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BORSA İSTANBUL A.Ş.

DIRECTIVE ON WORKING PROCEDURES AND PRINCIPLES FOR DIAMOND AND PRECIOUS STONES MARKET ARBITRATION COMMITTEE AND ARBITRATION GROUP

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FIRST CHAPTER GENERAL PROVISIONS

Purpose

ARTICLE 1- (1) The purpose of this Directive is to determine and set down the working procedures and principles of Borsa İstanbul A.Ş. Diamond and Precious Stones Market Arbitration Committee and Arbitration Group.

Scope

ARTICLE 2- (1) This Directive regulates the procedures and principles regarding the resolution by Arbitration Committee and Arbitration Group of the disputes that may arise out of or in connection with Exchange transactions executed by those authorized to trade in Borsa İstanbul A.Ş. Diamond and Precious Stones Market.

Grounds

ARTICLE 3- (1) This Directive is prepared and issued in reliance upon Article 23 of Borsa İstanbul A.Ş. Regulation on Principles Regarding Exchange Activities on Precious Metals and Precious Stones promulgated in the Official Gazette edition 29150 on 19/10/2014.

Abbreviations and Definitions

ARTICLE 4- (1) For the purposes and in the context of this Directive:

- a) “Exchange” stands for Borsa İstanbul A.Ş., and
- b) “The World Federation of Diamond Bourses” (WFDB) stands for The World Federation of Diamond Bourses headquartered in Antwerp, Belgium, and
- c) “DPSM” or “Market” stands for Diamond and Precious Stones Market, and
- ç) “Arbitration Committee” refers to a committee composed of members elected by the Board of Directors for resolution of disputes which may arise out of the Exchange transactions among those authorized to trade in the DPSM, and
- d) “Arbitration Group” refers to a group comprised of three members elected separately for each dispute from among the Committee’s own members, and
- e) “Reporter” refers to the Precious Metals and Precious Stone Market Department, and
- f) “Board of Directors” stands for the Board of Directors of the Exchange.

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SECOND CHAPTER

Composition, Duties and Powers of Arbitration Committee

Place of Resolution of Disputes

ARTICLE 5- (1) Disputes which may arise out of the Exchange transactions among those authorized to trade in the Market are resolved in the Exchange upon application of either party.

(2) Exchange transactions refer to a trade executed by and between buyer and seller coming together and entering into a mutual agreement in the Exchange trading floor during trading hours determined by the Exchange.

Jurisdiction in Resolution of Disputes

ARTICLE 6- (1) Resolution of disputes which may arise out of the Exchange transactions among those authorized to trade in the DPSM is in the jurisdiction of Arbitration Committee, and Arbitration Group specifically appointed in respect of the related dispute.

(2) The Precious Metals and Diamond Market Directorate serves as reported of the Committee.

Formation and Composition of Committee

ARTICLE 7- (1) Arbitration Committee is composed of five members to be elected by the Board of Directors from among those authorized to trade in the DPSM. Committee Chairperson is appointed from among the members elected thereto. The Board of Directors separately elects three associate members.

(2) Term of office for the Committee members is one year. Previous members of the Committee take office until the election of new members of the Committee. The Committee members may be re-elected.

(3) Associate member in the first rank is assigned as a permanent member to complete the term of office of a member whose term of office ends or who forfeits membership for any reason whatsoever. If and when the term of office of Committee Chairperson tends or chairperson of the Committee forfeits membership for any reason whatsoever, then and in this case, the existing Committee members elect a new chairperson from among themselves.

(4) If a Committee member represents an organization in the Committee, and their term of office expires, or membership of the organization expires, or their business activities are liquidated, and they are personally a market member, and their membership expires, that Committee member forfeits membership.

Duties and Powers of Committee

ARTICLE 8- (1) Arbitration Committee is entrusted with the task of arbitrating in a neutral manner to resolve the disputes regarding Exchange transactions.

(2) Arbitration Committee, Arbitration Group and Reporter are authorized to collect all kinds of information and documents from the parties, and make an examination on the dispute, and hear the parties and their witnesses, and ask the Exchange Executive Management to appoint an expert,

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and request an investigation from Audit and Supervision Board, and ask technical opinions and comments from all of the related organization units.

(3) Committee Chairperson is authorized and responsible for activities of the Committee, and cooperation among the Committee members.

Confidentiality

ARTICLE 9- (1) The Committee members, also including arbitrators included in Arbitration Group, are under obligation to keep in strict confidentiality all and any information and documents relating to disputes, and secrets of the Exchange or of companies, partnerships, organizations and other natural persons or legal entities having relations with the Exchange, which may come to their knowledge in the course of performing their duties in the Committee, and not to disclose such confidential information in any way to anybody other than the persons and entities who are specifically authorized and assigned by the applicable laws and regulations, and not to use in their own interests or in interests of third parties or to the detriment of themselves or third parties.

(2) This liability continues and remains in effect after the related members leave their jobs in the Committee.

THIRD CHAPTER

Procedures and Principles for Application Process

Application, Service Fee, Arbitrator Fees and Advances for Costs

ARTICLE 10- (1) Dispute resolution process starts when either party files an application to the Exchange with a written and duly signed petition, and pays the dispute service fee, arbitrator fees and allowances for such costs and expenses as expert, accommodation, transport and translation.

(2) The following items are included in a petition submitted in a dispute resolution application:

- a) Names and addresses and other contact information of parties to the dispute, and
- b) Exchange transaction in dispute, and
- c) Factual background, causes of action and probative evidence, and
- ç) Claims.

(3) Petition submitted in a dispute resolution application must describe the complained Exchange transaction with reference to date, amount, etc. and clearly define the conclusions and claims, and be accompanied by receipts and related documentary proofs verifying the payment of money mentioned in first paragraph hereof.

(4) Dispute service fees, and fees payable to arbitrators assigned for resolution of disputes, and advances for costs are determined by the Board of Directors as fixed amounts.

Preliminary Assessment

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ARTICLE 11- (1) Petition submitted in a dispute resolution application is subject to preliminary assessment by the Reporter.

(2) As a result of preliminary assessment:

a) If none of the allegations cited in the application is related to the Exchange transaction, the application may be dismissed by the Reporter or by the Arbitration Committee upon an examination request of the Reporter.

b) In case of deficiencies in petition or documents, or of non-payment of dispute service fee and other fees and costs referred to hereinabove, the applicant is granted a time of fifteen (15) days. Then, if the application is not filed in due process of law, and deficiencies are not completed by the end of the time granted as above, then, the application is considered not to have been filed.

c) Should it be determined that the application is not filed within the period of limitation, the application is dismissed.

(3) A dismissed application or an application considered unaccomplished is reported by the Reporter to the applicant. In this case, money deposited in advance are refunded to the applicant.

Statute of Limitations

ARTICLE 12- (1) Applications not filed within two years following the date of the first Exchange transaction in dispute are not examined by the Exchange.

Notification for Dispute Petition and Response

ARTICLE 13- (1) Within three business days following the start of the dispute resolution process, a copy of the petition submitted for dispute resolution purposes is sent and delivered by the Reporter to the other party, who is asked to give a written answer thereto and to give the required information, documents and evidence and to designate and name an arbitrator proposed for the Arbitration Group. The Reporter also informs the applicant in writing that the applicant is entitled to propose a member of the Arbitration Committee for the Arbitration Group.

(2) Submission Period for an answer and the related information and documents and designation of an arbitrator proposed for the Arbitration Group is ten business days. However, if demanded, an additional time of up to ten business days may also be given by the Reporter to the related persons for submission of a petition of answer.

(3) After submission of a written answer petition in a timely manner or after expiration of a period of time without any answer, the case file is referred by the Reporter to the Committee for review and examination.

Review by Arbitration Committee and Arbitration Group

ARTICLE 14- (1) The Reporter calls the Arbitration Committee for a meeting to discuss the case file referred to it.

(2) The Arbitration Committee may in its first meeting decide whether the dispute falls into the area of responsibility of the Exchange's Arbitration Committee or not.

(3) If the Arbitration Committee decides to handle the dispute, it appoints an Arbitration Group of three arbitrators from among its own members, by also taking into consideration the arbitrators proposed and named by the parties, in order to examine and resolve the related dispute.

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If the Arbitration Committee Chairperson is not included in the Arbitration Group appointed to resolve the dispute, then, they will be responsible for surveillance of the proceedings.

(4) Arbitration Committee, Arbitration Group and Reporter may, if and when deemed necessary in the course of performing their duties, get help from experts and related organization units of the Exchange, and request explanation from the parties on issues regarding the dispute.

(5) Following completion of the exchange of petitions and submittals by the parties in the dispute, the Arbitration Group determines a meeting date and the parties. The parties may attend the meeting.

(6) The Arbitration Group prepares a report about the subject of dispute examined by it, and presents its report to the Arbitration Committee for an award.

(7) Arbitrators, the Exchange and any officer of the Exchange may in no event be held liable for any action taken by them in the course of performing of arbitration duties and proceedings.

(8) The Exchange disavows any responsibility for the enforcement of the decision taken for the dispute resolution.

Decision

ARTICLE 15 - (1) The Arbitration Committee decisions contain:

- a) First and last names of the Committee members taking the decision, and
- b) First and last names, job titles and addresses of the parties and if any, their representatives and attorneys, and
- c) Legal reasons and justification of decisions, and
- ç) Rights granted and obligations imposed on the parties and dispute resolution expenses due and payable by the parties in proportion to their rates of winning the case, and
- d) Signatures of the Committee members taking the decision, and if any, dissenting opinions.

Peaceful Settlement and Waiver of Complaint

ARTICLE 16- (1) In case of waiver of complaint, or if the parties enter into a peaceful settlement, or apply to arbitration, juridical courts, the World Federation of Diamond Bourses or professional associations, those authorized to trade in the Market are under obligation to notify this case to the Exchange in writing within three business days following the date they are aware of.

(2) Upon occurrence of any one of the cases mentioned in the first paragraph:

- a) The Arbitration Committee decides to close the case file.
- b) Dispute service fee and other payments are not refunded, but are accepted as a revenue of the Exchange.

(3) If the party filing a petition for dispute resolution purposes waives its complaint at any time before the first meeting of the Arbitration Committee relating to that dispute, then, the portion of advances remaining after deduction of costs incurred, except for dispute resolution fee, is refunded together with the arbitrator fees.

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(4) If an application is deemed unaccomplished, or the complaint is waived, or the parties apply to arbitration, juridical courts, the World Federation of Diamond Bourses or professional associations, or enter into a peaceful settlement, then, application may not be refiled to the Exchange about the same dispute.

The Nature of Decisions

ARTICLE 17- (1) Decisions and awards of the Arbitration Committee regarding disputes are final.

(2) The rights of both parties to apply to juridical courts or to way of arbitration pursuant to the applicable laws pertaining thereto or to the World Federation of Diamond Bourses regarding the disputes are reserved.

FOURTH CHAPTER

Procedures and Principles for Meetings and Decisions

Decision Quorum

ARTICLE 18- (1) The Arbitration Committee takes its decisions by the affirmative vote of a simple majority. Abstaining vote may not be used. A member using dissenting vote is obliged to explain the justification of his dissenting opinion in the decision.

(2) In case of temporary absence of any one of arbitrators appointed to the Arbitration Group, the Arbitration Committee Chairperson appoints another Committee member to substitute that arbitrator in the Arbitration Group.

Confidentiality of Negotiations

ARTICLE 19- (1) Meetings and proceedings of Arbitration Committee and Arbitration Group are confidential, and no one other than arbitrators, Reporter, parties and if any, their representatives and witnesses may attend the meetings.

Opposing Decisions

ARTICLE 20- (1) In the event that the amount cited in the decision of the Board of Directors in respect of disputes arising out of the Exchange transactions of investment firms among themselves or with their customers is above the amount determined according to the fifth paragraph of Article 84 of the Law, the parties may file an opposition to the Board through the Exchange within fifteen days following the date of notifying the decision. Decisions of the Board for resolution of disputes are final.

Prohibition to Participate

ARTICLE 21- (1) Members of the Arbitration Committee may not participate in the committee or group activities, decisions and voting on disputed subjects related to themselves or to those authorized to trade and represented by them.

Dispute Notifications and Records

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ARTICLE 22- (1) Decisions taken on the subject of dispute are documented in a memorandum and delivered to the parties or their representatives by hand against a duly signed acknowledgement of receipt or delivered in writing to the addresses designated by the parties in their petitions.

(2) The Exchange keeps a record book of decisions and awards, and these records are kept in electronic media as well.

(3) Dossiers relating to disputes shall be regularly kept in the Exchange for a minimum of five years.

FIFTH CHAPTER

Final Provisions

PROVISIONAL ARTICLE 1- (1) The Committee members elected before the effective date of this Directive will continue to perform their job duties until the end of their terms of office.

Effective Date

ARTICLE 23- (1) This Directive becomes effective as of the date it is promulgated.

Enforcement

ARTICLE 24- (1) The provisions of this Directive shall be enforced and executed by the CEO.

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