the settlement date and in due time.

Currency

ARTICLE 19- (1) In the payment of cash obligations arising from the clearing and settlement transactions, the currency in which the transactions are conducted shall be used.

(2) If and to the extent it is included in the market arrangements, the settlement of the transactions conducted in a currency different than Turkish Lira can be performed over the relevant currency but it can also be performed by converting it to Turkish Lira over the CBRT foreign currency selling rate published for the settlement date.

Finality of Settlement Transactions

ARTICLE 20- (1) The settlement instructions and transactions and the payment operations arising from the trades conducted in the Market can neither be revoked nor can be cancelled including the state of temporary or permanent suspension of the member activities and initiation of liquidation actions before the administrative and judicial authorities.

(2) Upon any notice served for the member to Takasbank regarding all types of measures and decisions regulated by the laws which inhibit the member from making any disposition on the funds or capital market instruments in a manner to include temporary or permanent suspension of transfer of funds or capital market instruments and imposing any restriction thereon, for the transactions of the Member conducted in Borsa İstanbul A.Ş. Debt Securities Market;

a) If the member activities are suspended or any factor which would impede the continuation of its activities is identified, the Exchange shall be informed thereof via the fastest means of communication to stop its Exchange transactions.

b) All contracts executed in the Market and transmitted to the clearing and settlement system shall be deemed finalized and are included in netting, and the clearing and settlement transactions of the payables and receivables resulting from the netting are concluded. However, contract cancellations are exempt therefrom, whereas the contract amendments and position transfers are included in the clearing and settlement process with their new form.

c) Collateral established by the member by its available cash and security balances held at Takasbank shall be used to terminate its obligations.

ç) All obligations of the member against Takasbank must be fulfilled to be able to take action in accordance with the decisions served to Takasbank.

Finality of Transfer Transactions

ARTICLE 21- (1) Transfer orders transmitted via the screens provided by Takasbank, over the web service interface and by a written instruction shall be deemed entered to the system as at the moment of their receipt by Takasbank. These orders can be revoked by the member until their execution.

(2) "Upon entry of the transfer order to the system, the transaction cannot be withdrawn by the members and shall be deemed finalized from the moment at which the amount and/or unit exchange has been executed in the relevant accounts opened at Takasbank system in the name of the member placing the transfer order and of the member being counterparty to that transfer order.

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Netting

ARTICLE 22- (1) In calculating the net payable or receivable amount for the transactions conducted in the Market except for the transactions in the Committed Transactions Market of Sukuk and the International Bonds Market, employing multilateral netting method on security basis by observing customer/portfolio segregation and by transforming them to a single receivable or payable by way of offsetting the members' receivables and payables against each other is essential.

(2) At the end of netting, the cash receivable or payable amounts are created against the net security debts or receivables. Netting is made by taking account of the value date. The liabilities and receivables are not netted off between the dates except for any event of default.

(3) Settlement of the transactions in the Committed Transactions Market of Sukuk and the International Bonds Market is performed on a transaction basis. No netting is applied.

(4) Transactions conducted in the Outright Purchases and Sales Market and Offering Market for Qualified Investors the securities to be received at the second leg (end date) in all sub-markets are netted off and the net payable or receivable is calculated on a security basis. Except for the chain transactions, securities purchased by reverse repo from the Repo-Reverse Repo Market and Repo Market for Specified Securities at the Exchange shall not be included in netting. These securities are kept blocked until the end date for Repo-Reverse Repo Market at the "On-Exchange Reverse Repo Collateral Depo Account" of the relevant member at Takasbank, for Repo Market for Specified Securities at the MRBL "Securities Repo Clearing Blockage" sub-account at CRA.

(5) The outright purchases and sales market transactions to which foreign currency payable securities are subject and the transactions between the repo-reverse repo markets are not netted-off.

(6) The marketplaces/securities to which CCP service is provided and the marketplaces/securities to which CCP service is not provided are separately made subject to netting. They are not netted-off together.

Delivery versus Payment Principle

ARTICLE 23- (1) In the clearing and settlement operations, the delivery versus payment principle shall be applied. Pursuant to the principle, the settlement receivables of the members failing to fulfill their settlement obligations on the settlement date shall not be paid.

(2) The receivables may also be partially paid against the obligations partially fulfilled on the settlement date.

Rectify the Transactions Conducted in the Market

ARTICLE 24- (1) Any request for the correction transactions relating to the transactions conducted in the Market shall be informed to Takasbank in writing. The correction for the requests based on a good reason shall be made as given below as a result of Takasbank evaluation. Takasbank, when evaluating the correction request, possesses right to request additional documents validating the underlying reason for the request, and in the event that the reason is deemed as invalid upon evaluating the documents submitted, Takasbank possesses right not to permit the transaction correction

(2) After the correction made in the trade account and customer account number areas in the order, the customer category is updated automatically depending on the account type. However, no correction can be made on other areas.

(3) Transaction corrections can be made within the session hours. Takasbank may make changes on the hours determined for the transaction corrections.

(4) Transactions executed in the Outright Purchases and Sales Market, Repo Market for Specified Securities, Offering Market for Qualified Investors, Equity Repo Market**,** Watchlist Market and International

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Bond Market are not rectified *after the netting cut-off*.

(5) Transactions executed in the Repo and Reverse Repo Market Committed Transactions Market of Sukuk are rectified *until the end of the trading hours*. Nevertheless, should the correction in the abovementioned markets request lead to a deficit in the allocated securities' ability to compensate for the second value amount of the repo transaction, correction is not fulfilled *after the netting.* Furthermore, should the request lead to excess in the allocated securities compared to the second value amount of the transaction, no excess security is returned until the repo second value date.

(6) OTC trade rectifying can be conducted in all debt securities markets until the end of the session.

Security Allocation for repo Transactions

ARTICLE 25- (1) The capital market instruments to be allocated as security for the transactions conducted in the Repo Reverse-Repo Market can be allocated by the members until 15:00 (11:50 at Half–day), whereas upon written request of the member after that time if it is deemed appropriate by Takasbank and on condition that the settlement of the transaction has not been completed, without prejudice to the default provisions.

(2) Security allocation failed to be made within the time period referred to in the first paragraph shall be allocated ex- officio by Takasbank by using the benchmark bonds, and the members shall be obliged to fulfill their obligation over such ex-officio-designated asset.

(3) The principles for calculating the nominal amount of the securities to be delivered in the Reverse- Repo Market are given below

a) The prices of securities to be delivered against repo transactions are determined by Takasbank and announced in a daily manner on Takasbank official website (www.takasbank.com.tr). The announced prices may be changed by Takasbank during the day by taking account of the market conditions, and if any change is made, the change being made is announced to the members. These prices are used in calculating the nominal prices of the capital market instruments to be delivered against the transaction.

b) In calculating the nominal amount, the interest and withholding are taken into account in addition to the principal amount.

c) The repo-conducting member informs Takasbank over the system after the transaction has been conducted of with which security/securities it will fulfill its security obligation against the repo transaction and the nominal amount of the securities it will deliver by taking account of the current prices announced by Takasbank for that day. The amounts found in the nominal amount calculation are rounded up to 5 and its multiples.

ç) The securities obligation can be fulfilled with maximum 5 different securities. Should the settlement obligation be fulfilled with more than one security, the ISIN code and the nominal amount shall be reported by the repo-conducting member for each security.

d) Securities with coupon are subject to the transactions providing that coupon payment date is equal to the start date, end date or after the end date.

Market Clearing and Settlement Operations

ARTICLE 26- (1) Trading transactions of the repo and reverse repo marketplaces conducted in the Market are settled on their start and end dates, whereas trading transactions of other marketplaces are settled in their value dates, and the security/cash receivables and debts are determined separately for the member's customers and its portfolio on a security basis.

(2) When the purchase and sale transactions conducted by the members in the Exchange are matched, the settlement positions shall be created on a member basis by observing the customer/portfolio segregation.

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(3) The members' rights and obligations arising from their transactions subject to settlement are concluded on account by using the relevant cash or securities accounts designated by Takasbank. The obligations are fulfilled by the members having security debt by using their CRA or correspondent bank or Takasbank accounts, and by the members having cash debt by using their cash settlement accounts at Takasbank.

(4) The settlement positions can be monitored by the members in an instant manner.

(5) Securities purchased as a result of the reverse repo transactions conducted on behalf of the collective investment undertakings are transferred from the account of the settlement member to the account of the relevant collective investment undertakings and kept therein. On the maturity date of the transaction, they are directly transferred from the custody account of the collective investment undertakings to the account of the settlement member.

(6) Settlement of the transactions conducted by using the Equity Repo Market, the Committed Transactions Market of Sukuk and the foreign capital market instruments and settlement of the transactions conducted in other than those markets are made separately.

(7) The settlement instructions are created according to the settlement positions, against each security, in a manner to cover the cash debt/receivable information. The instructions can be monitored by the members after netting. The obligations of the members are on the basis of the settlement instructions being created.

(8) The settlement is collectively concluded in a manner to settle the highest number of records at the time intervals set by Takasbank. It is also possible to partially fulfill the settlement obligations, and partial settlement can be made against the partially fulfilled obligations at the time periods set by Takasbank. Settlement receivable distributions are made by taking account of the status of settlement pool balances and the members' remaining obligations during the distribution.

(9) The Exchange informs Takasbank of the transactions conducted in the Market but decided to be settled at the OTC (not Takasbank)

Cash Settlement (TRY)

ARTICLE 27- (1) Net cash settlement obligations are deposited by the members within the time periods given in this Procedure.

(2) Net Settlement obligations shall be executed automatically only once by the system to the extent that there is a sufficient balance in the accounts opened on member basis at Takasbank. Should there is no sufficient balance in the related account, the member shall be obliged to generate the appropriate balance and cover the obligation.

(3) Cash settlement receivables are released upon reconciliation by the system of the securities obligations being fulfilled by the transfer made to the relevant account at Takasbank/CRA.

(4) The released cash receivables of the records whose settlement has been concluded against the partially fulfilled obligations can also be paid in a partial manner. Settlement receivable distributions are made by taking account of the status of settlement pool balances and the members' remaining obligations during the distribution.

(5) In addition to their post-netting net cash settlement debts, the members are also responsible from the cash debts of their settlement instructions whose reconciliation has not been made at the end of the day.

(6) The cash receivables are credited to the members' "Member Free Current Account" no.11 at Takasbank. The TRY- denominated cash receivables of the banks are transferred to their TIC accounts at the CBRT.

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Cash Settlement (Foreign Currency)

ARTICLE 28- (1) The members trading in the Market fulfill their cash obligations over the netted amounts denominated in the relevant foreign currency.

(2) Cash obligations are settled through the accounts of Takasbank at its foreing currency. .

(3) The obligor member is obliged to transfer the amount it is indebted to the relevant foreign currency account according to the foreign currency type on the value date.

(4) Cash receivables are transferred to the members' foreing currency accounts at Takasbank, depending on the type of currency.

Asset Settlement (for TRY-denominated securities)

ARTICLE 29- (1) Net securities obligations are fulfilled by the Members on the settlement date within the time periods given in this Procedure.

(2) Security settlement debts are closed automatically by the system if there is sufficient balance in the relevant settlement debt coverage accounts of the member during the netting. However, if the balance fails to be sufficient during the debt coverage, the debt coverage must be made by the member after the balance is created.

(3) In order for the securities settlement receivables to be paid, the cash obligations must have been fulfilled in accordance with the delivery versus payment principle, the relevant reconciliation must have been made by the system and there must be sufficient balance in the asset settlement pool.

(4) The released Security receivables of the records whose settlement has been concluded against the partially fulfilled obligations can also be paid in a partial manner. Settlement receivable distributions are made by taking account of the status of settlement pool balances and the members' remaining obligations during the distribution.

(5) The Members';

a) Security receivables in the form of GDDS are transferred to their "Free Depo" accounts no.501 at Takasbank.

b) Security receivables in the form of PSDS are transferred to their for PSDSs that provide CCP services, "Securities Repo Clearing Pool Account CCP", for PSDSs that do not provide CCP services, "Securities Repo Clearing Pool Account NCCP" at the CRA.

c) Repo Market for Specified Securities PSDS securities receivables;

- On the 1st Value date of transaction:
- In the case of a portfolio transaction, it shall be blocked in the MRBL (Securities Repo Settlement Blocked) Sub-Account under the 4-class MRPH account that must be opened by our members at CRA,
- In the case of a client transaction, such receivables shall be blocked in the MRBL Sub-Account of the relevant client at CRA,
- In the case of a Collective Investment Undertakings transaction, such receivables shall be blocked in the MRBL Sub-Account opened at Takasbank on behalf of the Collective Investment Undertakings (within Takasbank, the Securities Repo Settlement Blocked account numbered 1101K for Book-Entry On-Exchange Reverse Repo Collateral Depo Account) and this blockage shall remain in effect until the 2nd Value Date, as automatically ensured by the system.
- On the 2nd Value Date of the transaction, the receivables shall be transferred to the SERB Sub-Accounts of the client, portfolio, or Collective Investment Undertakings at CRA.

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ç) Security receivables in the form of SUKUK being subject to the Committed Transactions Market of Sukuk are transferred to the "STIP Blockage Settlement Depo" account no. 7101 on the 1st value date of the transaction and to the beneficiary member's "Free Depo" account no. 501 on the 2nd value date of the transaction

ç) Security receivables in the form of equities subject to the Equity Repo Market;

- On the 1st value date of the transaction;
  - If the transaction is a client/portfolio transaction, to the RPBL (Repo Blocked) Sub-Account opened on behalf of the client/portfolio under the RPTAH account at CRA,
  - If the transaction is a Collective Investment Undertakings transaction, to the Equity Repo Blocked (RPBL account no. 64 at Takasbank) Sub-Account opened on behalf of collective investment institutions under Takasbank at CRA,
- On the 2nd value date of the transaction, it is transferred to the SERB sub-accounts of the client, portfolio or Collective Investment Undertakings at CRA.

(6) Receivables arising from the Repo-Reverse Repo Market transactions are transferred to and kept blocked in the member's "On- Exchange Reverse Repo Blockage Depo" account at Takasbank until the maturity date of the transaction. The assets held in these accounts cannot be transferred to another account. However, they can be made subject to a chain transaction at the Exchange and/or transferred to another investment institution's "Reverse Repo Custody Blockage Depo" account at Takasbank.

Security Settlement (for foreign currency-denominated Securities)

ARTICLE 30- (1) Foreign currency-payable security debts must be made available in the "Free Depo Account" at Takasbank until 16:45 (16:45 included Turkiye time.)

(2) The debt coverage transaction of the foreign currency-payable security sold outright shall be automatically executed by the system at the settlement start time, provided that the member holds sufficient balance in the relevant debt settlement accounts. In the event of insufficient balance during the debt settlement process, the member shall be required to complete the debt settlement once the necessary balance has been deposited.

(3) The transfer of foreign currency-payable security purchased outright shall be made to the member's free account at Takasbank.

Equity Repo Market Clearing and Settlement Operations

ARTICLE 31- (1) Cash and security obligations for the transactions conducted in the Equity Repo Market are fulfilled within the time periods given in this Procedure.

(2) Equity debts/receivables are netted-off on a customer/portfolio and Collective Investment Undertakings (CRA customer number) basis and sent to the CRA. The members fulfill their obligations on a member basis by making the security transfers from their customer/portfolio and/or Collective Investment Undertakings accounts at the CRA and depositing their debts to Takasbank's settlement pool account at the CRA from their settlement pool accounts.

(3) Cash debts are closed by making payment to the Member Equity Repo Settlement Debt Account (90) at Takasbank.

(4) At the end of each cash/asset debt coverage operation being performed, the cash/security receivable distribution are automatically executed. If the cash/security receivables realized as a result of the debt coverage operation are available in the settlement pool, the receivable distribution shall be made to

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the relevant cash/security accounts.

(5) Equity blocked receivables are ensured to be blocked in customer/portfolio and/or Collective Investment Undertakings accounts at the CRA. Free receivables, on the other hand, must be transferred to the relevant client/portfolio and/or Collective Investment Undertakings account by the trading member.

(6) The transacting member is responsible for the transfer of the obligations arising from the return transactions on the 2nd value date of the transactions that occur in the Brokerage Houses Error Portfolio Account (AKHATAP) at CRA due to the members entering an undefined customer number/Agency Fund Code in the CRA system during the transaction entry phase.

(7) Cash receivable distribution is made to the member's free current account no. 11 at Takasbank. The cash settlement receivables of the banks are sent automatically to their TIC accounts at the CBRT.

(8) Equity Repo Market cash and equity receivables shall be paid on condition that the payment related to the cash obligations are made to the Equity Repo Settlement Debt Account at Takasbank, whereas the transfers related to the equity obligations are made to Takasbank pool account from the repo settlement pool account at the CRA and that the pool account is available.

(9) The released cash receivables of the records whose settlement has been concluded against the partially fulfilled obligations can also be paid in a partial manner. Settlement receivable distributions are made by taking account of the status of settlement pool balances and the members' remaining obligations during the distribution.

(10) Settlement is not performed on half-days in the Equity Repo Market.

Foreign Capital Market Instruments Clearing and Settlement Operations

ARTICLE 32- (1) Settlement is performed in accordance with the delivery versus payment principle, on the basis of the settlement instruction created at the end of the bilateral netting process carried out by consolidating the transactions of the relevant markets, by using the relevant member accounts at the correspondent bank designated by Takasbank.

(2) Bilateral netting is made on the basis of asset definition, value date and currency between the two members being party to the transaction.

(3) Instructions created as a result of the netting are sent to the correspondent bank by Takasbank.

(4) The members are obliged to open an account at the correspondent bank and inform these accounts to Takasbank in writing. Any change related to the account number must be informed at least 2 business days before the transaction date to Takasbank in writing.

(5) The cash/security obligor member is obliged to make available the cash/security in the relevant foreign currency in its account at the correspondent bank as of the value date.

(6) In determining the time on which the settlement obligation is to be fulfilled, the time zone prevailing in the relevant country is taken as the base.

(7) Cash and security receivables are transferred to the relevant accounts in a simultaneous manner with the outflow of the debt amounts corresponding to the receivables from the accounts at the correspondent bank.

(8) The provisions of the second paragraph of article 22 and article 23 of this Procedure shall not be applied for the settlement operations of the foreign capital market instruments.

(9) The fees, commissions and taxes requested by other bank and institutions for the cash and asset movements related to the settlement operations are reflected directly by Takasbank to the relevant members.

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Committed Transactions Market of Sukuk Clearing and Settlement Operations

ARTICLE 33– (1) Settlement is performed in accordance with the delivery versus payment principle, on the basis of the settlement instruction created at the end of the bilateral netting process by using the accounts designated by Takasbank. The cash and security obligations of the transactions conducted in the Committed Transactions Market of Sukuk shall be fulfilled within the time periods given in this Procedure.

(2) For the transactions conducted in the market, Takasbank shall serve as third party to the contract on the maturity date of the transaction.

(3) Cash debts are closed by crediting the Committed Transactions Market of Sukuk Settlement Debt Account (SKKR) at Takasbank.

(4) Security debts are closed automatically by the system if there is sufficient balance in the relevant settlement debt coverage accounts of the member during the netting. However, if the balance fails to be sufficient during the debt coverage, the debt coverage must be made by the member after the balance is created.

(5) Settlement shall be executed on the basis of each transaction. On the start date, the member conducting the sell transaction with a commitment to buy back shall fulfill its security obligation and the member conducting the buy transaction with a commitment to sell back shall fulfill its cash obligation in a reciprocal manner.

(6) The member conducting the buying transaction with a commitment to sell back on the maturity date (value date) shall sell the security subject to the transaction to Takasbank and receive the cash amount in return. The member conducting the selling transaction with a commitment to buy back shall buy the capital market instrument from Takasbank and pay the cash amount to Takasbank in return.

(7) Takasbank has the right to withdraw on the maturity date (CBRT is exceptional if it is counterparty) from either one or both of the transactions it has conducted with both members without giving any reason. In the case of using the right of Takasbank withdrawal no legal liability thereof shall arise on Takasbank. Transactions where CBRT is counterparty, CBRT has the right to withdraw its liabilities on the maturity date.

(8) If Takasbank exercises its withdrawal right and withdraws from both transactions, the transaction whose settlement has been concluded on the start date between the members being a party to the transaction shall be valid and no further settlement receivable/debt shall arise on the maturity date.

(9) If Takasbank exercises, on the maturity date, its right to withdraw from one of the two transactions it has undertaken, no settlement receivable/debt shall arise due to the withdrawn transaction, and the undertaken trading transaction shall be executed between Takasbank and the member for the other transaction.

(10) Partial settlement shall not be allowed.

(11) At the transactions conducted in the Committed Transactions Market of Sukuk, it is not possible to make the payment without taking delivery of the assets for the transactions of Takasbank in buy nature, whereas to make the delivery of the asset without receiving the payment for its transactions in sell nature.

(12) Takasbank shall not fall into default for the obligations it has failed to fulfill or fulfilled with delay in this market.

(13) For members buying securities from Contracted Trade Market on start date, securities received with Reverse Repo or given with Repo transactions are kept blocked at Member's STIP Blockage Settlement Depo account no. 7101until the end date of transaction. Blocked securities cannot be transferred to another accounts.

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Intermarket offsetting operations

ARTICLE 34- (1) It is possible to offset the receivables from a market/marketplace against the debts arising from other market/marketplace transactions by placing a cash offsetting instruction between the markets operated by Takasbank and the markets/marketplaces to which clearing and settlement service is provided.

(2) Markets/marketplaces in which an offsetting transaction can be given shall be determined by Takasbank and announced to the members.

(3) Cash offsetting instructions shall be valid until the end of the business day determined by the market/exchange to which the debtor/creditor is obligated, on the day the instruction is given. No default shall be applied to offset transactions executed on the same day, provided they are completed by the specified time. Instructions that are not executed by the specified end-of-day deadline shall become null and void.

(4) Should the receivable be failed to be collected within the same day from the obligor market/marketplace despite the given offsetting instruction, the obligor member shall be obliged to pay its debt to the market/marketplace to which it is indebted within the same day.

(5) Cash offsetting instructions must be delivered electronically to Takasbank at the latest until;

a) 14:30 on the business days between Debt Securities Market/Equity Market/Equity Repo Market/Borsa Istanbul Money Market,

b) 15:45 on the business days between Takasbank Money Market and other markets/marketplaces.

Collective Investment Undertakings Virement and Clearing & Settlement Transactions

ARTICLE 35- (1) The responsibility for the settlement of the transactions conducted in the Market on behalf of the collective investment undertakings belongs to the CCP member executing the transaction.

(2) For the securities sell transactions conducted in the market by the brokerage houses on behalf of the collective intermediary undertakings; a virement instruction shall be automatically generated by the system up to the total sell amount on the basis of each institution intermediating to the sell.

CHAPTER FOUR
Account Operations

Account Structure

ARTICLE 36- (1) All members intending to trade in the Market are obliged to open their cash and securities accounts necessary for execution of the clearing and settlement operations at Takasbank and the CRA and, if the nature of transaction necessitates, at the correspondent bank to be designated by Takasbank.

(2) Trading, position and collateral accounts shall be opened at Takasbank to be able to monitor the trades, positions and collateral.

(3) Trading Account is the account where the orders matched in the Market are monitored on a transaction basis.

(4) The position accounts include the net amounts and net units calculated upon netting of the transactions. Risk management is performed over the position accounts.

(5) Collateral accounts where the collateral related to the positions of the members' own portfolios or of their customers are monitored shall be opened at Takasbank. Customer/portfolio segregation shall be made for the collateral accounts where the securities and/or the markets/marketplaces to which the CCP service is not provided in accordance with the permission of the Board are monitored.

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Account Types

ARTICLE 37- (1) The position and collateral accounts associated with the trading accounts can be opened at Takasbank in two different types: the "Client" and the "Portfolio". The portfolio account is the account in which the transactions conducted by the member for its own portfolio are monitored. Monitoring client positions in the multiple position accounts in a collective manner is essential. For the trading institutions, portfolio and multiple client portfolio accounts that are linked to the general CCP member but separate from other client and trading institution accounts of the general CCP member shall be opened.

(2) The members shall monitor the positions and collateral of their own portfolio and the customer positions and collateral in a separate manner in the accounts to be opened at Takasbank. Takasbank accepts that collateral deposited by its members to the collateral accounts associated with the multiple position accounts belongs to the Member.

Opening of Accounts

ARTICLE 38- (1) The accounts in which the transactions will be conducted must have been defined in Takasbank system.

(2) For the trading institutions, opening an account at the general CCP member is a must.

Segregation

ARTICLE 39- (1) In the Market, the customer transactions, positions and collateral are monitored in the multiple trading and position accounts opened and linked to the Member and in the collateral accounts associated with these accounts, in a separate manner from the member's own transactions, positions and collateral.

(2) Transactions, positions and collateral of the member's own portfolio are monitored in the single trading and position accounts to be exclusively opened for the members and in the collateral account associated with these accounts.

Account Transfer

ARTICLE 40- (1) The positions monitored in the position accounts and the collateral associated with these positions can be ported by Takasbank between the CCP members upon instruction of the transferee and transferor CCP members, if deemed appropriate by Takasbank. In such a case, the transferor CCP member shall obtain the written consent of its clients of whose positions and collateral are to be transferred.

(2) In order for the multiple positions accounts to be ported, the instruction of all customers holding positions in these accounts is required. Collateral associated with the multiple position accounts for which porting instructions have been given by the customers shall be ported by the instruction of the member.

(3) Takasbank's right to refuse the account porting requests shall be reserved with regard to the soundness of clearing and settlement operations and the security of settlement.

(4) If the positions monitored in the accounts of any member whose membership activities have been restricted or whose membership has been terminated due to default or for other reasons are transferred to another member together with the collateral associated with these positions, the porting transactions shall be conducted by Takasbank;

a) If any pre-designation for the transferee member has been made in the agreement signed between the transferor member and Takasbank; in accordance with the provisions stipulated in the agreement.

b) If, although no pre-designation regarding the transferee member has been made in the

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agreement signed between transferor member and Takasbank, the transferor member makes an agreement with the transferee member until the date on which the porting will be made; in accordance with the provisions stipulated in that agreement.

c) If no designation has been made in line with the provisions of the item (a) and (b) of this paragraph, but Takasbank achieves to find a transferee member.

(5) Should the account porting be made, collateral available in the transferred accounts cannot be withdrawn until the reconciliation is achieved between the records of Takasbank and those at the member whose activities have been restricted or whose membership has been terminated. Provisions regarding any proceeding pursued by the administrative and judicial authorities shall be reserved.

(6) Should the member's Market activities be restricted or its membership be terminated, the collateral amount that can be ported from or returned to the associated customer accounts shall be limited to the collateral amount remaining after the variation margin amounts that have arisen following the default is reflected in the accounts.

(7) Accounts failed to be ported due to unable to find a member to take over the positions and collateral, or unavailability of sufficient time to do so, or any collateral deficiency, or those having collateral deficiency after the liquidation of positions may be made subject to liquidation in accordance with the principles of Chapter Five of the Central Counterparty Regulation. The collateral balance to be occurred after the liquidation of positions in the accounts failed to be ported due to unable to find a transferee member shall be returned pursuant to article 27 of the Central Counterparty Regulation.

(8) For the accounts linked to a member whose membership activities have been restricted or whose membership has been terminated due to default or for other reasons; if such accounts are related to the marketplaces/platforms to which CCP service is not be provided in accordance with the Board permission or the securities held in the accounts are those of the securities to which the Board has given permission for non-provision of CCP service, then Takasbank may not provide porting service for the positions related to such marketplaces/platforms/securities.

CHAPTER FIVE

Risk Management, Collateralization and Valuation Haircuts Principles

Risk management

ARTICLE 41- (1) A three-layered risk management system is used in the Market: pre-trade, at-trade and post-trade. This risk management is performed over the positions subject to settlement.

(2) Pre-trade risk management is the process for checking the collateral adequacy through the risk parameters calculated by taking account of the probability of orders to turn to a transaction. In the pre-trade risk management process, the unit margin value calculated in the post-trade risk management layer is used.

(3) No position increasing order transmission may be permitted over the accounts which have collateral deficiency in the pre-trade risk management layer. If collateral control is to be performed in the pre-trade risk management layer, the general principles for the collateral control to be performed shall be announced to the members via a General Letter.

(4) At-trade risk management is the collateral control process performed at the moment the order is turned to a transaction. No position-enhancing order transmission may be permitted over the accounts which have collateral deficiency in the at-trade risk management layer. If collateral control is performed in the at-trade risk management layer, the general principles for the collateral control to be performed shall be announced to the members via a General Letter.

(5) In the at-trade risk management layer, risk and/or collateral balance calculations are made in the

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collateral withdrawal and at the all types of settlement position changes. This process includes two separate calculation components in itself:

a) Instant collateral adequacy calculation made by the "PTRM Margin Calculation Method" in the pre- trade risk management layer at the moment the order turns to a transaction.

b) Calculation made in the at-trade risk management layer by taking account of the post-trade risk management principles.

(6) Instant collateral adequacy calculation made by the "PTRM Margin Calculation Method" in the pre-trade risk management layer remains in force until the final collateral adequacy calculation conducted in the at-trade risk management layer by taking account of the post-trade risk management principles is completed, and it is replaced by the newly calculated value upon completion of the calculation.

(7) Takasbank cannot be held responsible for the temporary blockages and order cancellation that may occur in the order transmission because of the fact that the tentative value calculated in the pre-trade risk management system is greater than the final value calculated in the at-trade risk management layer.

(8) The collateral balance constituting the base to the pre-trade and at-trade risk management are monitored in PTRM interface.

(9) Risk calculations in the at-trade risk management layer are made only for the accounts which have position changes. In the collateral deposit and withdrawal transactions, no update is made in the risk calculations, the collateral balance is updated and the results are transferred to the PTRM system.

(10) For the accounts which have no position and collateral movement, no update is made on the pre-order risk management (PTRM) interface.

(11) Parameters used in the pre-trade and at-trade risk management layers are determined by using minimum 1 year data set and 99.50% confidence level by Takasbank and updated monthly by considering the market conditions. If it is deemed necessary, Takasbank may revise the pre-trade risk parameter in accordance with the market conditions without waiting for the one months' time period. The parameters being determined are announced via a General Letter.

(12) Post-trade risk management includes risk and collateral calculations made at the times announced by Takasbank by using the position and collateral balances of the relevant moment and the current prices thereof.

(13) In the post-trade risk management layer, the "required collateral" is calculated on hourly basis by using the portfolio-based margining method for each account in accordance with the principles given under the heading "Principles Regarding Collateral" of this Procedure.

(14) In the Equity Repo Market, except for O/N transactions, along with the initial margin, the variation margin is also calculated and included to the required margin.

(15) Results of the calculation made in the post-trade risk management layer is reflected to BISTECH settlement screens.

(16) Risk limit controls referred to in article 42 of this Procedure and the margin calls are made by taking the calculations made in the post-trade risk management layer as the base.

(17) Margin call is issued for the accounts whose collateral and/or repo balance is/are not sufficient as a result of the updating operation conducted at the end of each day. Margin calls are issued through the member screens provided by Takasbank and/or via reporting. If the margin call is sent through the system, the member shall be deemed to have received the call without the need for any further warning or notice. The responsibility of the member starts at the moment the margin call issued by Takasbank is received by the member.

(18) In calculating the collateral amount received for clearing and settlement in relation to the marketplaces/platforms and/or securities to which CCP service is not to be provided in accordance with

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the Board permission, the method and parameters applied to the marketplaces/platforms and/or securities to which CCP service is provided shall be used.

Principles of Valuation Haircut

ARTICLE 42- (1) In equity repo transactions, the price calculated by applying the valuation haircut to the transaction price shall be used in the calculating the nominal amount of the equity securities to be delivered in settlement of the transaction. Parametric, non-parametric or simulation-based statistical methods deemed appropriate by Takasbank shall be used to calculate the parameters of the valuation haircut. In determining the parameters of the valuation haircut, the volatility and liquidity of the relevant asset under extraordinary market conditions as assessed by Takasbank, as well as its fundamental financial ratios, shall be taken into consideration.

(2) The statistical confidence level to be used in the calculations shall be at least 99.50% and the holding period shall be taken as 2 business days. As a general principle, the historical data used in the calculations shall cover a period of not less than one year. For assets for which no or insufficient historical data is available, the valuation principles shall be determined by reference to those calculated for assets of a similar characteristics. Where deemed necessary, Takasbank shall apply scaling to the underlying asset parameters and amend the valuation principles.

(3) The valuation haircut parameters so determined shall be announced by means of a General Letter, published on the Takasbank's website, and periodically reviewed, also taking market conditions into consideration.

Risk Limits

ARTICLE 43- (1) In the Market to which it provides CCP service, Takasbank defines risk limits to the Members based on their financial capability. Risk limits are determined over the margin requirements to be held due to the positions carried by the Members in the markets to which CCP service is provided.

(2) Risk limits are designated separately for each Market to which CCP service is provided and the limit monitoring in BISTECH system is carried out over the total designated amount.

(3) Whether or not the member's total margin requirement resulting from all positions it has taken for itself and its customers in all markets to which CCP service is provided exceeds its risk limit is checked at the intra-day risk calculation times.

(4) When the member exceeds its risk limit, the exceeding portion is multiplied gradually by the haircuts set forth in the sixth paragraph of this article and the total amount being obtained is reflected in the Member's "additional trade margin" account where its obligations arising from the overruns relating to the Member's risk limit are monitored. A margin call is issued via the member screens and/or through reporting to the member having collateral deficit in its additional trade margin account. If the additional trade margin obligation is failed to be fulfilled by 15:00 on the business day following the margin call, the default provisions shall be applied.

(5) If the limits exceed 200%, then the order transmission of the member may be blocked regardless of whether its collateral balances are sufficient or not. All outstanding passive orders of the accounts whose order transmission has been blocked shall be cancelled automatically in BISTECH operating system. When the rate of the required collateral amount subject to the risk limit calculation to the risk limit defined to the member falls below 200%, the order transmission shall again be permitted.

(6) The ratio of total margin requirement the basis for the risk limit calculation in all accounts of a Member to the risk limit of that Member, and the coefficients corresponding to the relevant ratio are given below. The total additional collateral amount to be requested as a result of limit overruns shall be calculated by multiplying the amounts that fall into each range with the coefficients exclusively determined for that range.

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Margin Requirements To Be Used As A Basis For Risk Limit Calculation / Risk Limit Ratio	Coefficient
%100 < ratio ≤ %130	0,75
%131 < ratio ≤ %150	1,0
%151 < ratio ≤ %200	2,0
%201<ratio	3,0

(7) Assets eligible as collateral to the additional trade margin account and the group limits to be applied to these assets in the collateral valuation process are given below. Covering the collateral from the member's own assets or the assets on which it has the right of disposition is a must.

Assets Eligible to Additional Trade Margin Account	Group Limit
Cash (Turkish Lira)	Max. 100%
Convertible Currency (USD/EUR/GBP)	Max. 70%
Government Debt Securities	Max. 70%
Eurobond issued by the Ministry of Treasury and Finance of the Republic of Türkiye	Max. 70%
Lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Türkiye	Max. 70%
Mortgage-backed securities, mortgage-based securities, asset-backed securities and asset-based securities	Max. 70%

CHAPTER SIX

Principles Regarding Collateral

Membership Collateral

ARTICLE 44- (1) The members shall deposit the membership collateral determined by the Board of Directors in order to compensate for the losses that may arise in the event that the dues, fees, commissions and other obligations to Takasbank are not fulfilled within the time period given to them. The membership collateral shall be deposited in Turkish Lira.

If the Members fail to fulfill their obligations under the first paragraph, Takasbank shall collect the relevant amount from the membership collateral. After the collection operation, the Member shall restore its membership collateral to the amounts referred to in the first paragraph within 3 business days. Should the deficit amount be failed to be restored, the relevant amount shall be collected ex officio from the member.

(2) In case of termination of the membership, the membership collateral shall be returned provided that all obligations of the member against Takasbank have been liquidated.

Collateral

ARTICLE 45- (1) Collateral shall be requested from the members to cover the risks arising from their securities positions in the Market. In determining the parameters to be used for calculating collateral, the confidence level and holdings period shall be taken into account as 99.50% and 2 days respectively. The historical data sets to be used in the volatility calculations must minimum cover the last 12 months' period to the extent it can be obtained.

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(2) In calculating the margin requirements for the securities positions in the Market, the portfolio-based net collateralization method shall be used. When the margin requirement is calculated, no netting shall be made between the positions of the customers and the positions of the member portfolio.

(3) The member must cover its collateral obligation arising from its own portfolio by collateral belonging to it and its collateral obligation arising from omnibus customer position accounts by collateral belonging to it or on which it has disposition power, and its collateral obligation arising from the trading institution portfolio or customer positions by collateral belonging to it or those received from and belonging to the trading institution or on which the trading institution has the right of disposition. Takasbank accepts that collateral deposited by its members to the collateral accounts associated with the omnibus position accounts belongs to the Member.

(4) Positions regarding the marketplaces/securities to which CCP service will not to be provided in accordance with the Board permission shall be monitored in a segregated manner in the individually opened portfolio and omnibus customer accounts of the member separately from the positions to which CCP service is provided, and the collateral amount received for settlement shall be calculated over the netted positions in these accounts. In the valuation of collateral received for settlement, the parameters and assets determined in relation to the marketplaces/platforms and/or securities to which CCP service is provided shall be used.

Cash Flow Collateralization Method General Principles

ARTICLE 46- (1) Takasbank uses the Cash Flow Margining (CFM) Method and/or BISTECH Margin Method for the collateralization of securities traded in the Debt Securities Market.

(2) CFM Method evaluates the securities with the same yield curve as a portfolio, uses "Net Present Value" variation metric, for the collateralization takes into account the changes in the positions value.

(3) In the BISTECH Margin Method based on portfolio based risk management algorithm contracts in the same product groups are completely netted. In calculating the Net Present Value changes, it adopts the scenarios which takes the shocks generated by changing the form of the current yield curves it uses in the pricing as the base.

Yield Curves used in the Cash Flow Margining Method and Principal Components

ARTICLE 47- (1) In the CFM Method, the interest rates used in the net present value calculations are interpolated from the yield curves.

(2) Takasbank generates the yield curves by way of consolidating the interest rates representing the investors' maturity- dependent yield preferences in the market at a certain moment.

(3) Different yield curves are to be generated for various debt instruments of similar nature as to be made subject to the risk account in the BISTECH system. The risk calculations of the GDDS, the foreign currency assets (on the basis of each currency) and the private sector debt securities (on the basis of bank and non-bank issuer) are made in the BISTECH system by using the interest rates and stressed values obtained from the yield curves specifically generated for these assets.

(4) During the calculation of margin requirement for the portfolio created in the risk account, the netting operations are performed on the basis of the yield curve to which the assets in the portfolio are linked. Takasbank may take into account the correlations between different yield curves used in the system during the risk calculation. If the correlations are taken into account, the designated haircut is announced to the members via the General Letter together with other risk parameters.

(5) Principal Components at CFM Method are defined as the independent (uncorrelated) changes in the yield curves. The risk scenarios are created from various combinations of these changes by presuming

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that the yield curves are mainly becoming subject to three different changes. The principal components designating the independent changes in the yield curves are as follows.

- Parallel Shift; The parallel shift of the yield curve entirely to upside and downside
- Change of Slope: The changes in the slope of the yield curve.
- Change of Curvature; the changes occurred in the curvature of the yield curve.

(6) In determining the principal component values referred to in the first paragraph of this article as to be used in the risk calculations, the interest changes constituting the base to the initial and variation margins and 99.50% confidence level are taken into account. The determined principal component values and other parameters used in the CFM Method are announced via a General Letter. They are published on Takasbank website and reviewed monthly by considering the market conditions. If it is deemed necessary, Takasbank may revise the risk parameters in accordance with the market conditions without waiting for the one months' time period.

(7) By the nature of the operation of the CFM Method, the System uses simulation results implying the worst case scenario of the portfolio in performing a portfolio-based collateralization.

(8) Takasbank uses BISTECH Margin Method to calculate the collateral for trade / clearing with the following steps:

- Product Group Risk Analysis
- Netting Effect Analysis

(9) BISTECH Margin Method makes risk analysis based on the product groups. The risk of the each product group is calculated independently from other product groups. In Debt Securities Market BISTECH Margin Method the risk of a product group is equal to the risk of scanning. The Scanning Risk is the type of a risk determined by the portfolio based risk management algorithm based on the Risk Arrays calculation using the relevant scenarios on the Price Change Interval (PCI) values for each contract. Price Change Interval refers to the maximum price change that may occur for the underlying / product group. The risk sequences are calculated by using 16 standard scenarios in the following table. The last two, corresponding to the 15th and 16th scenarios, represent the extreme movements that may occur in the underlying price.

Scenario	Price Change Interval (Price Movement as a Rate)	Scenario	Price Change Interval (Price Movement as a Rate)
1	PCI Constant	2	PCI Constant
3	PCI 1/3 Up	4	PCI 1/3 Up
5	PCI 1/3 Down	6	PCI 1/3 Down
7	PCI 2/3 Up	8	PCI 2/3 Up
9	PCI 2/3 Down	10	PCI 2/3 Down
11	PCI 3/3 Up	12	PCI 3/3 Up
13	PCI 1/3 Down	14	PCI 1/3 Down
15	Extreme Movement Scenario: PCI 200% Up	16	Extreme Movement Scenario: PCI 200% Down

(10) In BISTECH Margin Method, the netting effect of the securities in the same product group may be limited. This limitation is calculated by multiplying netting parameter determined by Takasbank from 0 to 1 with the difference between amount (gross) to be obtained as a result of the collateralization of all positions in an account without netting and amount (net) to be obtained with netting. Takasbank announces the relevant parameters in the case of analysis of the netting effect, along with other parameters with a general letter and publishes it on the website.

Calculating Collateral Received for Trade/Settlement

ARTICLE 48 - (1) The margin requirement arising due to the transactions conducted in the Market is the

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difference between the net present values calculated using the related yield curves of the cash flows processed in the CFM Method and the net present values calculated after the shocks applied to these curves. If necessary, swap position negative value change difference can be added to this value. The Scanning Risk in the BISTECH Margin Method is equal to the sum of the netting effect and swap position negative value change difference.

Intra-Day Margin Call

ARTICLE 49- (1) If the collateral deficit of an account exceeds during the day the criteria determined by Takasbank, an intra-day margin call may be issued by Takasbank to ensure restoration of such overruns. The margin call is issued by the system and/or the member is informed by phone and/or via electronic mail.

(2) If issued, the obligations subject to the margin call must be fulfilled within 2 hours. Default provisions shall be applied for the obligations failed to be fulfilled within this time period.

(3) Criteria for the intra-day margin call shall be determined by Takasbank by considering issues such as the market conditions, margin concentration, whether or not the margin call originates from any interest change, and the nominal/proportional deficit amounts of the account, etc.

(4) Accounts subject to intra-day margin call can fulfill the margin call obligations by the way of depositing collateral and/or conducting transactions which decrease the margin requirement value and/or removing collateral deficit which is calculated at the risk calculation batches.

(5) The accounts which have no collateral deficit at neither of the risk calculation times performed within 2 hours following the intra-day margin call and the accounts which are determined not to have collateral deficit according to the risk calculation batches after depositing collateral and/or conducting transactions which decrease the margin requirement value as well as the accounts which are determined that the valued amount of total deposited collateral at the risk calculation batches is greater than the intra-day margin call obligation amount shall be deemed terminated their intra-day margin call obligation. Besides, there will be an additional batch that performs its calculations with current prices and positions for the accounts which cannot fulfill their intraday margin call obligations during 2 hours period; the accounts at this batch which are determined not to have any collateral deficit shall also be deemed terminated their intra-day margin call obligation. The information for termination of the intraday margin call is notified to the member via e-mail or telephone.

(6) In cases when the amount subject to the margin call exceeds the criteria it has determined, Takasbank may prevent the position-enhancing order transmission over the accounts subject to the call but may also cancel the pending orders.

End-of-Day Margin Call

ARTICLE 50- (1) A margin call is issued at the end of each business day for the accounts whose valued collateral amount falls below the required collateral level. The members are obliged to fulfill their margin call obligations at the latest by 11:00 on the next business day. Default provisions shall be applied for the obligations failed to be fulfilled during this time period. The collateral restoration deadline on half business days is 10:00.

(2) The margin call amounts calculated by Takasbank are informed to the Members through the settlement terminals. Should the margin call be sent via the system, the members shall be deemed to have received the call without the need for any further notice. The responsibility of the member starts at the moment the margin call issued by Takasbank is received by the member.

(3) Accounts with an issued margin call or fell into default can leave the margin call or default status by way of depositing collateral and/or conducting transactions mitigating the required collateral value.

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(4) The accounts which have no collateral deficit at neither of the risk calculation times on the business day following the margin call shall be deemed terminated their margin call or default obligation. If the valued amount of total additionally deposited collateral is greater than the margin call obligation or the sum of the increase in the valued collateral amount and the decrease in the collateral amount required to be held within the day is greater than the margin call obligation calculated at the end of the previous business day, the margin call or the default shall be deemed to have been settled even if the account has collateral deficit at all of the intraday risk calculation times.

(5) In cases when the amount subject to the margin call exceeds the criteria it has determined, Takasbank may prevent the position-enhancing order transmission over the accounts subject to the call but may also cancel the pending orders.

Assets Eligible for Margin Requirement and Guarantee Fund Contribution

ARTICLE 51- (1) The following assets can be used by the Members for the fulfillment of their margin obligations arising from the assets to which central counterparty and/or clearing and settlement service is/are provided. Takasbank Board of Directors is authorized to also accept other assets designated in article 19 of the Central Counterparty Regulation as collateral or guarantee fund contribution.

a) Cash (Turkish Lira),

b) Convertible Currency (USD, EUR, GBP),

c) Government Debt Securities,

ç) Eurobond issued by the Ministry of Treasury and Finance of the Republic of Türkiye,

d) Lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Türkiye,

e) Shares in BIST100 Index,

f) Equity Umbrella Fund Shares,

g) Debt Instruments Umbrella Fund Shares,

ğ) Money Market Umbrella Fund Shares,

h) Standard gold traded on the exchanges,

ı) Mortgage-backed securities, mortgage-based securities, asset-backed securities and asset-based securities

i) Borsa İstanbul A.Ş. shares

j) Commodity Certificates (Gold Based) issued by Directorate General of Mint and Stamp Printing House of Republic of Türkiye, Ministry of Treasury and Finance.

k) Exchange Traded Fund Shares

(2) The share of the sum of securities eligible as collateral and the guarantees accepted by Takasbank which have been issued or given by any issuer or bank or by other issuers and banks belonging to the same capital group with that issuer or bank (except for the securities issued by the Undersecretariat of Treasury and the guarantee and securities of other banks whose majority of capital belongs to the Undersecretariat of Treasury) in the collateral accepted by Takasbank for this market cannot exceed 25%. For the collateral exceeding 25% limit in the conducted periodic controls, the order of priority shall be taken into account; and the owner members of the lastly deposited collateral leading to the limit overrun shall be warned via an electronic mail, and asked to replace the collateral.

(3) The guarantees of the banks and companies owned by the members and/or affiliated to the capital group to which they belong and the securities issued by them (except for the securities issued by the

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Undersecretariat of Treasury and the guarantee and securities of other banks whose majority of capital belongs to the Undersecretariat of Treasury) cannot be given by the member as collateral to Takasbank.

(4) In order for the Fixed Income Securities to be accepted as collateral, the principal and coupons representing the entire security should be deposited together as collateral. Decomposed fixed income securities are not accepted as collateral. The fixed-income securities which are entrusted as collateral lose their ability to be eligible as collateral at the end of the business day before redemption. When redemption or coupon payment occurs, the relevant amount is transferred to the cash collateral account. The member bears the responsibility of ensuring that the collateral level is maintained by considering the operational procedures involved in coupon payments and redemption.

(5) Maintaining the collateral level by considering any change that may occur in the collateral values of the shares and similar collateral due to the equity position is under the responsibility of the Member.

(6) Should gold is pledged as collateral, it must be composed of 100 gram and its multiples gold bullion bars that are traded as standard gold in the Exchange Precious Metals and Diamond Market.

(7) ***(Addition: Published by the General Letter numbered 1859, dated February 03, 2023)*** Exchange Traded Fund established to follow assets listed in subparagraphs (b), (c), (e), (f), (g) and (ğ) of the first paragraph of Article 19 of the Central Counterparty Regulation are accepted as collateral.

(8) ***(Addition: Published by the General Letter numbered 1859, dated February 03, 2023)*** Exchange Traded Fund accepted as collateral and Commodity Certificates issued by Directorate General of Mint and Stamp Printing House of Republic of Türkiye, Ministry of Treasury and Finance are included in the collateral valuation under the underlying asset group to which they are mainly linked.

(9) Out of mortgage-backed securities, mortgage-based securities, asset-backed securities and asset-based securities, those issued and denominated in TL by Türkiye Kalkınma ve Yatırım Bankası A.Ş. Varlık Finansman Funds and having at least "AA+" long term local currency rate are accepted as collateral

(10) Out of the assets accepted as collateral, those defined to its system are monitored through the Current Collateral Report available in Takasbank screens. Should the assets not included in this report be intended to be given as collateral, a notification must be made at least one business day before to Takasbank to enable the relevant asset to be defined in the system. The responsibility for monitoring shall belong to the member.

(11) Out of lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Türkiye, those issued and denominated as Turkish Lira, USD and Euro are accepted as collateral.

(12) The liquidity and volatility of the shares accepted as collateral are monitored. The results of these assessments are taken into account when accepting the relevant asset as collateral and determining its valuation haircuts.

Valuation haircuts

ARTICLE 52- (1) In calculating the valuation haircuts reflecting the deduction rates and to be applied to the collateral and guarantee fund contributions, the parametric, non-parametric or simulation-based statistical methods deemed appropriate by Takasbank shall be used. In determining the collateral valuation haircuts, the relevant asset's credit risk assessed by Takasbank, its maturity, its volatility under extraordinary market conditions, its liquidity and currency risk, if any, shall be taken into account. Haircuts for the securities listed on the BIST100 Index shall be announced by general letter.

(2) The statistical confidence level and the liquidation period to be used in the calculations to be made shall be taken into account as 99.90% and 2 business days respectively. The historical data to be used in the calculations must not be shorter than 12 months. For the assets in which there is insufficient data or no data at all, the haircuts calculated for the assets with similar qualifications shall be defined as

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reference. The valuation haircuts shall be reviewed once a year. If it is deemed necessary, it is possible to make the review in the shorter time periods. Should any change be occurred in the valuation haircuts after the review, the new valuation haircuts shall be announced to the Members.

(3) In calculating the collateral values of the assets eligible as collateral against the central counterpart and/or clearing and settlement service, the following valuation haircuts shall be taken as a basis.

Collateral Type	Valuation Haircut
Cash (Turkish Lira)	100%
Convertible Currency (USD)	90%
Convertible Currency (EUR)	89%
Convertible Currency (GBP)	89%
Government Debt Securities	0-1 Year 94% 1-5 Years 81% 5 Years and more 79%
Eurobonds issued by the Republic of Türkiye Ministry of Treasury and Finance (Eurobond-USD)	Up to 5 Years 89% 5-10 Years 89% 10-30 Years 88% 30 Years and more 86%
Eurobonds issued by the Republic of Türkiye Ministry of Treasury and Finance (Eurobond- EUR)	Up to 5 Years 89% 5-10 Years 85% 10-30 Years 66% 30 Years and more 66%
Lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Türkiye	0-1 Year 92% 1-5 Years 79% 5 Years and more 77%
Shares in BIST100 Index	82%-72%
Equity Umbrella Fund Shares	87%
Debt Instruments Umbrella Fund Shares	96%
Money Market Umbrella Fund Shares	98%
Standard gold traded on the exchanges	88%
Mortgage-backed securities, mortgage-based securities, asset-backed securities and asset based securities	0-1 Year 92% 1-5 Years 79% 5 Years and more 77%

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Borsa İstanbul A.Ş. shares	100%

Collateral Composition Limits

ARTICLE 53- (1 For other assets to be accepted as collateral apart from cash TL and the composition limits thereof, the rates given in the following table shall be applied. Takasbank Board of Directors shall be authorized to set composition limits for the new assets to be accepted as collateral or revise the composition limits including those set forth in this Procedure.

Assets Eligible As Trade Margin	**Group Limit**	**Sub-Group Limit (as percentage of Group Limit)**
Cash (Turkish Lira)	Max. 100%	-
Convertible Currency (USD/EUR/GBP)	Max. 100%	-
Government Debt Securities	Max. 100%	35% (on ISIN basis)
Eurobond issued by the Ministry of Treasury and Finance of the Republic of Türkiye	Max. 100%	35% (on ISIN basis)
Lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Türkiye	Max. 100%	25% (on ISIN basis)
Shares in BIST100 Index (Group 1)	Max. 90%	20%
Shares in BIST100 Index (Group 2)	Max. 60%	20%
Shares in BIST100 Index (Group 3)	Max. 40%	20%
Equity Umbrella Fund Shares	Max. 20%	20%
Debt Instruments Umbrella Fund Shares	Max. 20%	20%
Money Market Umbrella Fund Shares	Max. 20%	20%
Standard gold traded on the exchanges	Max. 25%	-
Mortgage-backed securities, mortgage-based securities, asset-backed securities and asset based securities	Max. 50%	40%
Borsa İstanbul A.Ş. shares	Max. 50%	-

(2) Group limits are calculated over the total deposited collateral. In calculating the sub-group limits, the group-limit- applied total valued portion of the relevant asset amount is taken into account.

Updating Values of Trade Margin

ARTICLE 54- (1) Assets accepted as collateral are made subject to valuation at the risk calculation batches during the day, at the collateral depositing and withdrawal transactions and at the end of each business day over the prices determined by Takasbank to ensure their valuation with the current market prices.

Valuation	**Valuation Criteria**	**Explanation**

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Foreign Currency	**Intra-day:** Interbank Market Buy - Sale quotation average. **End-of-day:** CBRT Foreign Currency Buying Rate.	Average Interbank Market rates throughout the day including the risk calculation time at 18:00 end of day, and for end-of-day risk calculation time, the buying rate published by CBRT at 15:30.
Treasury Bonds and Bills Sukuk	**Intra-day:** Theoretical price determined by using Takasbank yield curve or the CBRT Prices. **End-of-day:** Theoretical price determined by using Takasbank end-of-day yield curve or the CBRT Prices.	GDDS/Sukuk: They are valued by using the prices calculated by the yield curve comprising of zero-coupon and fixed-coupon bonds trading in the Market, and if access to these prices is not possible, the benchmark daily values of Government Domestic Debt Securities determined by CBRT. Values used in the valuation may vary in parallel with the yield curve being updated at the intra-day risk calculation times.
Eurobond	**Intra-day:** Theoretical price determined by using Takasbank yield curve or the price determined by Takasbank. **End-of-day:** Theoretical price determined by using Takasbank yield curve or the price determined by Takasbank.	Prices calculated by the yield curve comprising of the traded Eurobonds and if the yield curve is failed to be formed, the price determined by Takasbank.
Mortgage-backed securities, mortgage-based securities, asset-backed securities and asset-based securities	**Intra-day:** Theoretical price determined by using Takasbank yield curve or the price determined by Takasbank. **End-of-day:** Theoretical price determined by using Takasbank yield curve or the price determined by Takasbank.	They are valued by using the prices calculated by the yield curve comprising of zero-coupon and fixed-coupon bonds issued by Ministry of Treasury and Finance of Türkiye, if the yield curve is failed to be formed, the price determined by Takasbank is used
Shares	**Intra-day:** Last trade price realized in BİAŞ Equity Market before the calculation time. **End-of-day:** Session-end last trade price.	Should no trade is realized in the Exchange, the theoretical price determined by Takasbank. For the traded securities, the last trade price. If the unmatched buy and sell orders (in case the buy and sell are received simultaneously) are received later than the last trade price, the average buy and sell prices can also be used.
Investment Funds	Price announced by its issuer on the relevant date.	Price announced by its issuer is used for the following business day.

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Gold in Standard Traded in Exchanges	**Intra-day**: The latest trade price realized in BİAŞ Precious Metals and Diamonds Market before the calculation time. **End-of-day:** BİAŞ Precious Metals and Diamonds Market end-of-day bulletin price.	It is valued with the price calculated by using the CBRT foreign currency buying rate of the previous end-of-day price, over the USD/ONS price formed for T+0 dated transactions in Borsa Precious Metals and Diamonds Market. Should no trade is conducted, the theoretical price or the weighted average price formed in the previous session can be used.
Certificates Traded in Exchanges	**Intra-day:** Last trade price realized in the market before the calculation time. **End-of-day:** Session-end last trade price.	If no trade has been executed at Borsa, the theoretical price set by Takasbank.
Exchange Traded Fund Shares	**Intra-day:** Last trade price realized in the market before the calculation time. **End-of-day:** Session-end last trade price.	The price determined by Takasbank, if no transaction has taken place at Borsa.

(2) Prices subject to valuation shall be announced by Takasbank during the day through the Current Collateral Report available on Takasbank Integration Menu. Theoretical pricing formulas and methods that can be used in the valuation of assets accepted as collateral by Takasbank shall be published on Takasbank website.

Title to Collateral

ARTICLE 55- (1) The title to collateral received pursuant to the CCP service shall transfer to Takasbank in accordance with the second paragraph of article 78 of the Law. Takasbank shall acquire the ownership right upon establishment of the contract and by transfer of the assets subject to collateral in compliance with the legal procedures.

(2) In the event the receivables of Takasbank are required to be covered from collateral due to the default of the member or because of reasons stipulated in the provisions of the agreement or the relevant legislation, Takasbank shall be entitled to sell the asset subject to collateral and cover its receivables from the sale proceeds thereof or to offset the value of these instruments from the obligations of the debtor without being obliged 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 the collateral

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into cash through auction or another way, etc.

(3) Since title to collateral belongs to Takasbank pursuant to article 78 of the Law, the rights arising from the collateral shall also belong to Takasbank. Takasbank shall return the collateral together with the rights thereon at the due date in accordance with the provisions of article 27 of the Central Counterparty Regulation and upon request of the Member, provided that the obligations have been fulfilled.

Collateral Monitoring and Management

ARTICLE 56- (1) Collateral associated with the positions of the member's portfolio, its clients, the trading institution's portfolio or its clients are monitored separately in the accounts linked to the member. Collateral associated with the positions of the trading institution or its clients cannot be used for closing any collateral deficit arising from the positions of the member's own portfolio or its clients nor for resolving any default. Collateral of the member associated with its multiple client positions cannot be used for closing any collateral deficit arising from the accounts of the member's own portfolio nor for resolving any default. Collateral associated with the member portfolio can be used for covering any margin requirement arising from all position accounts linked to the member or for resolving any default. The provision of the third paragraph of article 78 of the Law shall be reserved.

(2) Pursuant to article 79 of the Law, Takasbank's rights and entitlement on the assets it has received as collateral by virtue of the operations it performs as central counterparty cannot be restricted in any manner. The member's lack of power of disposition, for any reason, on the assets subject to collateral shall not prevent Takasbank from a bonafide real right acquisition. Any title or limited real right claim of third parties on the asset values subject to collateral cannot be raised against Takasbank.

(3) Devoting time for composition about the collateral provider, approval of its composition, devoting time for composition after bankruptcy, entering into composition process by abandoning its assets, restructuring by way of conciliation, its bankruptcy, postponement of its bankruptcy, or the relevant provisions of the Law regarding gradual liquidation or the proceeding procedures under the Execution and Bankruptcy Law No. 2004 can under no circumstances limit Takasbank's rights and entitlement on collateral.

Collateral Deposit or Withdrawal Operations

ARTICLE 57- (1) Depositing, withdrawal and replacement operations related to the assets eligible as collateral can be conducted via the member screens or by a written instruction to be given to Takasbank. No direct transaction can be conducted to these accounts

(2) Collateral deposit and withdrawal transactions are performed by making electronic transfer from or to the member free accounts.

(3) The deadlines for the collateral depositing and the withdrawal of collateral other than Turkish Lira are for the transfers between the accounts at Takasbank. For the transfers to or from outside of Takasbank, the operational business rules of the relevant payment system/depository institution shall be applied.

(4) Depositing and withdrawal deadlines on collateral basis are as follows:

Assets Eligible as Trade Margin	Full Day Deposit Deadline	Half Day Deposit Deadline	Full Day Withdrawal Deadline	Half Day Withdrawal Deadline
Cash Turkish Lira	19:00	12:45	15:40	11:40

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Convertible Foreign Currency (USD/EUR/GBP)	19:00	12:45	19:00	12:45
Other Non-Cash Assets Accepted as Collateral Regarding Central Counterparty Service	19:00	12:45	19:00	12:45

(5) Withdrawal of the required collateral amounts shall not be allowed. No collateral withdrawal transaction shall be executed from the accounts having a margin call obligation.

(6) Execution of the transactions through the user codes and passwords allocated to the personnel authorized by the members and within the time periods announced by Takasbank is essential. However, in case of force majeure, it is also possible to trade by giving a written instruction to Takasbank.

Interest Accrual on Cash Collateral and Guarantee Fund Contributions

ARTICLE 58- (1) Cash Turkish Lira collateral and guarantee fund contributions deposited by the members are accrued interest over the amount remaining after deducting the portion to be set aside as compulsory reserve, if any, with the best possible conditions by Takasbank by taking the credit risk and liquidity conditions into consideration. The accrual process is performed within the limits of Takasbank by way of depositing the amount subject to the interest to the banks as either deposit or depo and making it subject to a repo transaction. Takasbank can also place the cash collateral to the organized money markets for interest accrual purposes. Interest accrual may not be made in extraordinary market conditions. No interest shall be paid if the interest accrual is failed to be made by Takasbank due to market conditions.

(2) The interest accrual process of trade margin and guarantee fund contributions is performed over the member's Turkish Lira-denominated cash collateral balances at 15:40. No interest shall be accrued on cash Turkish Lira collateral deposited after 15:40 to Takasbank as collateral. Interest accrual deadline on half business days is 11:40 and no interest shall be accrued on Turkish Lira collateral deposited after that time.

(3) The balance remaining after deducting the Bank and Insurance Transaction Tax (BITT) and other legal charges and the amount to be collected by Takasbank as "collateral monitoring and interest accrual fee" at a rate proposed by Takasbank and deemed appropriate by the Board from the gross interest amounts earned from accrual of interest on the amount of collateral and guarantee fund contributions remaining after setting aside the compulsory reserve obligation, if any, shall be credited to the relevant accounts as interest.

(4) The members wishing to receive no interest must convey their request to Takasbank in writing.

CHAPTER SEVEN

Principles Regarding the Guarantee Fund

Guarantee Fund and its General Principles

ARTICLE 59- (1) As part of the CCP service it will provide in the Market, Takasbank establishes a guarantee fund created by the contribution amounts of the members as to be used for any loss that might be incurred in case of default of the members and exceed the collateral of the relevant members. Participation of the CCP members in the guarantee fund is mandatory.

(2) The guarantee fund contributions of the CCP members are composed of the guarantee fund contributions deposited and the additional guarantee fund contributions to be deposited if requested by Takasbank. Should the Guarantee Fund be used in accordance with the provisions of the CCP Regulation, the Directive on Collateral, Risk, and Default Management Related with Markets where İstanbul Takas ve Saklama Bankası A.Ş. Provides Central Counterparty Service and the Procedure, the CCP members may be

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asked to deposit additional contribution provided it shall not exceed the deposited guarantee fund contribution amount. The members can be asked to deposit additional contribution at maximum four times in one- year period between 01 April and 31 March. The additional guarantee fund contribution that can be requested at once cannot exceed, for each member, the guarantee fund contribution amount calculated and required to be deposited for the month in which the defaults constituting the base of the request have occurred. The additional guarantee fund contribution amount can be requested either once as the entire balance of the deposited amount or at multiple times in tranches provided that it shall not exceed the aggregate of the deposited amount.

(3) For the CCP member that has requested the termination of its membership and has notified Takasbank in writing that the member has fulfilled all obligations under the Procedure and other regulations but whose requests have not yet been approved by the Board of Directors or whose request for termination of its membership has been approved by the Board of Directors but has been allotted time for the return of its deposited guarantee fund contribution, the maximum guarantee fund obligation for which it may be liable on and after the date on which the member submitted its request for the termination of its membership shall be either two-fold of such member's the guarantee fund amount calculated at the day-end operations of the first business day in which the request was made in case of existence of no continuing default whose resolution still continues as of the request date, or shall otherwise be three-fold. If the member's request for termination of its membership is submitted without first fulfilling all its obligations under the Procedure and other regulations, these rates shall be applied as three and four times. Institutions considered to have terminated or requested the termination of its CCP membership to avoid from any possible guarantee fund obligation may not be re-accepted to the CCP membership.

(4) No recourse to the guarantee fund contributions of other Members can be made unless the trade margins of the defaulting Member, its guarantee fund contribution, and the collections to be made from its insurance policies, if any, and the capital allocation made by Takasbank for the covered risks in the Market become inadequate.

(5) In case of termination of the membership, the guarantee fund contribution shall be refunded in accordance with the provisions of article 33 of the Central Counterparty Regulation.

(6) The assets in the guarantee fund cannot be used other than for their intended purpose.

(7) The contribution amounts to be deposited to the guarantee fund by the members must be covered from the assets in their possession.

(8) The guarantee fund is represented and administered by Takasbank.

(9) The positions of the marketplaces/platforms and/or securities to which CCP service cannot be provided pursuant to the permission of the Board shall not be taken into account in the guarantee fund calculations.

Size of the Guarantee Fund and the Contribution to Be Made by the Members

ARTICLE 60- (1) The size of the guarantee fund cannot be less than the greater of the funding need that would arise in case of joint default of the member with the highest open position and the members with the second and third highest open positions under the stress conditions. The funding need comprises of the portion of the members' risks calculated under the stress conditions and remaining out of the amount that can be covered by their trade margins. In estimating the risk under stress conditions through statistical methods, the statistical confidence level and the holding period shall be taken into account as 99.75% and 2 business days respectively. Takasbank may set the minimum guarantee fund obligation as to be greater than the obligation calculated statistically by considering the market conditions, the margin concentrations and the adequacy of default management resources.

(2) In the guarantee fund calculations, the risks arising from the no-CCP service provided securities

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transactions are not taken into account.

(3) The contribution to be made by the members to the guarantee fund is composed of the fixed and the variable contributions calculated pro rata to the risks they carry.

(4) The fixed contribution amount is determined at a level not to exceed the average amount found by dividing the required size of the guarantee fund to the number of members.

(5) The variable contribution is calculated by multiplying the minimum guarantee fund size corresponding to the relevant period with the rate calculated by dividing the average collateral amount required to be maintained in the market by the member within the period designated by Takasbank to the average collateral amount of the market. The calculated figures are announced through the member screens.

(6) The deposited guarantee fund contribution of any member cannot be less than the fixed contribution amount. The fixed contribution amounts that must be deposited by the members are 700.000 TRY. This amount is reviewed at least once a year by taking account of the developments in the Market and in the national or international economy and may be revised if deemed necessary. The length of data set to be used in calculating the size of the guarantee fund to be established and in determining the average market participation constituting the basis for the members' variable contribution amounts and given in the fifth paragraph of this article is minimum one month.

(7) The fixed guarantee fund contributions are set by revaluation ratio that is announced by the Ministry of Treasury and Finance considering the market conditions and declared to the members prior to the application.

(8) Guarantee fund contribution obligations are calculated at the first business day of each month and updated as of the following business day. The appreciated collateral amount corresponding to the guarantee fund contribution amount reflected to the accounts by Takasbank must be deposited to the accounts until 15:00 on the business day following the day on which the update is made. Collateral restoration deadline on half business days is 11:00. The default provisions shall be applied for the amounts failed to be deposited.

(9) The calculations of the members' guarantee fund contributions can also be made at any time by Takasbank irrespective of the date referred to in the seventh paragraph by taking account of the risk status of the relevant members and the market conditions.

Assets Eligible as Contribution to the Guarantee Fund and the Obligation to Restore Contribution Amount

ARTICLE 61- (1) Assets eligible as contribution to the guarantee fund and the composition limits thereof are given in the following table. Takasbank Board of Directors is authorized to revise the composition limits of the assets to be accepted as guarantee fund contribution according to the market conditions and set composition limits for the new assets.

Assets Eligible to Guarantee Fund	Group Limit	Sub-Group Limit (as percentage of Group Limit)
Cash (Turkish Lira)	Max. 100%	-
Convertible Currency (USD/EUR/GBP)	Max. 100%	-
Government Debt Securities	Max. 100%	35% (on ISIN basis)

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Eurobond issued by the Ministry of Treasury and Finance of the Republic of Türkiye	Max. 100%	35% (on ISIN basis)
Lease certificates issued by Asset Leasing Incorporation of the Undersecretariat of Treasury of the Republic of Türkiye	Max. 100%	25% (on ISIN basis)
Shares in BIST100 Index (Group 1)	Max. 90%	20%
Shares in BIST100 Index (Group 2)	Max. 60%	20%
Shares in BIST100 Index (Group 3)	Max. 40%	20%
Equity Umbrella Fund Shares	Max. 20%	20%
Debt Instruments Umbrella Fund Shares	Max. 20%	20%
Money Market Umbrella Fund Shares	Max. 20%	20%
Standard gold traded on the exchanges	Max. 25%	-
Mortgage-backed securities, mortgage-based securities, asset-backed securities and asset based	Max. 50%	40%
Borsa İstanbul A.Ş. shares	Max. 50%	-

(2) The valuation haircuts representing the deduction rates to be used in calculating the collateral values of the assets to be deposited as guarantee fund contribution are explained in article 52 of this Procedure.

(3) Composition limits are calculated over the total deposited contribution. In calculating the sub-composition limits, total appreciated portion of the relevant asset amount is taken into account.

(4) Non-cash assets used as guarantee fund contribution are made subject to valuation over the prices determined by Takasbank to ensure their valuation at current market prices.

(5) A margin call shall be issued to the accounts having a contribution deficit as a result of the end-of-day valuation. The contribution amounts must be restored until 15:00 on the first business day following the day on which the call is issued. For the half business days, the deadline to restore collateral is 11:00. The default provisions shall be applied for the amounts failed to be restored.

(6) Non-cash assets in the Guarantee Fund can be replaced in accordance with the request of the Member.

Principles for Use of the Guarantee Fund

ARTICLE 62- (1) In default management, the non-defaulting members' non-cash contributions in the guarantee fund shall be started to be turned into cash when the funds available for use up to item (d) of the first paragraph of article 36 of Takasbank Central Counterparty Regulation fail to be adequate and upon determination that the guarantee fund contributions deposited in cash will remain insufficient.

(2) The contributions deposited by the members joining to the guarantee fund after the date on which the relevant default has occurred or the contribution amounts deposited by the existing members against the risks they assumed after the occurrence of the default shall not be used.

(3) In cases which necessitate resorting to the guarantee fund, withdrawal of any contribution from the guarantee fund shall not be allowed during the time period to be elapsed until the loss incurred due to such default is fully covered.

(4) Resorting to the contribution amounts starts with the most liquid assets, and their ability to quickly

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be turned into cash shall be taken as the base. Cash amounts turned into cash from non-cash collateral in the guarantee fund but not used shall be returned pro-rata to the members whose non-cash collateral have been used.

(5) In distributing the loss attributed to the guarantee fund to the non-defaulting members, the shares of the members in the guarantee fund shall be taken as the base.

(6) The members are obliged to re-deposit, within 3 business days, their deposited guarantee fund contribution amounts being used in accordance with the default management.

(7) Should the loss to be attributed to the guarantee fund seems likely to exceed 50% of the fund size, the members may be asked to deposit the additional contributions they have committed. The members are obliged to deposit the additional contributions within 5 business days after the request thereof. The additional contributions not used either in part or at all for resolving the relevant default may be returned. Should they, albeit requested, are returned without being used for resolving the default, the request for additional guarantee fund contribution shall be deemed not to have been made.

(8) The additional guarantee fund contribution amount that can be requested from a member in one month's time period cannot exceed the member's guarantee fund contribution amount calculated and required to be deposited for that month.

(9) Should the additional guarantee fund contributions requested from the members due to the default are used either in part or in whole, the members shall be asked to restore their guarantee fund obligations to the amount being calculated pursuant to article 60. The guarantee fund contributions exceeding the maximum loss threshold that any Member would assume in the same month upon the default of other members shall only be used in the event of their own default until the end of the month. The standard guarantee fund contribution amounts to be requested from the members who have fulfilled their maximum additional guarantee fund contribution obligation within the one year period between the dates of 1 April-31 March shall only be used for their own default until such one year period is completed.

Returning Guarantee Fund Contributions

ARTICLE 63 - (1) The contributions other than the fixed guarantee fund contributions in the guarantee fund of the institutions whose membership ends and all revenues and rights related thereto shall be returned to such institutions after deduction of any tax and other legal liabilities required to be paid by taking into consideration of their obligations arising from the transactions they have conducted in the relevant markets and the payment obligations which Takasbank might face due to any default that may occur during the time period elapsed from the Board of Directors' resolution for the termination of membership to the date on which the termination procedures were completed. In case the membership ends as a result of transfer of a member with all its assets and liabilities to another member, the guarantee fund contribution return operation shall be performed after the first guarantee fund contribution account following the completion date of the transfer operations. The Guarantee Fund calculation shall be made over the total size of the positions corresponding to the calculation period of the two merging members.

(2) The fixed guarantee fund contributions of the institutions whose membership ends shall be returned at the end of the time period to be designated by the Board of Directors by taking the maturity of all open positions in the market.

(3) Returning in kind the guarantee fund contributions of the institutions whose membership ends is essential. If returning in kind is not possible, it shall be made analogously. The contributions failed to be returned either in kind or analogously shall be returned over their equivalents. In returning over their equivalents, prices at which the contributions are converted into cash by Takasbank shall be used.

(4) If there is any cash in the guarantee fund contribution(s) of the institutions whose membership ends, the return operation for returning the cash shall be performed by deducting any tax and other legal

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obligations required to be paid over the amount to which interest has been accrued.

CHAPTER EIGHT

Principles Regarding Default Procedures for CCP Service-Provided Assets

General Principles

ARTICLE 64- (1) In case of presence of the following situations, the relevant member shall be deemed to have defaulted without the need for any further notice and the default provisions shall be applied.

a) Failure to fulfill the intra-day and end-of-day margin call obligations calculated by Takasbank within the time period stipulated in this Procedure.

b) Failure to fulfill the obligations related to the settlement transactions and those related to the coupon re- payments until the cut-off time set forth in the Procedure.

c) Failure to fulfill security allocation for repo obligation by the member within the time period stipulated in the Procedure.

ç) Failure to fulfill the guarantee fund and additional guarantee fund contribution restoration obligations within their time period.

d) Decision by Takasbank for the liquidation of the member's obligations pursuant to article 13 of the Procedure.

(2) All debts of the member shall become due and payable in case of default of the member. Whether or not the undue debts of the member are to be made due and payable shall be decided by Takasbank Default Management Committee by taking account of the source of the default. If the obligations arising from the debts becoming due and payable are failed to be fulfilled in accordance with the principles and procedures stipulated in this Procedure on the date the debt has become due and payable, the undue debts shall also be deemed to fall into default without the need of any further notice.

(3) Pre-default interest shall be collected from the members fulfilling their obligations with the same value date but after the time periods designated in the Procedure; whereas default interest shall be collected from the members fulfilling their obligations not with the same value date but on the subsequent days.

(4) In the event of default, Takasbank may not allow the member to withdraw its collateral in its relevant accounts. The decision thereof shall be made by Takasbank by considering the size of default, excess/deficit collateral amounts outstanding in the collateral accounts and the market conditions. By taking the size of default and the market conditions into consideration, Takasbank may ask from the Exchange to restrain order transmission over the member's accounts and cancel the pending orders from the order book.

(5) The member can be allotted time by Takasbank to resolve its event of default until 11:00 on the business day following the default date at most. Should the event of default be failed to be resolved until the end of the allotted time period, Takasbank may open a "Default Series" in the Market in order to close the position gap due to default, and orders may be transmitted to the Market to be traded with same day value date (T+0) in the opened "Default Series". In order for order to be executed, the trade margin and guarantee fund contribution amounts of the member can be used in addition to its receivables kept blocked against the settlement debt.

(6) In the fulfillment of cash obligations; for the payments made via EFT to the direct cash debt coverage account, the time on which the funds are credited to Takasbank's TIC account at the CBRT via EFT, and for the virements made from the accounts at Takasbank to make debt coverage, the transaction time on which the transfer is made to the member's relevant cash debt coverage account shall be taken as the base.

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(7) In the fulfillment of securities obligations, the time on which the debt coverage operation is executed at Takasbank system shall be taken as the base. In addition; in the asset debt coverage operations related to the securities for which the debt coverage must be made from the CRA, the time on which they are transferred to the settlement pool account at Takasbank shall be taken as the debt coverage time.

(8) Default interest shall be applied in the event the settlement, security allocation for repo, coupon repayments and collateral and guarantee fund obligations are failed to be fulfilled within the time periods set forth in this Procedure.

(9) Takasbank's liability for outright purchases and sales of securities preferential repo and private sector debt instruments; In case of cash default, the lower of the transaction price or the sale price of the asset in the default management process, in case of asset default, the amount of securities that can be purchased from the market at current prices with the sum of the relevant cash settlement obligation and the deposited collateral amount, or in case the asset cannot be partially or completely purchased from the market and a cash settlement is made, the total amount of the relevant cash settlement obligation and of the deposited collateral amount.

(10) During the default management process related to securities repo and outright purchase and sale transactions related to private sector debt instruments, non defaulting party is confirmed whether it accepts the prices that can arise in the default market and the amount of securities that can be obtained from these prices. If the non defaulting party does not prefer the sales prices that could emerge in the market, the transaction may be canceled or the securities that can not be sold in the market may be given to the non defaulting party in case of demand.

(11) In the event that repo transactions subject to default are overnight, the non defaulting party is paid only with related amount out of penalty fee.

Security Default

ARTICLE 65- (1) Without prejudice to the limits set forth in article 36 of the Central Counterparty Regulation and limits related to private sector debt securities , the financial liability of Takasbank for the security defaults shall be limited to the delivery of security on the settlement date; and should the security be failed to be delivered on the settlement date, to its delivery by accommodating it from the Market in accordance with the following principles and procedures; and if the security is again failed to be delivered in that way, to the payment of the cash equivalent of the security being calculated based on the principles and procedures mentioned below plus the designated portion of the default interest to be calculated until the date on which the payment or delivery is to be made.

(2) In the clearing and settlement operations, delivery of security subject to settlement to the beneficiary member by Takasbank is essential upon default of the member obliged to deliver the security. Without prejudice to the default provisions of the security settlement obligor, should the security debt be delivered in part or in whole, the receivable allocation process shall be made according to the fourth paragraph of article 29 of the Procedure. For the member that fails to terminate the default within the given period, an order is transmitted to the Market by Takasbank to buy securities with the cash in the block against the security obligation until the end of the session on the business day following the default date. The settlement of the default purchase made from the Market is realized on the same day (T+0). Any cost incurred by Takasbank during the accommodation of security from the Market shall be collected from the defaulting member.

(3) If the security required to be delivered by Takasbank is failed to be accommodated from the Market within the business day following the security default, the value of the security failed to be delivered shall be paid to the beneficiary. In calculating the price to be paid, the weighted average price formed on the previous business day from the payment date of the security subject to default shall be taken as the base.

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(4) In case of security default, the default interest shall be applied pursuant to article 67. A payment shall be made to the security beneficiary for the period to be elapsed until the delivery is fully executed or the security debt is settled by cash payment, up to two-thirds (2/3) of the collected default interest amount for the portion failed to be delivered. If the calculated interest amount remains below the minimum default penalty, the payment shall be made over the calculated amount. The said payments shall be calculated on a daily basis.

(5) Should the receivable of the security beneficiary be paid by Takasbank in cash, the debt of the security obligor shall also have been converted into cash. Upon conversion of security delivery debt to cash, the obligor shall be obliged to pay such cash together with its default interest to be calculated in accordance with article 67 and 68 of the Procedure.

Cash Default

ARTICLE 66- (1) Without prejudice to the limits set forth in article 36 of the Central Counterparty Regulation and and limits related to private sector debt securities, the financial liability of Takasbank for the cash defaults under the item (b) of the second paragraph of article 22 of the Directives on Collateral, Risk, and Default Management Related with Markets where İstanbul Takas ve Saklama Bankası A.Ş. Provides Central Counterparty Service shall be limited to the payment of cash on the settlement date; and should the cash be failed to be paid on the settlement date, to its payment in accordance with the following principles and procedures depending on the market conditions and Takasbank's liquidity facilities plus the designated portion of the default interest to be calculated until the date on which the payment will be made.

(2) If the cash debt is paid partially or wholly, making payment to the settlement beneficiary within the same day is essential. Without prejudice to the default provisions of the cash settlement obligor, should the cash debt be delivered in part or in whole, the receivable allocation process shall be performed in accordance with the third paragraph of article 27 of the Procedure. For the member failing to resolve its event of default within the given time period, an order shall be placed by Takasbank to the Market until the end of the session on the business day following the default date to dispose its securities kept blocked against the cash obligation. The settlement of the default sale made from the Market is realized on the same day (T+0). The collateral and guarantee fund contribution amounts of the member can be used for the termination of the obligation.

(3) In case of cash default, the default interest shall be applied pursuant to the provision of article 67 of this Procedure. A payment shall be made to the cash delivery beneficiary for the period to be elapsed until the cash delivery is fully executed, up to two-thirds (2/3) of the collected default interest amount for the portion failed to be delivered. If the calculated interest amount remains below the minimum default penalty, the payment shall be made over the calculated amount. The said payments shall be calculated on a daily basis.

(4) The cash delivery obligor shall be obliged to pay such cash together with its default interest to be calculated in accordance with article 67 and 68 of the Procedure.

Default Interest

ARTICLE 67- (1) Default interest shall be collected together with its legal obligations from the member who have fulfilled its settlement, repo securities reporting and collateral and guarantee fund obligations set forth in the Procedure after the designated time.

(2) In calculating the default interest, the period between the default date and the date on which the obligation is fulfilled shall be taken into account. However; the default interest haircut can be differentiated for the obligations being fulfilled after the designated cut-off time on the settlement date but in the same day.

(3) The defaulting member shall be charged a default interest up to the amount to be calculated over

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the non-fulfilled obligation amount based on the haircuts given in the following table by applying the highest of the weighted average overnight interest rates formed in BİAŞ Repo Reverse-Repo Market, CBRT Interbank Money Market or Takasbank Money Market.

OBLIGATION TYPE	TIME INTERVAL	HAIRCUT
Cash / Security (TRY - USD - EUR)	16:46-17:00	0.25
	17:01-18:45(18:45 included)	0.5
	After 18:46, same value date	3
	After the value date	3
Security Allocation for Repo	After 15:00 (15:00 included)	0.05
Collateral and Guarantee Fund Depositing	11:00-19:00	0.25
	In the following dates	3

(4) Lower and upper limits shall be applied to the default interests to be collected. The upper limit shall not be applied for the obligations failed to be fulfilled fulfilled after 18:45 on the same day and after the value date.

(5) If the calculated default interest remains below the designated lower limit amount, the designated lower limit amount shall be collected. If the calculated default interest remains above the designated upper limit amount, the designated upper limit amount shall be collected.

(6) Amounts for the minimum and maximum default interest shall be determined by also taking account of the revaluation rate published by the Republic of Türkiye Ministry of Treasury and Finance each year in accordance with the market conditions and announced to the members before enforcement.

(7) If Takasbank has incurred any loss exceeding the default interest due to non-payment of the debt in full or in part, such loss shall be indemnified by the defaulting Member.

(8) If the obligation being defaulted is denominated in a foreign currency, TRY value of the cash or security shall be calculated by taking the foreign currency buying rate announced by the CBRT on the relevant value date as the base. On the other hand, in case it is defaulted in any foreign currency denominated obligation, Takasbank may also decide to calculate the default interest over the haircuts it may determine separately for each foreign currency.

Calculating Default Interest

ARTICLE 68- (1) The default base for the cash obligations is the amount closed with delay; and for the security obligations, it is calculated by multiplying the nominal value of the security settled on delay with its trade date value weighted average settlement price (for 1 par value) in the related Market on the transaction day; however, if the security subject to default is not traded on the relevant day, the prices calculated by Takasbank shall be taken as the base.

Default interest is calculated by using the following formula and the legal liabilities are added, if any:

*Default Interest= Base * (Base Interest/100) * Haircut) * (Days/365)*

(2) Should the obligations be fulfilled after the deadlines set forth in this Procedure, default interest shall be calculated by applying the haircuts referred to in the third paragraph of article 67 of this Procedure.

(3) The base for any default occurred in foreign currency shall be calculated by using the foreign currency buying rate announced by the CBRT for the relevant value date.

(4) In calculating the base for the Equity Repo Market, the closing price on the settlement date shall be taken into account.

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Accrual, Notification and Collection

ARTICLE 69- (1) The default interest and other legal liabilities shall be calculated daily based on the obligations fulfilled with delay or failed to be fulfilled at the end of the relevant day by the member, and the calculated amount shall be accrued on the second business day following this.

(2) The accrued default interest shall be paid together with other legal liabilities within 3 business day following the accrual date.

(3) Notification of the accrued default interest shall be made in electronic environment through the member screens. Upon delivery of the notification in electronic environment, the member shall be deemed to have received it without the need for any further warning or notice.

(4) The default interest and other legal liabilities failed to be paid, albeit accrued, by the member within their time period shall be collected ex-officio by Takasbank from the free account of the member in the next business day. If they are failed to be collected, interest and other legal liabilities shall also be collected in accordance with the provisions of article 70 of this Procedure regarding the default management process.

Default Management Process

ARTICLE 70- (1) The relevant default of the Member failing to fulfill its settlement, collateral and guarantee fund contribution obligations and whose settlement, collateral and guarantee fund contribution debts have been failed to be closed as a result of the transactions conducted in the Market by Takasbank within the time periods set forth in this Procedure shall be informed to the Exchange, the Board, CBRT and the relevant member pursuant to article 13 of the CCP Regulation, and all trading authorization of the member on its accounts could be suspended.

(2) In addition to the member, revocation of trading authorization of the trading institutions linked to that member, if any, in the Market may also be requested from the Exchange.

(3) Takasbank may resolve the cash trade margin amounts and guarantee fund contributions of the defaulting member to be excluded from the interest accrual process.

(4) ***(Addition: Published by the General Letter numbered 1859, dated February 3,2023)*** Takasbank may apply one or more than one of the following measures, including but not limited to those, about the defaulting member in accordance with the relevant articles of the Central Counterparty Regulation. However, in using the default management tools, the reason of default and its impact on the markets shall be taken into account.

a) Porting the open positions in the non-defaulting member accounts to a non-defaulting Member either in whole or in part together with their collateral pursuant to article 26 of the Central Counterparty Regulation.

b) Converting to cash any non-cash collateral and guarantee fund contributions in the customer accounts with collateral deficit that are associated to the defaulting member's own portfolio and to itself.

c) Using the excess trade margin of the Member in other markets.

ç) Using the guarantee fund contributions of the member in other markets to the extent it has no risk in the relevant Market.

d) Acting in accordance with article 20 of the Directive on Collateral, Risk, and Default Management Related with Markets where İstanbul Takas ve Saklama Bankası A.Ş. Provides Central Counterparty Service to make use of the guarantee fund contributions of the non-defaulting members.

e) Porting the positions and collateral of the customers either ex officio when necessary or upon

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request of the customers to other members without seeking the consent of the defaulting member.

f) Closing the positions in an ex-officio manner.

g) Netting any payable, receivable, position, collateral, right and obligations existing with the same party.

ğ) Takasbank may request the assets of exchange traded funds which are accepted as collateral from the investment fund issuer during the default management process.

(5) Any deficit occurred after the enforcement by Takasbank against the defaulting member of the default provisions stipulated in this Procedure and the provisions of Chapter Five of the Central Counterparty Regulation and failed to be covered by the collateral and guarantee fund contributions of the defaulting member shall be defined as the loss of Takasbank and other Members and assumed in order as laid down in the first paragraph of article 36 of the Central Counterparty Regulation. Collections to be made later on from the defaulting member shall be distributed pursuant to the fifth paragraph of article 36 of the Central Counterparty Regulation.

(6) Should the capital allocated in accordance with article 36 of the Central Counterparty Regulation against the covered risks be used due to the default, Takasbank shall restore the used amount within a month. The allocated capital amount to be restored in this way during one year period cannot exceed the amount determined in the beginning of the period. If any default reoccurs within the period of one month to be lapsed until the restoration of the used capital, the remaining portion of the allocated capital, if any, shall be used. The guarantee fund of the non- defaulting members shall be resorted for the portion failed to be covered. Restoration of the capital shall not necessitate the return of the guarantee fund contributions being used.

Takasbank Default Committee

ARTICLE 71- (1) The default interest-accrued member may object at Takasbank based on the reasons that the default has occurred without its own fault due to problems arisen from the clearing and settlement, relevant central depository system or payment system or on the fact that a material mistake has been made in calculating the default interest.

(2) The objections shall be made at the latest within 5 business days after the default accrual date with a letter accompanied by the documents related to the objection.

(3) The objection of the defaulting member shall be evaluated and resolved by the Default Committee established within the body of Takasbank in accordance with article 35 of the Central Clearing and Settlement Regulation.

(4) If the objection made by the member is justified, the default interest shall not be applied, and if it has been collected, the relevant amount shall be refunded to the member.

(5) The objection shall not inhibit the payment of the default interest within its time period.

Compensation Payment

ARTICLE 72- (1) A compensation payment shall be made in accordance with the conditions set forth in the fifth paragraph to the member to whom the delivery or payment has been failed to be made on the settlement date due to the default of the member in fulfilling its commitment. However, no compensation payment shall be made for any delivery and payment made with delay within the same day.

(2) For making the compensation payment, no member request shall be sought. If, on the other hand, the member wishing not to receive any compensation payment informs Takasbank in writing of its request thereof, no payment shall be made to that member.

(3) Two-thirds (2/3) of the default interest collected from the defaulting member shall be paid as a

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compensation payment against the delayed days to the member to whom delivery or payment has been failed to be made due to the defaulting member. If the default interest is failed to be collected, no compensation payment shall also be paid. The compensation payments are calculated on a daily basis.

(4) The compensation payments shall be to the members' free current accounts at Takasbank.

(5) In order for the compensation payment to be made;

a) if the defaulting member has made a written objection, the objection should have been deemed null and the collection of the default interest should have been resolved,

b) the default should not have been originated from any problem occurred at the Exchange, Takasbank, CRA and CBRT system,

c) the beneficiary member should have been fulfilled its settlement obligations on time.

CHAPTER NINE

Principles Regarding Default Procedures for Non-CCP Service-Provided Assets

General Principles

ARTICLE 73- (1) In the event of circumstances here below, the member shall be deemed to have defaulted without the need for any further notice and default provisions shall apply.

a) Failing to fulfill their settlement obligations within the time specified in this Procedure,

b) Failing to fulfill their intra-day and end-of-day margin call obligations calculated by Takasbank within the time specified in this Procedure

c) Failing to fulfill the security allocation for the repo transaction by the member within the time specified in this Procedure

(2) The liability of Takasbank in any default relating to the securities to which CCP service is not provided shall be limited to the collateral received for settlement.

(3) Default interest shall be collected from the members fulfilling their obligations on the settlement date after the prescribed times or failing to fulfill them on the settlement date but fulfilling them on the subsequent days.

(4) In the fulfillment of cash obligations, the member's transfer time to the relevant cash debt coverage account shall be taken as the base. In the fulfillment of security obligations, their transfer time to the settlement pool account at the CRA shall be regarded as the debt closing time.

(5) In the Committed Transactions Market, Takasbank shall not fall into default in the transactions to which it is a party.

Foreign Capital Market Instruments Default Principles

ARTICLE 74- (1) The member failing to fulfill its settlement obligations resulted from the Foreign Capital Market Instruments transactions within the time periods set forth in this Procedure shall be deemed to have been defaulted.

(2) The default base shall be calculated for the security over the weighted average settlement price of the transactions conducted on the relevant trade date, and if the trade days of the security subject to the default are different, over the weighted average settlement price of the transactions conducted on the trade date closest to the value date; whereas the cash default base shall be calculated based on the cash amount.

(3) In calculating the default penalty, the formula given in article 68 of this Procedure shall be used.

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Default Interest

ARTICLE 75- (1) The provisions of article 67 of this Procedure shall be applied in the same manner.

Calculating Default Interest

ARTICLE 76- (1) The provisions of article 68 of this Procedure shall be applied in the same manner.

Terminating an Event of Default

ARTICLE 77- (1) Takasbank may trade in the Exchange default market on the next business day in an attempt to terminate the event of default related to any cash/security obligation failed to be fulfilled on the settlement date.

(2) An ex-officio sale/purchase transaction shall be conducted by Takasbank by using the blocked receivables to terminate the event of default. In case the sale/purchase transactions are realized over more unfavorable rates for the member, the difference between them shall be collected from the member. If the difference among them is not paid by the member, the amount shall be collected from the trade margins of the member. In case the transactions are realized over more favorable rates for the member, the amount remaining after the fulfillment of the unfulfilled obligation shall be paid to the relevant member.

(3) The defaulting member shall be obliged to terminate its event of default at the designated time notified to itself.

(4) Transactions that are conducted to terminate the default shall be netted off with the settlement debts of the member.

(5) If the event of default related to the foreign capital market instruments is failed to be terminated;

a) The member fulfilling its obligation shall cancel its settlement instruction of the transaction subject to the default and transfer its cash or security covering the transaction at the latest until T+1 day by 12:00 to Takasbank account opened at the correspondent bank. The defaulting member shall also be obliged to cancel its settlement instruction of the transaction remained unexecuted as of the value date until T+1 day by 12:00. If the relevant instruction is failed to be cancelled by the member until T+1 day by 12:00, such instruction shall be cancelled ex-officio by Takasbank. If the member fulfilling its obligation fails to transfer the relevant amount to the accounts designated by Takasbank until the end of the business day following the default, the transaction shall be deemed to have been cancelled.

b) The default operations shall be concluded with the next day value by also using the collateral for the settlement. The securities that are subject to the transaction and belong to the member not terminating its event of default shall be caused to be purchased and sold ex office by Takasbank.

Accrual, Notification and Collection

ARTICLE 78- (1) The provisions of article 69 of this Procedure shall be applied in the same manner.

Takasbank Default Committee

ARTICLE 79- (1) The provisions of article 71 of this Procedure shall be applied in the same manner.

Mistreatment Payment

ARTICLE 80- (1) The provisions of article 72 of this Procedure shall be applied.

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CHAPTER TEN

Transfer Operations

General Principles

ARTICLE 81- (1) Transfer order means:

a) an instruction of the participant for transferring within the system of a specific amount of funds between the participants.

b) an instruction compatible with the system rules, which results in undertaking or fulfillment of the payment obligation.

c) an instruction of the participant for transferring within the system the rights on the securities or other capital market instruments either in book-entry form or by other means.

(2) The members can transfer the assets held in their custody accounts at Takasbank between their accounts or another member account.

(3) The transfer transactions executed over the system cannot be rejected by the recipient but can be returned by a new transfer order. However, for the transfer transactions executed in an integrated manner with another system, the rules of the relevant system shall apply.

(4) In the transfer transactions, the moment in which the instruction is approved and the cash/capital market instrument is transferred to the counterparty's account shall be the moment in which the instruction cannot be revoked.

(5) Book-entry security transfer transactions shall be executed in the CRA system between customer sub-accounts.

(6) Transfer transactions between the members can be executed in the system in two ways: free virement and bilateral. In addition, asset transfer from the accounts at Takasbank to another account at the CBRT via TETS is also possible.

(7) The transfer transactions are executed in two stages: entry and approval, whereas the ESTS transactions are executed in three stages: entry, validation and approval.

(8) Execution of the transfer transactions through the user codes and passwords allocated to the personnel authorized by the members and within the following hours designated by Takasbank is essential.

Transaction Type	Time
Real Time Gross Settlement transactions with the same and/or future value date	17:05
Real Time Gross Settlement transactions with the same and/or future value date (half-day)	12:45
Collective Investment Undertakings real time gross settlement instruction transactions	17:00
Collective Investment Undertakings real time gross settlement instruction transactions (half-day)	16:00
Collective Investment Undertakings free virement instruction transactions	21:00
Collective Investment Undertakings free virement instruction transactions (half-day)	16:00

(9) In case of any compulsory situation, it is also possible to trade by giving a written instruction to the Bank.

(10) Takasbank facilitates integration of non-Takasbank accounts of the members with other transfer systems for the transfer transactions to be made from these accounts to the member accounts at Takasbank. For the transfers to be made outside Takasbank, the condition of being a Takasbank member shall not be sought for the institution to whose account the transfer is made.

(11) The Private Sector Debt securities transfer service is performed in an integrated manner with the CRA system whereas ESTS transfer service is performed in an integrated manner with the CBRT system.

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(12) If required, the time periods for the transfer transactions may be extended by Takasbank provided that it shall be valid for the system closing time of the relevant day.

(13) Principles for the transfer transactions can be differentiated by Takasbank according the type of the asset and transaction.

(14) The content, format and method for the transfer transactions shall be announced separately to the members.

Free of Payment Transactions

ARTICLE 82- (1) The members can transfer the debt securities held in their custody accounts at Takasbank to another account through a free virement instruction until 21:00.

(2) The free virement instruction can be placed for security transfers from the member's outflow-authorized depo account at Takasbank to another member's inflow-authorized depo account.

(3) The virement records of the sales transactions conducted by the Funds in the Market are created automatically by the system. The virement shall be executed upon validation and approval of the created records by the users authorized to trade on behalf of the Funds.

(4) Requests for returning the collateral of a lending transaction, erroneous virement, virement of a non-exchange traded security, exchange offer and other virement requests shall be completed upon approval by Takasbank of the justified virement instruction sent by the Fund. Takasbank, if it deems necessary, may refuse the transaction in cases where the security against the exchange offer is not deposited to the account, determination that it is not an erroneous virement, conducting transaction out of the Exchange with an exchange-traded security and in similar situations.

Bilateral Transactions (Real time Gross Settlement)

ARTICLE 83- (1) Cash and security transfers shall be executed over the system in a simultaneous manner in accordance with the delivery versus payment principle.

(2) Cash transfers subject to bilateral transaction shall be executed between the members' cash accounts at Takasbank; whereas the security transfers shall be executed on the system in which the custody balance is held.

(3) Trades entered to the system unilaterally until the trade cancellation deadline but unmatched shall be automatically cancelled by the system. However, recorders entered reciprocally and matched shall be kept in the system for 3 business days including the entry date.

(4) Instructions transmitted to the system by both members being a party to the trade shall be automatically matched. The trade shall be executed upon closing by the members being a party to the transaction of their debts.

(5) Selecting one of the options (On-Exchange/Off-Exchange) available during the entry of bilateral is mandatory due to technical impossibility (not able to be segregated on market basis), and the selected option shall be considered with respect to the transactions and charges as an On-Exchange bilateral transaction.

(6) Bilateral instructions with a future value date can be transmitted to the system. The instructions shall be matched on the date they are defined to the system, and executed on the value date.

Bilateral (Real Time Gross Settlement) Methods

ARTICLE 84- (1) The bilateral transactions can be executed either in normal or partial form. Chain transactions can be generated with the normal conditional virement instructions.

a) A normal bilateral transaction is executed simultaneously upon fulfillment by the members

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of their cash and security obligations.

b) In order for a partial bilateral transaction to be executed, both parties should define the partial trade option while entering the instruction, or the trades not entered in a partial manner must be made partial thereafter by both members of the transaction.

c) A partial bilateral transaction is executed in a partial manner pro rata to the obligation being fulfilled in cash and securities.

ç) A chain can be generated with an intent to close any cash/security debt of another bilateral transaction with the cash/security to be received against a bilateral transaction. The chain-generating member facilitates completion of the transactions by fulfilling its obligations over the net balance.

ESTS Transactions

ARTICLE 85 - (1) The brokerage houses that have become a TETS member by signing an agreement with Takasbank can;

a) Make security transfers from their accounts at Takasbank to another bank holding an account at the CBRT or to the accounts at the CRA.

b) Conduct security purchase/sale transactions with another CBRT-participant bank in accordance with the delivery versus payment principle.

(2) Non-TETS member brokerage houses, on the other hand, can only perform the transactions referred to in the item

(a) Of the first paragraph of this article.

(3) The banks can make security transfers from their accounts at Takasbank to their accounts at the CBRT or the CRA.

(4) Security transfer transactions via ESTS can be performed until 17:15. However, cash transfers to be made in accordance with the delivery versus payment principle stipulated by the CBRT can only be performed until EFT outflow deadline designated by Takasbank.

(5) ESTS deadline can be extended by Takasbank where necessary, so long as the CBRT system is open.

CHAPTER ELEVEN

Custody and Rights Exercising Operations

Custody Service

ARTICLE 86- (1) Institutions that have become a Takasbank member by satisfying the membership conditions can receive custody service.

(2) Balances of the capital market instruments qualified as debt securities that are held in the member accounts at Takasbank shall be monitored separately from Takasbank's assets and in different depo accounts detailed on customer basis according to their purpose.

(3) The custody service is provided by Takasbank in accordance with the following principles.

a) Custody service principles for GDDS, Sukuk and liquidity notes;

i. Except those of the customer collateral, balances are safe kept in a collective manner in

Takasbank's account at the CBRT.

ii. Assets provided as collateral from the customer accounts are monitored in the Pledged Securities Sub-Accounts (RHNA) associated with the customer accounts opened

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at the CRA under Takasbank account in the name of the relevant market.

iii. Should deemed necessary by Takasbank, the custody service may also be provided by opening a customer sub-account at the CRA.

b) Custody service principles for PSDS;

i. The Private Sector Debt Securities (PSDS) issued in dematerialized form and purchased outright by the collective investment undertakings are monitored in the accounts opened at the CRA system in the name of the relevant collective investment undertaking under Takasbank member.

ii. The Private Sector Debt Securities to be blocked by the investment institutions against the off- exchange repo transactions they conducted with their customers in accordance with the relevant legislation are transferred to Takasbank's account opened at the CRA. The transferred assets are monitored in the relevant depo accounts opened at Takasbank and associated to the member accounts.

(4) The written requests of the brokerage houses and the collective investment undertakings intending to segregate the coupon securities, or combine the segregated securities, issued by the Republic of Türkiye Prime Ministry Undersecretariat of Treasury and held in custody at Takasbank are performed by Takasbank in accordance with the implementing principles stipulated by the CBRT.

(5) The members are able to check their balances and the transactions conducted on their custody accounts at Takasbank in an instant manner.

Rights Exercising Operations

ARTICLE 87- (1) The transactions relating to exercise of rights (redemption/coupon payments) of the debt securities safe kept at Takasbank are performed by Takasbank.

a) In the event that redemption and/or coupon payments in Debt Securities Market are paid as Turkish Lira and Foreign Currency, payments are made to member's account at Takasbank; paid as Gold, they are made to member's account at Borsa Istanbul Precious Metal and Diamond Market.

b) Redemption and coupon proceeds of the debt securities held as collateral at Takasbank are paid to the relevant collateral accounts.

c) In the Reverse Repo Market and the Repo Market for Specified Securities, coupon payments related to securities acquired through reverse repos shall initially be transferred by Takasbank to the repo member's R1BLA and R2BLA blocked accounts and then to its free current account, without requiring any instruction thereof.

d) For the transactions conducted in the Committed Transactions Market of Sukuk the coupon payment is transferred by Takasbank at first to the member who sold the asset with the commitment to buy back the asset SKBLA blockage account and then to its free current account without requiring any instruction thereof.

CHAPTER TWELVE

Repo Reporting and Depo Transfer Operations Implementation Fundamentals

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Repo Reporting and Depo Transfer Operations

ARTICLE 88- (1) The reporting to be made to Takasbank for the repo-reverse repo transactions to be conducted by the brokerage houses and the banks with their off-exchange customers or other brokerage houses and the banks as well as the depo transfer operations shall be carried out in accordance with the Regulation on Principles Regarding Repo and Reverse-Repo Transactions to be Conducted by the Banks and the Communique (III-45.2) on Principles Regarding Repo and Reverse-Repo Transactions to be Conducted by the Brokerage Houses.

(2) The reporting and depo conditions shall be separately announced to the members.

(3) The members, except CBRT, are obliged to report until 10:30 to Takasbank of their repo and reverse-repo transactions they have conducted with their off-Exchange customers or other brokerage houses and the banks as well as of the transactions out of those conducted on the previous days, whose maturity has been breached (broken term).

(4) Transactions conducted with CBRT in accordance with the Open Market Transactions shall not be included in the scope of reporting.

(5) Pursuant to subparagraph (ç) of the first paragraph of Article 4.2.3 of the Fund Guide, the financial instruments subject to OTC repo/reverse-repo transactions and commitment agreements conducted by funds must be held in the following accounts opened in the name of the fund conducting the transaction at Takasbank or Takasbank correspondents:

a. For GDDS and Lease Certificates, **Depo No. 1104 "OTC Reverse Repo Collateral Depo"**,
b. For PSDS, **Depo No. 1104K "OTC Reverse Repo Dematerialized Collateral Depo"** (TRBLH sub-account at CRA),
c. For Shares, **Sub-Account No. 64 "Repo Blockage Sub-Account"** (RPBL sub-account at CRA),
d. For Eurobonds, **Depo No. 107 "Financial Institution Reverse Repo Blockage Depo"** (Depo No. 5061 at the International Bond System).

Security allocation for OTC repo/reverse-repo transactions and commitment agreements conducted by funds shall be made on the transaction date through the **Fund Transactions Menu** within the scope of the **Takasbank Fund Transactions User Guide**.

(6) For on-Exchange transactions conducted in the Repo Reverse-Repo Market that are not subject to clearing and settlement services, the securities subject to the repo transaction must be reported to Takasbank and blocked in the name of the fund in **Depo No. 1102 "On-Exchange Non-Clearing Collateral Depo"**. Reporting transactions shall be carried out through the **Debt Securities Clearing and Settlement Transactions – CBRT Notifications Menu** in the Takasbank system.

(7) If the securities subject to the transaction are not reported by the time determined by Takasbank on the transaction date and are not transferred/blocked in the name of the Fund, the transactions shall be deemed invalid and shall be cancelled by Borsa İstanbul upon notification by Takasbank.

(8) The Founder and the portfolio custodian shall be responsible for fulfilling the cash obligation of the aforementioned transactions after the securities obligation has been fulfilled. The custody balance of the securities may be checked through the **Takasbank Member Depo Custody Report**.

CHAPTER THIRTEEN

Maturity Breach and States of Equity

Maturity Break-Down

ARTICLE 89- (1) The maturity of the transactions conducted in the Equity Repo Market, which have

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a remaining maturity of greater than 15 days can be breached provided that either party conducting repo or reverse-repo makes a written notification.

(2) In case of presence of any of the following situations, the maturity of the repo transactions with remaining maturity of less than 15 days can be breached for one time only by either of the repo-conducting and reverse repo-conducting parties.

a) The maturity of the repo transactions to which shares of the partnerships for which general assembly call has been made are subject can be breached provided that the new maturity date will be one business day before the general assembly date.

b) The maturity of the repo transactions to which shares of the partnerships for which paid capital increase with rights issue decision has been made are subject can be breached from the first business day following the publication in the Public Disclosure Platform of the announcement regarding the approval by the Board of their capital increase application.

c) The maturity of the repo transactions to which shares of the partnerships decided to distribute dividend can be breached from the first business day following the publication in the Public Disclosure Platform of the announcement regarding the distribution of dividend.

(3) The maturity breach within the scope of the first and second paragraphs is made provided that a notice thereof has been served at least 4 business days in advance.

(4) In generating the new transaction for the maturity breach, the interest amount and the withholding amount are re- calculated.

(5) If both parties to the transaction make a written notification, the maturity of the repo transactions can be breached without seeking any condition provided that their maturity is to be 1 business day at the earliest.

(6) The party making a maturity breach request informs the Exchange of its request by using the "Equity Maturity Breach Request Form" whose template has been announced by Takasbank. The new transaction is generated in accordance with the request, the original transaction is cancelled and the parties are informed of the information of the new transaction.

(7) In case of any force majeure such as bankruptcy of the investment institution or the issuer, the paid capital increase without extending subscription right, division, merger by way of takeover or transfer, etc., the maturity of open repo transactions to which all shares or a certain share is/are subject can be changed by the General Manager without having any time period condition.

(8) The rights and obligations of the parties to the transaction for clearing comissionthe interest and withholding being re-calculated as a result of the breach of the maturity of the repo transaction for any of the reasons referred to in this article shall prevail in accordance with the right and obligations arising from a normal repo transaction.

(9) Repo transactions concerning the shares of capital stock, upon the occurrence of the corporate action, shall be break the term by Takasbank in such a manner that the date on which the share price on the Stock Exchange is modified.

Corporate Actions

ARTICLE 90- (1) In case of presence of any corporate action for the shares subject to repo transactions, in the form of capital increase through bonus issue, capital decrease, dividend payments and capital increase through rights issue made available to the shareholders with subscription right, the rules to be applied thereof are explained below.

A. Paid Capital Increase with Subscription Right Extended to Shareholders

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i. For the transactions for which no request is made for maturity breach until 4 business days before the start date of the paid capital increase following its publication in the Public Disclosure Platform of the announcement regarding the approval by the Board of the company's paid capital increase application, the fact that the parties shall adhere to the principles stipulated by Takasbank for the paid capital increase is accepted.

ii. In the following circumstances, the maturities of the open repo transactions are ex-officio breached by Takasbank by allotting time to the parties.

✓ Open repo transactions to which partnership shares possessing the principal capital system are subject and for which the paid capital increase decision has been made.

✓ In case of possessing a registered capital system and if the shares to be given as a result of the paid capital increase are "new" and no deal will be open in the Equity Market; the open repo transactions to which such share is subject.

iii. On the other hand, the transactions start date of which has not been due yet are cancelled on the business day following the date on which the approval by the Board of the paid capital increase application is announced in the PDP.

iv. The repo transactions involving the shares subject to the capital increase with paid-in capital, in which the shareholders' preemptive rights are exercised, shall be break the term by Takasbank in such a manner that the date on which the share price on the Stock Exchange is modified.

B. Capital Increase by Bonus Issue

i. Should the shares to be given as a result of the bonus capital increase are "new" and will not be opened to trading in the Equity Market, the maturity of the open repo transactions to which such shares are subject shall ex-officio be breached by Takasbank by allotting time to the parties.

ii. On the other hand, the transactions whose start date has not been due yet are cancelled on the business day following the date on which the approval by the Board of the bonus capital increase application is announced in the PDP.

iii. The repo transactions involving the shares subject to a capital increase without the issuance of new shares shall be break the term by Takasbank in such a manner that the date on which the share price on the Stock Exchange is modified.

C. Capital Decrease

i. On the capital decrease date after the announcement for the approval by the Board of the application for the capital decrease is published in the PDP, the reverse repo party's share obligation and the repo party's share receivable are reduced pro rata to the capital decrease on the maturity date. Furthermore, the number of new shares being reduced between the capital decrease date of the transaction and its maturity date shall be taken into account in the daily valuation of the transactions and blocking the amounts corresponding to the trade limit.

ii. The repo transactions involving the shares subject to capital decrease shall be break the term by Takasbank in such a manner that the date on which the share price on the Stock Exchange is modified.

D. Practices Regarding Dividend Payments

i. Should the dividend is paid in shares in part or in whole, the provisions of the bonus capital increase shall be applied.

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ii. On the other hand, the transactions start date of which has not been due yet are cancelled on the business day following the date on which the decision for the dividend distribution date is announced in the PDP.

iii. The repo transactions involving the shares on which dividend payments shall be break the term by Takasbank in such a manner that the date on which the share price on the Stock Exchange is modified.

E. States of Suspension of Transactions

i. Changing the end date of the open repo transactions regarding the shares permanently suspended from trading is under the authority of the Exchange and the decision made thereof is informed to Takasbank by the Exchange.

ii. Takasbank applies the default provisions stipulated in this Procedure in the event the obligations are failed to be fulfilled by the member.

CHAPTER FOURTEEN

Miscellaneous and Final Provisions

Fees and Commissions

ARTICLE 91- (1) For the fees and commissions to be charged by Takasbank to its Members in relation to the services it provides under this Procedure, the provisions of article 35 of the General Regulation shall apply.

(2) The fees for the clearing and settlement services under the Procedure shall be determined in accordance with the principles stipulated in article 61 of the Regulation and announced to the members.

(3) The fees shall be accrued as per the nature of the transaction either at the moment of the transaction or on a monthly basis and collected from the accounts of the member at Takasbank.

(4) Any commission amount not being objected within 3 business days after its accrual date shall be deemed to have been accepted.

(5) Any commission failed to be paid within its time period shall be collected ex-officio from the free current accounts of the members.

(6) Transactions conducted by the CBRT at Takasbank are exempt from any commission.

Disciplinary Provisions

ARTICLE 92- (1) In addition to those contemplated in the Procedure and the Market Directives, the disciplinary provisions stipulated in the Chapter Seven of the Central Clearing and Settlement Regulation shall also be applied to the members failing to comply with the obligations stipulated in this Procedure.

Measures to be taken in Extraordinary Situations

ARTICLE 93- (1) Takasbank is authorized to determine and enforce the measures to be taken in case of presence of extraordinary situations where it foresees the clearing and settlement operations of the Market may be adversely affected. In such cases, Takasbank is entitled to take the measures referred to in article 48 of the Central Counterparty Regulation.

Provisions to be applied in case of No Provision in the Procedure

ARTICLE 94- (1) In case of no provision in the Procedure, the provisions of the Central Counterparty

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Regulation and the Central Clearing and Settlement Regulation and of the Market Directives shall be applied.

Announcements

ARTICLE 95- (1) The details and amendments related to the issues included in the scope of the Procedure shall be announced to the members through the General Letters and the Announcement to be published by Takasbank.

Extraordinary Situations

ARTICLE 96- (1) The decision-making processes to be followed in the extraordinary situations and the technical, executional and operational methods and tools thereof shall be defined in the emergency manual prepared and announced to the members by Takasbank.

System Business Continuity

ARTICLE 97- (1) System business continuity plan and the emergency rules are stipulated by the "Takasbank Business Continuity Regulation" and the sub-arrangements and continuity plans associated to this regulation. General policy texts for the business continuity shall be announced to the participants via Takasbank website.

Revision in System Rules

ARTICLE 98- (1) Takasbank is authorized to revise the system rules. In cases where the revision of system rules are subject to the approval of the competent authorities pursuant to the relevant legislation, the revisions shall enter into force upon such approval.

(2) Any structural revision to be made in the system rules shall be announced to the members at least fifteen days before to enable the members to prepare the necessary technical or legal infrastructure.

CCP Membership

ARTICLE 99- (1) Direct clearing and settlement members trading in the Market as of the date of entry into force of the Procedure shall be accepted as a member to Takasbank with a direct CCP member status.

Exemptions and exceptions

ARTICLE 100- (1) Pursuant to the first paragraph of article 52 of the Central Counterparty Regulation, the Central Bank of the Republic of Türkiye is the natural CCP member and it is not subject to the provisions of the Market Directives nor the provisions of this Procedure.

(2) The CBRT instructions relating to the securities traded by the CBRT are given priority in accordance with the delivery versus payment principle.

(3) The securities it has purchased by the reverse repo as a result of the transactions to which the CBRT is a party are not blocked at Takasbank.

(4) The CBRT is not obliged to pay any pre-default interest to the extent it fulfills its obligations for the transactions it has conducted in the Market until EFT/TETS closing time within the same day.

(5) Transactions in Takasbank system may also be executed by Takasbank on behalf of the CBRT.

(6) If a CBRT-driven technical default occurs, no compensation payment shall be made to the member to whom delivery or payment has failed to be made on the settlement date.

(7) Transactions conducted by CBRT at Takasbank are exempt from any commission.

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Enforcement

ARTICLE 101- (1) The procedure shall enter into force on the date of its publication.

(1) İstanbul Takas ve Saklama Bankası A.Ş. Borsa İstanbul A.Ş. Debt Securities Market Clearing and Settlement and Collateral Management Procedure shall repeal as of the effective date of this Procedure.

Execution

ARTICLE 102- (1) The provisions of the Procedure shall be executed by the General Manager.

PROVISIONAL ARTICLE - 1

Principles of Limits and Collateralization

(1) Central counterparty services shall not be provided for transactions conducted by members in the Equity Repo Market involving underlying assets that, after 29 August 2026, cease to meet the eligibility requirements for trading.

(2) As of 29 August 2026, the existing open positions of members in transactions for which clearing services are not provided in the Securities Preferential Repo Market and the Equity Repo Market shall be deemed to constitute the upper limits. In the aforementioned markets, from 29 August 2026 through 31 December 2026, the existing open position limits within this scope shall be reduced on a monthly basis by not less than 20% at the end of each month following 29 August 2026. These limits shall apply to the entire number of open positions, irrespective of whether central clearing services are provided for the equities specified in Provisional Article 1.

(3) For transactions in the Securities Preferential Repo Market and the Equity Repo Market that are conducted on the exchange but settled outside the central clearing system and are not subject to central counterparty services, initial margin may be calculated by applying a specified rate to the amounts of open positions.

(4) The provisions of this Article shall remain in force until 31 December 2026.

PROVISIONAL ARTICLE - 2

Principles for Security Allocation and Blocking

(1) The current practice regarding the blocking, until the maturity date of the contract, of the underlying assets subject to on-Exchange transactions conducted outside the clearing and settlement process in the Equity Repo Market and the Repo Market for Specified Securities shall continue until **31.12.2026**. After this date, such transactions shall be included in the central clearing and settlement process. Until that date, any non-compliance with the security allocation and blocking obligations shall be reported by our Bank to the Board.

(2) The details of the current practice are as follows:

a) For securities to be blocked against reverse repo transactions in the **Equity Repo Market**, **Sub-Account No. 64 "Repo Blockage Sub-Account"** (RPBL sub-account at CRA) is used. The implementing principles are set forth in our **General Letter No. 1981 dated 14.06.2024**.

b) For securities to be blocked against reverse repo transactions in the **Repo Market for Specified Securities**, **Depo No. 1102K "Dematerialized OTC Reverse Repo Collateral Depo"** (MTDB sub-account at CRA) is used. The implementing principles are set forth in our **General Letter No. 2012 dated 02.12.2024**.

Halka Açık (Tasnif Dışı)