

RISK NOTIFICATION FORM FOR TRANSACTIONS IN FOREIGN MARKETS

I. IMPORTANT NOTICE

As a result of trading in foreign capital markets, you may not only gain profit, but you have also the risk of loss. Therefore, before deciding to trade in foreign markets, you should understand the risks that you may be exposed in foreign markets, and decide by considering your financial status and limits.

For this purpose, you should read and understand the Risk Notification Form for Transactions in Foreign Markets as provided for in 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 the licence for the intended investment services and activities. You may learn certified banks and intermediary firms from www.spk.gov.tr or www.tspb.org.tr.

III. GENERAL INFORMATION

Subject to acceptance of the investment firm that you intend to work with, you may trade in various markets and countries abroad. Before trading in foreign markets, you are recommended to determine the financial assets, countries, markets and platforms suitable for your needs, and obtain information on the current practices and rules in such countries and markets, and identify the associated risks, carry out the research and examination you may deem necessary, and make your investment decisions accordingly.

Some general information on the trades in foreign markets include, but are not limited to the following.

Exchanges and Platforms for Trading

1. Transactions in foreign markets may be executed in different organized and over-the-counter markets, and be based on different types and qualifications of financial assets, depending on the market you trade. You may obtain information on the foreign exchanges and platforms for trading via İŞ INVESTMENT, from the internet address designated by İŞ INVESTMENT.

2. Foreign exchanges and platforms may change from time to time, and thus it is recommended to obtain up to date information on the available exchanges and platforms, from the website designated by İŞ INVESTMENT.

Cash Transfers

1. Money transfer to foreign countries may be necessary for settlement of trades in foreign markets. In cases where money transfer to foreign countries is required, general information on execution of such transfer is available on the website designated by İŞ INVESTMENT.

2. The information regarding the transfer processes may change from time to time, and you are recommended to obtain up to date information, from the website designated by İŞ INVESTMENT.

Custody services

1. The Capital market instruments traded, taken as margin, or under custody in foreign markets are held by authorized institutions operating abroad.
2. The institutions operating abroad may hold your capital market instruments in your name, or may keep in the name of the local investment firm that you intend to receive investment services. However, in any case, you should be aware that the custody service is being provided by a foreign institution, and you are exposed to additional risks arising from such institution.
3. The custody services in foreign markets may be offered by international custody houses such as Euroclear and Clearstream and/or local custody houses authorized in the country where the trade is executed. You may obtain information on the custody houses by each foreign country and foreign market from the local investment firm that you intend to receive investment services in the country.

Transactions in Foreign Over-the-Counter Markets

1. The counterparties to transactions in foreign over-the-counter markets may be foreign firms. Where a foreign investment firm takes position as your counterparty, such transaction may result in your loss while the foreign investment firm profits from the same transaction, due to nature of the service or product offered, and thus you should be aware of the conflict of interest emerging in such transactions between yourself and the foreign firm. IS INVESTMENT merely acts as an intermediary in such transactions.
2. Information on the institutions that can be the counterparty to trades in foreign over-the-counter markets can be obtained from the website designated by IS INVESTMENT.

3. The institutions that are counterparty to trades taking place in foreign over-the-counter markets may change from time to time, and you are recommended to obtain up to date information on counterparty institutions, from the internet address designated by IS INVESTMENT.

Investor Compensation System

1. You may incur loss due to default of the institutions intermediating or executing the trades or providing custody service in foreign markets. However, in such cases, the legislation of the country of the foreign institution may be providing for an investor compensation system to partially or fully compensate the investors incurring loss.
2. Before making an investment decision, you are recommended to request information from the local investment firm that you intend to receive investment services, and make your own research, on the foreign country where you will trade, the foreign institution which will be offering services, and investor compensation system and its scope (if any) for the asset that you intend to trade. IS INVESTMENT does not guarantee that the financial condition of foreign institutions intermediating or executing the trades in foreign markets or providing custody services is sufficient for their liabilities, or that these institutions will fulfil their liabilities towards you.

IV. SECONDARY MARKET INFORMATION

Transactions in foreign markets may take place both in primary and secondary markets.

V. RISK NOTIFICATION

Some of the risks associated with the transactions in foreign markets are set forth in the following, in addition to those specified in the agreements executed or will be

executed between you and the investment firm, *the Investment Services and Activities General Risk Notification Form* and special risk notification forms:

1. The account to be opened at the investment firm and any transactions executed in such account are subject to all legislation and orders issued by the Capital Markets Board, central securities depositories, central registry agencies, clearance and custody houses, and the competent authorities and institutions in foreign countries and similar regulations. Applicable legislation, regulation, and practices may be amended from time to time; therefore, it is important that you follow the changes that may occur in the legislation, regulation and practices.

2. Transactions in capital markets are exposed to risks at various levels. . As a result of price fluctuations in the market, or developments in the relevant country, or closure of the market that you trade, and/or occurrence of the risks posed by the foreign market or the trade, you may lose all the money you deposited in the investment firm and your loss may even exceed the deposited amount depending on the transaction you executed.

3. Transactions in foreign markets may differ from those in domestic markets in many aspects, such as applicable legislation, trading rules and the liabilities of and the regulations governing the trading parties. Therefore, before trading in foreign markets, you are recommended to carry out an independent research from your local investment firm pertaining to the relevant country, market, capital market instrument and foreign institutions, without merely relying on the information in this Form, and to determine the risks associated with the transactions you intend to execute, without limiting associated risks to those specified in this Form.

4. You should be aware that, while trading in foreign markets, you will be required to comply with the applications and regulations accepted by the foreign country, institution and market, and that otherwise you may be held liable due to the sanctions applied by the relevant country, institution or market, either to you or to your local investment firm.

5. The investment firm that you intend to receive investment services may perform the intermediary services in foreign markets either by becoming a member of foreign exchanges and other organized marketplaces, or through foreign institutions with operating licence from the authorized authorities of the relevant country. In case the investment firm prefers to carry out the intermediary services through foreign institutions with operating licence from the authorized authorities of the relevant country, you must bear in mind that, there will be counterparty risk, liquidity risk and technical and operational risks arising from the foreign institutions, and the practices and rules of each institution may vary. Before starting to trade in foreign markets, you should be aware that the investment firm you intend to work may work with other foreign institutions and that you run the risk of loss due to negligence and acts of the foreign institutions and problems arising from such institutions, and thus you are advised to make your investment decisions accordingly.

6. The financial assets traded in foreign markets, taken as margin, or under the custody service may be held in custody by institutions operating abroad. You must consider that, in such cases, your assets held by other institutions will be subject to operational risks, default risk and liquidity risk along with other risks arising from such institutions, and you are under the risk of incurring loss due to such institutions.

7. Transactions in foreign markets are executed in foreign currency, and involve currency risk in addition to the risks stated above. In transactions in foreign markets, you should be aware that 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 the transactions may not be executed timely.

8. You should be aware that the working days and hours of domestic markets and investment institutions may differ from the working days and hours of foreign markets and institutions. Such difference may cause lack of notifications such as margin call in some cases by the local investment firm you intend to work, and cause you to be unaware of some situations. Therefore, you should be aware that you may need to personally follow the developments and changes regarding your transactions in such cases. İŞ INVESTMENT is not obliged to provide services at any time when the foreign markets are open due to time differences. İŞ INVESTMENT provides its services according to the working hours in our country.

9. In some foreign exchanges, certain hours before intra-day trading hours of the relevant exchange may be determined as pre-market trading hours and may be opened for transactions. Likewise, in various foreign Exchanges, it is possible to determine certain hours after the intra-day trading hours of the relevant exchange as post-market trading hours. If you decide to make transactions in pre-market trading hours or post-market trading hours (in short, “extended hours”), such transactions may pose additional risks including but now limited to the following:

(i) It may not be allowed to perform transactions in every foreign exchanges during extended hours, order transmission channels and/or capital market instruments that can be traded during extended hours may be limited, and/or orders may be accept-

ed during the pre-market trading hours, while orders may not be accepted during post-market trading hours, or vice versa.

(ii) The investment institution you work with or the relevant exchanges may, at any time, change the time frame of extended hours, types of capital market instruments that can be traded, trading rules and practices regarding extended hour transactions. We recommend you to do your own research and obtain information on relevant extended hours, traded capital market instruments, trading rules and practice before performing any transaction.

(iii) Extended hours applied by foreign exchanges may be outside the working hours of the investment firm you work with in Turkey. This risk shall also be valid in terms of intra-day trading hours.

(iv) Liquidity may be much lower during extended hours compared to intra-day trading hours. As the liquidity decreases, the possibility of the execution of your buy and sell orders decreases; even if your orders are executed, they may be executed at less competitive prices than desired. Additionally, algorithms may also be negatively affected by low liquidity in transactions algorithms are used.

(v) Compared to intra-day trading hours, volatility may be much higher during extended hours. High volatility means high price volatility. Due to high volatility, it is possible that your orders may not be executed partially or completely, or they may be executed at different prices than the prices during the intra-day trading hours. Additionally, algorithms may also be adversely affected by high volatility in transactions using algorithms.

(vi) Compared to the intra-day trading hours, the spread between the buy and sell prices may be much higher during extended hours.

(vii) Prices in extended hours may considerably vary compared to the intra-day trading hours. There may be high discrepancy between the transaction prices which were available at the previous market opening/closing or will be available at following market opening and the prices during the extended trading hours.

(viii) There may be differences between prices quoted by investment institutions during extended hours.

(ix) Since issuers generally prefer to make public announcements outside the intra-day trading hours, such announcements may be encountered during extended hours and may adversely affect the price formation and transactions during extended hours.

(x) It is important to check whether orders placed but not executed during extended hours, will remain valid during intra-day trading hours, depending on the rules of the relevant exchange and relevant order type.

(xi) Delays and issues in electronic order transmission may occur during extended hours as well as during day trading hours.

10. Use of algorithms is subjected to various risks and may be adversely affected by the news in relation to the market, issues in data broadcasting or data flow, market conditions such as low liquidity or high volatility in the market, lack of a strategy suitable for the market conditions or target, algorithm's failure to work as intended and technical risks in relation to the electronic trading platform or algorithm. Before you decide to use algorithmic trading strategies in your transactions, you should be aware that use of the algorithm may not result in expected consequences and may have adverse consequences, if risks inherent in the algorithms occur. Use of an algorithm shall not ascertain implementation or success of target strategy, or any profit

nor it shall prevent any loss. Algorithmic transactions may result in loss.

11. 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.

12. Brokerage services can only be provided upon investor's request for the purchase and sale of foreign investment fund shares traded in foreign financial markets. Investments in foreign investment fund shares are subject to various risks, such as risk of disparity between fund share value and its underlying index/asset, risk of fund shares being traded at discount or premium to its net asset value, risks arising from foreign stock exchanges/markets, currency risk, liquidity risk, and legal risks. You may lose your investments in whole or in part. Disparity between the investment fund value and the its underlying index/asset may arise due to factors such as the impact of transaction fees and expenses incurred to the fund, changes in composition of the underlying index/assets, and the strategies of the investment fund manager. The fund shares being traded at discount or premium to its net asset value is generally caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty. Although there may be liquidity providers to facilitate trading in foreign investment funds, it should be taken into account that there is no guarantee that active trading will be maintained. It is also a risk that the liquidity provider may not fulfil its obligations. Moreover, it should be taken into consideration that the leverage effect in foreign investment funds traded on leveraged basis may work for or against you, and the leverage effect may result in high profits or losses. Risks foreign investment funds are subject to are not limited to the

ones stated above, therefore it is highly recommended that you carefully read and understand the prospectus, issuance document and other information documents of the investment fund, carry out the research and examinations you need, and seek help from professional consultants in case you need before making an investment decision.

VI. OTHER RISKS

The Risk Notification Form for Transactions in Foreign Markets intends to inform you in general on risks involved in transactions in the foreign markets stated in the form, and may not cover all risks that may arise from the transactions in foreign markets and the risks that may arise in practice. Therefore, before deciding to invest, you are recommended to make necessary research on the country, market, capital market instruments and so forth, and 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, clearance and custody houses and investment institutions, and taxes at rates specified in the domestic and foreign legislation. Before entering into any transaction, you may obtain information on commissions, fees and charges related to your transactions by reviewing the Commission and Expense Tariff appended to the Framework Agreement. If you have any question on how the commissions, fees, charges and taxes will be applied, you will be given a written explanation containing understandable examples upon your request.

I have read and understood *the Risk Notification Form for Transactions in Foreign Markets* above before starting to trade in foreign markets and I have taken hand-delivery of a copy of this *Risk Notification Form for Transactions in Foreign Markets*.

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

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Date: