

COMMUNIQUÉ**Published by the Capital Markets Board****COMMUNIQUÉ ON PRINCIPLES OF
VENTURE CAPITAL INVESTMENT FUNDS (III-52.4)****FIRST CHAPTER****Purpose, Scope, Basis, Definitions and Abbreviations****Purpose and Scope**

ARTICLE 1 – (1) The purpose of this Communiqué is to regulate the principles regarding venture capital investment funds.

(2) This Communiqué covers the principles and rules regarding the establishment and activities of venture capital investment funds, the issuance and sale of fund units to qualified investors, the issue document, the process of disclosure and the liquidation and termination of said funds.

Basis

ARTICLE 2 – (1) This Communiqué has been issued in reliance upon Articles 52 and 54 of the Capital Markets Law dated 06/12/2012 and numbered 6362.

Definitions and Abbreviations

ARTICLE 3 – (1) For the purposes and in the context of this Communiqué:

- a) **“Information documents”** refers to fund rules, issue document and key investor information document,
- b) **“BIAS”** refers to Borsa İstanbul A.Ş.,
- c) **“Exchange”** refers to systems, marketplaces and foreign exchanges defined in subparagraph (ç) of the first paragraph of Article 3 of the Capital Markets Law numbered 6362,
- ç) **“Fund”** refers to venture capital investment fund,

- d) **“Net Assets Value”** refers to a value calculated on the basis of fund portfolio value obtained through valuation of all assets in fund portfolio under the applicable regulations of the Board, and by adding, if any, other assets and receivables thereto and deducting any liabilities therefrom,
- e) **“ECM”** refers to BIAS Emerging Companies Market,
- f) **“Venture Company”** refers to companies established, or to be established, in Turkey, and with a growth potential and resource need,
- g) **“Related party”** refers to the related party subject to regulations determined by the Board within the frame of Turkish Accounting Standards,
- ğ) **“Capital stock ”** refers to shares representing capital of venture companies defined in this Communiqué,
- h) **“Law”** refers to the Law numbered 6362,
- ı) **“Fund unit”** refers to a dematerialized capital market instrument which represents the right of ownership of the investor and shows his participation in the fund,
- i) **“Fund commitment”** refers to cash to be paid to fund by qualified investors at once or on different dates following the issue of fund units,
- j) **“SME Regulation”** refers to the Regulation on Definition, Characteristics and Classification of Small and Medium Sized Enterprises brought into force by the Decree of the Council of Ministers dated 19/10/2005 and numbered 2005/9617,
- k) **“Founder”** refers to a portfolio management company or venture capital portfolio management company holding an operating license received from the Board under the Communiqué on Portfolio Management Companies and Activities of Such Companies (III-55.1) of the Board,
- l) **“Board”** refers to the Capital Markets Board,
- m) **“CRA”** refers to Central Registry Agency Inc.,
- n) **“Qualified fund unit”** refers to a fund unit providing, in addition to the rights specified in this Communiqué, rights regarding fund management and privileges of dividends,
- o) **“Qualified investor”** refers to persons defined in the Board regulations on sales of capital market instruments, and to persons holding an individual participation investor

license as defined in the Regulation on Individual Participation Capital published in the Official Gazette edition 28560 dated 15/02/2013,

- ö) **“Portfolio depository communiqué”** refers to the Communiqué on Principles of Portfolio Depository Service and Providers of Such Service (III-56.1);
- p) **“Portfolio depository institution”** refers to an institution providing portfolio depository service within the frame of portfolio depository Communiqué of the Board,
- r) **“Portfolio manager”** refers to a portfolio management company or venture capital portfolio management company holding an operating license received from the Board under the Communiqué on Portfolio Management Companies and Activities of Such Companies (III-55.1) of the Board,
- s) **“Portfolio management communiqué”** refers to the Communiqué on Portfolio Management Companies and Activities of Such Companies (III-55.1) of the Board,
- ş) **“Takasbank”** refers to İstanbul Settlement and Custody Bank Inc.;
- t) **“TCC”** refers to the Turkish Commercial Code dated 13/01/2011 and numbered 6102,
- u) **“TTRG”** refers to the Turkish Trade Registry Gazette,
- ü) **“Derivative instruments”** refers to futures and options contracts deemed as eligible by the Board to be invested by the fund,
- v) **“Investor agreement”** refers to an agreement signed individually or collectively between the fund and the fund unit holders, which regulates, as a minimum, the matters not included in the fund rules and the issue document,
- y) **“Management control”** refers to management control defined in the Board regulations on take-over bids.

SECOND CHAPTER

General Provisions

Venture Capital Investment Fund

ARTICLE 4 – (1) The fund is an asset which does not have a legal entity, established under fund rules with limited term, by portfolio management companies and venture capital portfolio management companies which hold an operating license received from the Board in order to manage the portfolios comprised of assets and transactions specified in the third paragraph, with money and/or capital stocks collected from qualified investors in return for

fund units, in accordance with fiduciary ownership principles and pursuant to the provisions of the Law.

- (2) Term of the funds shall be given in the fund rules and the issue document.
- (3) Funds are allowed to engage only in management of portfolios comprised of the following assets and transactions:
 - a) Venture capital investments;
 - b) Private and public debt instruments, and shares of joint-stock companies established in Turkey, including those in the privatization process;
 - c) Foreign private and public debt instruments and joint-stock company shares tradable within the framework of provisions of Decree No. 32 on Protection of the Value of Turkish Currency put into force by the Decree of the Council of Ministers, dated 7 August 1989 and numbered 89/14391,;
 - ç) Time deposit and participation account;
 - d) Investment fund units;
 - e) Repo and reverse repo transactions;
 - f) Warrants and certificates;
 - g) Lease certificates and real estate certificates;
 - ğ) Takasbank money market transactions;
 - h) Cash collaterals and premiums of derivative transactions;
 - ı) Structured foreign investment instruments and loan participation notes deemed eligible by the Board; and
 - i) Other investment instruments deemed eligible by the Board.

Fund Assets

ARTICLE 5 – (1) Fund assets are segregated from the assets of the founder, the depository and the portfolio manager.

- (2) Fund assets may not be designated as collateral or pledged, for purposes other than borrowing loans and conducting hedging purposed derivative instrument transactions,

provided that such transactions are conducted on account of the fund, and the fund rules and the issue document include provisions to this effect. The fund assets shall not be disposed of, for any purposes whatsoever, even if the management or supervision of the founder or the depository is transferred to public authorities; and may not be attached, made subject to interim injunction or included in a bankruptcy estate even for the purposes of collecting public receivables.

(3) Debts and obligations of founder and/or portfolio manager to third parties and receivables and claims of funds from the same third parties cannot be set off against each other.

Fund Information Documents

ARTICLE 6 – (1) Fund information documents consist of fund rules, issue document, and if any, key investor information document.

(2) Fund rules is an agreement which is signed between fund unit holders on one side and founder, the depository and the portfolio manager on the other side about management of fund portfolio and functioning of the fund according to fiduciary ownership principles, and depository of the assets pursuant to Article 56 of the Law, and management thereof in accordance with the provisions pertaining to attorney agreement, and is by nature an adhesion contract. The standard of fund rules is determined by the Board. The minimum contents of fund rules are provided under Annex-1.

(3) Fund issue document contains information on nature and sales conditions of fund. The standard of issue document is determined by the Board. The minimum contents of issue document are provided under Annex-2.

(4) Key investor information document is a brief form showing the structure, investment strategy and risks of the fund. Founder is responsible for consistency of this form with fund rules and issue document, accuracy of its content, keeping it up to date, and damages arising from wrong, misleading or imperfect information included in this form. The standard of key investor information document is determined by the Board. The minimum contents of key investor information document are provided under Annex-3. Key investor information document is prepared optionally.

Authorizations and Responsibilities of Founder

ARTICLE 7 – (1) Founder is responsible for representation, management and supervision of management of the fund, and conduct of activities in accordance with the provisions of fund rules and issue document, in such manner to protect the rights of fund unit holders. Founder is authorized to take actions on, and dispose of, and use the rights related to, assets of the fund in

its own name and in the account of the fund in accordance with the applicable legislation and the fund rules.

(2) Founder may delegate portfolio management to another portfolio management company or venture capital portfolio management company under an agreement signed under fourth paragraph of Article 8 of the Communiqué on Portfolio Management. During conduct of activities of the fund, the delegation of portfolio management to another portfolio manager, or outsourcing any service in this respect, shall not revoke the liabilities of the founder.

(3) The relationship between founder and the fund unit holders shall be governed by the Law, the applicable legislation, the fund rules, the issue document and the investor agreement, and on matters on which the Law, the applicable legislation, the fund rules, the issue document and the investor agreement remain silent, the provisions of Articles 502 to 514 of the Turkish Code of Obligations dated 11/01/2011 and numbered 6098 shall be applicable by analogy.

Management of the Fund Portfolio

ARTICLE 8 – (1) Founder, and if any, portfolio managers, shall manage the fund portfolio in accordance with management principles specified in the Law, this Communiqué, fund rules and issue document within the framework of regulations in the Communiqué on Portfolio Management so as to observe the benefits and interests of the investor. Regarding portfolio management, contracts may be made with more than one portfolio managers. In this case, the rights and obligations of the third party portfolio managers arising from delegation of portfolio management shall be specified in the portfolio management agreement.

(2) In portfolio management, principles specified in Article 33 of the Communiqué on Portfolio Management shall be followed. However, in transactions pursuant to Article 19, the subparagraph (b) of the first paragraph of Article 33 of the Communiqué on Portfolio Management shall not be applicable.

(3) If portfolio manager receives any commissions, discounts or similar other benefits with respect to any purchase and sale transaction for the portfolio, investors shall be informed by the founder about this subject via the most convenient communication instrument as of the date on which founder becomes aware of the subject.

Safekeeping of the Fund Assets

ARTICLE 9 – (1) The assets included in fund portfolio shall be entrusted to a depositary within the framework of regulations of the Communiqué on Portfolio Depositary. Information, documents and records proving the existence of assets and the ownership of fund on such assets which are not eligible for safekeeping, either physically or on book-entry basis, are also held with the depositary.

(2) Samples of information and documents regarding venture capital investments shall be delivered to the depository within 10 business days following the date of investment pursuant to principles specified in safekeeping agreement.

Representation of Fund

ARTICLE 10 – (1) Fund is represented by the Board of Directors of the founder in performance of all activities related thereto, including execution of management of venture companies and voting in general assemblies of such companies and in all agreements that the fund takes part. The Board of Directors may delegate this power to one or multiple managing directors. However, transactions relating to foundation, issue of fund units, liquidation, or increase of portfolio management fee of the fund, and other transactions which may affect the investment decisions of fund unit holders are required to be relied upon a decision of the Board of Directors.

(2) Founder may also assign third persons who are non-founder personnel as an agent through a decision of the Board of Directors for the purpose of using of shareholding rights specified in TCC regarding venture capital investments of the fund, and of managerial rights arising from shareholding contracts specified in this Communiqué. Even in this case, the responsibilities of founder arising from legislation, fund rules and issue document continue to be in effect.

Organizational Structure of Founder and Manager

ARTICLE 11 – (1) At least one of members of Board of Directors of all founders, other than venture capital portfolio management company, should have experience of at least five years on venture capital investments, and in addition, these founders should establish an investment committee of at least three members, consisting of the member of Board of Directors referred to in this paragraph, and the general manager, and a personnel graduated from a university of four years and having a minimum experience of five years on venture capital investments. If the fund portfolio is managed by a third party portfolio manager, said organization structure is required to be established at the portfolio manager. The principles set forth in Article 9 of the Communiqué on Portfolio Management pertaining to venture capital portfolio management companies are, however, reserved. In any case, the agent mentioned in second paragraph of Article 10 hereof may also be included in the investment committee.

(2) Risk management system of the founder and if any, the portfolio manager shall be established in such manner to contain the risk management principles relating to venture capital investments in addition to the provisions of the Communiqué on Portfolio Management...

THIRD CHAPTER
Principles on Foundation of Fund, and on Issue, Sales,
Marketing and Distribution, Redemption, Transfer Among
Investors and the Value of Fund Units

Establishment of the Fund

ARTICLE 12 – (1) For establishment of the Fund, the founder shall apply to the Board with a draft fund rules and a standard form as described by the Board and together with other information and documents requested by the Board. In order to obtain Board authorization for establishment, the founder shall sign a custody agreement with portfolio depository, and the fund rules shall be approved by the Board. Funds cannot be established as an umbrella fund.

(2) In the course of application for establishment, the information given in the fund rules must be consistent, comprehensive and complete in line with the fund rules standards determined by the Board.

(3) The applications regarding the establishment of fund shall be concluded by the Board within two months starting from the full submission of the necessary documents to the Board.

(4) Fund rules, approved by the Board, shall be registered in the trade registry of the place where the headquarters of the founder and is located in the TTRG within six business days following the date of receipt of the Board’s decision by the founder.

(5) If an application is not approved as a result of an inspection conducted under this Article, this situation shall be notified to the applicant together with the reasons thereof.

(6) Standard form required for a fund establishment application and information and documents to be attached to the form, shall be determined and announced by the Board.

Issuance of Fund Units

ARTICLE 13 – (1) Fund units may be sold only to qualified investors.

(2) For issuance of fund units, the founder shall apply to the Board with an issue document and a standard form issued in accordance with the standards determined by the Board, together with other information and documents requested by the Board. In so far that the application for issuance of fund units must have been filed within no later than six months following the date of registration of the fund rules, provided that the offices, technical equipment and accounting system required for the fund transactions have been established, and a sufficient number of personnel have been appointed. If an application is not submitted to the Board within this period of time, the fund rules shall be removed by the founder from the trade registry. Documents related with such deletion are sent to the Board within six business days For reasonable causes deemed appropriate by the Board, the period of six months mentioned in this paragraph may be extended by six months for only once.

- (3) For issuance of fund units, the fund issue document must have been approved by the Board. A separate prospectus is not required to be issued for the issuance of fund units.
- (4) The following principles are applied at the stage of approval of issue document:
- a) Issue document shall be examined within 20 business days within the framework of the information and documents submitted to the Board; when it is determined that the information given in the issue document is consistent, comprehensible and complete, according to the standards determined by the Board, the issue document shall be approved, and the approval shall be notified to the relevant persons.
 - b) If the submitted information and documents are incomplete, or additional information and documents are required, the applicant shall be informed within 10 business days following the date of application. Incomplete information and documents are required to be completed within a period to be determined by the Board. In this case, such period stated in subparagraph (a) shall start as of the submission date of the related information and documents to the Board. If issue document is not approved as a result of an examination conducted under subparagraph (a), this situation shall be notified to the applicant together with the reasons thereof.
- (5) Approval of issue document neither shall construe as a warranty given by the Board for accuracy of the information given in this document nor can it be deemed or accepted as a recommendation regarding the relevant fund units.
- (6) Issue document approved by the Board shall not be registered in the trade registry.
- (7) Following the approval of the issue document by the Board, fund units are offered to investors through distribution channels declared in the issue document as of the starting date of sales stated in the issue document and under the principles set down in the fund rules, issue document and if any, key investor information document.
- (8) It is obligatory that the money collected from investors against units is invested within the frame of principles set forth in the issue document.
- (9) Excluding the first fund application of the founder, applications for establishment of funds and issuance of fund units, shall be submitted together. Applications for establishment of and issuance of units of these funds shall be evaluated and finalized jointly. However, applications of a founder for establishment of and issuance of fund units of its first fund shall be evaluated and finalized separately.
- (10) Provided that it is specified so in the issue document, units may also be sold in return for capital stocks. Prior to sales, the value of capital stock must be assessed by institutions deemed appropriate by the Board.

(11) The fund may issue qualified units, provided that it is specified so in its fund rules. Information on managerial rights and dividend privileges granted to holders of qualified fund units and to their legal representatives are given in fund rules, issue document and investor agreement. Qualified fund unit holders may take part in portfolio manager's investment committee and prior consent of qualified fund unit holders may be obtained on such matters as selection of portfolio companies to be invested by the fund and portfolio managers, and determination of disinvestment strategy. Founder or if any, portfolio managers may be qualified fund unit holders.

Amendments in Information Documents

ARTICLE 14 – (1) Amendments in fund rules:

- a)** Shall be approved by examining pursuant to second paragraph of Article 12. If an application is not approved as a result of an examination made under this subparagraph, such situation shall be notified to the applicant together with the reasons thereof.
- b)** Shall be registered and announced in accordance with the fourth paragraph of Article 12.
- c)** Those of which may affect the investment decision of investors and shall be known beforehand, the amendments shall be notified to the fund unit holders by the most convenient communication instrument at least 30 days prior to the effective date of amendments. If any investor wishes to redeem fund units within the period set forth in this subparagraph, the effective date of those amendments shall be postponed to the first redemption date.
- e)** those of which require amendments in issue document, the provisions of the second paragraph shall also be applicable in these amendments.

(2) Amendments in issue document:

- a)** Those of which may affect the investment decision of investors and shall be known beforehand, the amendments shall be approved by the examination of the Board pursuant to fourth paragraph of Article 13; and the unit holders shall be notified by the most convenient communication instrument at least 30 days prior to the effective date of amendments. If any investor wishes to redeem his fund within the period set forth in this subparagraph, the effective date of those amendments shall be postponed to the first redemption date of the fund units.
- b)** Those of which are uncovered by subparagraph (a) hereinabove, the amendments shall be made by the founder without the approval of the Board, and shall be notified to the unit holders by the most convenient communication instrument. . Furthermore, the

amendments shall also be notified to the Board collectively within six business days following the end of every calendar year.

(3) Amendments to be made in the key investor information document, if any, do not require the approval of the Board. However, the amendments are required to be notified to the Board six business days in advance, and to be compliant with fund rules and issue document, and to be notified to unit holders by the most convenient communication instrument.

(4) If an amendment in key investor information documents requires an amendment in issue document, the provisions of second paragraph shall be applied as well, and if it requires an amendment in fund rules, the provisions of the first paragraph shall be applied as well.

(5) Statements in information documents cannot contain an explicit or implicit phrase which may lead to interpretation of the Board's approval as a guarantee given by the Board or the public.

Value of Fund Units

ARTICLE 15 – (1) Fund units do not have a nominal value. Fund unit value is calculated by dividing the fund net assets value by the number of fund units.

(2) In principle, fund unit value shall be calculated and notified to qualified investors at least once a year. Fund issue document contains the principles and procedures of notification of value of fund units to investors. Principles different from those stipulated in this Communiqué may be determined by the Board with respect to calculation frequency and announcement of price of fund units.

(3) In the cases mentioned in second subparagraph of Article 30, if deemed appropriate by the Board, the fund unit value may not be calculated, and issue and redemption of fund participation units may be suspended.

Sales, Redemption, and Transfer Among Investors, of Fund Units

ARTICLE 16 – (1) The fund units shall be sold through complete payment of fund unit value in cash, and in return of capital stocks corresponding to that value. The redemption of fund units shall be realized through converting the investors' fund units into cash under the principles stated in the issue document.

(2) Provided that its conditions are specified in fund rules and issue document, sales loads and redemption fees may be charged in sales and redemption of fund units. The collected fees shall be recorded as revenue to the fund.

(3) Principles pertaining to sales and redemption of fund units shall be determined in accordance with the portfolio structure of the fund, and these detailed principles shall be

included in the information documents. However, providing it is allowed in the fund rules, if and when relevant information and documents are in place to demonstrate that the liquidity required for redemption payments cannot be provided, and disinvestment of venture capital investments in the portfolio will harm the investors, the founder may postpone the redeem of fund units. However, in any case, this period of time cannot exceed one year. Providing it is specified so in fund rules and issue document, it is also possible to redeem the fund units only at the end of the term of fund.

(4) The founder is required to sale and redeem the fund units on account of the fund. Fund units, also including the qualified fund units, may be taken by founder into its own portfolio, up to 20% of total number of units of the fund.

(5) Fund units may be transferred among qualified investors. However, for transfer of fund units among qualified investors, the information and documents proving that the persons and/or entities taking over the fund units satisfy and meet the qualifications of a qualified investor are required to be submitted to the founder, and to be approved by the founder. The founder is liable to obtain the said information and documents and to keep them throughout the term of fund and at least for five years. The transfer of fund units among qualified investors under this paragraph is completed by exchange of fund units and payment among the relevant investors. It is the founder's responsibility to provide CRA with information about transfer of fund units.

(6) Fund units may be marketed and distributed by not only the founder, but also the portfolio management companies and investment firms holding relevant license to perform marketing and distribution of fund units, under an agreement signed with the founder, provided that the transactions thereof are carried out by personnel holding adequate information about risks contained by these funds.

(7) The company assigned for marketing and distribution of fund units shall obtain the documents and information proving that the investors whom the sales were made are qualified investors as per the definition in the Communique and to keep those information and documents throughout the term of fund and at least for five years. The founder and the company engaged in marketing and distribution of fund units are jointly liable for losses of investors that may be caused by breach of the aforementioned requirements.

(8) The founder shall ensure that the system is in place to monitor the fund units in accounts created within CRA under Article 13 of the Law.

Principles on Marketing of Fund Units

ARTICLE 17 – (1) Except for promotions addressed to qualified investors, the funds can by no means and in no case engage with publicizing, advertisement and promotion activities.

(2) Investor meetings to be held prior to foundation of funds in order to determine the potential qualified investors are not to be considered as a part of this Article.

FOURTH CHAPTER Provisions on Fund Activities

Principles on Venture Companies and Venture Capital Investments

ARTICLE 18 – (1) It is required for venture companies to aim creating or developing tools, instruments, materials and services or new products, methods, systems and production techniques with industrial and agricultural applications and a commercial market potential, or they are in a position to achieve these objectives with managerial, technical or capital supports.

(2) Funds may, under the first paragraph hereof, invest only in joint-stock and limited liability companies. A venture company, being a limited liability company as of the date of investment, is required to complete its process of conversion into a joint-stock company within one year following the first investment date.

(3) The below listed investments of funds are considered and treated as venture capital investments:

- a) They may be a founder of venture companies or become a partner of venture companies through transfer of capital or by taking over shares either directly or indirectly through local special-purpose entities and foreign collective investment schemes as defined in this Communiqué.
- b) They may invest in debt instruments issued by venture companies.
- c) They may directly invest in entities established abroad for collective investments in order to make capital investments in only venture companies defined in this Communiqué, provided that the investment-based risk is limited only by the amount of principal sum invested in.
- ç) They may invest in capital market instruments issued by venture capital investment companies and in units of other venture capital funds.
- d) They may invest in shares of companies listed in BIAS Emerging Companies Market.
- e) They may invest in shares, not traded on the exchange, of publicly-held corporations classified as a venture company.
- f) They may provide venture companies with finances structured as a mixture of debt and equity capital finances.
- g) They may become a partner of local special-purpose joint-stock companies the fields of business listed in the articles of association of which are limited solely by investments in venture companies defined in this Communiqué.

Investment Limitations on Venture Capital Investments

ARTICLE 19 – (1) The fund shall ensure the following investment limits regarding venture capital investments.

- a) At least 80% of fund net assets value is required to be composed of one or more venture capital investments.
- b) If the amount of direct investments made by the fund in venture companies satisfying the qualifications listed in SME Regulation in an accounting period exceeds 10% of fund total value, then the investment limit specified in the preceding subparagraph (a) of the first paragraph shall be applied as 51%.

(2) Compliance with investment limitations is required to be assured according to the net assets value statement disclosed as of the end of accounting period of the fund.

(3) In incidental cases such as redeem of fund units, or collection of dividends and interests from venture capital investments, or increase of value of investments other than venture capital investments which may in turn lead to breach of the investment limits set forth in the first paragraph hereof, providing that an application is filed to the Board for granting of a period of time, and such application is deemed appropriate by the Board, the founder and if any, portfolio manager may be granted a time of one year starting from the end of the subject accounting period in order to ensure compliance with the investment limits. If the said minimum investment limit cannot be complied with by the end of the period of time granted by the Board, the fund's investment activities shall be terminated, and the fund rules shall be removed by the founder from the trade registry within no later than two years following the end of the said period. The documents relating thereto shall be sent to the Board within six business days.

(4) If the minimum investment limits set forth in the first paragraph hereof cannot be complied with due to full disinvestment of venture capital investments or bankruptcy of venture companies, , provided that an application is filed to the Board for granting of a period of time, and such application is deemed appropriate by the Board, the founder and if any, portfolio manager may be granted a time of two years starting from the end of the subject accounting period of said disinvestment in order to ensure compliance with the minimum investment limits. However, this period of time may be used for only once during the recent five years, also including the year during which the minimum investment limit cannot be complied with. If the said minimum investment limit cannot be complied with by the end of the period of time granted by the Board, the fund's investment operations shall be terminated, and the fund rules shall be removed by the founder from the trade registry within no later than two years following the end of the said period. The documents relating thereto shall be sent to the Board within six business days.

Principles of Valuation

ARTICLE 20 – (1) The valuation of the fund assets and liabilities shall be governed by and subject to the valuation principles described in the regulations of the Board pertaining to financial reporting of investment funds.

(2) Venture capital investments are required to be valued by appraisal firms deemed appropriate by the Board as of the end of each calendar year at the minimum.

(3) Information and documents relied upon in valuation of venture capital investments shall be kept by the founder for the term of the fund and for five years following the end of said period of time.

Shareholders Agreement

ARTICLE 21 – (1) Venture capital investments granting a right of partnership in venture companies shall be made within the framework of a shareholders agreement to be signed between the fund on one side and the existing partners of venture companies holding the management control therein on the other side.

(2) Shareholders agreement shall contain provisions regarding rights and obligations of the fund and existing partners of the portfolio company, particularly principles relating to management of venture company. Shareholders agreement may further contain provisions on partial disinvestment or full sell off the shares of venture company, and provisions regarding pre-emption, tag-along right, drag-along right, dividend policy, call or put options.

(3) In cases where the fund acquires all of the shares of a venture company or acquires managerial control of a venture company, it is not obligatory to sign a shareholders agreement under this Article. In this case, it is adequate to sign a share purchase agreement and to submit it to the Board.

Fund Commitments

ARTICLE 22 – (1) Founder requests the qualified investors to make commitments to the fund to pay at once or at different dates. Total amount of fund commitments to be collected from qualified investors is minimum TL 5,000,000 and it shall be stated in the issue document. The fund commitments are required to be collected within maximum one year following the starting date of sales of fund units. The fund commitments collected are required to be invested within the limitations specified in this Communiqué within the period of time stated in the issue document. However, in any case, this period of time cannot exceed 1 (one) year following the date of collection thereof.

(2) If the minimum fund commitment amount cannot be collected by the end of the period set forth in the first paragraph hereinabove, the fund's investment activities shall be

terminated, and the fund rules shall be removed by the founder from the trade registry within no later than six months following the end of the said period. The documents relating thereto shall be sent to the Board within six business days.

(3) An investor agreement is entered into by and between the fund and the qualified investors about principles of payment of fund commitments. That agreement contains provisions on payment schedule of fund commitments, its lower and upper limits, and measures that may be taken by the founder in case the fund commitments are not fulfilled. The founder's Board of Directors make the commitment calls on the qualified investors within the periods to be specified in the agreement.

(4) Number of fund units to be transferred to investor accounts in return of each fund commitment payment is calculated by dividing the fund net assets value current as of the last valuation date by the number of fund units. Provided that it is specified so in fund issue document or investor agreement, before the fund commitment payments, a special appraisal report may be prepared with regard to venture capital investments in the portfolio. In this case, the principles of payment of the valuation fees shall be included issue document or investor agreement.

(5) The Board may re-determine the amount mentioned in this Article every year. In this case, the re-determined amount is announced in the Board's Bulletin.

Limitations on Investments Other Than Venture Capital Investments

ARTICLE 23 – (1) Funds;

- a) may not invest in gold and other precious metals and other commodities and on futures contracts based on them.
- b) may not enter into margin trading, short selling and borrowing transactions with regard to capital market instruments.

(2) Funds may invest in derivative instruments only in order to protect their portfolio against such risks as currency, interest rate and market risks and provided that it is specified so in their fund rules. The total exposure in derivative instruments shall not exceed 20% of net assets value of the fund. The valuations to be effected under this paragraph shall be based on the fund net assets value recently notified to investors.

(3) The investment strategies and limitations regarding the assets other than venture capital investments, shall comply with the principles laid down in the fund's information documents. ,

Principles on Performance Fee and Total Fund Expenses

ARTICLE 24 – (1) All expenses of the Fund are paid out of the fund assets. The issue document shows the limit of total expense ratio as a percentage of net assets value, applied for all expenses, including portfolio management fee.

(2) Provided that it is specified so in the fund rules and the issue document, unit holders may be charged a performance fee by the founder and if any, portfolio manager as of the ends of accounting periods or as of the dates of redemption of fund units. Performance fee can only be calculated for the sum of venture company disinvestment revenue over the investment cost and the dividend and interest revenue obtained solely from portfolio companies.

Principles of collection of performance fee are given in the investor agreement. Regulations of the Board pertaining to performance-based fees principles of collective investment schemes are not applicable on funds.

Principles on Profit Distribution:

ARTICLE 25 – (1) The fund may distribute profit to unit holders within the frame of principles described in issue document.

(2) Privileges may be granted to qualified fund units with respect to profit to be distributed over performance fee base amount pursuant to Article 24 hereinabove.

(3) Privileged dividends may not be paid to founder or manager over performance fee base amount pursuant to Article 24 hereinabove.

Limitations on Credit Transactions and Repo Transactions:

ARTICLE 26 – (1) In order to provide finance or to meet the costs related to portfolio, the funds may borrow up to 50% of their net assets value calculated as of the last accounting period. In the case of borrowing, the information regarding the amount, interest rate, borrowing date, credit institution, and repayment date shall be notified to the Board and to the fund unit holders by the most convenient communication instrument within 30 days following the end of the relevant accounting period.

(2) Fund can make repo transactions amounted up to 10% of current market value of assets that may be subject to repo transactions, executed both in the exchange and in the over-the-counter market. Takasbank Money Market transactions may also be effected for borrowing purposes.

FIFTH CHAPTER
Provisions on Periodic Reports and Notices of Fund

Principles on Periodic Reports:

ARTICLE 27 – (1) Preparation of periodic reports and financial statements of funds and their notification to the Board and investors are subject to the provisions of regulations of the Board pertaining to financial reporting principles of investment funds.

Principles of Notification of Venture Capital Investments:

ARTICLE 28 – (1) Agreements relating to venture capital investments, share purchase contracts, copies of share books of invested venture companies, articles of association or fund rules and other documents relating to collective investment schemes established abroad pursuant to Article 18 hereof shall be sent to the Board within 15 business days following the date of investment. Regardless of the said periods, the Board may request information and documents about venture capital investments from the founder, the portfolio manager or the depositary.

SIXTH CHAPTER
Other Principles

Board's Audit:

ARTICLE 29 – (1) All fund-related accounts and transactions of the founder, and if any, the portfolio manager and the depositary are subject to audit and supervision of the Board.

Information Obligation:

ARTICLE 30 – (1) If and when required, the Board may request information about funds, without being bound by the periods mentioned in this Communiqué.

(2) Upon occurrence of extraordinary events or situations such as war, natural disasters, economic crisis, collapse of communication systems, closure of relevant markets, segments or platforms for the assets, failures in computer systems, or emergence of a major or significant information that may affect the fund net assets value, the valuation principles may be determined by the founder's Board of Directors may take decisions about determination of valuation principles. In this case, valuation principles shall be written in the decisions book including their rationale and shall be reported to the Board and the depositary. Furthermore, mentioned events and situations shall be reported to the unit holders by the most convenient communication instrument.

(3) The founder and if any, the portfolio manager shall provide the unit holders by the most convenient communication instrument with information about venture capital investments, also including information about relations, if any, of the persons involved in fund management with these investments, within 15 days following the date of investment.

Termination of Fund and Liquidation of Fund Assets

ARTICLE 31 – (1) The Fund terminates as of the end of the period specified in its fund rules.

(2) The provisions of the Communiqué on Principles of Investment Funds (III-52.1) are applicable by analogy on termination and liquidation of funds.

(3) If it is stated in the fund rules and issue document that provisions on the term of the fund may be amended, an application may be filed to the Board for extension of the term of the fund in accordance with the provisions of this Communiqué pertaining to amendments in fund rules.

Board's Fee:

ARTICLE 32 – (1) A fee calculated by the founder and approved by the depositary at a rate of five per one hundred thousands of the fund net assets value as of the last business day of each quarterly period on calendar year basis pursuant to the third paragraph of Article 130 of the Law shall be deposited by the founder in the Board's Account within the following ten business days, and a copy of each of the relevant receipts and calculation documents shall be submitted to the Board.

Other Provisions:

ARTICLE 33 – (1) The provisions of the Communiqué on Principles of Investment Funds (III-52.1) pertaining to determination and public disclosure of total expense ratio, and obligations of publishing in the Public Disclosure Platform are not applicable for these funds.

(2) The Fund cannot be merged with or converted into another fund.

(3) Any matters on which this Communiqué remains silent shall be governed by and subject to the provisions of the Communiqué on Principles of Investment Funds (III-52.1), and the provisions of the regulations of the Board pertaining to financial reporting principles of investment funds.

(4) In cases where units of funds founded or managed by the founder or if any, the portfolio manager or other persons who are directly or indirectly related to them in terms of management or capital are included in the fund portfolio, sales loads and redemption fees shall not be paid for these funds.

(5) The provisions of the Communiqué on Prospectus and Issue document (II-5.1) are applicable by analogy on the matters relating to issue document, to the extent this Communiqué remains silent thereon.

(6) The provisions of the Communiqué on Sales of Capital Market Instruments (II-5.2) are applicable by analogy on the matters relating to sales of fund units to qualified investors, to the extent this Communiqué remains silent thereon.

Effective Date:

ARTICLE 34 – (1) This Communiqué shall become effective as of 1/7/2014.

Enforcement:

ARTICLE 35 – (1) The provisions of this Communiqué shall be enforced and executed by the Capital Markets Board.

MINIMUM CONTENTS OF FUND RULES

- (a) Name, type and the term of the fund,
- (b) Name and address of founder, manager, and the depositary,
- (c) General principles of fund pertaining to investment assets and portfolio management principles, procedures and principles of trading of fund units, principles of management and safekeeping of assets, portfolio valuation principles, principles on expenditures from fund assets, principles on transfer of fund's net income to fund unit holders, principles on unit price announcement periods, conditions of purchase and redeem of the fund units, and principles on qualified fund units if any,
- (c) Conditions of liquidation of the fund,
- (d) Principles on dividend distribution and performance fee,
- (e) Principles on qualified fund units, if any,
- (f) Other contents to be determined by the Board.

MINIMUM CONTENTS OF FUND ISSUEDOCUMENT

- (a) Name, type and the term of the fund,
- (b) Name and address of founder, manager, and the depositary,
- (c) Information on fund portfolio managers and members of founder's Board of Directors,
- (ç) Principles on investment strategy, objectives, investment limitations, and risks of the fund,
- (d) Fund commitment amount,
- (e) Information on outsourced services,
- (f) Procedures and principles of purchase and redeem of fund units,
- (g) Portfolio management and safekeeping principles,
- (ğ) Principles on portfolio valuation,
- (h) Principles on unit price announcement periods of the fund,
- (ı) Principles on expenses that may be made from the fund assets,
- (i) Principles on transfer of fund's net income to unit holders,
- (j) Conditions of purchase and redeem of the fund units,
- (k) Method of liquidation of the fund,
- (l) From where the fund rules and financial reports can be obtained,
- (m) Information on the fund auditor,
- (n) Principles on profit distribution and performance fee,
- (o) Fund total expense ratio,
- (ö) Other contents to be determined by the Board.

MINIMUM CONTENTS OF KEY INVESTOR INFORMATION DOCUMENT

- (a)** Introductory information about the fund,
- (b)** Brief description of investment objectives and investment policy, and composition of portfolio,
- (c)** Past performance of the fund, if any,
- (ç)** Management fee, commissions and other expenses and total expense ratio of the fund,
- (d)** Risk and yield profile containing appropriate disclosures and warnings related to risk exposures of the fund,
- (e)** Principles of purchase and redeem of fund units, and fund unit value calculation periods,
- (f)** From where and how the investors can obtain fund rules, issue document, financial reports and other additional information,
- (g)** Principles on profit distribution and performance fee,
- (ğ)** Fund total expense ratio,
- (h)** Other contents to be determined by the Board.