



Important Explanation

As a result of the warrant and exchange traded structured product trading transactions in capital markets, you can have profit but at the same time you may have a risk of making loss. Therefore, before making the decision to trade, you should understand the risks you may encounter in the market and make your decision by taking your financial status and limits into consideration.

Therefore, you must understand the issues contained in the "Warrant Risk Notification Form", according to Article 16 of the "Commuqué on Principles Regarding Registration and Trading of Intermediary Institution Warrants" Serial: III, No: 37.

Warning

Before trading, please check whether the intermediary institution with whom you wish to work owns "Authorization Certificate for Intermediation in Trading". You may learn authorized intermediary institutions and banks from www.spk.gov.tr or www.tspakb.org.tr.

General Information on Warrants

An Intermediary Institution Warrant (hereinafter, "Warrant") is a capital market instrument having negotiable instrument character which entitles the holder to buy or sell an underlying asset or indicator at a predetermined price and on or before a certain maturity date, the delivery of which is executed in a dematerialized manner or cash settlement.

The underlying asset of a Warrant consists of a stock or a basket of multiple stocks on the Istanbul Stock Exchange (ISE) 30 Index. The underlying indicators are stock market indices developed by the ISE.

If deemed appropriate by the Capital Markets Board (hereinafter, "Board"), other assets and indicators such as convertible foreign currencies, precious metals, commodities, and internationally-recognized indices may also be underlying assets for Warrants.

The explanations in this form apply also to exchange traded structured products which are deemed tradeable by CMB according to the Article 20 of relevant Commuqué. The intermediary institution which trades exchange traded structured products shall inform its customers about the particularities of the products. It is important that you receive such information before you proceed to trade. Please introduce your demand of such information to your intermediary company.



WARRANT AND EXCHANGE TRADED STRUCTURED PRODUCTS RISK NOTIFICATION FORM

Operating Guidelines, Rights and Obligations

1. Warrants will be traded upon Board's approval and on markets deemed appropriate by the ISE, according to trading rules set forth by ISE regulations based on a market maker system. In terms of market making status to ensure liquidity, the market maker intermediary institution should provide continuous trading quotes according to applicable market regulations. The principles regarding market making status will be established by the ISE, subject to the Board's affirmative opinion.
2. A Warrant must be sold by intermediary institutions and traded on the ISE. Principles regarding delisting of warrants that are traded on the ISE will be established by the ISE.
3. The maturity of warrants cannot be less than two months and more than five years.
4. Settlement of a Warrant whose underlying asset consists of a stock or a basket of multiple stocks on the ISE 30 Index may be executed either by delivery in a dematerialized manner or by cash settlement. However, settlement of a Warrant whose underlying asset consists of indicators or assets other than the aforementioned stocks should be executed strictly by cash.
5. Any settlement liability arising from the issuance of a Warrant will be assumed by the issuer. If a guarantor is included, both the issuer and the guarantor are jointly and severally liable.
6. Issuance of a Warrant is executed in a dematerialized manner, and the issuer must be a member of the Turkish Central Registry Agency (CRA).

Risk Notification

It is very important for you to understand following issues in addition to the provisions of the framework agreement that will be executed between you and the intermediary institution.

1. The account to be opened at intermediary institution and any transactions performed through this account shall be governed by the provisions of applicable laws and administrative regulations issued by the Capital Markets Board, exchanges and settlement and custody houses.
2. Warrant transactions pose risks in varying degrees. You could lose the entire margin amount deposited in an intermediary institution due to fluctuations in market prices and suffer higher losses than the total margin amount deposited depending on the type of transaction.

3. Due consideration should be given to the fact that the leverage effect with transactions conducted on low margin levels might operate both for the favor and against your interest and thus the leverage effect poses the possibility to cause high losses as well as ensuring high returns.

4. If you buy a Warrant and decide not to exercise your entitlement to buy or sell the respective underlying asset at a predetermined price and at a certain maturity, your risk may be limited with the price of the Warrant you have paid and the commission and other transaction fees you must pay.

5. You should consider that information or recommendations provided to you by intermediary institution for Warrant transactions might be insufficient and require verification.

6. You should consider that technical and basic analyses on warrant trading conducted by authorized staff members of intermediary institutions might differ depending on the investors and the forecasts might not come true.

7. The issuer's risk management policy and any risks due to the issuance of Warrants must be stated in the related prospectus. Such prospectus will be published on the websites of the issuer and the market maker according to the Communiqué. The issuer's risk management policy should be read carefully before making an investment decision.

8. Due consideration should be given to the fact that for the warrant transactions and/or underlying assets conducted in foreign currencies, there is the currency risk in addition to the abovementioned risks, some loss of value on the basis of Turkish Liras may occur, the states may restrict the foreign capitals and currency movements, may impose any additional and/or new taxes, and that the trading transactions may not be realized on time.

9. You should have all the commissions and other transaction fees you will be obliged to pay confirmed by your authorized institution in advance of conducting any transactions. If such fees are not expressed in monetary terms, you should request a written explanation which includes legible examples with regards to how such fees would be accrued to you.

This risk notification form for warrant transactions intends to inform the investor about the existing risks in general terms, and may not cover all the risks, which arise from the warrant trading and the practice thereof. Therefore, you should conduct a careful inquiry in advance of directing your savings toward such trading.

Name, Surname/Company Title : _____

Agreement No : _____

Date : _____

Signature : _____

