

DERIVATIVE INSTRUMENTS RISK NOTIFICATION FORM

(For the transactions at Derivatives Market of Borsa Istanbul A.S.)

I. IMPORTANT NOTICE

As a result of the transactions engaged in Derivatives Market of Borsa Istanbul A.S (“*Derivatives Market*” or “*Market*”), you may not only gain profit but you have also the risk of loss. Therefore, before deciding to trade at the Derivatives Market, you should understand the risks that you may be exposed in the market, and consider your financial condition and limits.

For this purpose, you should read and understand this “*Derivative Instruments Risk Notification Form*”, pursuant to the second paragraph of article 25 of the Communiqué No. III-39.1 on Principles Governing the Establishment and Activities of Investment Firms.

II. WARNING

Before starting to trade, please make sure that the investment firm with whom you are intending to work has relevant trade brokerage certificates and Borsa Istanbul Membership Certificate. You may learn certified investment firms from the websites of www.spk.gov.tr, www.borsaistanbul.com and www.tspb.org.tr.

III. GENERAL INFORMATION

Derivatives Market is a market where futures and option contracts issued on various underlying assets are traded in Borsa Istanbul A.S. (“Borsa Istanbul”).

Derivatives Market consists of various markets and sub-markets, and the information on such markets is available on the website of Borsa Istanbul.

Before trading in the Derivatives Market, you are recommended to determine the products, markets and sub-markets suitable for your needs, and determine the associated risks and make your investment decisions accordingly.

General information on derivative instruments traded on the Derivatives Market include, but are not limited to, the following.

Futures

1. Futures contract is a contract that gives the obligation to buy or sell an economic or financial benchmark, capital markets instrument, commodity, precious metals, right or foreign currency in a predetermined amount, price and specification, on a certain maturity.

2. Unlike forwards traded over-the-counter, in the futures contracts traded on the Derivatives Market, minimum elements such as specifications, price, amount and term are standardized.

Option Contract

1. Option contract is a contract that gives the option buyer the right to buy or sell an economic or financial benchmark, capital markets instrument, commodity, precious metals, right or foreign currency in a predetermined amount, price and specification, on or until a certain maturity, and obliges the seller with the foregoing.

2. Unlike option contracts traded over-the-counter, in the option contracts traded on the Derivatives Market, minimum elements such as specifications, price, amount and term of are standardized.

IV. INFORMATION ON SECONDARY MARKET

Transactions in Derivatives Market may take place in the secondary market.

V. RISK NOTIFICATION

Some of the risks associated with the transactions in the Derivative Instruments Market are set forth in the following, in addition to those specified in the *Capital Market Activities Framework Agreement General Terms and Conditions* ("Framework Agreement") which is executed or will be executed between you and the investment firm and the *Investment Services and Activities General Risk Notification Form* attached thereto:

1. The account to be opened at the investment firm you intend to work with and all transactions on derivative instruments to be executed in the Derivative Instruments Market on such account are subject to all legislation and orders issued by the Capital Markets Board, Borsa Istanbul, and clearance and custody houses and similar regulations.
2. Derivative instruments are subject to risks at various levels. As a result of price fluctuations in the market, you may lose your entire deposit, and your loss may even exceed the deposited amount.
3. The fact that the derivative instruments are traded on the Derivatives Market cannot be construed as a guarantee for such instruments by the Capital Markets Board or Borsa Istanbul.
4. You should be aware that, for each futures contract you wish to trade, you will need to deposit margin in your account to be opened for trading in the Derivatives Market in the investment firm.
5. It is important that you fulfil the margin

calls made by the investment firm that you intend to work with, in due time and manner. Otherwise, hereby please be informed that your positions may be closed without notice, even at loss, and other measures and actions may be taken under the relevant legislation and the agreement that you have executed or will execute with the relevant investment firm.

6. Board of Directors of Borsa Istanbul is authorized to determine the expiry dates of the futures and option contracts or amend the specified expiry dates, and to liquidate the positions, in the presence of certain conditions specified in the legislation.
7. If you buy an option contract, and do not exercise the option, you may limit your risk with the option premium and the additional commission and other transaction fees you pay.
8. If you sell an option, you assume an unlimited potential risk of loss which may exceed the premium you have received by selling option, in a relatively small adverse market movement. You have no authority to control when asked to fulfil the Option. Therefore, only experienced people with high net worth should attempt to sell option.
9. Options and futures contracts have various types. Before making an investment decision and entering into a commitment, you are recommended to identify your investment needs and to make necessary research on the risks of being a party to such contracts and other risks involved in the transactions that you intend to execute, and thereby obtain professional assistance.
10. In Derivatives Market, contracts based on various underlying assets with various maturities are being traded. There is liquidity risk, varying according to the type

of the underlying asset and the number of days remaining to maturity of the contract. Due to fluctuations in the Markets, your investment may not yield your expected profit, and may even result in loss as a result of market risk.

11. You should consider that, at times when the Market is tight, and liquidity is quite low, and price movements are at maximum, and if there is market making in the system, where market makers quote prices with the broadest spreads, your orders sent to the Market, including “conditional orders” and “strategy orders” that limit the risk, may fail to be executed.

12. In Futures contract, under normal circumstances, taking a “spread” position is less risky, yet it may not be the case, in extraordinary market conditions. You should consider that, in extraordinary market conditions, taking a spread position may not always be less risky than taking an outright long or short position.

13. It should be noted that trading with low margin might operate both for and against your interest, and thus the leverage effect may yield high returns but may also cause loss.

14. Where you reach the position limit designated by Borsa Istanbul on account and company basis, your orders other than closing orders may not be executed in the Market.

15. If price movements in the Market develop against your position, your account may be designated by Borsa Istanbul as “risky” account. In such case, you may be unable to enter pending order to the exchange.

16. You should also be aware that capital markets instruments in foreign currency involve currency risk in addition to those listed above, and there may be loss of value

in Turkish Liras due to fluctuations in exchange rates, and governments may restrict foreign capital and currency movements, and impose additional and/or new taxes, and the transactions may not be executed timely, and there is risk of non-delivery of the physical asset under contracts involving delivery.

17. There are market makers in some contracts traded on the Derivatives Market, and information on such contracts is available on www.borsaistanbul.com website.

18. It should be noted that any information or recommendations provided by the investment firm you intend to work with may be insufficient and may require verification.

19. It should be taken into consideration that any technical and basic analysis carried out by authorized personnel of the investment firm with regard to trading in derivative instruments, may vary from person to person, and that any forecasts made during such analyses may not come true.

VI. OTHER RISKS

This *Derivative Instruments Risk Notification Form* intends to inform you in general on the risks involved in trading in futures and option contracts and the application, and may not cover all risks that may arise from such trades and the risk arising from practice. Consequently, before deciding to invest you are recommended to make a careful research on the country, market, capital markets instrument and the platform that you intend to trade, and to obtain professional assistance.

VII. COMMISSIONS, FEES AND TAXES

Before entering into any transaction, you should be aware that your transactions will be subject to commissions, fees and charges

payable to exchanges, clearing and custody houses and investment institutions and subject to taxes at rates stated in the relevant legislation. Before entering into any transaction, you may review the Commission and Expense Tariff appended to the General Agreement to obtain information on the commissions, fees and charges on your trades. If you have any question on how the commissions, fees, charges and taxes will be charged, you will be given a written explanation containing understandable examples upon your request.

I have read and understood the *Derivative Instruments Risk Notification Form* above, before starting to trade in derivative instruments at the Derivatives Market, and have taken hand-delivery of a copy of this *Derivative Instruments Risk Notification Form*.

INVESTOR

Please write “I have read, acknowledged, and received” with your handwriting, and sign in the box below.



Name, Surname/Title:

Date:

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Name, Surname/Title:

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