

Unofficial Translation

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**No** : 18454353-100.04.02[100.04.02]-47308

**Subject** : Announcement Regarding Surface Characteristics of Bars

To Whom It May Concern

Recently, we have frequently encountered one-kilogram gold bars with damage such as dents or cracks on their surfaces due to impact, which are intended for delivery to our exchange's safekeeping vault. Damaged bars, as shown in the attached images (Appendix 1), are not accepted into our exchange's safekeeping vault. To prevent potential losses such as defaults in the clearing process and returns to origin during the import process, it is deemed beneficial to remind everyone of the relevant regulations.

The first paragraph of Article 6, titled "Precious Metals to be Traded on the Exchange," of the Communiqué on Precious Metal Standards and Refineries (Communiqué No: 2023/1) states: "The types, weight and purity settings, surface and shape characteristics, and the principles of buying, selling, delivery, storage, and clearing of precious metals to be traded on the Exchange shall be determined by the Exchange, provided that they do not contradict the provisions of this Communiqué." Article seven, paragraph one, of the Precious Metals Market and Precious Metals Lending Market Directive, titled "Surface characteristics and shapes of standard unprocessed precious metals," states that "The surfaces of ingots or bars to be traded or stored on the exchange must be smooth, free from bubbles, scaling, and signs of deformation; their corners must be suitable for easy storage and handling and must not be sharp; and granular silver packaging must be prepared in a way that prevents external interference and is resistant to tampering and impact."

The relevant articles of the Custody Agreement, which is Annex 13 of the Precious Metals and Precious Stones Market Procedure and signed by our members, and which regulates the details and obligations related to the subject, are as follows:

- 5. The Member may only deliver precious metals to the Exchange that meet the specifications listed in the Communiqués on Precious Metal Standards published or to be published in the Official Gazette by the Ministry of Treasury and Finance, and determined by the Exchange's

Board of Directors. The Exchange reserves the right to refuse delivery of precious metals that do not meet these specifications. Nevertheless, the Member who delivered the precious metals is solely responsible for any non-compliance with the regulations, or for any apparent or hidden defects, regardless of when these defects are identified. In such cases, the Member agrees to compensate the Exchange for any damage or loss it may suffer, regardless of whether the Exchange takes any measures, and to ensure that the Exchange does not suffer any damage as a result.

- 6. Members receiving precious metals from the Exchange Vault are also obligated to verify whether these precious metals comply with the specifications set forth in the legislation. If, during the member's verification, it is determined that the received precious metals are non-compliant with the legislation, the responsibility rests solely with the member who previously delivered these precious metals to the Exchange. For a member claiming to have received non-compliant precious metals to be able to make a claim, they must notify the Exchange in writing within 3 (three) business days, including the day they received the precious metals from the Exchange Vault. Otherwise, they cannot claim any rights. If it is discovered that the precious metals received or delivered by the Exchange are non-compliant with the legislation, the Exchange shall immediately notify the member who delivered such precious metals and the relevant official authorities. Claims that the received precious metals have been damaged are excluded from this provision. Such a claim can only be made on the Delivery Receipt signed upon receipt of the precious metals; no objection or claim can be made thereafter.

In this context, it is important to inform our members' relevant employees and suppliers about this matter, to ensure that our members carry out the necessary checks during the bullion receipt and delivery stages, and to demonstrate maximum sensitivity in complying with the aforementioned Exchange regulations in order to prevent any grievances.

Kindly submitted to your information.

Yours Sincerely,

Korkmaz ERGUN  
CEO and Board Member

**Annex:** Sample Images