

**COMMUNIQUE ON PAYMENT OF NET TRADING PROFITS
BY EXECUTIVES OF ISSUERS TO ISSUERS
(VI-103.1)**

(Published in the Official Gazette edition 28849 on 12/12/2013)

Purpose:

ARTICLE 1 – (1) The purpose of this Communiqué is to eliminate the inequality of opportunity between executives having earlier and easier access to issuers’ inside information as of their positions therein, and other investors having access to the same information only after those are disclosed to public, by ensuring issuers’ executives to pay to the issuer the net profit earned through trading the relevant capital market instruments for six months or shorter periods.

Scope:

ARTICLE 2 – (1) This Communiqué sets down the principles, procedures and exceptions regarding the payment by issuers’ executives to issuers of net profit from the purchase, sale, purchase and sale or sale and purchase of relevant capital market instruments.

Grounds:

ARTICLE 3 – (1) This Communiqué has been prepared and issued in reliance upon the fourth paragraph of Article 103 of the Capital Markets Law no. 6362 dated 6/12/2012.

Definitions:

ARTICLE 4 – (1) For the purposes and in the context of this Communiqué:

- (a) **“Inside information”** refers to non-public information which may affect the value or price of capital market instruments and the investment decisions of investors thereon;
- (b) **“Issuer”** refers to legal entities, who issue capital market instruments, who apply to the Board for issue or whose capital market instruments are offered to public and mutual funds subject to this Law;
- (c) **“Influence on issuer”** refers to the power to determine or control directly or indirectly the issuer’s financial or operational policies, decisions or targets;

- (c) **“Executives of issuers”** refers to directors or committee members of issuers, persons who have administrative responsibilities in the corporation or have an influence on issuer, regardless of the position they are employed in;
- (d) **“Relevant capital market instruments”** refers to capital market instruments issued by the issuer managed by the executives of issuers;
- (e) **“Law”** refers to the Capital Markets Law no. 6362 dated 6/12/2012;
- (f) **“PDP”** stands for Public Disclosure Platform;
- (g) **“Board”** refers to the Capital Markets Board;
- (h) **“CRA”** stands for Central Registry Agency;
- (i) **“Net profit”** refers to an amount calculated by subtracting the brokerage commissions and transaction fees paid for the transactions, from total profit by trading capital market instruments within any period of six months assuming that the most recently purchased capital market instruments are sold first and the most recently sold capital market instruments are purchased first.

Payment of Net Earnings to Issuer:

ARTICLE 5 – (1) If the issuers’ executives make profit from purchase, sale, purchase and sale or sale and purchase of relevant capital market instruments within any period of six months, they shall pay their net profit to issuers within 30 days following the date of accrual. The profits are calculated by using last in first out method.

(2) If executives fail to pay their net profit to issuers within this 30 days, the Board shall impose an administrative fine twice of this benefit.

(3) Provisions of the preceding first and second paragraphs shall also be applied for those legal entities or those issuers’ executives appointed as a representative of legal entities.

Exceptions of Payment of Earnings:

ARTICLE 6 – (1) The following items are considered and treated as exceptions of payment of profits:

- a) Profits from shares sold in order to participate in a public offering through capital contribution

- b) Profits from repurchase programs applied according to the Board regulations, share acquisition programs directed to workers or allocation of other shares directed to the employees of the issuer or his/her subsidiary;
- c) Profits from capital market instruments acquired by succession;
- ç) Dividend income and bond coupon payments received through withholding capital market instruments without being transferred or sold for a period of six months.

Capital Market Instruments Acquired Prior to Effective Date:

TRANSITIONAL ARTICLE 1 – (1) Profits from capital market instruments acquired prior to the effective date of this Communiqué shall be considered as an exception hereto.

Effective Date:

ARTICLE 7 – (1) This Communiqué shall enter into force at the date of its publication.

Execution:

ARTICLE 8 – (1) The provisions of this Communiqué shall be executed by the Board.