

# TAKASBANK Central Clearing Bank - Participant Agreement for the Energy Exchange Istanbul Organized Natural Gas Wholesale Market

(This document is translated into English for informative purposes. Turkish version will be signed and used by participants.)

## 1. Parties

The Agreement was signed between;

- **Istanbul Takas ve Saklama Bankası A.Ş.**, operating at the address Reşitpaşa Mahallesi Borsa İstanbul Caddesi No:4 Sarıyer 34467 İstanbul (hereinafter referred to as TAKASBANK) and

- .....  
.....  
operating at the address .....  
..... (hereinafter referred to as the Member).

The Parties will be individually referred to as "Party" and collectively as "Parties".

## 2. Definitions and abbreviations

In this Agreement;

**EXIST/Market Operator** : Refers to Energy Exchange İstanbul who operates the Organized Natural Gas Wholesale Market

**Relevant Legislation** : Refers to  
a) Natural Gas Market Law no. 4646 dated 18.04.2001;  
b) Organized Natural Gas Wholesale Market Regulation dated 31.03.2017, prepared on the basis of article 4 of the Natural Gas Market Law no. 4646 dated 18.04.2001 and article 11 of the Electricity Market Law no. 6446 dated 14.03.2013, as published on the Official Gazette no. 30024;  
c) Organized Natural Gas Wholesale Market Operation Principles and Procedures accepted as per Resolution no. 6957-1 made on the meeting dated 09.03.2017 of the Energy Market Regulatory Authority;  
d) Principles on Operation Arrangements for the BOTAŞ Transmission Network accepted as per Resolution no. 7727 made on the meeting dated 08/03/2018 of the Energy Market Regulatory Authority;  
e) Procedure on the Central Settlement Services to be Rendered by İstanbul Takas ve Saklama Bankası A.Ş. on the

	Energy Exchange Istanbul Organized Natural Gas Wholesale Market and Relevant Guidelines; and
	f) the processes and procedures under this Agreement along with all the legislation to which the relevant Parties are subject
<b>Central Settlement Institution</b>	: Refers to TAKASBANK, tasked to conduct cash trade and security management services in the Organized Natural Gas Wholesale Market under EXIST,
<b>Market</b>	: Refers to the Organized Natural Gas Wholesale Market under EXIST,
<b>System</b>	: Refers to the computers, software or technological infrastructure used by TAKASBANK to perform the central settlement services in relation to the securities and advance/security payments,
<b>Trade</b>	: Refers to all the processes that ensure cash and asset transfer between the parties by way of the members' performance of the obligations arising in relation with the transactions carried out in the Market under the timeframes and conditions described in the Relevant Legislation,
<b>Security</b>	: Refers to the securities determined under the relevant legislation, to which approval for them to be managed by TAKASBANK is given by EXIST,
<b>Member/Participant</b>	: Refers to the market participant who is authorized to carry out transactions on the Market and the system user who purchases gas from the natural gas transmission system, who supplies gas to the system or who transports gas through the system.

### **3. Scope of the agreement**

3.1. The scope of this Agreement is the determination of procedures that must be performed by TAKASBANK and the Member within the framework of the Relevant Legislation, in regards to the cash trade and security management services to be provided to the Market by TAKASBANK in the capacity of the Central Settlement Institution.

### **4. General Principles Related to the Central Settlement Service**

4.1. The Relevant Legislation sets forth the principles of cash trade and security management for the Market. Processes and procedures arising due to changes made to the provisions of the Relevant Legislation on cash trade and security management transactions are performed by TAKASBANK and the Member without the need to make any amendments to this Agreement. Guidelines to be determined within the scope of the Relevant Legislation in regards to the cash trade and security procedures to be performed by the Member via TAKASBANK are published by TAKASBANK and EXIST.

4.2. TAKASBANK may not be held responsible for the Member's obligations towards EXIST and other Members. TAKASBANK is obligated to receive the securities determined by EXIST and requested from the Member as specified in the Relevant Legislation.

4.3. For the Member to conduct individual security transactions, TAKASBANK opens relevant security accounts. TAKASBANK has authority over all transactions related to these accounts.

4.4. Principles related to the cash and non-cash securities that may be given are specified in the Relevant Legislation. Aside from the letter of guarantee, all securities are submitted to TAKASBANK, and the letters of guarantee are submitted to EXIST, to be retained by the relevant organizations. If the total amount of the securities submitted by the Member to TAKASBANK and EXIST is bigger than the total amount of securities to be furnished by the Member, the surplus security amount, aside from the amount covered by the letter of guarantee, is returned by TAKASBANK upon the Member's request according to the timeframes prescribed in the Relevant Legislation.

4.5. TAKASBANK registers the amount of security provided to it in relation with the participant-based Market activities in the name of EXIST as an amount pledged in favor of EXIST.

4.6. The amount of advance and invoice to be paid by the Member must be paid within the timeframes defined in the Relevant Legislation. Unless such amounts are not paid within the relevant timeframe, payments and collections may not be made by TAKASBANK by using the securities. For the advance and invoice payments not made in time, first the Member's cash securities in TRY are used, and if this amount is insufficient, the debt is offset using the Member's other cash and non-cash securities, respectively. For the amount not covered with the surplus cash security, default provisions apply. In case of a default, the default provisions in the Relevant Legislation will be imposed on the Member.

4.7. The principles and the timing of the margin call to be made to the Member are specified in the Relevant Legislation and said obligations are performed within this framework.

## **5. TAKASBANK's Responsibilities**

TAKASBANK is responsible for:

5.1. Making the necessary contributions and effort while performing the cash trade and security management services under this Agreement, cooperating with EXIST for the establishment and development of an infrastructure with redundancy and necessary software,

5.2. Establishing an infrastructure and operating the system that will ensure communications between the Market Operator, the Member and the intermediary banks in order to duly perform the security transactions and advance, invoice and assignment payments on time,

5.3. For the system;

- 5.3.1. Taking the necessary measures to ensure the continuous, secure, effective and efficient operation of the system and monitoring the Member's transactions and their compliance with the system rules on a regular basis,
  - 5.3.2. Monitoring the procedures that must be performed by the Member to ensure compliance with the obligations set forth by the Relevant Legislation and ensuring that the provisions specified in the Legislation are imposed with regards to the Member's transactions that are not in compliance of said obligations,
  - 5.3.3. Taking the necessary precautions in terms of the confidentiality and security of the information related to the transactions performed,
  - 5.3.4. Designing the information system that will ensure the smooth operation of the system,
  - 5.3.5. If the system fails unexpectedly and it is apparent that the procedures that need to be completed as per the relevant provisions of the Legislation cannot be performed within the prescribed timeframe, promptly notifying the Market Operator,
- 5.4. Retaining all securities furnished in the name of the Market Operator with the exception of the letter of guarantee, monitoring transactions performed in relation to the securities, informing the Market Operator in a timely and accurate manner with regards to the transactions performed on the Member's security accounts and the current security level,
  - 5.5. Ensuring that the cash transaction securities furnished by the Member in TRY are accreted on a daily basis according to the market conditions of the day and the relevant accretion amounts are transferred to the relevant accounts,
  - 5.6. Calculating the default interest related to the defaulting Member who is unable to collect its receivables for this reason in accordance with the provisions of the relevant legislation and informing the Market Operator in this regard,
  - 5.7. Accepting the securities aside from the letter of guarantee to be deposited to TAKASBANK by the Member,
  - 5.8. Accepting the payments made in response to the margin call made by EXIST; in case of a default in relation to the invoice procedures as per the notification made to EXIST, and in case of a default in relation to the advance procedures without further notification to the Member, converting the securities into cash and making the payments to the relevant creditors, fulfilling the obligation with the existing securities in the name of the Member and informing EXIST in this regard,
  - 5.9. Not disclosing the passwords and user names defined for the Member to third parties,
  - 5.10. Sending a payment notice to the Member in regards to the service fees to be paid to Takasbank by the Member.

## **6. The Member's Responsibilities**

The Member agrees, represents and undertakes:

6.1. That the provisions of the Relevant Legislation and the conditions of this Agreement will apply for all transactions to be carried out in the Market, and Takasbank is authorized to interpret such legislation, make decisions based on general provisions in matters where there are ambiguities and guide the implementation of the procedures as the Central Settlement Institution,

6.2. That Takasbank has regulatory and amending authority on the transactions to be carried out in the system, to comply with all rules announced and to be announced by Takasbank and that it has no right to object against Takasbank's decision to exercise such authority, and to fulfill all conditions and obligations determined by Takasbank,

6.3. To have the necessary infrastructure, software and systems in ready and working condition within the framework of the regulations to be established by Takasbank and other authorized institutions and organizations to ensure the system's security and continuous operation,

6.4. To comply with the system modifications made by Takasbank within the prescribed timeframes and to attend the tests to which it was invited to ensure the system's security and continuous operation,

6.5. That it will establish internal audit and control mechanisms to ensure the system's security and take the necessary precautions to maintain the same,

6.6. That it will avoid any activities that may jeopardize the smooth performance of trade transactions; and that it will cover all damages and losses that may occur in relation to the operation of the system if such failure is on the member's part,

6.7. That it is responsible for the performance of all obligations under this Agreement and the relevant legislation and the works performed by its employees during the course of their jobs,

6.8. That its representatives assigned to carry out transactions on the Takasbank system have unlimited responsibility with regards to the obligations arising from any kind of transaction, that the responsibility to safeguard the user code and password used by the representatives to access the system belongs to the Member, that it is responsible for all the damages that may arise from the use of such user code and password by unauthorized third parties without the consent and approval of the representative, and that all responsibility arising from the damages that occur due to the fact that its representatives and the customers on whose behalf the transactions are carried out do not have a license or because of any acts in violation of the customer's instructions being committed or transactions being carried out without the customer's instructions,

6.9. That it is obligated to take the necessary precautions so that; no authorized access to the systems accessed through the web is granted, the content of the data flow cannot be copied or downloaded, no attempts are made to access the menus of the website that are blocked from

access, no requests that may affect or harm the website or the systems can be transmitted, no reverse engineering on the website or the systems can be performed (discovering the structure, function or operation of the system based on a deductive reasoning analysis), use of the website by unauthorized users is prevented, that the content sent to the website does not violate the intellectual property rights of third parties, include criminal statements that constitute defamation and slander, disclose the commercial secrets of any business, include fraudulent, unlawful and lewd content or discrimination, abetment, promotional materials, viruses, malware, spyware or other harmful content and codes, and that it is obligated to indemnify all damages to be incurred by Takasbank for the reasons listed above,

6.10. That the responsibility related to the transactions it carried out through the system will belong to itself and that it will indemnify Takasbank and/or third parties in case they incur any damages due to a reason that is its own fault,

6.11. That Takasbank will not be a party to any disputes that may arise between itself and third parties for transactions carried out through the system,

6.12. That it will not hold Takasbank liable for any damages that may arise due to a failure to complete the trade transactions due to technical errors, force majeure or other reasons affecting the system without any fault on Takasbank's part and that it will make no claims for the compensation of such damages to Takasbank,

6.13. That requests made outside of the working hours specified in the Relevant Legislation will not be taken into consideration and that such hours may be changed at any time by notifying the Member,

6.14. That it will pay the fees and commissions to be charged by Takasbank in relation to the services provided under the Relevant Legislation and this Agreement, within the timeframes prescribed in the relevant regulations,

6.15. That it will provide the membership security and transaction security amounts to be requested by Takasbank in accordance with the provisions of the Relevant Legislation,

6.16. That if Takasbank is forced to bring action or initiate execution proceedings for the purpose of collecting the debts arising from this Agreement, it will be obligated to pay the costs, fees, charges and attorney's fees arising from such action and proceedings.

6.17. That the Relevant Legislation including any amendments thereof are an integral part of this Agreement and within the framework of the Relevant Legislation, it will be responsible for;

6.17.1. Making payments related to the advance payment notices and invoices sent to the Member by EXIST to TAKASBANK through intermediary banks and monitoring such payments on Takasbank screens,

6.17.2. Carrying out transactions that will ensure the use of cash and non-cash assets deposited to the Takasbank account for security, advance and invoice payments through TAKASBANK screens,

6.17.3. Depositing the security at the amount specified by EXIST to the security accounts opened in its name in TAKASBANK on time and in full to secure its payment obligations,

6.17.4. Depositing the service fees and fund management commission requested in relation to the security management and cash trade services rendered by TAKASBANK to TAKASBANK on time and in full,

6.17.5. Notifying TAKASBANK in writing regarding the contact information of the intermediary bank that will make the advance and invoice payments on its behalf,

6.17.6. Notifying TAKASBANK in writing regarding the changes made to the bank account information defined in the system at least 1 week in advance,

6.17.7. Notifying TAKASBANK immediately regarding the changes made to the authorized signatories specified on the list of authorized signatories delivered to TAKASBANK, and submitting the new list of authorized signatories (if no notification is sent to TAKASBANK, the existing authorized signatories will be deemed applicable).

6.18. The Member agrees, represents and undertakes that, pursuant to the Relevant Legislation on Measures to be Taken to Prevent the Laundering of Crime Revenues and the Financing of Terrorism and other statutory regulations, it has carried out and will carry out the transactions on its accounts in TAKASBANK in its own name, and in case a transaction on someone else's behalf is to be carried out in such accounts, it will notify TAKASBANK in writing before carrying out the transaction and will immediately submit the relevant documents to identify the persons on behalf of whom it is acting in accordance with the provisions of the Relevant Legislation, and that otherwise TAKASBANK will be entitled to refrain from accepting such transactions and unilaterally terminate the Agreements without further notice.

## **7. Technical Infrastructure**

7.1. The trading software provided by TAKASBANK in relation to the trading services used by Market Participants and the support and training services for such software will be provided by TAKASBANK under the terms and conditions determined by TAKASBANK.

7.2. TAKASBANK will provide technical support in its own headquarters and provide phone support with regards to the installation of the software, however this support will not include the software setup and support to be carried out at the premises of the Member organization. The software will be made available to the Market Members through the web. Training regarding the use of the application software may be given by TAKASBANK where necessary. Support desk services related to the use of the application software will be provided by TAKASBANK.

7.3. TAKASBANK applications will operate by way of online access. TAKASBANK is entitled to make changes in the methods of access where deemed necessary. In such as case, the change to be made is announced to the Members reasonably in advance. The website to be used to access the TAKASBANK Market application software and other information is announced to the Members by TAKASBANK and EXIST as a general letter. The members have to fulfill the following conditions in regards to the use of TAKASBANK applications.

7.3.1. The market participants must have a sufficient internet connection speed and a sufficient computer that meets the system requirements to use the TAKASBANK web application.

7.3.2. To ensure smooth access to the TAKASBANK web application, the web browser announced by TAKASBANK must be used. TAKASBANK may be unable to provide the necessary support for other versions of the specified browser or issues that may be encountered in other browsers.

7.3.3. It is the Member's responsibility to resolve the issues arising from hardware or software problems in the computer that is used to access the TAKASBANK web application, and fulfill the obligations against TAKASBANK.

7.3.4. The responsibility of installing the third party software (java, flash player etc.) that are required for the TAKASBANK web application to run, the details of which to be specified in the web application access notice to be sent to the Member, will belong to the Member and TAKASBANK will provide the support specified in article 7.2 for issues encountered during installation.

7.3.5. To ensure security and continuity, the member will regularly install security patches to be released by the developers and antivirus software updates on the computer systems to be used to access the application.

7.3.6. TAKASBANK may not be held responsible for any damages that may occur due to the malicious use of the application on the participant's accounts using the user name and password given to the Member by TAKASBANK.

7.3.7. Access to TAKASBANK systems is granted to the Member during the access hours announced by TAKASBANK. Changes made to the access hours are announced to the Member.

## **8. TAKASBANK Prices**

8.1. Tariffs regarding the services provided by TAKASBANK and any changes to be made to such tariffs are determined by TAKASBANK after consulting with EXIST, and announced to the Members. In determining such tariffs, TAKASBANK's legal obligations and associated costs are taken into consideration.

8.2. In exchange for the cash and asset transfers to be carried out by TAKASBANK on behalf of the Member, the participant-based EFT, EMKT and SWIFT costs are accrued within the framework of the TAKASBANK Cash Operation Price Tariff and the payments are made on a monthly basis.

8.3. The service fees to be paid by the Member for the services is announced by TAKASBANK to the relevant Member through TAKASBANK screens on a monthly basis. These fees are paid to TAKASBANK within the timeframes prescribed in the relevant legislation after they are announced through the TAKASBANK screens.

8.4. If the service fees to be charged to the Member in exchange for the services provided by TAKASBANK are not paid within the timeframes prescribed in the relevant legislation, a delay interest at the rate determined as per article 51 of the Law on the Procedure for the Collection of Public Receivables no. 6183 will apply.

8.5. If the service fees to be charged to the Member in exchange for the services provided by TAKASBANK are not paid within the timeframes prescribed in the relevant legislation, the debts will be offset without default by TAKASBANK using the relevant participant's Free Current Account no. 11 in TAKASBANK and if the balance of such account is not sufficient to cover the amount of the TAKASBANK service fee, by using the membership security furnished to TAKASBANK by the participant; however if the amount of the service fee exceeds the amount of such security, the debts will be offset with default by TAKASBANK using the relevant participant's Free Current Account no. 11 in TAKASBANK. Securities that could not be completed within the timeframes prescribed in the relevant legislation will become due and payable, and legal proceedings will be initiated by TAKASBANK without further notice.

## **9. Validity Period and Renewal of the Agreement**

9.1. As long as the Member and TAKASBANK continue their activities on the Market as per the provisions of the Relevant Legislation, the provisions of this Agreement will remain applicable.

## **10. Circumstances Not Covered By This Agreement**

10.1. In case there is no relevant provision in this Agreement, the provisions of the Relevant Legislation apply. Regulations to be established in circumstances where there are ambiguities in the Relevant Legislation with regards to the processes and procedures that form the subject of this Agreement in relation to the cash trade and security management procedures, are guided by EXIST with the mutual agreement of the parties.

## **11. Evidence Agreement**

11.1. The parties agree that, for the settlement of disputes that may arise between the Member and TAKASBANK, only the TAKASBANK records, confirmation messages, computer records and other records kept by TAKASBANK will constitute definitive evidence and that this provision will constitute an evidence agreement pursuant to article 193 of the Code of Civil Procedure.

**12. Settlement of Disputes**

12.1. Istanbul Central Courts and Enforcement Offices have exclusive jurisdiction for the settlement of disputes that may arise from the interpretation and performance of this Agreement.

**13. Confidentiality**

13.1. The Parties are obligated to take the necessary measures to ensure that the commercially important information of the parties to the Agreement, that is confidential in nature and that they have received as a result of the performance of the services arising from the Agreement, is kept confidential; and not to disclose the same to third party legal entities including their own affiliates and/or shareholders and not to use them for purposes other than the ones described in the Relevant Legislation.

**14. Notification Addresses**

14.1. The Parties have designated the addresses specified in this Agreement as their legal notification addresses, and unless a change in address is notified to the other party in writing, all written notifications sent to such addresses will be considered valid.

**15. Entry Into Force**

15.1. This Agreement was executed by the parties in 2 copies on the date of ...../...../..... and enters into force as of the date of its signing.

On behalf of **TAKASBANK A.Ş.;**

Signature : .....

Name Surname : .....

Title : .....

On behalf of ..... ;

Signature : .....

Name Surname : .....

Title : .....