

LEVERAGED TRANSACTION RISK NOTIFICATION FORM

I. IMPORTANT DISCLOSURE

As a result of your leveraged transactions , you may not only gain profit but you have also the risk of loss. Therefore, before deciding to trade in capital markets, you should understand the risks that you may be exposed, and consider your financial condition and limits.

For this purpose, you should read and understand the *Leveraged Transaction Risk Notification Form* laid down in the following, 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

Provision of services for leveraged transactions is subject to the permission of the Capital Markets Board Therefore, before starting to trade , please make sure that the investment firm with whom you intend to work is authorized to provide services for leveraged transactions. You may learn authorized investment firms from the websites of www.spk.gov.tr and www.tspb.org.tr.

III. GENERAL INFORMATION

Leveraged Transactions

1. Leveraged transactions are over-the-counter trades in derivative instruments, allowing to trade up to a certain multiple of the margin amount deposited, where the underlying asset is not subject to the physical delivery.

2. In un-leveraged transactions you need to provide a margin equal to the amount

of your intended transaction, while leveraged transactions allow you to trade with margin which is a fraction of your intended positions calculated according to leverage ratio.

3. While leveraged transactions allow trading larger volumes with fewer margin, the resulting profit and loss is calculated according to the size of the open position, and not the margin amount. Therefore, you should not allow the leverage ratio to affect your risk perception, and you are recommend to pay particular attention to risk and margin management in leveraged transactions.

4. The margin amount required for each transaction may vary according to the leverage ratio used, the position size, and the underlying asset's price. In Turkey, the maximum leverage ratio is 10:1 (10 times) as per the legislation. You may determine your leverage ratio in the agreement or its annexes to be executed with the mutual consensus between you and the investment firm with whom you contemplate to work.

5. Before trading with leverage, you are recommended to determine the underlying assets and leverage ratio suitable to your needs, identify associated risks, and make your investment decisions accordingly.

Over-the-Counter Trades in Contracts for Difference (CFD)

1. Risk notification for CFD transactions are also included herein this Form, due to mutual provisions applicable both to the over-the-counter CFD trades and leveraged transactions.

2. Contracts for difference are financial contracts between the investor and the CFD provider, allowing leveraged trade in consideration of a certain margin amount deposited, under which the difference between the opening and closing price is reflected in account in cash according to the direction of existing position, without transferring the ownership of the underlying asset.

3. The margin amount required for each transaction may vary according to the leverage ratio used, the position size, and the underlying asset's price. In Turkey, the maximum leverage ratio is 10:1 (10 times) as per the legislation. You may determine your leverage ratio in the agreement or its annexes to be executed with the mutual consensus between you and the investment firm with whom you contemplate to work.

4. Before trading in contracts for difference, you are recommended to determine the underlying asset/asset pair and leverage ratio suitable to your needs, identify associated risks, including the risks involved in the organized market where the underlying assets are traded, and make your investment decisions accordingly

IV. SECONDARY MARKET INFORMATION

Leveraged transactions are executed in over-the-counter markets, and there is no liquid secondary market for the positions taken. However, you may take opposite position under the agreement to be executed with the investment firm.

V. RISK NOTIFICATION

Some of the risks associated with the leveraged transactions 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 you will open with the investment firm that you intend to work with, and all transactions to be executed on such account shall be subject to all legislation issued by the Capital Markets Board, and the competent authorities in the country where the international transactions are executed, and similar regulations.

2. Leveraged transactions involve high risk. Using lower amounts of margin in leveraged transactions does not reduce the risks involved in such transactions. You should always consider that leverage effect may yield high returns, as well as causing high losses. You should not allow the leverage ratio to affect your risk perception.

3. Leveraged transactions are subject to risks at various levels.. As a result of price fluctuations in the market or other associated risks, you may lose your entire deposit in the investment firm and your loss may even exceed the deposited amount depending on the transaction you executed. Investors who are professional clients , and clients treated as professional on request having declared to have accepted the losses above the deposited amount , should consider that they would have to pay any loss that may be incurred above the margin amount deposited, as a result of leveraged transactions.

4. Leveraged transactions are executed on assets specified by the investment firm that you intend to work with, in accordance with the relevant legislation, and such assets are not subject to physical delivery.

5. It is very important in leveraged transactions that you monitor your margin status, and fulfill your margin liabilities in due time and manner. You should take into account before starting to trade, that in order to enter into leveraged transactions and maintain your open positions, you will have to provide margin in amounts required by the investment firm that you intend to work with, and if you fail to provide the initial margin in amounts required by the investment firm, your order will not be executed, and if you fail to comply with any margin call, your open positions may be closed and other measures and actions may be taken under the relevant legislation and the agreement you have executed or will execute with the investment firm.

6. It is very important in leveraged transactions that you monitor your margin status. You should be aware that, if your existing margin falls below the stop-out level for any reason, your open positions will be automatically closed fully or partially, without margin call or notification to you. As a result of rapid price movements in the market, stop out may occur even at a different level below the automatic stop-out level. Therefore, in cases where your margin liabilities may be affected, you should either increase your margin amount or close sufficient amount of open positions without waiting for any margin call.

7. At times when the market opens with a gap or sharp movements occur, your orders may be executed at extreme prices in the market, or your positions may be automatically stopped out. If you have a position open during market close on Friday night, any opening of the market on Monday above/below the previous closure (gap) may cause you loss. To avoid such losses, you are recommended to keep your margin level as high as possible before the market closes on Friday.

8. You should be aware that the investment firm that you intend to work with may fail to provide timely and uninterrupted prices for your contemplated trades, and the provided prices may differ from those quoted by other institutions. You are recommended to check the prices quoted by other investment firms before making any investment decision.

9. There is no limit or guarantee as to the extent of widening of spreads provided or the market spreads, and there may be major differences between the spreads at the times of opening and closing a position. Appropriateness of spreads should be assessed and monitored by you, and you are recommended to obtain professional assistance if you need so.

10. When using electronic trading platform or other communication channels in leveraged transactions, you should be aware that, in addition to the foregoing, such transactions also involve risks arising from the communication channel used, and there may be times during which prices may not be displayed or orders may not be executed via the communication channels.

11. With regard to the CFD trades, you should be aware that the trading hours may be limited to the trading hours at the organized market where the underlying instruments are traded, and you should comply with the working hours specified by the investment firm that you intend to work with.

12. You should remember that, trading hours for CFD's in foreign markets may differ from local trading hours. Foreign markets and investment firms may continue to work outside the working days and hours in Turkey, and the local investment firm that you intend to work with may fail to make margin call and other notifications to you outside the local working days and hours, or notifications may be delayed.

13. You should be aware that, the local investment firm that you intend to work with may change the margin rates/amounts for CFD's, if the margin rates/amounts are changed by the market where the underlying instrument of a CFD is traded or by the relevant foreign investment firm.

14. It must be known that, in addition to the abovementioned risks, the transactions in foreign currencies also bear currency risk, and there may be loss of value in Turkish Liras due to fluctuations in exchange rates, governments may restrict foreign capital and currency movements, and impose additional and/or new taxes, and transactions may not be executed timely.

15. You should consider that, authorized institutions cannot give any guarantee that you will not incur any loss as a result of your transactions executed abroad, or that your loss will be kept under control or that additional margin call will be made in case of loss.

16. It should be noted that any information or recommendations provided by the investment firm for transactions to be conducted in markets, may be insufficient and may require verification.

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

18. The exchange rate prices and spreads offered to you in leveraged transactions may fail to reflect the best price available. It is recommended to check the prices of other institutions as well.

VI. OTHER RISKS

This Leveraged Transaction Risk Notification Form intends to inform you in general on the risks associated with the leveraged transactions, and may not cover all risks related to leveraged transactions and the risks that may arise in practice. Leveraged transactions may be exposed to risks such as counterparty risk, credit risk, liquidity risk, market risk, risks that may arise from communication channels and various legal, financial and operational risks, and before deciding to invest, you are recommended to make necessary research on the markets and products that you intend to trade in, and obtain professional assistance.

VII. CONFLICT OF INTEREST

In leveraged transactions, the investment firm that you give order may execute your orders on its own account as counterparty of the trade, provided having the necessary license (portfolio brokerage method), or execute on behalf and account of you, or on its own behalf and on your account, through another licensed investment firm (trade brokerage method). In case of portfolio brokerage method, investment firm takes a position as your counterparty, and due to nature of the service or product offered, your loss may result in the investment institution's profit. In leveraged transactions, portfolio brokerage method is used in general, and you should be aware of the conflict of interest between you and the investment firm in such cases.

VIII. COMMISSIONS, FEES AND TAXES

Before entering into any transaction, you should be aware that your transactions will be subject to commissions, fees and expenses, and taxes at rates stated in the relevant legislation, and in addition to the specified fees and commissions, the investment firm that you intend to work

with shall be entitled to receive spread. Before entering into any transaction, you may review the Commission and Expense Tariff appended to the Framework Agreement to obtain information on the commissions, fees and charges on your transactions. 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 Leveraged Transaction Risk Notification Form above before starting leveraged transactions, and have received a copy of this Leveraged Transaction Risk Notification Form.

INVESTOR

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

**Account No:****Date:****Name Surname/Title:****E-Mail Address:****INVESTOR**

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

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