

BIST STOCK INDICES GROUND RULES

1. PURPOSE

BIST Stock Indices have been created to measure the joint performances of group of stocks traded on Borsa İstanbul.

2. DEFINITIONS AND GENERAL RULES

2.1. Market Value

Market value is calculated by multiplying total number of stocks (including the temporary shares which are created in the Central Registry Agency (CRA) during capital increases under the paid-in capital system until the capital is registered and announced) that represent the capital by the stock price.

2.2. Free Float Ratio

Free Float Ratio has been defined by the Capital Markets Board (CMB) as a concept showing free float rate of the stocks traded on Borsa İstanbul equity markets, and is calculated and announced by CRA.

2.3. Weighting Factor

This is a number greater than 0 and smaller or equal to 1 used to adjust the weight of a stock in the index. If the weight of the stock in the index is specified via its free float market value, the weighting factor is equal to 1. For capped indices where the weight of each stock is determined peculiarly, free float market values are taken into account only after being multiplied by this weighting factor.

2.4. Weighted Free Float Market Value

Weighted Free Float Market Value is calculated by multiplying the total market value by the Free Float Ratio and the Weighting Factor.

2.5. Lists A, B, C and D

These are lists created to classify stocks traded on Borsa İstanbul markets according to the criteria determined by CMB and are subject to different trading principles and different measures.

2.6. Corporate Governance Rating

Corporate governance rating is a measure of the accordance of a company with the corporate governance principles, determined by a rating institution authorized by CMB in the scope of the Communiqué of CMB on "Principles Governing Rating Activities in the Capital Market and Rating Institutions".

2.7. Foreign Exchange Rate

Refers to the Buying Rates announced by the Central Bank of Republic of Turkey.

2.8. Price and Return Indices

BIST Stock Indices are calculated both in terms of Price and Return. The only difference between the Price Index and Return Index is related to cash dividend payments. In cash dividend payments, the divisor of the Return Index is adjusted assuming that the dividend paid is invested in the constituents in proportion to their weights; whilst the divisor of the Price index is not adjusted assuming that the dividend paid is excluded from the portfolio.

2.9. Excluded Stocks

Stocks included in list D are not included in any of BIST Stock Indices. Stocks included in list C are not included in any of BIST Stock Indices except BIST SME Industrial index.

2.10. Starting/Ending Index Calculation

In order to launch a new index, except indices with a fixed number of stocks, the number of constituents should reach to 5.

If the number of companies included in an index being calculated falls below 2, the calculation of the index is terminated permanently effective from the first business day of the second month following the announcement.

2.11. Review Period

The data used in the periodic review conducted regarding the scope of BIST 30, BIST 50 and BIST 100 indices correspond to this period. The review period covers the last 6 months as of the last trading day of November, February, May and August for traded value.

2.12. Review Day

| INDEX | Data Used | Review Day |
|-----------------------------------|---|--|
| BIST 30, BIST 50 and BIST 100 | Market value and free float ratio | The last trading day of November, February, May and August |
| BIST Dividend ve BIST Dividend 25 | Market value, free float ratio and dividend yield | The last trading day of December |
| BIST SME Industrial | Annual financial statements | The last trading day of April |

2.13. Index Period

This is the period in which the periodic changes in the scope of indices are in effect as a result of the periodic review conducted.

- There are 4 index periods for BIST 30, BIST 50 and BIST 100 indices, namely, January-March, April-June, July-September and October-December.

- b) There is one index period for BIST Dividend and BIST Dividend 25 indices, namely, February-January.
- c) There is one index period for BIST SME Industrial index, namely June-May.

2.14. Announcement of Periodic Changes

Periodic changes on BIST 30, BIST 50, BIST 100, BIST Dividend, BIST Dividend 25 and BIST SME Industrial indices are announced at least 10 days prior to the beginning of the relevant index period.

2.15. Index Calculation and Dissemination

BIST 30 and BIST 100 Price Indices are calculated during the session once a second and disseminated in real-time. Return Indices and foreign currency based indices are calculated and disseminated once at the end of day.

2.16. Data Precision

| | DATA PRECISION |
|----------------------|---|
| Index Values | Rounded to 2 decimal places |
| Index Divisors | Rounded to 8 decimal places |
| Free Float Ratio (%) | If Free Float Ratio < 1% Rounded to 2 decimal places If Free Float Ratio >=1% Rounded to integer numbers |
| Weighting Factor | Rounded to 12 decimal places |

2.17. Dividend Yield

$$\text{Dividend Yield}_i = \frac{\text{Dividend Paid}_i - \text{Rights Issue Amount}_i}{\text{Market Value}_i}$$

Where:

Dividend Yield_i: means dividend yield of the company "i" calculated as of the Review Day

Dividend Paid_i: means the total gross amount of cash dividend paid by the company "i" in the prevailing fiscal period

Rights Issue Amount_i: means the sum of amounts found by multiplying the amount of rights issue which the company "i" carried out in the prevailing fiscal period by vesting preemptive rights to the shareholders by the rights issue price.

Market Value_i: means market value of the company "i" on the Review Day.

2.18. Capping ratio

This is the ratio bounding the weight of the stock in the index. Different capping ratios may be specified for different indices.

The table below gives capped indices and capping ratios:

| INDEX | CAPPING RATIO |
|------------------------|---------------|
| BIST 30 Capped | 10% |
| BIST 100 Capped | 10% |
| BIST IPO | 20% |
| BIST Technology Capped | 20% |

2.19. Capping Method

When there is a change in the scope of the index, the weights of constituent stocks are checked without any capping being applied (by removing the capping if there are). If there is a stock whose weight is greater than the capping ratio, the weight is decreased to the capping ratio by using the weighting factor.

For indices whose constituent stocks are reviewed periodically, the weights are checked after changes, if any, in the scope of the index have been made and without any capping being applied (by removing the capping if there are) at the beginning of the index period. If there is a stock whose weight is greater than the capping ratio, the weight of the stock is decreased to the capping ratio via weighting factor.

3. CALCULATED INDICES

3.1. BIST 100 Index

The index is used as the main index for Borsa İstanbul Equity Market. It consists of 100 stocks selected among the stocks of companies traded on the BIST Stars and BIST Main markets and the stocks of real estate investment trusts and venture capital investment trusts traded on the Collective and Structured Products Market. BIST 100 index automatically covers BIST 30 and BIST 50 stocks.

3.2. BIST 50 Index

The index consists of 50 stocks selected among the stocks of companies traded on the BIST Stars and BIST Main markets and the stocks of real estate investment trusts and venture capital investment trusts traded on the Collective and Structured Products Market. BIST 50 index automatically covers BIST 30 stocks.

3.3. BIST 30 Index

The index consists of 30 stocks selected among the stocks of companies traded on the BIST Stars and BIST Main markets and the stocks of real estate investment trusts and venture capital investment trusts traded on the Collective and Structured Products Market.

3.4. BIST 100-30 Index

The index consists of 70 stocks included in BIST 100 Index but not in BIST 30 Index.

3.5. BIST Corporate Governance Index

The index consists of the stocks of companies traded on Borsa İstanbul markets which have the minimum required corporate governance rating grade.

3.6. BIST All Index

The index consists of all stocks traded on Borsa İstanbul markets, except Investment Trusts.

3.7. BIST All-100 Index

The index consists of the stocks of companies which are included in BIST All Index but not in BIST 100 Index.

3.8. Sector Indices and Sub-Sector Indices

The indices consist of the stocks of companies traded on Borsa İstanbul markets, except Investment Trusts.

3.9. BIST Stars Index

The index consists of the stocks of companies traded on the BIST Stars Market.

3.10. BIST Main Index

The index consists of the stocks of companies traded on the BIST Main Market.

3.11. BIST Investment Trusts Index

The index consists of the stocks of investment trusts traded on Borsa İstanbul markets.

3.12. BIST City Indices

The indices consist of the stocks of companies traded on Borsa İstanbul markets categorized by the city where the main production/service or the registered office is located. Companies that operate in the financial sector with the exception of holdings and in the retail sector are not included.

3.13. BIST Dividend Index

The index consists of the stocks of companies traded on the BIST Stars and BIST Main markets and of real estate investment trusts and venture capital investment trusts traded on the Collective and Structured Products Market, all of them having distributed cash dividends in the last 3 years.

3.14. BIST Dividend 25 Index

The index consists of 25 stocks placed in the first 2/3 slice in the ranking of the constituents of BIST Dividend Index in descending order according to dividend yield as of the review day and have the highest free float market value.

3.15. BIST IPO Index

The index is composed of stocks of the companies offered to the public and started to be traded on BIST Stars and BIST Main markets, and stocks of the real estate investment trusts and venture capital investment trusts offered to the public and started to be traded on the Collective and Structured Products Market.

3.16. BIST SME Industrial Index

The index consists of the stocks of industrial companies traded in BIST Stars, BIST Main and BIST Emerging Companies markets and who satisfy at least one of the annual net sales or financial balance sheet size criteria, except the number of employees criterion, that appear in the SME definition of the related ordinance of the Ministry of Science, Industry and Technology.

4. CALCULATION METHOD AND ADJUSTMENT

4.1. Latest price data are used in the index calculations.

4.2. BIST Indices are calculated as free float market capitalization weighted.

The following formula is used in the calculation of indices:

$$E_t = \frac{\sum_{i=1}^n F_{it} * N_{it} * H_{it} * K_{it}}{B_t}$$

E_t = Value of the index at time t

n = Number of constituent stocks

F_{it} = Price of the stock "i" at time t

N_{it} = Total number of shares of stock "i" at time t

H_{it} = Free float ratio used in index calculation of the stock "i" at time t

K_{it} = Weighting factor of the stock "i" at time t

D_t = Foreign exchange rate on day t

B_t = Divisor of the index at time t

4.3. Adjustment:

If there occur any change in the numerator of the index formula due to the events listed below, the divisor of the index will also be adjusted to ensure continuity in the index value.

The adjusted divisor of the indices is calculated using the following formula:

$$B_{t+1} = \left(1 + \frac{\Delta PD}{PD_t} \right) * B_t$$

B_{t+1} = Adjusted divisor to be used on day t+1

ΔPD = Change in the total Weighted Free Float market value of the stocks due to the events described below

PD_t = Total Weighted Free Float market value of the stocks on day “t”

B_t = Divisor on day t

If capital increases and/or dividend payments of the traded companies are realized in a currency other than Turkish Lira, Turkish Lira equivalents, calculated by using exchange rates of the last business day before ex-date, are used in index adjustments.

4.4. Events which require adjustment in the indices and the timing of the adjustments:

Regarding types of activities which require adjustment to the indices based on the public disclosures of the companies, the company should have delivered the statement to the Public Disclosure Platform (PDP) until 16:30 (until 12:00 on half days) on the day that precedes the realization date. Otherwise, the relevant adjustment will be made effective on the second business day that succeeds the delivery of the statement to PDP.

A list of relevant adjustments that will be implemented on the next business day is finalized by 16:30 (12:00 on half days) every day, and announced on the PDP

All adjustments other than cash dividend payment are made both in the price and return indices.

a) Cash dividend payment

The adjustment is made only in return indices taking into account the amount of net dividend to be effective on the ex-dividend date.

b) Capital increase in cash through rights offering

i) If both the last trade price and the adjusted price (in case of dividend and bonus issues) of the stock are equal to or higher than the subscription price;

The adjustment is made to be effective on the rights issue date.

ii) If the last trade price and/or the adjusted price (in case of dividend and bonus issues) of the stock is lower than the subscription price;

The adjustment regarding the amount of rights issue is made to be effective on the business day that succeeds the day when the completion of the capital increase process is notified to PDP, after the exercise of the rights issue and the sale of the remaining shares on the Primary Market.

c) Capital increase in cash without rights offering

- i) Adjustment is made to be effective on the business day that succeeds the ending date of the sales transaction if the shares representing the capital increase are sold via private placement.
- ii) Adjustment is made to be effective on the fourth business day that succeeds the ending date of the sales transaction if the shares representing the capital increase are sold via public offering.

ç) Inclusion of new stocks in indices

Adjustment is made to be effective on the day the new stock is added to the index.

d) Exclusion of stocks from indices

Adjustment is made to be effective on the day the stock is excluded from the index.

e) Change in free float ratio

The free float ratios that are announced by CRA for the last business day of the week are analyzed and the changes in ratios except those occur during the capital increase process are taken into account.

If the free float ratio;

- is equal or lower than 50% and there is a change at the rate equal to 5 points or higher;

- is higher than 50% and there is a change at the rate equal to 10 points or higher;

adjustment is made to be effective on the third business day of the following week. Free float ratios are not adjusted for the weeks consisting of two or less business days. If the number of shared changes due to cases defined in parts (ğ) and (h), free float ratios are also adjusted according to latest ratios announced by CRA.

If shares held by current shareholders are offered to the public, free float ratios are adjusted to be effective from the fourth business day succeeding the end date of the transaction.

If deemed necessary, changes on the ratios can be made with the decision of the Borsa İstanbul Management.

f) Company mergers

Adjustment is made to be effective on the date of the distribution of shares issued due to the merger.

g) Company spin-off

Adjustment is made to be effective on the date of the distribution of shares issued due to the spin-off.

- ğ) The sale of shares held ready to sell in public offerings:

Adjustment is made to be effective on the fourth business day of the month succeeding the one when the sale has been made considering the delivery of the statement related to the sale to PDP.

- h) Share transformation of companies with multiple groups of stock altering the number of shares in different groups:

Adjustment is made effective on the first business day that succeeds the delivery of the statement concerning the share transformation to PDP.

4.5. Retroactive correction in the calculated index values:

No retroactive correction is made in the index values calculated and announced in real time. Retroactive correction in the index values calculated and announced at the end of day can be permitted only by the decision of the Borsa İstanbul Management.

5. SELECTION CRITERIA

5.1. BIST 30, BIST 50 and BIST 100 Indices:

- a) In order for stocks to be eligible for inclusion in the indices, they should be traded either in List A or List B as of the end of the review period. Stocks traded in lists C or D are not included in the indices.
- b) BIST 30, BIST 50, and BIST 100 indices are composed of the stocks of companies traded on the BIST Stars and BIST Main markets and the stocks of the real estate investment trusts and venture capital investment trusts traded on the Collective and Structured Products-Market.
- c) To become eligible for inclusion in the indices, stocks should have been traded on Borsa İstanbul for at least 60 days as of the end of the review period. For the stocks included in the indices in accordance with 7.6, the 60-day trading requirement does not apply.
- ç) If a company has more than one group of stock, then only one of them can be included in the indices.
- d) The selection procedure for the indices is as follows:
 - i. Stocks are ranked in descending order according to free float market value as of the end of the review period.
 - ii. Stocks are ranked in descending order according to the daily average traded value in the review period. In calculation of the daily average traded value, trades in trade report are not taken into account.
 - iii. After the stocks are ranked in two separate lists according to the two criteria mentioned above, a final ranking is made as described below:

If there is a stock which is in the first place in both lists, it is assigned to the first place in the final list. If there is no stock which is in the first place in both lists, it is examined whether there is any stock which is in the first two

places. These steps are repeated until a stock which will be assigned to the first place in the final list is found. Then, the above steps are repeated for the succeeding places. If there are two stocks which are eligible to be placed in the first “n” places in both lists, then the one with the higher market value is assigned to the upper rank in the final list.

- iv. Selections for the indices are made starting with the stocks placed on top of the final list. The upper and lower ranks described in Periodic Review Section below should also be taken into account in order for a stock which is not a constituent to be included in that index and in order for a constituent stock to be excluded from that index.

5.2. Corporate Governance Index:

- a) In order for the stocks of a company to become eligible for inclusion in the Corporate Governance Index, the company should have a corporate governance rating grade, given by a rating institution authorized by CMB, and its aggregate grade must be 7 or higher while the minimum grade for each main section must not be lower than 6.50 out of 10.
- b) The rating must be given upon the request of the company willing to be rated and must be renewed annually.
- c) If ratings have been obtained from more than one rating institution, the last reported rating will be taken into account. If the rating agreement of any of these rating institutions is terminated for any reason, or the rating institution is excluded from the “List of Rating Institutions” by CMB, then the rating given by the other rating institutions are taken into account.
- ç) The stocks of the companies that meet the minimum rating requirement are included in the index on the business day that succeeds the date of notification of the rating to PDP. (Any notice delivered to PDP after 12:00 hrs on half days, or after 16:30 on other days are deemed to have been delivered on the next business day.)

5.3. City Indices:

- a) In production companies, the city where minimum 50% of the production takes place is taken into account. In service companies (except communication and construction companies and holdings), the city where minimum 50% of the operating income is derived is taken into account. If there is no city where minimum 50% of the production or operating income is realized/derived, then the city where the registered office is located is taken into account.

For communication companies, construction companies and holdings, the city where the registered office is located is taken into account.

- b) Companies that operate in the financial sector with the exception of holdings and companies that operate in the retail sector are not included.
- c) For the stocks of a company to be included in the city indices, the scope of the city indices should cover the activities of the company and there should be an index being calculated for the city in which the company is covered.

5.4. BIST Dividend Index:

- a) The index consists of the stocks of companies traded on the BIST Stars and BIST Main markets and the stocks of real estate investment trusts and venture capital investment trusts traded on the Collective and Structured Products Market.
- b) Companies that have a Net Profit, as of the Review Date, on their annual financial statements prepared for the last 3 fiscal years in accordance with the CMB Legislation are included in the index if and to the extent the amount of dividend distributed to shareholders, which is calculated by subtracting the amount of rights issue by vesting preemptive rights to the shareholders (the total amount found by multiplying capital increase amount by the rights issue price) which is carried out in the fiscal year succeeding these years from the amount of cash dividend paid to the shareholders in the same fiscal year, is positive. Turkish Lira equivalents of the capital increases and/or dividend payments in a currency other than Turkish Lira, are calculated by using exchange rates of the previous business day before ex-date.
- c) When determining the dividends paid, only the dividends distributed after the initial listing of the company on the Exchange are taken into account.
- ç) Companies which, as of the review day, reported loss in the 12-month period preceding the date of the last financial statement that was announced on the PDP are not included in the index.

5.5. BIST Dividend 25 Index:

- a) The stocks to be included in the index are selected from among the companies that are included in BIST Dividend Index.
- b) Stocks that are included in BIST Dividend Index are ranked in descending order according to dividend yield to determine the stocks that remain within the first 2/3 slice, and those stocks are ranked further in descending order according to free float market value, and the stocks to be included in the index are selected starting from the stock on top of the list.
- c) If a company has more than one group of stocks that are traded with different ticker symbols, then only one group of stocks can be included in the index.
- ç) If the ranking according to market value includes less than 25 stocks, then the companies that were not qualified to be ranked are ranked in descending order according to their dividend yields, and stocks are chosen to the index starting from the stock at the top of the ranking until the number of stocks in the index reaches 25 provided that any company that has more than one group of stocks traded with different ticker symbols can have only one group of stocks included in the index.

5.6. BIST Initial Public Offering (IPO) Index:

- a) The index is composed of stocks of the companies offered to the public and started to be traded on BIST Stars and BIST Main markets and stocks of the real estate investment trusts and venture capital investment trusts that are offered to the public and started to be traded on the Collective and Structured Products Market. Companies are included in BIST IPO Index on the first trading day and they remain in the index for 2 years.
- b) In case the number of companies in the index falls below 5, the expired company remains in the index until a new company is included. According to that exception when a new company is included, the companies which continue to remain in the index are excluded from the index respectively considering their waiting times.
- c) In case the stocks which are excluded from the index due to the reasons specified in article 7.1 and 7.3 are included in the index again after the elimination of these reasons, the days on which its trading remains suspended and the days on which it is traded on the Watchlist Market and on lists C and D are included in the calculation of 2 year period.

5.7. BIST SME Industrial Index:

The index include the stocks of industrial companies traded the BIST Stars and BIST Main markets and the BIST Emerging Companies Market and who satisfy, with respect to the latest annual balance sheet available on PDP as of the review day, at least one of the annual net sales or financial balance sheet size criteria that appear in the SME definition of the related ordinance of the Ministry of Science, Industry and Technology.

6. PERIODIC CHANGES ON CONSTITUENT STOCKS

Periodic changes on stocks within BIST 30, BIST 50, BIST 100 and BIST Dividend 25 indices are conducted according to the following principles, based on the study carried out for the next index period using the review period data:

In order for a stock which is not a constituent to be included, it must rise to a specific upper rank or above in the final ranking. Similarly, in order for a constituent stock to be excluded, it must fall under a specific lower rank in the final ranking.

Specific upper and lower ranks are;

25th and 35th for BIST 30 Index,

45th and 55th for BIST 50 Index,

90th and 110th for BIST 100 Index,

In the final ranking;

- a) Stocks which ascend to the specific upper rank or higher and are not covered by the index are included.

- b) Stocks which descend down below the specific lower rank and are covered by the index are excluded.
- c) If the number of stocks ascending to the specific upper rank or higher is higher than the number of stocks which descend down below the specific lower rank, then starting from the stock which is positioned in the specific lower rank, the required number of stocks in the upper ranks are excluded from the index until the numbers of stocks included-excluded are equal.
- ç) If the number of stocks descending down below the specific lower rank is higher than the number of stocks ascending to the specific upper rank or higher, then starting from the stock which is positioned one place below the specific upper rank, the required number of stocks in the lower ranks are included the index until the numbers of stocks included-excluded are equal.
- d) Reserve Stocks: 2 stocks for BIST 30, 3 stocks for BIST 50, 5 stocks for BIST 100 and 5 stocks for BIST Dividend 25 indices are selected as substitutes for any changes likely to occur within the period and this Reserve List is announced concurrently with the periodic changes.

7. NON-PERIODIC CHANGES ON CONSTITUENT STOCKS

Under such circumstances which require changes on constituent stocks of the indices based on the public disclosures of the companies, the company should have delivered the statement to the PDP until 16:30 (until 12:00 on half days) on the business day that precedes the realization date. Otherwise, the relevant change will be made so that it will be effective on the second business day that succeeds the delivery of the statement to PDP.

- 7.1. Stocks whose trading are halted permanently, stocks whose trading are suspended for more than 5 consecutive trading days except those that are suspended due to additional public offering and stocks transferred to the Watchlist Market from their current markets are excluded from all the indices under which they are covered, to be effective on the date of halt, suspension or transfer. Stocks excluded from BIST 30, BIST 50, BIST 100 and BIST Dividend 25 indices are replaced with substitute stocks.
- 7.2. Stocks transferred to a market other than the Watchlist Market from their current markets are excluded from the former market index and included in the new market index, effective from the date the transfer takes place. Accordingly, stocks excluded from BIST 30, BIST 50 and BIST 100 Indices are replaced with substitute stocks.
- 7.3. In transitions between lists A, B, C and D, index actions suitable to the article 2.9 Excluded Stocks are executed in such a way that they are effective on the day when the transition is actualised. Stocks excluded from BIST 30, BIST 50, BIST 100 and BIST Dividend 25 indices are replaced with substitute ones.
- 7.4. Stocks excluded from the indices because of the above mentioned (7.1, 7.2 and 7.3) reasons (suspension, transfer between markets or between lists) are not included in

BIST 30, BIST 50, BIST 100 and BIST Dividend 25 indices until the end of the index period in which the stocks are excluded. If the suspended stocks re-start trading in the same index period of exclusion, they are included in all of the other relevant indices, effective on the re-start or re-transfer date.

- 7.5. Stocks that are started to be traded for the first time are included in all relevant indices other than BIST 30, BIST 50, BIST 100, BIST Dividend, BIST Dividend 25 and BIST SME Industrial indices, as of the first day they start to be traded.
- 7.6. If the market value of the publicly-held portion of the stocks of a company or bank at the date of expiry of public offering is:
 - higher than TL 1 billion or 1% of the total free float market value of BIST Stars and BIST Main markets; and
 - higher than the lowest free float market values included in BIST 30 index; then, effective from the 5th business day they have been traded, they are included in the index in place of the stocks with the lowest free float market value in BIST 30, BIST 50, and BIST 100 indices.
- 7.7. Companies who change their scope of activities in such a way to result in a change of sector are excluded from their former sector indices and included in new sector indices effective from the first business day of the week that succeeds the week in which the statement regarding the inception of new activities is published on the PDP. If a company's upper sector group changes from Industrials to another, the company is excluded from the BIST-SME Industrial Index effective from the first business day of the week following the announcement in PDP.
- 7.8. If a Company included in a BIST City Index remains outside the scope of the index because of a change in the scope of its activities or it changes the main location where its production/operation/administration takes place, it is excluded from the index and included in the scope of the index which corresponds to its new production/operation/administration premises, effective from the first business day of the week that succeeds the week in which the statement of change is published on the PDP.
- 7.9. If a Company not included in any of BIST City Indices becomes eligible for inclusion in BIST City Indices due to a change in the scope of its activities, it is included in the corresponding city index, effective from the first business day of the week that succeeds the week in which the statement of the inception of the new operation is published on the PDP.
- 7.10. The stocks covered by BIST Corporate Governance Index are excluded from the index effective from the business day succeeding the date the relevant disclosure is announced in PDP if;
 - a) the new corporate governance rating grade disclosed in PDP is lower than the minimum required rate,
 - b) the termination of the rating agreement is disclosed in PDP for any reason,

- c) the exclusion of the rating institution from the “List of Rating Institutions” authorized by the CMB is disclosed in PDP,
- ç) it is disclosed in PDP that the rating institution is no longer independent, the date on which the 1-year term expires or the rating agreement is terminate if,
- d) it is not disclosed to the PDP that the rating grade is renewed until the end of the 1-year term following the award of the rating,
- e) it is not disclosed to the PDP that the rating agreement is renewed until the date of expiration of the agreement.

such stocks are excluded from the index effective from the business day succeeding the date the relevant disclosure is announced in PDP or succeeding the date on which the 1-year term expires. After the elimination of the above reasons, if a rating grade higher than the minimum required rate is disclosed to the PDP , these stocks are included in the index effective from the business day that succeeds the date of disclosure.

- 7.11. In case two or more companies included in BIST 30, BIST 50, BIST 100 or BIST Dividend 25 indices merge or acquire one another, the stocks of the resulting or surviving company, as the case may be, remain within the index and the vacancies which arise due to the merged/acquired company/companies are completed with substitutes effective from the date of the distribution of the stocks issued as a result of the merger or acquisition.
- 7.12. If a company included in BIST 30, BIST 50 or BIST 100 indices acquires or is acquired by a company out of the index, then the market in which the resulting company will be included is examined. If the resulting company is included in the BIST Stars and Collective and Structured Products markets, it remains within the scope of the index. If it is not included in the BIST Stars or Collective and Structured Products markets, it is excluded from the index and replaced with substitute stocks, effective from the date of the distribution of the stocks issued as a result of the acquisition.
- 7.13. If a constituent company of BIST Corporate Governance Index acquires another company or companies, it remains in the scope of the index.
- 7.14. If a constituent company of BIST Corporate Governance Index is acquired by another company which is not a constituent of the index, it is excluded from the index effective from the date of the distribution of the stocks issued as a result of the acquisition.
- 7.15. In case of mergers and acquisitions of companies whose stocks are included in BIST City Indices, the condition of the new company after the merger or the acquiring company is reevaluated.

- 7.16. If a company included in BIST 30, BIST 50 or BIST 100 indices spins-off into two or more companies, then the company with the highest free float market value amongst the resulting companies remains within the index until the end of the index period.
- 7.17. If a company included in BIST Dividend and BIST Dividend 25 Indices acquires or is acquired by a company out of the index, then the market in which the resulting company will be included is examined. If the resulting company is included in the BIST Stars, BIST Main or Collective and Structured Products markets, it remains within the scope of the index; if it is not included in the BIST Stars, BIST Main or Collective and Structured Products markets, it is excluded from the index, effective from the date the distribution of stocks to the shareholders of the acquired company is started. A substitute stock is included in BIST Dividend 25 Index in place of the excluded stock.
- 7.18. A constituent company is excluded from the BIST IPO index on the first workday of the 25th month following its first trading day.
- 7.19. If a constituent company of the BIST IPO Index acquires another company or companies from the same index, it remains in the index.
- 7.20. If a constituent company of the BIST IPO Index is acquired by another company which is not in the index, it is excluded from the index, effective from the date the distribution of the stocks to the shareholders of the acquired company is started.
- 7.21. In case of mergers and acquisitions of companies whose stocks are included in BIST SME Industrial Index, the condition of the new company after the merger or the acquiring company is reevaluated.

8. MONITORING AND ADMINISTRATION OF INDICES

- 8.1. Index and Data Department is responsible for monitoring and administration of BIST Indices.
- 8.2. At periodic reviews, the stocks to be included in the indices or substitute lists are determined by the Department, subject to the approval of Borsa İstanbul Management.
- 8.3. Borsa İstanbul Management is authorized with regard to issues that are not stipulated by BIST Stock Indices Ground Rules.