



**TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.**

**ORDER EXECUTION POLICY**

**JUNE 2019**

## CONTENTS

1. PURPOSE.....	1
2. SCOPE .....	1
3. DEFINITIONS .....	1
5. CONFIDENTIALITY OF CUSTOMER ORDERS .....	3
6. BROKERAGE TRANSACTIONS AND PARTNER AUTHORIZED INSTITUTIONS.....	3
7. A REVIEW OF THE ORDER EXECUTION POLICY .....	3
8. LACK OF PROVISIONS IN THE REGULATION.....	3
9. ENFORCEMENT .....	3
10. IMPLEMENTATION.....	3

## 1. PURPOSE

This Policy has been drafted to set out the general principles around buying and selling activities, and the acceptance, processing and execution of customers' buy or sell orders regarding capital market instruments to be carried out by Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi under Capital Market Legislation.

## 2. SCOPE

This Policy applies to all Bank employees, including temporary staff.

The Bank shall carry out all due diligence in its brokerage activities and fulfill customers' orders to the best of its ability and in line with the duty of liability within the scope of principles stipulated in the framework agreement signed with the customer, and the capital market legislation. While performing brokerage activities, it acts as a prudent trader, showing the professional attention and care required for the job and takes the necessary actions required.

The Bank is aware of its responsibility for effective use of its resources to maintain its brokerage activities and ensure timely, fair, and prompt execution of customers' orders.

## 3. DEFINITIONS

In this Policy,

**Bank** refers to Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi,

**Framework Agreement** refers to the agreement between the Bank and the customer governing transactions relating to capital market instruments,

**Customer** refers to real or legal persons carrying out transactions via the Bank and the capital markets,

**Customer Receipt** refers to a receipt issued for the customer by the Bank showing details of transactions regarding capital market instruments and confirmation from the customer and the Bank,

**CMB** refers to the Capital Markets Board of Turkey,

**Communiqué on Investment Agencies** refers to the Communiqué on the Establishment and Operating Principles of Investment Institutions numbered III-39.1, issued by the Capital Markets Board of Turkey under Capital Markets Legislation no. 6362

## 4. PRINCIPLES GOVERNING THE ACCEPTANCE AND EXECUTION OF CUSTOMERS' ORDERS

All units involved in receiving and processing customers' orders are obliged to carry out their activities within this scope in accordance with the relevant legal provisions and the Bank's internal regulations along with the written workflow/control procedures prepared as per these provisions and the provisions of the framework agreements signed with the customers.

The provisions of the Communiqué on the Principles on Investment Services and Activities and Supplementary Services (III-37.1) by the Capital Markets Board of Turkey and other relevant legal requirements apply to the receipt, monitoring and execution of customers' orders.

Orders concerning the trading of stocks are received and executed in accordance with the principles laid down in the respective legislation.

The Bank fulfills its customer identification obligations prior to opening an account in accordance with the provisions of the Legislation on the Prevention of the Laundering of Crime Revenues.

During the execution of buying/selling brokerage activities, customers' orders are executed taking into account their preferences in terms of price, cost, speed, clearing, safekeeping, counterparty, and similar issues.

Customers' orders are queued on the basis of the time and the priority of the order based on the transaction type and are executed swiftly and fairly. All similar customer orders are queued, taking into account current market conditions and customer interests, and executed respectively.

Customers' orders are duly fulfilled if the customer has given clear instructions for the order to be communicated to a specific organization or market.

The customer may issue direct buy/sell orders in writing with their signature or orally by recorded phone conversations, electronically or by similar means of communication.

In the event of a failure of one of the Bank's fax, telephone or electronic communication systems, the customer may issue orders through other alternative means in-service or in writing.

The customer orders received are recorded within the framework of the relevant legal legislation on the storage/recording of documents and are retained for the periods indicated.

The customer may communicate orders using the telephone numbers specified in the signed Framework Agreement or using other numbers and addresses.

In the event that an order is given from a number other than one specified in the Framework Agreement, the Bank shall execute the order after performing its own identification steps. In cases where no identification process can be carried out, the Bank may or may not execute the order at its sole discretion.

The Customer must forward all communications, orders, and instructions to the Bank in a clear way that leaves no doubt in a manner that shows all the characteristics of capital market instruments. It must comply with the relevant articles of the capital market legislation and the Regulation on Principles Relating to the Stock Exchange Activities of Borsa Istanbul A.Ş. in terms of the manner in which the order is given, its content and price determination.

The Bank is not obliged to fulfil or take action on vaguely worded or unclear orders, instructions, or communications from customers unless the customer agrees to clarify them.

It is the responsibility of the customer to follow up on buy/sell transactions; for these orders to be valid, the Bank notifies the customer via telephone, fax, internet, or electronic messages that the orders have been executed.

It is mandatory for the purchase costs of the capital market instruments for which the customer has issued a buy order to be deposited in cash into the Bank no later than the date of purchase; also, the asset for which the customer has given a sell order must be in the customer's account before the order is issued.

The Bank may hold assets for which the customer has issued a buy order in escrow as collateral in accordance with the minimum capital market legislation.

For transactions carried out under the agreement, the effective date is determined in accordance with the rules of the authorized clearing house and the provisions of the relevant legislation.

If the customer does not specify a validity period for the order, the order is processed on the applicable session when the order has been issued; otherwise, the order is processed on the first session to follow, in organized markets.

In the case of other markets, if the customer has not issued a timed order, the order is considered to be effective during the whole day and cancelled at the end of the day, on the condition that the Bank agrees to the procedure.

The Bank may refuse to process orders when national and/or international markets are closed due to a public holiday to protect the interests of customers, provided this is set down in writing in the framework agreements to be signed with the customers. Customers may also experience changes to the hours when orders can be given due to the introduction of summertime hours or similar changes.

In case of margin trading and short selling, the framework shall be determined by the sub-procedures of this Policy.

## **5. CONFIDENTIALITY OF CUSTOMER ORDERS**

Bank employees and managers shall attach the utmost importance to the confidentiality of outstanding or executed customer orders and shall not misuse or abuse such information for their personal interests. The Bank shall take all necessary measures to ensure the confidentiality of such information and to prevent its misuse.

Communication with market makers or other institutions for the purchase/sale of capital market instruments or for the communication of customer orders or exchanging information with authorized institutions in response to a formal request does not constitute a breach of confidentiality of customer orders.

## **6. BROKERAGE TRANSACTIONS AND PARTNER AUTHORIZED INSTITUTIONS**

In the context of domestic brokering transactions, contracts shall be signed with intermediaries authorized by the CMB as required.

Domestic brokering transactions shall take place on the respective markets of Borsa İstanbul A.Ş.

## **7. A REVIEW OF THE ORDER EXECUTION POLICY**

This Policy shall be reviewed at least once a year.

## **8. LACK OF PROVISIONS IN THE REGULATION**

In cases where this Regulation does not contain a provision to address a certain case, the Bank's internal procedures and the provisions of the relevant external legislation shall apply.

## **9. ENFORCEMENT**

This Policy has been drafted in accordance with the Communiqué on the Principles on Investment Services and Activities and Supplementary Services (III-37.1) by the Capital Markets Board of Turkey and shall enter into force on the date it is approved by the Board of Directors.

## **10. IMPLEMENTATION**

The General Manager shall execute the provisions of this Policy.