COMMUNIQUÉ ON PRINCIPLES OF VENTURE CAPITAL and PRIVATE EQUITY INVESTMENT COMPANIES (III-48.3)

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FIRST PART
Purpose, Scope, Grounds, Definitions and Abbreviations

Purpose and Scope:

ARTICLE 1 – (1) The purpose of this Communiqué is to regulate the principles as to the venture capital and private equity investment companies.

(2) This Communiqué covers the principles regarding the establishment and the founders of venture capital and private equity investment companies, the qualifications of their shareholders and managers, issue, sales and transfer of their shares, operational and managerial principles, portfolio limitations, minimum free float rate, types, valuation of assets and rights included in its portfolio, custody of assets, privileged share issuance, public disclosure and investor information obligations, exit from venture capital and private equity investment company status, other obligations to be abided by them, and conversion of joint-stock companies into venture capital and private equity investment company.

Grounds:

ARTICLE 2 – (1) This Communiqué has been issued in reliance upon Articles 48 and 49 of the Capital Markets Law dated 6/12/2012 and numbered 6362.

Definitions and Abbreviations:

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

a) **"Total assets"** refers to total assets shown in solo financial statements of the company, unless otherwise specified in this Communiqué;

b) **"Ministry"** refers to the Ministry of Customs and Trade;

c) **"BİAŞ"** refers to and stands for Borsa İstanbul A.Ş.;

ç) **"Association"** refers to the Association of Capital Markets of Turkey;

d) **"Exchange"** refers to systems, marketplaces and foreign exchanges defined in subparagraph (ç) of the first paragraph of Article 3 of the Law;

e) **"Venture capital and private equity investment"** refers to an investment made under the principles set forth in Article 21 of this Communiqué;

f) **"Venture Company"** refers to companies established and operating or to be established in Turkey, with a growth potential and resource need;

g) **"Publicly held share status"** refers to shares registered in Central Registry Agency Co., Inc. as shares tradable in the exchanges;

ğ) **"Related party"** refers to a related party as defined in the regulations of the Board under the Turkish Accounting Standards;

h) **"Law"** refers to the Law numbered 6362;

ı) **"PDP"** refers to and stands for Public Disclosure Platform;

i) **"SME Regulation"** refers to the Regulation on Definition, Characteristics and Classification of Small and Medium-Scale Enterprises, issued and put into effect by a Decree of the Council of Ministers,numbered 2005/9617, dated 19/10/2005;

j) **"Board"** refers to the Capital Markets Board;

k) **"Leading shareholder"** refers to the shareholder or shareholders those of whom have qualifications set down under the Articles 6 and 7 of this Communiqué;

l) **"Qualified investor"** refers to real persons and legal entities defined in the related regulations of the Board, and public administrations and entities, and 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;

m) **"Company"** refers to a venture capital and private equity investment company;

n) **"Portfolio"** refers to assets and rights of the company consisting of venture capital and private equity investments, capital market instruments, Settlement and Custody Bank money market transactions, reverse repo transactions, Turkish Lira or foreign currency deposit/participation accounts and other assets and rights deemed appropriate by the Board;

o) **"SPL"** refers to and stands for Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş. (Capital Markets Licensing Registry and Training Co., Inc.);

ö) **"Clearing Bank"** refers to İstanbul Takas ve Saklama Bankası A.Ş. (Istanbul Settlement and Custody Bank Co., Inc.);

p) **"TTC"** refers to and stands for the Turkish Commercial Code numbered 6102 dated 13/1/2011;

r) **"TTRG"** refers to and stands for Turkish Trade Registry Gazette;

s) **"Management control"** refers to either directly or indirectly having more than 50% of voting rights in a company solely or jointly with other persons acting in collaboration with, or in the case of privileged shares, holding the majority of privileged shares giving the right to elect simple majority of the total number of members of the board of directors in the general assembly or the right to nominate the members of the board of directors for majority of total number of in the general assembly.

Definition of Company:

ARTICLE 4 – (1) Venture capital and private equity investment company is a capital market institution which is founded to issue its shares to manage a portfolio composing venture capital and private equity investments, capital market instruments and other assets and rights to be determined by the Board under the principles and procedures determined by this Communiqué, or is converted into such an institution through amendments in its articles of association, and may engage in other activities and operations allowed in this Communiqué under Article 48 of the Law, and is in the status of a joint-stock company and subject to authorized capital system.

SECOND PART
Principles on Foundation and Conversion

Foundation and Conversion Conditions:

ARTICLE 5 – (1) Companies may be directly founded as a venture capital and private equity investment company, or joint-stock companies may be converted into a venture capital and private equity investment company by amending their articles of association in accordance with the Law and this Communiqué.

(2) Applications for the foundation and the conversion can be accepted by the Board only if and when:

a) the company is founded as a joint-stock company with registered capital, or is already a joint-stock company with registered capital, or is a joint-stock company with share capital, but has applied to the Board to adapt the registered capital system; and

b) For the foundation, the initial capital, for the conversion, each of its existing paid or issued capital and shareholders' equity those are shown in its financial statements issued in accordance with the relevant Board regulations and audited by an independent audit firm shall not be less than TL 20.000.000; and

c) For both in the foundation and in the conversion, its shares shall be issued for sales in cash, and the cost of shares shall be paid fully in cash; and

ç) in the official company name "Venture Capital and/or Private Equity Investment Company" phrase shall exist; and

d) its founding shareholders or existing shareholders shall meet the conditions stipulated in this Communiqué; and

e) its articles of association shall be in accordance with the provisions of the Law and this Communiqué, or the company shall have applied to the Board in order to amend its articles of association to adapt the provisions of this Communiqué; and

f) members of its board of directors and its general manager shall meet the conditions specified in this Communiqué; and

g) it is duly committed to the Board that its 25% of its initial capital/issued capital shall be offered to public or sold to qualified investors in accordance with the principles and within the period set forth in this Communiqué; and

ğ) at least one of its founding or existing shareholders shall be a leading shareholder.

(3) The condition specified in the subparagraph (d) of the second paragraph is not sought for in public institutions and entities and in legal entities operating for public benefit.

(4) A prior consent of the Board is required to be taken in all amendments of articles of association of the companies after foundation or conversion.

(5) In applications for conversion of other investment companies and publicly held companies into a venture capital and private equity investment companies, the condition of adaptation of the ratio of portfolio assets to total assets of company to the limitations specified in this Communiqué is required to be satisfied within no later than six months as of the date of registration in trade registry of amendments to articles of association relating to the conversion. The company which fails to comply with this condition within the specified period loses its right to operate as a venture capital and private equity investment company. In this case, within no later than three months as of the end of the specified period, the companies are liable to apply to the Board to amend their articles of association so as to exclude the venture capital and private equity investment company activities and operations. It is the responsibility of the board of directors of the company or the relevant executive (managing) director if authorized so by the board of directors to fulfill this obligation.

Qualifications of Founders and Shareholders:

ARTICLE 6 – (1) Real person and/or legal entity shareholders of companies shall comply with the following conditions:

a) Shall not have been adjudged bankrupt; shall not have entered into composition with its creditors; or shall not be subject to filing the delay of bankruptcy; and

b) Shall not be among the persons held responsible for the events requiring this sanction, in institutions of which one of the operating licenses is cancelled and withdrawn by the Board; and

c) Shall not have been finally convicted of one of the crimes and offences listed in the Law; and

ç) An order of liquidation shall not have been issued about them or about institutions owned by them in accordance with the repealed Governmental Decree in Force of Law on Activities of Bankers in Insolvency numbered 35 dated 14/1/1982; and

d) Shall not have been finally sentenced to imprisonment for five years or more due to a maliciously committed crime, even if the durations indicated in Article 53 of the Turkish Criminal Code dated 26/9/2004 and numbered 5237 have elapsed, have been sentenced to prison for five years or more due to a crime committed on purpose or sentenced for crimes committed against the security of the state, crimes committed against the constitutional order and the functioning of this order, the crimes of embezzlement, extortion, bribery, theft, fraud, forgery, abuse of confidence, fraudulent bankruptcy, rigging an auction, rigging in terms of discharging an obligation, hindrance or destruction of an information system, deletion or alteration of data, abuse of bank or credit cards, laundering proceeds of crime, smuggling, tax evasion or unjustified benefit; and

e) Shall have obtained the resources needed for foundation from its own commercial, industrial and other legal activities free from any kind of collusion, and shall have financial power to fund the subscribed capital amount; and

f) Shall have honesty and reputation required for the business; and

g) Shall not have any overdue tax debts; and

ğ) Shall not have been convicted of crimes and offences regulated by the Law on Prevention of Finance of Terrorism numbered 6415 dated 7/2/2013; and

h) Shall not have been banned for transactions pursuant to the subparagraph (a) of the first paragraph of Article 101 of the Law.

The conditions specified in the subparagraph (a) of this paragraph are not considered in implementing the decision regarding the removal or closure of the bankruptcy or approval of concordat proposal, and the conditions specified in the subparagraph are not considered in implementing this paragraph after lapse of 10 years as of the date of the finalized decision.

(2) For conversion, the existing shareholders of the joint-stock company to be converted shall meet the conditions specified in all subparagraphs, except the subparagraph (e), of the first paragraph of this Article. For conversion of publicly held corporations, only the shareholders holding the shares giving the right to management control shall meet the conditions specified in all subparagraphs, except the subparagraph (e), of the first paragraph of this Article.

(3) For foundation and conversion, real persons holding indirectly and ultimately 20% or more of company's shares, and for the privileged shares, real persons indirectly holding privileged shares giving the right to management control in the company shall meet the conditions specified in all subparagraphs, except the subparagraph (e), of the first paragraph of this Article.

(4) For foundation and conversion, if the founder or existing shareholder is a bank, it is sufficient to submit to the Board the information and documents showing that the bank has the qualifications specified in the subparagraph (g) of the first paragraph of this Article. The provisions of the second paragraph of this Article shall not be applicable to those persons who indirectly hold shares in that company through an indirect and direct shareholding in that bank. If banks are direct or indirect shareholders of companies, a prior consent of the Banking Regulation and Supervision Agency is received.

(5) As for the legal entity leading shareholders, other than banks:

a) real persons directly or indirectly and ultimately holding management control of the company, and

b) for the privileged shares, real persons holding more than 20% of the privileged shares; and

c) for the privileged shares, real persons directly or indirectly and ultimately holding more than 20% of privileged shares of legal entity shareholders holding more than 20% of privileged shares in the leading shareholder

shall meet the conditions specified in all subparagraphs, except the subparagraph (e), of the first paragraph of this Article.

Leading Shareholder and Special Conditions on Leading Shareholder:

ARTICLE 7 – (1) Leading shareholder refers to shareholder or shareholders who, if the company does not have privileged shares, alone or jointly hold shares giving the management control of the company, or if the company has privileged shares, alone or jointly hold shares at least 25% of capital, also including the majority of privileged shares giving the management control of the company, except for acquisition of shares after public offering. If the primary public offering is done through capital increase, the minimum amount of capital required to be held by leading shareholder is calculated according to the pre-public offering capital. If the company has privileged shares, but the privileged shares do not provide management control, then the management control must have been obtained through unprivileged shares.

(2) Leading shareholder shall meet not only the conditions listed in Article 6, but also the conditions enumerated in this Article. If and when more than real person and/or legal entity are determined as leading shareholder in companies, the conditions sought for the leading shareholders shall be met separately by each of those leading shareholders, without prejudice to the provisions of subparagraph (b) of fourth paragraph of this Article.

(3) Real person or legal entity shareholders whose name or title is directly used in the trade name of the company or even if indirectly, about whom the trade name of the company contains a phrase giving the impression of association with them are required to be leading shareholders for the purposes of this Communiqué.

(4) Real person leading shareholder of the company shall meet the following conditions:

a) Shall have a minimum past experience of five years in the fields such as law, banking, finance, entrepreneurship, business administration, industry and trade of those are closely related to the fields of business of the company; and

b) Current value of the moveable and fixed assets of those persons shall be minimum 10 million TL, and if more than one real person is leading shareholders, total current value of moveable and fixed assets of real person leading shareholders shall be at least 20 million TL.

(5) Legal entity leading shareholder of company shall meet the following conditions:

a) Shall operate at least three years; and

b) Its consolidated and solo financial statements of the last accounting period prior to the date of application to the Board shall have been audited by an independent audit firm, and its shareholders' equity shown in these financial statements shall be at least equal to twice the issued capital of the company to be founded or converted, and its total assets shall be at least three times the issued capital of the company to be founded or converted. In calculations under this paragraph, an upper limit of 100 million TL is applied for the

shareholders' equity condition and an upper limit of 200 million TL shall be applied for the total assets condition. If more than one person is determined as leading shareholders, the conditions described above are sought for separately for each legal entity.

c) Financial statements to be issued pursuant to this Article shall have been issued in accordance with the Board regulations.

(6) For public institutions and legal entities and for legal entities operating for public benefit, other than the conditions sought for in the laws specifically related to them, the financial capability conditions regarding the leading shareholders may not be sought for.

Foundation or Conversion Transactions:

ARTICLE 8 – (1) Applications for foundation or conversion shall be filed to the Board with a foundation or conversion application form the content and principles of which shall be determined by the Board, and with other documents enumerated in that form.

(2) The Board assess the application in terms of compliance with the provisions of the Law and this Communiqué. If the application is accepted by the Board, then an application is made to the Ministry with a request of approval of foundation for the foundation or a request of approval of amendments to articles of association for the conversion, and together with documents showing that the capital has been paid in accordance with provisions of this Communiqué and with other required documents.

(3) An application to the Board shall at least cover a feasibility study giving information about the sectors in which the company plans to make investments, investment strategy, targets for maturity of the investment, periods scheduled for capital increases and public offering or sales to qualified investors, amounts of scheduled capital increases, and the scope of consulting services to be received or given.

(4) For foundation, the articles of association shall be registered in the trade registry within no later than 30 days as of the date of receipt of the consent of the Board, and for the conversion, the general assembly to be convened for the approval of amendments proposed to be made in the articles of association shall be held within no later than 30 days as of the date of receipt of the consent of the Board, and the general assembly decision shall be registered in the trade registry within no later than 15 days as of the date of general assembly.

(5) Companies shall send to the Board within six business days as of the date of announcement the documents demonstrating the registration in the trade registry of the foundation articles of association or the general assembly decision on conversion and the announcement thereof in TTRG.

Procurement of Operational Requirements:

ARTICLE 9 – (1) Within six months as of the foundation or conversion, the information and documents showing that the place, equipment and personnel required for the operations of the company are procured, and the required organization is established, and a general manager is appointed shall be completed and submitted to the Board.

(2) Unless the portion of the portfolio composed of venture capital and private equity investments is managed by a portfolio management company, an adequate number of personnel shall have been recruited for the management of venture capital and private equity portfolio.

(3) If and when the portion of the portfolio composing money and capital market instruments, except the deposit and participation accounts, exceeding 10% of the total assets of the company, then the company can manage those assets by employing an adequate number of portfolio managers holding a license certificate under the licensing regulations of the Board, or alternatively, can outsource portfolio management services or investment consultancy services from a portfolio management company under a contract to be signed, providing that its articles of association permits so, and a prior consent of the Board is taken. Principles regarding the portfolio management services or investment consultancy services to be outsourced shall be determined with a contract containing the minimum contents outlined in the regulations of the Board pertaining to portfolio management companies. The companies shall apply one of these methods for management of a portfolio composing money and capital market instruments, and to comply with all regulations of the Board pertaining to the portfolio management and investment consultancy.

(4) Fulfillment of the obligations arising from this Article is under the responsibility of the board of directors of the company or the relevant executive (managing) director if authorized so by the board of directors.

THIRD PART
Issue and Sales of Shares

Sales of Company Shares:

ARTICLE 10 – (1) Issue and sales of company shares are governed by not only the special provisions specified in this Communiqué, but also the regulations of the Board pertaining the issue and sales of shares and the approval of prospectus and issue certificate.

Public Offering:

ARTICLE 11 – (1) Companies originally founded as a venture capital and private equity investment company or later converted into a venture capital investment and private equity company through amendments to articles of association can sell their shares via public offering only if and when they realize at least one venture capital or private equity investment within 18 months as of the date of registry in trade registry of their foundation or the amendments in their articles of association, and they build a venture capital and private equity investment portfolio

under the provisions of this Communiqué within three years, and they fill in the public offering application form the content and principles of which will be determined by the Board and complete the documents enumerated in the form, and apply to the Board with a request of approval of their prospectus regarding the public offering of shares representing minimum 25% of their issued capital. If the public offering is realized through capital increase, shares corresponding to minimum 25% of post-increase capital shall be offered to public.

(2) Also after reaching the minimum 25% free float rate as a result of public offering to be realized by companies within the period envisaged in the preceding first paragraph, the company shares equal to the minimum 25% of the issued capital shall permanently be in publicly held share status.

(3) Companies failing to realize their venture capital and private equity investment within the period of 18 months specified in the first paragraph, or failing to build their venture capital and private equity investment portfolio under the provisions of this Communiqué within three years, or failing to fill in the public offering application form and complete other documents stated in the form and file an application to the Board or whose application is not approved by the Board due to the failure in meeting the required conditions shall be deprived of their right to operate as a venture capital and private equity investment company. Such companies are, within no later than three months as of the end of the specified period or as of the date of receipt of the negative opinion of the Board, liable to apply to the Board in order to amend their articles of association so as to exclude the venture capital and private equity investment company activities and operations. If the company does not make these amendments shall be deemed to have been dissolved pursuant to provisions of the subparagraphs (b) and (c) of the first paragraph of Article 529 of the Turkish Commercial Code.

Principles on Sales to Qualified Investors and on Companies Selling Their Shares Only to Qualified Investors:

ARTICLE 12 – (1) Providing that their articles of association permits so, the companies can sell their shares only to qualified investors.

(2) These companies shall realize at least one venture capital or private equity investment within 18 months as of the date of registry in trade registry of their foundation or the amendments in their articles of association, and within three years thereafter, those companies shall fill in the application form for sales to qualified investors the format and principles of which will be determined by the Board and complete the documents enumerated in the form, and apply to the Board with a request of approval of their issue certificate regarding the sales of shares to qualified investors of shares representing minimum 25% of their post-increase capital. As for sales of shares to qualified investors, in all and any matters on which this Communiqué remains silent, the provisions pertaining to the sales to qualified investors of the Communiqué on Sales of Capital Market Instruments published in the Official Gazette edition 28691 dated 28/6/2013 are applicable by analogy. In the sales of shares to qualified investors, it is not mandatory to issue a prospectus and an announcement of sales to savers. Secondary

sales to qualified investors can be realized through sales of existing shares or through capital increase.

(3) Companies failing to realize their venture capital and private equity investment within the period of 18 months specified in the first paragraph, or failing to fill in the application form for sales to qualified investors and complete other documents stated in the form and file an application to the Board within the period of three years or whose application is not approved by the Board due to failure in meeting the required conditions shall be deprived of their right to operate as a venture capital investment company. Those companies are, within no later than three months as of the end of the specified period or as of the date of receipt of the negative opinion of the Board, liable to apply to the Board in order to amend their articles of association so as to exclude the venture capital and private equity investment company activities and operations. A company who does not make these amendments is deemed to have been dissolved pursuant to provisions of the subparagraphs (b) and (c) of first paragraph of Article 529 of the Turkish Commercial Code.

(4) Companies selling their sales only to qualified investors are subject to the following principles and rules:

a) These companies are not liable to have a leading shareholder, and the provisions of this Communiqué pertaining to leading shareholders are not applicable on these companies.

b) Companies shares shall be dematerialized and registered in Central Registry Agency Co., Inc., and all of the shares shall be written to their name. Those shares can be transferred only to qualified investors also in the period after the sales to the qualified investors. Companies shall provide the information and documents showing that the transferee investors have the qualified investor qualifications. Transfers of shares to persons not having the qualified investor qualifications are not registered in the shares book.

c) For foundation, the initial capital, and for conversion, each of the existing paid or issued capital and shareholders' equity shall not be less than TL 5.000.000.

ç) The condition of constructing the required venture capital and private equity investment portfolio is not sought for before sales to qualified investors, but the condition in the subparagraph (b) of the first paragraph of Article 22 shall have been satisfied after the end of first year as of the first capital increase or sales to qualified investors after foundation or conversion.

d) Companies are under obligation to receive and regularly keep the information and documents showing that the purchasing investors have the qualified investor qualifications set down in this Communiqué.

e) Interim financial statements are not required to be audited by an independent audit firm, or to be sent to the Board, or to be announced.

f) Provisions of the third paragraph of Article 9 are not applied.

g) Portfolio limitations other than the limitations stated in the subparagraphs (b) and (ç) of the first paragraph of Article 22 are not applied.

ğ) The rate stated in the second paragraph of Article 25 is not applied.

h) Total expense ratio limitation stated in the Article 26 is not applied.

ı) The provisions of this Communiqué pertaining to announcement in PDP shall not apply for the companies whose shares are not traded in the stock exchange, and those companies shall provide the information mentioned in Article 31 to the Board within the same period stated therein, and make their partners informed thereabout as stipulated in their articles of association.

i) Article 33 is not applied.

j) Companies can not issue privileged shares other than shares granting a privilege in nominations for the board of directors or granting a privilege in profit distribution. Companies, afterwards can sales those shares to qualified investors, issue privileged shares, providing that their articles of association permits so, and a retirement right shall be granted pursuant to the Article 24 of the Law.

k) The provisions of the fourth paragraph of Article 24 of the Law shall be applied for companies whose shares are not traded in the stock exchange and those companies wishing to exit from venture capital and private equity investment company status.

(5) Companies can make a capital increase prior to the sales of their shares to qualified investors. In that capital increases, a Board fee is charged over nominal value of all shares representing the capital of the company.

(6) All and any matters on which this Article remains silent shall be governed by other provisions of this Communiqué.

Listing in BİAŞ:

ARTICLE 13 – (1) Companies offering their shares to public shall, within 15 days as of the end of the sales period, apply to the Board for the delivery of the document required for quotation (listing) of their shares in BİAŞ. Within 15 days as of the receipt of this document, those companies shall file an application to BİAŞ for quotation (listing) of their shares.

FOURTH PART
Type, Kind and Transfer of Shares

Type and Kind of Shares:

ARTICLE 14 – (1) Companies shares can be issued as shares written to either name or order.

(2) The provisions of the first paragraph of Article 414 of TCC are not applicable on registered shares quoted and traded in the stock exchange.

Issue of Privileged Shares:

ARTICLE 15 – (1) Companies offering their shares to public shall not issue any privileged shares other than the shares providing the privilege of the nomination of simple majority of full number of members of the board of directors. The provisions of the Article 360 of TCC shall not be applied in creation of privilege of nomination. After public offering, no privilege, also including the privilege of nomination for members of the board of directors, can in any case be created. The rights pertaining to privileged shares issued prior to the date of publishing of this Communiqué are, however, reserved.

(2) Under the principles determined by the Board, without prejudice to the reasonable results of events required by their ordinary operations, in publicly held companies realizing net loss in five consecutive yearly periods according to their financial statements prepared and issued under the Board regulations, the privileged shares covered by the first paragraph hereof shall be abolished by a Board decision. For the purposes of this provision, for those companies under obligation to issue consolidated financial statements shall use their consolidated financial statements. The provisions of this paragraph shall not be applied if the privileged shares belongs to the public administrations and entities.

Transfer of Shares:

ARTICLE 16 – (1) Before public offering or sales to qualified investor, the transfer of shares representing at least 10% of company's capital, and the transfer of privileged shares, irrespective of the rates thereof, are subject to a prior permission of the Board. For share transfers as above, new shareholders acquiring shares in the companies shall comply with the conditions specified in all subparagraphs, except subparagraph (e), of the first paragraph of Article 6 hereof. In acquisition of shares of less than 10%, new shareholders acquiring shares

in the companies shall submit to the Board within 10 business days as of the date of transfer of shares the documents showing that those companies comply with the conditions specified in all subparagraphs, except subparagraph (e), of the first paragraph of Article 6 hereof.

(2) After public offering or sales of shares of the companies to qualified investors, the shareholders having shares that gives management control in the company shall meet the conditions specified in all subparagraphs, except subparagraph (e), of the first paragraph of Article 6 hereof. Transfer of privileged shares giving the management control in the company is subject to a prior permission of the Board. In case of acquisition of management control with unprivileged shares, those shareholders shall submit the documents proving that they are in compliance with the specified conditions to the Board within 10 business days as of the acquisition date of shares.

(3) After public offering or sales of shares of the companies to qualified investors, if the shareholders having shares that gives management control in the company fail to meet the conditions specified in all subparagraphs, except the subparagraph (e), of the first paragraph of Article 6 hereof, then those shareholders shall dispose their shares giving management control in the company within maximum three months as of the date of their failure in meeting the specified conditions.

(4) In transfer of privileged shares giving the management control in the companies, if and when the shareholders who will take over the privileged shares become liable to make a share purchase offer, those shareholders shall have an adequate financial power to purchase those shares of other shareholders. The provisions of regulations of the Board pertaining to exemption from the obligation of making a share purchase offer are, however, reserved.

(5) In share acquisitions by banks under this Article, the conditions specified in the fourth paragraph of Article 6 are required to be satisfied.

(6) Transfers realized in conflict with the principles specified in the first, second and fifth paragraphs hereinabove shall not be registered in the share book. Registrations made in the share book in contradiction with provisions of the paragraphs above are null and void.

(7) Leading shareholder cannot, within two years as of the end of the period of sales in initial public offering of shares representing the minimum free float rate required to be reached pursuant to the first paragraph of Article 11 hereinabove, transfer their shares giving management control to those leading shareholders not having privileged shares in the company and to those leading shareholders having privileged shares in the company the majority shares giving the management control together with the shares representing at least 25% of their capital. After expiration of the specified period, the transferees of those shares are not required to meet the special conditions applicable on leading shareholder.

FIFTH PART
Management Structure

Directors and Bans on Directors:

ARTICLE 17 – (1) Directors shall be elected and work under the pertinent Board regulations and the related articles of TCC.

(2) Directors of companies shall meet the conditions specified in all subparagraphs, except the subparagraph (e), of the first paragraph of Article 6 hereof. Furthermore, majority of directors shall be graduate of four-years' universities, and shall have a past experience of at least three years in the fields such as law, banking, finance, entrepreneurship, business administration, industry and trade of those are closely related to the fields of business of the company.

(3) Only directors having graduated from four-years' universities are required to be appointed to committees founded under the corporate governance regulations of the Board.

(4) It is the responsibility of the board of directors of the company or the related executive (managing) director if authorized by the board of directors to fulfill the obligations regarding the portfolio limitations and public disclosure as stipulated in this Communiqué. This liability continues for outsourcing those services under Article 9 and Article 25 hereof.

(5) In the case of a new appointment to the board of directors, the decision of appointment shall be sent to SPL within no later than 10 business days as of the appointment date, together with the documents showing that the appointed person meets the conditions set forth in the second paragraph hereof.

(6) If and when a director is not independent, within the meaning ascribed thereto in corporate governance regulations of the Board, from the persons being a party to the decisions to be taken by the board of directors, except for those decisions pertaining to venture capital and private equity investments, then the director is under obligation to inform the board of directors thereabout, together with the reasons thereof, and in any case, to have this information recorded in the meeting minutes. The provisions of Article 393 "Ban on Participation in Negotiations" of TCC are, however, reserved.

General Manager:

ARTICLE 18 – (1) General manager of the company shall be a graduate of four-years' universities, and shall meet the conditions specified in all subparagraphs, except the subparagraph (e), of the first paragraph of Article 6 hereof, and shall have a past experience of at least five years in the fields such as law, banking, finance, entrepreneurship, business administration, industry and trade of those are closely related to the fields of business of the company.

(2) A person cannot deputize general manager for more than six months within the last 12-months period. At the end of this period, a deputy cannot be again appointed for this job .

(3) General manager not only may engage in executive duties and posts in venture capital and private equity investments within the portfolio of the company, but also may serve as a director in other entities and institutions, providing that it is not executive and it does not lead to failures in performance of his duties in the company.

(4) In the case of a new appointment to the general manager post, the decision of appointment shall be sent to the Board and to SPL within no later than 10 business days as of the appointment date, with the documents showing that the appointed person meets the conditions set forth in the first paragraph hereof.

Other Personnel:

ARTICLE 19 – (1) It is required to employ an adequate number of qualified personnel for effective performance of activities of the company, and to comply with the pertinent regulations of the Board in election of specialized personnel who will assume and fulfill the duties stipulated in the capital markets legislation. Appointment and resignation of personnel serving as a member in committees required to be established pursuant to the pertinent regulations of the Board shall also be notified to SPL within no later than 10 business days as of either the appointment date or the resignation date.

(2) Personnel covered by this Article are required to meet the condition specified in the subparagraph (h) of the first paragraph of Article 6 hereof.

SIXTH PART
Principles on Activities, Investments and Portfolio

Scope of Activities and Limitations on Activities:

ARTICLE 20 – (1) Companies:

a) may make venture capital and private equity investments under the principles set forth in this Communiqué; and

b) may, with a view to diversifying their portfolio other than venture capital and private equity investments, make investments in capital market instruments listed and trading or issued to be listed and traded in stock exchange, reverse repo transactions in stock exchange, Custody and Clearing Bank Money Market transactions, investment fund units, on call and term deposit on TL and foreign exchange and participation accounts. Capital market instruments, other than investment fund units, shall be traded solely in exchange; and

c) may participate in management of portfolio companies; and

ç) may give consulting services to portfolio companies; and

d) may become a shareholder of consultancy companies established either at home or at abroad in order to offer consulting services for venture capital and private equity activities in Turkey; and

e) may become a shareholder of portfolio management companies established either at home, or of portfolio management companies established at abroad, in order to give management or consultancy services regarding solely the portfolio companies described in this Communiqué; and

f) may render market consulting services in BİAŞ Emerging Companies Market.

(2) Subject to the exceptions mentioned in the following subparagraphs, companies shall in no case give guarantees or stand as a guarantor in favor of third parties and shall in no case establish pledges and mortgages on portfolio assets for any purpose, including the conduct of activities mentioned in this Article:

a) Granting pledges and guarantees or establishing mortgages in favor of portfolio companies meeting the SME conditions described in the SME Regulation; and

b) In financing of investment to be made in a portfolio company included or to be included in the company's portfolio, entering into contracts relating to pledge of shares owned or to be owned by the company in that venture company.

(3) Companies can provide the portfolio companies with a short-term finance solely and exclusively as working capital in such manner not to breach the provisions of the Law pertaining to transfer of hidden profits. However, resources transferred under this paragraph are not considered and treated as a venture capital and private equity investment for the purposes of this Communiqué.

Venture Company, Venture Capital and Private Equity Investment:

ARTICLE 21 – (1) Portfolio companies are required to aim to create or develop tools, instruments, materials, services new products, methods, systems and production techniques having industrial and agricultural application and commercial market potentials or to be capable of achieving these objectives with managerial, technical or capital supports.

(2) Companies may make investments only in joint-stock and limited companies under the preceding first paragraph. Portfolio companies, being a limited company as of the date of investment, are required to complete their process of conversion into a joint-stock company within one year as of the first investment date. It is the responsibility of the board of directors of the company or the relevant executive (managing) director if authorized so by the board of

directors to fulfill the obligations stipulated in this Article. This liability continues also for outsourcing those services under Article 25 hereof.

(3) As venture capital and private equity investment, the companies:

a) may become a shareholder or be a founder of portfolio companies through capital increase or transfer of shares either directly or indirectly through special-purpose companies established at home or through collective investment corporations established at abroad, as defined in this Communiqué; and

b) may invest in debt instruments issued by portfolio companies; and

c) may directly or indirectly invest in corporations founded for the purpose of collective investments at abroad in order to make investments in portfolio companies defined in this Communiqué, providing that the risk of investments is limited by the amount of principal used in investment; and

ç) may invest in capital market instruments issued by other venture capital and private equity investment companies and in fund units of venture capital and private equity investment funds; and

d) may invest in shares of companies listed and traded in BİAŞ Emerging Companies Market; and

e) may invest in shares, not listed and traded in stock exchange, of publicly held corporations categorized as a venture company; and

f) may provide portfolio companies with a finance structured as a mixture of debt and capital finances; and

g) may become a shareholder of special-purpose joint-stock companies established at home, the fields of business as enumerated in articles of association of which are limited only by the purpose of investing in portfolio companies as defined in this Communiqué.

Portfolio Limitations:

ARTICLE 22 – (1) Companies:

a) may not make investments in companies the management control of which is held by their shareholders having their management control or by their directors and general manager. Investments made in non-related party companies concurrently with the persons referred to in this subparagraph are not considered as a part of this subparagraph; and

b) are obliged to make venture capital and private equity investments equal to at least 51% of total assets of company; and

c) may, in the investments made pursuant to subparagraph (b) of first paragraph of Article 20, invest in capital market instruments issued by a single issuer equal to at most 10% of total assets of company; and

ç) may become shareholders in companies covered by subparagraphs (d) and (e) of the first paragraph of Article 20 up to 10% of total assets of company; and

d) may grant pledges, guarantees and mortgages under the subparagraph (a) of the second paragraph of Article 20 hereof up to 10% of total assets of company;. The amount of guarantees given or pledges and mortgages established in favor of a venture company can, however, not exceed 25% of total investments made in that venture company; and

e) may invest in collective investment schemes established at abroad under the subparagraph (c) of the third paragraph of Article 21 hereof up to 49% of total assets of company;. However, in any case, this investment cannot exceed 20% of capital of the relevant scheme; and

f) may make investments under the subparagraph (e) of the third paragraph of Article 21 hereof up to 25% of total assets of company; and

g) may, with the intention of protecting their portfolio against risks such as currency, interest and market risks, invest in derivative instruments, providing that their articles of association permits so; and

ğ) if and when the amount of direct investments made in portfolio companies meeting the SME conditions defined in the SME Regulation exceeds 5% of total assets of company;, then the portfolio limitation specified in the subparagraph (b) of the first paragraph shall be applied as 35%; and

h) may make investments under the subparagraph (f) of the third paragraph of Article 21 hereof up to 25% of total assets of company; and

ı) may make investments in TL and foreign currency on call and term deposit and participation accounts up to 20% of total assets of company.

(2) Total assets shown in the year-end solo financial statements of the company shall be used for the portfolio limitations set forth in the preceding first paragraph. .

(3) It is the responsibility of the board of directors of the company or the related executive (managing) director if authorized so by the board of directors to fulfill the obligations arising from this Article. This liability continues for outsourcing those services under Article 25 hereof.

Contracts Regarding the Venture Capital and Private Equity Investments:

ARTICLE 23 – (1) Venture capital and private equity investments of the companies through which grants shareholders rights , shall be handled under a shareholders' agreement to be signed by and between the company on one side and the existing shareholders having management control in the company on the other side.

(2) Shareholders' agreement shall contain the mutual rights and obligations of the company and the existing shareholders of the venture company, specifically the management of the venture company. Shareholders' agreement may further contain clauses regarding the partial or full exit from the venture company, and pre-emptive rights, tag-along and drag-along rights, dividend policy, and share sales or purchase options.

(3) If the company acquires all of the shares representing capital of the venture company or acquires the management control thereof, it is not obligatory to sign a shareholders' agreement under this Article. In this case, it is adequate to sign a share transfer agreement and to submit that agreement to the Board, without prejudice to provisions of TCC pertaining to transfer of shares.

(4) It is required to enter into an agreement setting down the conditions applicable to and the mutual rights and obligations of parties regarding the finance, being a mixture of debt and capital finances, pursuant to the subparagraph (f) of the third paragraph of Article 21 hereof.

Breach of Portfolio Limitations:

ARTICLE 24 – (1) In incidental cases such as capital increase of company, collection of dividends from venture capital and private equity investments, bankruptcy of venture companies or increase of value of assets other than venture capital and private equity investments resulting in the fall of the rate of venture capital and private equity investments in total assets of company shown in its year-end solo financial statements below 51%, providing that an application is filed to the Board for time extension, and such application is accepted and approved by the Board, the company and if any, portfolio manager may be granted a time of

one year as of the end of accounting period of occurrence of that breach, for the purpose of re-establishment of compliance with portfolio limitations.

(2) In the event that the portfolio limitation of minimum 51% cannot be achieved due to full exit from venture capital and private equity investments, providing that an application is filed to the Board for time extension, and such application is accepted and approved by the Board, the company and if any, portfolio manager may be granted a time of two years as of the end of accounting period of the occurrence of the exit from investments, in order to ensure compliance with portfolio limitation of minimum 51%. Provided, however, that this right of requesting a time extension may be used by not more than once in the last five years, including the year of failure to comply with the portfolio limitation of minimum 51%.

(3) In the case of conflict with other portfolio limitations specified in this Communiqué, unless such conflict arises from the changes in the value of portfolio assets, providing that an application is filed to the Board for time extension, and such application is accepted and approved by the Board, the companies and if any, portfolio manager may be granted a time of one year as of the end of accounting period of occurrence of that conflict, in order to ensure compliance with maximum limits specified in this Communiqué.

(4) If the portfolio limitations can not be achieved by the end of the period granted by the Board pursuant to the first, second and third paragraphs hereinabove, within no later than three months as of the end of the specified period, the companies shall apply to the Board in order to amend their articles of association so as to exclude the venture capital and private equity investment company activities and operations. A company who does not make these amendments is deemed to have been dissolved pursuant to the provisions of the subparagraphs (b) and (c) of the first paragraph of Article 529 of TCC.

(5) It is the responsibility of the board of directors of the company or the related executive (managing) director, if authorized so by the board of directors, to fulfill the obligations arising from this Article. This liability continues for outsourcing those services under Article 25 hereof.

SEVENTH PART
Other Principles on Portfolio

Principles on Consulting and Portfolio Management Services Regarding the Venture Capital and Private Equity Investments:

ARTICLE 25 – (1) Providing that their articles of association permits so, and a prior consent of the Board is taken, and the board of directors decides so, companies may outsource the management of venture capital investments and private equity investments to portfolio management companies, and receive consulting services from institutions specialized on selection and management of venture companies for use in connection with their activities, under an agreement to be signed therein for. Principles of portfolio management services to be

purchased as above shall be determined by a contract containing the minimum contents specified in the regulations of the Board pertaining to portfolio management companies.

(2) Companies may pay a performance fee to the portfolio management companies for those portfolio management services. The performance fee shall be calculated for the difference between the disinvestment gain from a portfolio company and the investment cost thereof. Profit shares gained from venture companies and interest income from debt instruments issued by venture companies may also be used in the calculation of performance fee. Performance fee payable for the portion of portfolio composing venture capital and private equity investments cannot exceed 20% of the total amount calculated as specified in this paragraph.

(3) For performance fee payable for the portion of portfolio composing money and capital market instruments, the regulations of the Board pertaining to performance-based pricing of collective investment schemes shall be applied.

Total Expense Ratio:

ARTICLE 26 – (1) Total sum of fees paid by companies for all outsourced services, except for performance fee, cannot exceed 2.5% of total assets in their last annual solo financial statements.

(2) It is the responsibility of the board of directors of the company or the related executive (managing) director if authorized so by the board of directors to fulfill the obligations arising from the first paragraph of this Article.

Custody of Company's Portfolio:

ARTICLE 27 – (1) The custody of the money and capital market instruments in the company's portfolio shall be kept in the Clearing Bank under a custodian agreement to be signed.

Pre-public Offering Capital Increase:

ARTICLE 28 – (1) Companies may make capital increase prior to public offering provided that they do not distribute their profit in cash.

(2) In capital increases to be effected pursuant to this Article, a Board's fee shall be charged over nominal value of all shares representing capital of the company.

Financial Debt Limit:

ARTICLE 29 – (1) Total sum of short-term financial debts, including the bank loans, and of nominal value of short-term debt instruments issued by the company cannot exceed half of the shareholders' equity shown in its last annual solo financial statements audited by an independent audit firm, and total sum of its long-term financial debts and of nominal value of

long-term debt instruments issued by the company cannot exceed twice of the shareholders' equity shown in its last annual solo financial statements audited by an independent audit firm. In calculations to be made pursuant to this paragraph, the initial term to maturity of debt instruments is deemed as the relevant term of debt instrument.

(2) With respect to issue of debt instruments, all and any matters on which the preceding first paragraph remains silent shall be governed by provisions of the Communiqué on Debt Instruments (II-31.1) published in the Official Gazette edition 28670 on 7/6/2013.

EIGHTH PART
Principles on Public Disclosure and Information Obligations

Principles on Financial Statements:

ARTICLE 30 – (1) Regulations of the Board pertaining to the financial reporting shall be applicable in the preparation and public disclosure of consolidated and solo financial statements of companies.

(2) Information on the control of portfolio limitations, financial debt limitation and total expense ratio specified in this Communiqué in the financial statements by using the solo financial statement accounts shall be given in line with the footnote format shown in Annex-1 of this Communiqué and of the explanations relating thereto as specified by the Board.

Principles on Public Disclosure:

ARTICLE 31 – (1) Companies shall submit to the Board:

a) a copy of TTRG where amendments to articles of association are published, within six business days as of publication date; and

b) the information on the new shareholders structure and the results of sales in public offering, within six business days as of the end of sales period; and

c) the decisions of board of directors regarding the venture capital and private equity investments and exit from those investments, within six business days as of the decision date; and

ç) a copy of final and binding shareholders' agreements, share transfer agreements, and agreements covered by the fourth paragraph of Article 23, based on a decision of the board of directors, within six business days as of the signature date of those agreements; and

d) the final and binding agreements based on a decision of the board of directors, and articles of association of the company, and fund rules and prospectuses and other related

documents regarding the investments and transactions covered by the subparagraphs (d) and (e) of the first paragraph of Article 20 and the subparagraphs (c), (f) and (g) of the third paragraph of Article 21, within six business days as of the investment date; and

e) the information and documents proving that venture companies meet the SME conditions stipulated in the SME Regulation pursuant to the subparagraph (a) of the second paragraph of Article 20 hereof, within six business days as of the establishment date of pledge or mortgage or granting of guarantee in favor of those companies; and

f) the information on the process of conversion into a joint-stock company pursuant to the second paragraph of Article 21 hereof, within six business days as of the date of completion that process; and

g) a copy of agreements signed with companies from which consulting services, portfolio management services and investment consultancy services are received, within six business days as of the signature date of the agreement.

(2) In addition to those events for the companies to disclose to public under the Board regulations pertaining to public disclosure of material events, companies shall announce in PDP:

a) the information on capital shares and voting rights in a venture company and on debt instruments purchased, within two business days as of the investment date; and

b) the information leading to at least 10% change in the value of an asset shown in the last solo financial statements audited by an independent audit firm or in the related item in the financial statements, within two business days as of the date of this change; and

c) the amount of portfolio management and consulting service fees paid to the related parties, within two business days as of the payment date; and

ç) the valuation reports which are required to be prepared pursuant to the Board regulations, within two business days as of preparation date; and

d) the board of directors decisions on the investments in the venture companies or exit from those investments, within two business days as of the decision date; and

e) the board of directors decision on the purchase of portfolio management services and consulting services, within two business days as of the decision date; and

f) the information on the portfolio management company from which portfolio management services and investment consulting services are purchased, and on the term of agreement regarding those services, within two business days as of the signature date of the agreement.

During the period prior to public offering, the notices covered by this paragraph shall be submitted to the Board within the same period of time.

Principles on Notification Obligations:

ARTICLE 32 – (1) The company is under obligation to inform the Association on:

a) the appointment of managing (executive) directors for the company and their duties and responsibilities, and any of the changes in those decisions, within ten business days as of the related board of directors decisions date; and

b) the information on the communication details, internet website, tax identity number and trade registry number, and any of the changes in those information, within ten business days as of the date of change; and

c) the information on the independent audit firm chosen pursuant to the regulations of the Board pertaining to the independent audit, and any of the changes therein, within ten business days as of the date of choice or change; and

ç) the address of its headquarters and any of the changes therein, within ten business days as of the date of change; and

d) its existing authorized signatories list and any change therein, its current authorized signatories list, within ten business days as of the board of directors relevant decisions date; and

e) the lawsuits and legal proceedings brought forward by the company against its shareholders, managers and personnel and other entities, and the lawsuits and legal proceedings commenced by them against the company, and the results thereof, within ten business days as of the notification date; and

f) the newspapers copies containing announcements made under this Communiqué, within ten business days as of the announcement date .

(2) The Association and SPL shall create a database of information to be given to them pursuant to this Communiqué, and open such databases to access of each other and of the Board concurrently. All notifications addressed to the Association and SPL may also be received with electronic signature.

(3) If and when the Association detects a breach of the provisions of this Communiqué by the company or its branches, directors or personnel in the light of notifications to be made under this Article, the Association shall send a written notice to the Board within three business days thereafter.

(4) It is the responsibility of the board of directors of the company or the related executive (managing) director if authorized so by the board of directors to fulfill the obligations arising from this Article.

Internet Website:

ARTICLE 33 – (1) Internet websites of companies shall contain information and documents required to be disclosed to public pursuant to Article 31 as well as the information required to be included therein as per the Board regulations and TCC.

Promotional and Advertisement Announcements:

ARTICLE 34 – (1) Relevant regulations of the Board shall be applicable in promotional and advertisement announcements to be published by companies in the course of approval of prospectus regarding the public offering and sales of shares.

(2) The information containing the advertisements and announcements to be published during or out of the public offering period must not be wrong, misleading, ungrounded, exaggerated or deficient, and shall not lead to misconception for the investors regarding the existing conditions of the company, and shall not contain misleading expressions about the efficiency, profitability and financial situation of the company, and in those advertisements and announcements there shall not be any inscription, picture, photograph or image not reflecting the real situation of assets in the portfolio.

(3) All and any actions in conflict with this Article shall be under the responsibility of the company's board of directors or the related executive (managing) director if authorized so by the board of directors.

NINTH PART
Miscellaneous and Final Provisions

Exit From Venture Capital and Private Equity Investment Company Status:

ARTICLE 35 – (1) In order for the Board to give its consent and approval for amendments proposed in the articles of association of the company the shares of which are listed and traded in exchange, wishing to exit from venture capital and private equity investment company status, it is required to make a share purchase offer verifying that all shares owned and held by all shareholders other than the shareholders using an affirmative vote in the general assembly with respect to the amendments proposed in the articles of association leading to exit from venture capital investment company status, with the purchase price equal to the highest of one of the daily weighted average prices for 30 days and for 6 months prior to the date of public disclosure of the board of directors decision regarding the exit.

(2) The company's board of directors shall prepare a report containing at least the reasons of exit from venture capital and private equity investment company status, the fields of business and projections of the company after exit from this status, and an analysis of effects of exit from status on the company, and this report shall be published in PDP no later than the application date to be filed to the Board.

(3) Shareholders having at least 10% of the company's capital and shareholders having the management control, irrespective of the percentage of their shares, as of the date of approval by general assembly of amendments to articles of association pertaining to exit from venture capital and private equity investment company status, the shares of which are listed and traded in exchange , cannot sell their shares in exchange at a price lower than the closing price of the second session of exchange on the registration date for a period of one year as of the registration date for the amendments to articles of association pertaining to exit from status. Buyers of shares to be sold by those persons in the over-the-counter market are also subject to this limitation. However, shares of the company acquired by these persons after the registration date of the amendments to articles of association pertaining to exit from status are not subject to this ban on sales.

(4) A copy of TTRG edition wherein the general assembly decisions approving the exit from status are published shall be sent to the Board within six business days as of the announcement date.

(5) If, within three months as of the date of receiving the approval of the Board by the company regarding the exit from the venture capital investment company status, amendments proposed to be made in the articles of association leading to exit from status are not decided in the general assembly of the company, then the permission of the Board regarding the exit from venture capital and private equity investment company status shall become void and invalid.

(6) The right of departure does not arise regarding the transactions covered by this Article.

(7) Any of the actions in conflict with this Article shall be under the responsibility of the board of directors of the companies or the related executive (managing) director if authorized so by the board of directors.

Board's Fee:

ARTICLE 36 – (1) The relevant regulations of the Board shall be applicable in the calculation of the Board's fee required to be deposited by the companies pursuant to Article 130 of the Law.

Redetermination of the Amounts Covered in This Communiqué:

ARTICLE 37 – (1) The Board may re-determine the amounts specified in this Communiqué every year. Thereupon, the re-determined amounts shall be announced in the Board's Bulletin.

Ban on Title:

ARTICLE 38 – (1) No institution or company, other than companies founded and operating pursuant to the provisions of the Law and this Communiqué, may use "venture capital and private equity investment company" or "VCIC/PEIC" or any other phrase bearing the same meaning, in its title, name or advertisements and announcements.

Repealed Communiqués and References:

ARTICLE 39 – (1) The Communiqué of Principles on Venture Capital Investment Companies (Serial VI, No. 15), published in the Official Gazette edition 25054 on 20/3/2013 is hereby repealed and superseded.

(2) All references made to the Communiqué repealed and superseded by this Communiqué shall be deemed to have been made to this Communiqué.

Transitory Provisions:

TEMPORARY ARTICLE 1 – (1) Companies which are founded or converted into a venture capital investment company prior to the effective date of this Communiqué shall adapt themselves to the provisions of this Communiqué and apply to the Board for harmonization of their articles of association with the provisions of this Communiqué within one year as of the effective date of this Communiqué, or otherwise, companies shall be deemed to have exited from venture capital and private equity investment company status, whereupon the provisions of Article 35 shall be applied by analogy, and the provisions of second paragraph hereof shall be reserved.

(2) Companies which are founded or converted into a venture capital investment company prior to the effective date of this Communiqué shall comply with the minimum issued capital condition specified in Articles 5 and 12 hereof until 31/12/2013. Companies under this paragraph intending to file an application for public offering or sales to the qualified investors prior to 31/12/2013 shall meet the minimum issued capital condition prior to filing an application to the Board.

(3) Conditions of Article 7 regarding the financial duty and experience are not sought for in real person and legal entity shareholders who have become a leading shareholder prior to the effective date of this Communiqué.

(4) Applications to be filed to Central Registry Agency Co., Inc. pursuant to the subparagraph (b) of the fourth paragraph of Article 12 shall be made within six months as of the effective date of this Communiqué.

(5) Companies are required to prepare and disclose to public their portfolio statements of 30/09/2013 and 31/12/2013 for the last time, in accordance with the provisions of the Communiqué on Principles of Venture Capital Investment Companies (Serial VI, No. 15) published in the Official Gazette edition 25054 on 20/03/2013 repealed and superseded by this Communiqué pertaining to the portfolio statements. Portfolio limitations specified in Article 22 shall be complied with the portfolio value shown in portfolio statements issued as of 31/12/2013.

(6) Provisions of the fifth paragraph of Article 19 of the Communiqué on Principles of Venture Capital Investment Companies (Serial VI, No. 15) published in the Official Gazette edition 25054 on 20/03/2013 repealed and superseded by this Communiqué shall be applied by analogy with respect to consulting service and portfolio management fees and performance fee to be paid by companies until the effective date of Article 26 hereof.

(7) Provisions of the subparagraph (d) of the first paragraph of Article 17 of the Communiqué on Principles of Venture Capital Investment Companies (Serial VI, No. 15) published in the Official Gazette edition 25054 on 20/03/2013 repealed and superseded by this Communiqué shall be applied by analogy with respect to calculation of indebtedness limit of companies until the effective date of Article 29 hereof. For companies which are obliged to issue and prepare consolidated financial statements under this paragraph, the items in their last consolidated financial statements audited by an independent audit firm shall be used.

(8) It is the responsibility of the board of directors of the company or the related executive (managing) director if authorized so by the board of directors to fulfill the obligations stipulated in this Article.

(9) The provisions of this Communiqué shall be applicable for completion of the process of applications not responded by the Board prior to the effective date of this Communiqué.

Effective Date:

ARTICLE 40 – (1) Articles 26 and 29 and the second paragraph of Article 30 of this Communiqué shall become effective as of 1/1/2014, and all other provisions hereof shall become effective as of the publication date.

Enforcement:

ARTICLE 41 – (1) The provisions of this Communiqué shall be enforced and executed by the Board.

ANNEX-1

EXPLANATIONS ABOUT FOOTNOTE FORMAT TO BE USED IN SOLO FINANCIAL STATEMENTS REGARDING THE CONTROL OF COMPLIANCE WITH PORTFOLIO LIMITATIONS, FINANCIAL DEBT AND TOTAL EXPENSE RATIO LIMITS

(1) Information on control of compliance with portfolio limitations shall be given by venture capital and private equity investment companies in solo financial statements under a separate footnote article "Additional Footnote: Control of Compliance With Portfolio Limitations, Financial Debt and Total Expense Ratio Limits" coming after other footnote articles.

(2) In the footnote "Principles on Presentation of Financial Statements", by giving reference to the footnote under the heading of "Additional Footnote: Control of Compliance With Portfolio Limitations, Financial Debt and Total Expense Ratio Limits", it shall be clearly stated that the information given in that footnote are the summary information taken from the financial statements pursuant to the "Communiqué on Financial Reporting in Capital Markets", and is prepared under the provisions of the "Communiqué on Principles of Venture Capital and Private Equity Investment Companies" pertaining to the control of compliance with portfolio limitations, financial debt and total expense ratio limits.

(3) The footnote "Additional Footnote: Control of Compliance With Portfolio Limitations, Financial Debt and Total Expense Ratio Limits" shall also contain items with zero balance.

	ADDITIONAL FOOTNOTE: PORTFOLIO LIMITATIONS, FINANCIAL DEBT AND TOTAL EXPENSE RATIO AMOUNTS			
	Solo Financial Statements Master Account Items	**Relevant Articles of the Communiqué**	**Current Period (TL)**	**Past Period (TL)**
A	Money and Capital Market Instruments	Art. 20/1 – (b)		
B	Venture Capital Investments	Art. 20/1 – (a)		
C	Participations in Portfolio Management Company and Consultancy Company	Art. 20/1 – (d) and (e)		
D	Other Assets			
E	Total Assets of Company	Art. 3/1 – (a)		
F	Financial Debts	Art. 29		
G	Provisions, Contingent Assets and Liabilities (Pledges, Guarantees and Mortgages)	Art. 20/2 – (a)		
H	Shareholders' Equity			
I	Other Resources			
E	Total Resources of Company	Art. 3/1 – (a)		

	Other Solo Financial Information	Relevant Articles of the Communiqué	Current Period (TL)	Past Period (TL)
A1	Investments Made in Capital Market Instruments and Transactions 1. Capital Market Instrument A 2. Capital Market Instrument B	Art. 20/1 – (b)		
A2	TL and FX On Call and Term Deposits / Special Current – Participation Account	Art. 20/1 – (b)		
B1	Collective Investment Corporation Established Abroad	Art. 21/3 – (c)		
B2	Debt and Capital Mixture Financing	Art. 21/3 – (f)		
B3	Out-of-Stock Market Shares of Publicly Held Venture Companies	Art. 21/3 – (e)		
B4	Special-Purpose Company	Art. 21/3 – (g)		
C1	Participation in Portfolio Management Company	Art. 20/1 – (e)		
C2	Participation in Consultancy Company	Art. 20/1 – (d)		
F1	Short-Term Loans	Art. 29/1		
F2	Long-Term Loans	Art. 29/1		
F3	Short-Term Debt Instruments	Art. 29/1		
F4	Long-Term Debt Instruments	Art. 29/1		
F5	Other Short-Term Financial Debts	Art. 29/1		
F6	Other Long-Term Financial Debts	Art. 29/1		
G1	Pledge	Art. 20/2 – (a)		
G2	Guarantee	Art. 20/2 – (a)		
G3	Mortgage	Art. 20/2 – (a)		
I	Outsourced Service Expenses	Art. 26/1		

TABLE FOR CONTROL OF PORTFOLIO LIMITATIONS, FINANCIAL DEBT AND TOTAL EXPENSE RATIO LIMITS: FOR COMPANIES OFFERING THEIR SHARES TO PUBLIC

	Portfolio Limitations	Relevant Articles of Communiqué	Current Period	Past Period	Minimum / Maximum Ratio
1	Money and Capital Market Instruments	Art. 22/1 – (b)	A/E	E/E	≤ 49%
2	Capital Market Instruments	Art. 22/1 – (c)	A1.1/E	A1.1/E	≤ 10%
			A1.2/E	A1.2/E	≤ 10%
3	Venture Capital Investments	Art. 22/1 – (b)	B/E	B/E	≥ 51%
4	Participations in Portfolio Management Company and Consultancy Company	Art. 22/1 – (ç)	C/E	C/E	≤ 10%
5	Collective Investment Corporation Established Abroad	Art. 22/1 – (e)	B1/E	B1/E	≤ 49%
6	Debt and Capital Mixture Financing	Art. 22/1 – (h)	B2/E	B2/E	≤ 25%
7	Out-of-Stock Market Shares of Publicly Held Venture Company	Art. 22/1 – (f)	B3/E	B3/E	≤ 25%
8	TL and FX On Call and Term Deposits / Special Current – Participation Accounts	Art. 22/1 – (ı)	A2/E	A2/E	≤ 20%
9	Nominal Value of Short-Term Financial Debts and Debt Instruments	Art. 29	(F1+F3+F5)/H	(F1+F3+F5)/H	≤ 50%
10	Nominal Value of Long-Term Financial Debts and Debt Instruments	Art. 29	(F2+F4+F6)/H	(F2+F4+F6)/H	≤ 200%
11	Pledges, Guarantees and Mortgages	Art. 22-1 – (d)	(G1+G2+G3)/E	(G1+G2+G3)/E	≤ 10%
12	Outsourced Service Expenses	Art. 26/1	I/E	I/E	≤ 2.5%

TABLE FOR CONTROL OF PORTFOLIO LIMITATIONS, FINANCIAL DEBT AND TOTAL EXPENSE RATIO LIMITS: FOR COMPANIES SELLING THEIR SHARES TO QUALIFIED INVESTORS

	Portfolio Limitations	**Relevant Articles of Communiqué**	**Current Period**	**Past Period**	**Minimum / Maximum Ratio**
1	Money and Capital Market Instruments	Art. 22/1 – (b) Art. 12/4 – (g)	A/E	E/E	≤ 49%
2	Venture Capital Investments	Art. 22/1 – (b) Art. 12/4 – (g)	B/E	B/E	≥ 51%
3	Participations in Portfolio Management Company and Consultancy Company	Art. 22/1 – (ç) Art. 12/4 – (g)	C/E	C/E	≤ 10%
4	Nominal Value of Short-Term Financial Debts and Debt Instruments	Art. 29	(F1+F3+F5)/H	(F1+F3+F5)/H	≤ 50%
5	Nominal Value of Long-Term Financial Debts and Debt Instruments	Art. 29	(F2+F4+F6)/H	(F2+F4+F6)/H	≤ 200%