

- 13) **Operator Member:** An institution authorized by and trading on behalf of the founder in Takasbank system,
- 14) **Platform, TEFAS:** Turkey Electronic Fund Trading Platform,
- 15) **Portfolio custodian:** Takasbank and the banks and brokerage houses authorized by the Board to provide portfolio custody service,
- 16) **Custodian Member:** The institution which has signed a custody agreement with the Portfolio Management Company to provide custody service to the customers of such portfolio management company, and which has been authorized by the Board to engage in custody activities,
- 17) **Bank: Takasbank-** İstanbul Takas ve Saklama Bankası A.Ş.,
- 18) **CBRT:** Türkiye Cumhuriyet Merkez Bankası,
- 19) **Implementing Principles:** Turkey Electronic Fund Trading Platform Implementing Principles,
- 20) **USD:** The currency of United States of America,
- 21) **Member:** The fund founders, investment institutions and portfolio management companies which have signed a Turkey Electronic Fund Trading Platform Agreement and have been authorized to trade in the Platform,
- 22) **ABS:** Asset Backed Securities,
- 23) **Foreign Currency:** The foreign currencies announced by the CBRT daily exchange rates,

CHAPTER TWO

Membership and Authorizations

ARTICLE 4- Institutions eligible to trade

- (1) The fund founders, and the investment institutions who have received a license from the Board to engage in portfolio or trading brokerage activities and the portfolio management companies who have received a license from the Board to engage in fund share marketing and distribution activities are eligible to trade in the Platform. The members intending to trade as fund founder must sign the “Turkey Electronic Fund Trading Platform Founder Agreement”, and those intending to trade as distributor must sign the “Turkey Electronic Fund Trading Platform Distribution Agreement”.
- (2) Operations of the Platform members can be temporarily or permanently suspended by Takasbank in case of any situation referred to in article 10 of the Implementing Principles.

ARTICLE 5- Application procedure

- (1) The institutions intending to trade in the Platform must convey to Takasbank the agreement(s) referred to in article 4 and signed by the company representatives with authorization in the signature circular of the relevant institution, by enclosing such agreement(s) to an application letter addressed to Takasbank.

ARTICLE 6- Funds to be traded in the Platform

- (1) Except for the funds on which trading obligation has been imposed by the Board, the money market funds, money market participation funds, short-term bonds and bills funds, hedge funds and short-term lease certificates participation funds requested to be traded in the Platform by the Founder may also be accepted to the system.
- (2) Should the activities of the Founder be suspended, whether or not the funds are continued to be traded in the Platform shall be determined by Takasbank on the basis of the fundamentals in the relevant decision made for the suspension of activities.

ARTICLE 7- Authorization for use of Takasbank screens

- (1) The Fund Founder and the FDI's must authorize their representatives who will trade in the Platform, in accordance with the principles and procedures stipulated by Takasbank. Revocation of given authorizations is also under the responsibility of the Platform members.
- (2) The relevant Fund Founder/FDI is responsible for all transactions to be conducted by the representatives in the Platform by using their passwords allocated to them by Takasbank.

ARTICLE 8- Authorization for use of web service

- (1) The authorization for the transactions conducted by the Platform member institution through the web service is made on the basis of the corporate user and the passwords. The use of this software is dependent on the Platform member's own choice and is under its own responsibility.
- (2) For the transactions incoming through the web service, Takasbank checks only the correctness of the corporate user and password.

ARTICLE 9- Authorization of the operator member and the responsibilities

- (1) All transactions and operations of the fund traded in the Platform must be performed by the Founder. On the other hand, the Founder may designate an "Operator Member" to perform these transactions and operations. The fund operator member being designated in Takasbank Custody System for each fund defined for trading in the Platform is also recognized as the Operator Member for the Platform. The Operator Member can be changed by the Founder any time it wishes. However, the institution to be authorized as Operator Member by the Founder must be a Platform member. The Founder intending to perform all Platform operations personally must revise the Operator Member definition automatically assigned in the system. Such revision shall be effective from the next business day.
- (2) Should an Operator Member be designated, all operations required to be performed by the Founder shall be carried out by the Operator Member and all liability arising from the transactions conducted by the Operator Member shall also jointly and severally belong to the Founder.
- (3) For each fund being traded in the Platform, only one Operator Member can be authorized.

ARTICLE 10- Situations not eligible for trading

- (1) The members cannot trade in the Platform;

- a) If their activities are temporarily or permanently suspended by the Board; within the time period to be elapsed until delivery to Takasbank of the Board decision regarding that they can re-commence their activities.
- b) For a period of 5 business days if the institution trading in the Platform fails to close its debts 3 times in a period of 1 month to other members and Takasbank within the time periods set forth in the Implementing Principles.

In determining 1 month' time period referred to in the item (b) above, the first and last business days of the relevant month are taken into account.

- (2) The restriction on the founder's operations shall not remove its obligation to purchase back the fund shares it has offered through the Platform.

CHAPTER THREE

Operating Rules, Trading Principles

ARTICLE 11- Trading times

- (1) Platform general operating rules shall be set by Takasbank. The transactions can be performed within the periods given below on the days in which Takasbank and MKK systems are open.

TRANSACTION TYPE	BUSINESS DAY TIME	HALF-DAY TIME
Order acceptance - Same day value transactions - Forward value transactions	09:00-13:30 09:00-17:45	09:00-11:30 09:00-12:30
Unmatched order automatic cancellation - Same day value transactions - Forward value transactions	13:35 17:50	11:35 12:35
Value deferral time (Forward value transactions)	13:30	11:30
Cash netting time (TRY)	14:00	12:00
Cash netting time (Foreign Currency)	12:30	-
Default start time (TRY)	15:00	12:30
Default start time (Foreign Currency)	15:45	-

- (2) If the operating hours are changed, a general announcement will be made to the members.
- (3) The Founder/Operator Member can set different trading times for the trading transactions of the fund shares of the relevant funds provided that they remain within the general operating hours and are defined to Takasbank system.

- (2) The Operator Member can change the pool balance at any time provided that it is made during the general working hours of the Platform. In the pool, the Founder/Operator Member must maintain a sufficient balance that can cover the received buying demands.

ARTICLE 17- Order Types

- (1) When transmitting the fund share buying orders to the system, the FDI may prefer one of the three order types mentioned below:
- Cancel Remaining:** The outstanding units shall be matched. The unmatched portion of the order shall be cancelled.
 - Keep Remaining:** A partial match shall be made until the required amount is completed for the order. The unmatched portion of the order at the cancellation time shall be cancelled.
 - Fill All:** The order shall not be accepted to the system in case of no sufficient balance in the pool to entirely cover the transaction amount.
- (2) If the Founder's account balance is inadequate, an order shall be created in the system by taking account of the selected order type.

ARTICLE 18- Order cancellations

- (1) The unmatched fund share buying orders waiting in the system due to inadequate trading limit can be cancelled at any time during the day they have been entered to the system, whereas the matched trading orders can be cancelled by the member entering the order until the cancellation deadline designated by the Founder/Operator Member. The matched orders of the funds whose book-building has been made on different days and settled on a future date can be cancelled at any time by the member entering the order until the cancellation deadline at the end of the book-building date designated by the Founder.
- (2) The waiting orders not matched until the order cancellation time due to inadequate trading limit shall be cancelled automatically by the system. In determining the order cancellation time, the time designated by the Founder or the time earlier than the Platform general cancellation time shall be taken into account.
- (3) The future-dated orders transmitted to the system and matched after the value deferral time can be cancelled by the Founder on the next day until the designated cancellation deadline.
- (4) The matched orders can be cancelled automatically by the system for reasons such as fund mergers, price updates, etc.
- (5) The orders entered to the system, which have not become subject to the netting but cannot be cancelled by the member because of missing the cancellation deadline may be cancelled upon written approval of the Founder/ Operator Member of the fund subject to the order and consent of Takasbank thereof. In such a case, the cancellation shall be performed by Takasbank.

ARTICLE 19- Trading and funding limit allocation and the collateral

- (1) The following types of collaterals are accepted to the platform:
- Cash (TRY, USD ve EURO)
 - Gold traded on the stock exchange
 - GDSS

- Trading Limit** = Available funding limit + TRY and foreign currency cash debt closing account balance + total TRY sales orders incoming on value date – total matched buying orders

- (9) All orders transmitted up to the member trading limit amount shall be accepted to the system and processed. However, orders exceeding the trading limit shall not be accepted to the system but not be processed. In order for the order to be processed, the trading limit must become available up to amount capable of covering the entire order. Any order waiting because of unavailability of the trading limit until the cancellation deadline shall be automatically cancelled.
- (10) Amounts in the foreign currency cash debt closing account are included in the limit as TRY equivalent at the CBRT foreign exchange buying rate.
- (11) Transactions conducted by the Founder and the orders transmitted by the FDI's for the funds they operate shall not affect the trading limit.
- (12) Should the buying orders be placed over the units, the trading limit shall be decreased at the current price in the system for the same day value transactions and at the price calculated by including the margin rate defined for the relevant fund in the system for the future-dated transactions, and should the buying orders be placed over the amount, the trading limit shall be decreased up to the order amount.
- (13) For purchase orders given in foreign currency, transaction limit instruction amount is reduced by TRY equivalent at CBRT foreign exchange selling rate. For sales orders given in foreign currency, the CBRT is increased by TRY purchase rate over the foreign exchange buying rate.
- (14) If the FDI receives the custody service from another institution, the trading limit of the custodian member must be sufficient in order for the orders transmitted to the system to be executed.

ARTICLE 20- Fund share trading process

- (1) The buying orders can be transmitted over the units and/or amounts depending on the preference of the founder, whereas the selling orders can only be transferred over the units.
- (2) The order shall not be processed if the customer account given in the transmitted orders is not operatable in the MKK system and if the customer fund/pension investment fund subject to the account is also not operatable in Takasbank system.
- (3) If the customer account is not qualified investor in MKK system, the order shall not be processed in the purchase instructions submitted for the shares of hedge funds.
- (4) On the day in which the order is defined to the system, the fund shares up to the units subject to the order shall be blocked;
- a) in the Founder Platform Pool Account for the buying transactions,
- b) in the customer account for the selling transactions.
- (5) For the buy orders;
- a) The order shall be matched to the extent that the trading limit of the member transmitting the order is sufficient and the Founder's Platform Pool Account balance is available.
- b) The buy orders failed to be matched because of unavailability of the Founder's Platform Pool Account albeit the FDI's trading limit is sufficient shall be cancelled in the manner indicated in the FDI's order or waited in the system for matching. The orders waited in the system for matching shall be matched according to the order of priority to the extent the balance of the Founder Platform Pool Account becomes available.

- c) In cases when the Founder Platform Pool Account balance is sufficient but the member's trading limit is not available, the order shall be accepted to the system in the "waiting collateral" status and the number of fund shares subject to the transaction shall be blocked in the Founder Platform Pool Account. If the limit does not become available until the order cancellation deadline, the order shall be cancelled and the fund shares blocked in the pool shall be released.
- For the sale orders; the fund shares shall be blocked and the order shall be matched to the extent there are adequate fund shares in the relevant customer account in the MKK system at the moment the order is entered into the system.
- For the sale orders transmitted to the system by the FDIs on behalf of the fund/pension investment fund, the fund shares shall be blocked in the fund's blockage sub-account at Takasbank and matched accordingly.
- The sale transaction of the shares in the customer account can be executed below the minimum buy-back amount provided that all shares are made subject to the sale.
- The matched future-dated fund share trading orders shall be kept waited in the system until the value date. On the value date, they shall be processed over the fund share price entered to the system by the Operator Member and shall be applicable for the transactions.
- The cash amounts of the matched orders waiting in the system shall be netted-off on the value date at 14:00 for TRY orders at 12:30 for foreign currency orders. The Platform member shall be debited or credited up to the transaction amount. As a result of the netting process:
- a) If the member becomes a cash payee, all fund share transfers shall be made immediately and the cash receivable transfers shall be made as the balance becomes available in the Platform Pool Account.
- b) If the member becomes a cash obligor, all fund shares it has indebted shall be immediately transferred whereas the fund shares it would receive shall be transferred pro-rata to the cash debt it has closed. However, the fund share transfer orders cannot be executed in a partial manner.

ARTICLE 21- Netting, debt closing, receivable distribution

- (1) Cash amounts of the trading transactions shall be netted-off on the value date at 14:00 for TRY at 12:30 for foreign currency. No fund-based netting shall be conducted. The fund share transfers shall be performed on an order basis.
- (2) Net TRY cash obligations shall be fulfilled by making payment to “TEFAS Cash Debt Closing Account” until 15:00.
- (3) The member will fall into default for the TRY cash obligations failed to be fulfilled as of 15:00. The obligation of the member shall be fulfilled by Takasbank by extending credit against collateral it has deposited, provided that it is limited to its funding limit. The CBRT foreign exchange buying rate is used in the calculation of the TRY cash credit provided against foreign currency.
- (4) Net foreign currency cash obligations shall be fulfilled by making payment to “TEFAS Foreign Currency Cash Debt Closing Account” until 15:45.
- (5) The member will fall into default for the foreign cash obligations failed to be fulfilled as of 15:45. No credit is granted for the foreign currency obligation of the member.
- (6) Net cash receivables shall be credited to the members’ current accounts at Takasbank.

