

About the Capital Markets, Mandatory Public Disclosure Practices and Public Disclosure Platform (KAP)

The principles of protecting shareholders, enlightening the public and ensuring the safe operation of our capital markets are the basis of the regulations regarding capital markets. In this context, in order to ensure the aforementioned issues in a regular and healthy way, companies registered in Borsa İstanbul are obliged to disclose certain issues to the public.

It is possible to classify public disclosure practices in two groups:

1) Mandatory Public Disclosure Practices

It is the public disclosure practices that must be done within the framework of the Capital Market Law and Borsa İstanbul Regulations. In this sense, special cases, financial reports and other information requested within the framework of Capital Markets Board of Turkey, Borsa İstanbul regulations and CSD of Turkey (MKK) (monthly notifications, weekly reports, etc.) are the examples of mandatory public disclosure practices. **Companies registered with Borsa İstanbul are obliged to report these kinds of informations/situations to the Public Disclosure Platform (KAP).**

2) Voluntary Public Disclosure Practices

In addition to the issues that need to be disclosed to the public through the legal regulations, it is the public disclosure practices voluntarily carried out by companies. Sustainability or feasibility reports can be given as an example of voluntary public disclosure.

In this sense, Public Disclosure Platform (KAP) is an electronic system which the notifications required to be disclosed to the public in accordance with the “Capital Market Law and Borsa İstanbul Regulations” and are transmitted and announced to the public with and electronic signature. **Within the scope of the Communiqué On Public**

Disclosure Platform issued by Capital Markets Board of Turkey (CMB); any information and document must be disclosed to the public must be sent to the Public Disclosure Platform (KAP).

In this context, companies whose capital market instruments are traded on Borsa Istanbul are obliged to announce the following datas to the public through KAP;

- Financial reports within the scope of the "Communiqué on Principles of Financial Reporting in Capital Markets" of the CMB,
- Special information regulated in the "Special Cases Notification" of the CMB,
- Other matters that should be disclosed to the public within the scope of CMB, MKK and Borsa İstanbul Regulations

To briefly touch on the issues listed above;

- Financial reports; Reports consisting of financial statements, board of directors' activity reports and statements of responsibility. Financial statements, on the other hand, include the statement of financial position, profit or loss and other comprehensive income statement, cash flow statement and statement of changes in equity with footnotes.

- The principles regarding the public disclosure of special cases are regulated by the "Special Cases Communiqué" of the CMB. Special circumstances are defined as internal or continuous information that can affect the value and price of the capital market instruments or investment decisions of the investors.

Inside information means that the events and developments which have not been disclosed to the public yet but may affect the value and price of the capital market instrument or the investment decisions of the investors.

If a change occurs in the activities, financial structures and management / capital relations of the entities' parent company and its subsidiaries, within the framework of the definitions included in the "Special Cases Communiqué" of the CMB and this change causes a significant outcome in the activities of the entity, financial and management / capital structure; then entity has the liability of disclosure.

Continuous knowledge is defined as all information, events and developments other than the inside information. Such as:

- Changes regarding the capital structure and management control of the partnership,
- Disclosure obligation for share-based capital market instruments,
- Publication of general information,
- Information policy,
- Disclosure of information regarding the General Assembly and capital increase,

Entities are obliged to make a public disclosure upon the request of stock market about the changes in the prices or trading volumes that cannot be explained by the usual market conditions.

- Notifications of Exercise of Rights are notifications made by entities regarding the fundamental rights of company partners such as attending the general assembly, receiving dividends, and participating in capital increases. They are mainly disclosures of special cases, however, since the notifications made in this context are related to the rights to be exercised by the shareholders, and as they are more specific notifications, the Stock Market is followed up by the MKK for the purpose of making the necessary registration transactions, not only by investors, but also by price division transactions and index calculations. Notifications of exercise of rights are briefly as follows.

- General Assembly
- Capital Increase, Dividend Payments,
- Debt Securities Transactions
- Right of Leaving, Right to Sell, Dismissal from Partnership,
- Merger, Division, Acquisition,
- Collecting Shares via Takeover Bids,
- Registered Capital Ceiling Transactions

- Other notifications; Except for financial reports and special cases, they are the notifications made public by the partnerships whose capital market instruments are traded in Borsa Istanbul and by exchange traded funds whose shares are traded within the framework of CMB, MKK and Borsa Istanbul Regulations.

In this context, the following notifications are covered by other notifications.

- Monthly notifications,
- Portfolio Distribution Reports
- Articles of association, fund internal regulation,
- Registration statement, circular,
- Division, merger and share distribution announcements,
- Company General Information Form,
- Takeover Proposal Information Form,
- Financial statement submitted to any authority

Such notifications are covered by other notifications.

Administrative fines are imposed in accordance with the provisions of Article 103 of the Capital Market Law in cases where the obligation to notify to KAP is violated:

General principles

ARTICLE 103 - (1) An administrative fine from twenty thousand Turkish Liras up to two hundred and fifty thousand Turkish Liras is imposed by the Board to those who violate the regulations made based on this Law, the standards and forms determined, and the general and special decisions taken by the Board. However, if a benefit has been obtained due to breach of obligation, the amount of administrative fine to be imposed cannot be less than twice of this benefit.