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BORSA İSTANBUL A.Ş.

PRE-MARKET TRADING PLATFORM PROCEDURES AND PRINCIPLES

İSTANBUL – 2015

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PRE-MARKET TRADING PLATFORM PROCEDURES AND PRINCIPLES

1 – Purpose, Scope and Grounds:

Pre-Market Trading Platform (PMTP) has, pursuant to the decision no. 17/519 dated 03/06/2011 of the Capital Markets Board (“Board” or “CMB”) and as per provisions of second paragraph of Article 16 of the Capital Markets Law, been created in reliance upon provisions of subparagraph (v) of first paragraph of Article 4 of the Listing Directive for trading in a Platform to be determined by Borsa İstanbul A.Ş. of shares of corporations which are in the status of publicly-held corporations, but shares of which are not traded in the Exchange. The provisions of article 23/2 of Listing Directive and article 37/4 of Stock Market Directive shall be reserved.

2 – Definitions and Abbreviations:

For the purposes and in the context of these Procedures and Principles:

- (a) **“Exchange”** refers to and stands for Borsa İstanbul A.Ş.;
- (b) **“CEO”** refers to and stands for Chief Executive Officer of Borsa İstanbul A.Ş.;
- (c) **“General Directorate”** refers to CEO or relevant Deputy General Manager of Borsa İstanbul A.Ş.;
- (ç) **“Public Disclosure Platform”** (PDP) refers to the system defined in subparagraph (k) of first paragraph of Article 3 of the Law;
- (d) **“Law”** refers to and stands for the Capital Markets Law no. 6362 dated 06/12/2012;
- (e) **“CRA”** stands for Central Registry Agency Co., Inc.;
- (f) **“Corporation”** refers to a joint-stock company the shares of which are traded in PMTP or for which an application has been filed for trading of shares in PMTP;
- (g) **“Pre-Market Trading Platform (PMTP) or Platform”** refers to the Platform which is established by the Board of Directors for trading in the Exchange without listing of the shares of corporations which are in the status of publicly-held corporations shares of which are not traded in the Exchange, and the procedures and the principles of which are determined in the Procedures and Principles, within the framework of provisions of second paragraph of Article 16 of the Law;

- (h) **“CMB”** or **“Board”** refers to and stands for the Capital Markets Board;
- (i) **“Procedures and Principles (PP)”** refers to regulations which is approved by Borsa İstanbul A.Ş. CEO and which define the activities and processes and describe their implementation purposes, grounds, timing and format, in order to guide the PMTP practices; and
- (i) **“Board of Directors”** refers to Borsa İstanbul A.Ş. Board of Directors.

3 – Requirements for Trading in Platform:

If and when articles of association of publicly-held corporations intending to file an application for trading of their shares in the Platform contain provisions which restrict the transfer and circulation of shares to be traded and preclude the shareholders from using their rights, then and in this case, prior to filing an application to the Exchange, the corporations will first of all make the required amendments in the articles of association in the CMB. Corporations apply to the CMB for approval of their prospectus prepared in accordance with the relevant regulations of the CMB.

Furthermore, the said corporations, after an application filed to the Exchange, must be registered as an issuer member in CRA, and the PDP membership process must be completed.

The corporations which is notified to the Exchange in writing that their shares are registered in issuer accounts on book-entry basis by CRA, and for which PDP membership are established, those the articles of association and the prospectus of which are approved by the CMB will announce in PDP their approved prospectus and current articles of association as well as information about completion of membership processes in CRA, and will make public that they have met and fulfilled all of the requirements determined by the CMB for trading in the Platform.

In order for shares of corporations having completed the aforementioned processes to be traded in PMTP, the shares corresponding to:

- 15% of capital for corporations the paid-in or issued capital of which is up to 10 million TL, or
- 5% of capital for corporations the paid-in or issued capital of which is above 10 million TL
- 3% of capital for corporations the paid-in or issued capital of which is above 100 million TL

must have been registered in CRA as tradable on the Exchange.

The shares of the corporation may start trading on the Platform in the 2nd business day following the Exchange's announcement in PDP, without a decision of the Board of Directors, after completion of dematerialization processes in CRA.

Ordinary shares of corporations can be traded on the Platform. However, upon demand of the relevant partnership, the privileged shares of the corporations can be traded separately. To this end, corporations are required to clearly declare in their letter of application to the Exchange and make public the privileges held by the groups of shares dematerialized in CRA and other different groups of shares.

After the corporations shares are started trading on the Platform, the shares which are not previously dematerialized can be converted into tradable status in the Exchange (in PMTP) and can be sold on the Exchange (in PMTP) only pursuant to Article 15 "Transformation of shares to trading shares on the Exchange" of Communiqué on Shares no.VII-128.1 of the CMB. Accordingly, unless otherwise stated by the CMB, the shares are subject to trading after at least 2 business days following the date of announcement of CRA in PDP pertaining to conversion into tradable status in the Exchange.

4 – Trading Principles:

The shares are traded according to the following principles:

- a) "Single price trading method" is applied on the Platform (5 call auctions). Orders are collected and uncrossed and thus trades are executed in the predetermined session states in the Equity Market.
- b) On the first day of trading on the Platform, the shares start trading with free margin (no price limits), and free margin is applied until the first trade is realized. In the order collection period after the session of the first trade, base price is determined with regard to the last price, and price margin is applied and strike price limits are calculated. Price margin to be applied on the base price for the calculation of base price limits is 10%.
- c) The provisions of the regulation on "Determination of the Theoretical / Reference Prices of Shares in Cases of Corporate Actions" applicable to the Equity Market, are also valid for the shares traded on the Platform.
- ç) Shares trading on the Platform are subject to gross settlement.
- d) Shares trading on the Platform can not be subject to short selling and margin trading on the Platform.
- e) An instrument series for pre-emptive rights to acquire new shares in the capital increase process will be opened for trading, determined by the

corporations whose shares are publicly-traded on Platform if they disclose information related to capital increases, pre-emptive rights offerings, dividend payments (including the proposal decision of the board of directors of the company) and the results of the general assembly to the PDP in a timely, accurate and complete manner. The continuous trading method is applied to the pre-emptive rights, primary market, official auction, default transactions of these companies.

f) For wholesale trades of the shares trading on the Platform, the Exchange regulations regarding to these transactions are valid.

g) Data relating to the trades executed on the Platform is disclosed in the Exchange Bulletin.

5 – Notification Form:

Investors intending to trade on the Platform are required to sign an “Notification Form” (Exhibit) showing awareness of the risk of investing in shares to be traded therein and other risks that may be encountered during trading.

6 – Public Disclosure Principles:

Corporations the shares of which are traded on the Platform are liable to comply with the public disclosure regulations of the CMB and CRA.

7 – Fees:

Listing fee tariff is applied on corporations the shares of which are to be traded in the Platform. Exchange transaction fee and other fees valid and current in the Equity Market is charged on the transactions executed on the Platform.

8 – Temporary Suspension from Trading, and Exclusion From Platform:

The Exchange carries out according to its own regulations the process of temporary suspension from trading of the corporations the shares of which are traded on the Platform, and starting to trade upon removing of the cause leading to temporary suspension. If and when a company whose shares are temporarily suspended fails to perform its obligations so as to eliminate the temporary suspension within the periods of time granted by the Exchange, then and in this case, this failure is reported to the CMB, and the Exchange may file a request to the CMB for permanent cancelation of trading for that corporation’s shares on the Platform. The corporation may, by a decision of the CMB, be warned or be excluded from the Platform.

9 – Other Matters:

Matters on which these PP remain silent or are not clear, Capital Markets Board and the Exchange’s regulations are applicable in the same way.

10 – Enforcement:

The provisions of this PP will be carried out by the CEO.

11 – Effective Date:

This PP will become effective as of the date of commissioning of the Equity Market Trading System.

EXHIBIT: Pre-Market Trading Platform Notification Form

PRE-MARKET TRADING PLATFORM (PMTF) NOTIFICATION FORM

In addition to provisions of the Frame Agreement on Brokerage in Trading signed by me with A.Ş., I, the undersigned, hereby declare, agree and warrant that I am trading taking full account of the fact:

(1) that shares of companies determined by the Capital Markets Board (CMB) out of companies which are in the publicly-held corporation status, but the shares of which were not previously being traded in the Exchange are traded in the Pre-Market Trading Platform (“Platform”); and

(2) that as a condition of acceptance of the company shares to the Platform, other than the decision of the Capital Markets Board, Borsa İstanbul A.Ş. has not conducted any inspection or review about legal and financial situation and activities of the company, and that no assessment is effected according to any quantitative and/or qualitative criteria (restrictive conditions linked to such elements as profitability, duration of activity, size of capital and market value) included in the Listing Directive and other regulations of the Exchange, and also after the said shares are started to be traded in the Exchange, no inspection or review will be conducted about legal and financial situation and activities of the company; and

(3) that if the company the shares of which are traded on PMTF does not comply with the CMB and Borsa Istanbul regulations, then the trading of shares of the company may permanently be halted ; and

(4) that pursuant to the decision no. 17/519 dated 03/06/.2011 of CMB, the company will be liable to publish public disclosures as from the date its shares are started to be traded in the Platform as per the Communiqué on Public Disclosures on Material Events no. II-15.1 of CMB, but as for its other obligations arising out of capital markets laws and regulations, it is subject to other obligations determined by the CMB for the companies the shares of which are traded on the Platform; and

(5) that trading of the company shares in the Platform does not construe as a representation and warranty given by CMB and the Exchange about the company or its shares, and that CMB and Borsa Istanbul will not be held liable for losses I may incur due to my investments in the Platform and due to the risks assumed by me,

and that I have read and understood the Pre-Market Trading Platform Notification Form and Pre-Market Trading Platform Procedures and Principles, and that I have signed this document by my free and own will.