

Procedure for Registration and Operation of the Brokers in IME

Part I – Definitions & Abbreviations

SML : Securities and Market Law.

SEO : Securities and Exchange Organization.

Exchange: Mercantile Exchange (IME).

Broker: Broker company who is either member or applicant for membership of IME.

Part II- Broker's Operation Permission requirements

Article 1- A broker applying for operation in the Exchange is required to submit his/her written application together with the qualification certificate issued by the SEO.

Article 2- The applying broker is required to compose a file according to the form issued and provided by the Exchange.

Article 3- The applicant broker is bound to introduce to the Exchange the qualified manager of the commodity section of the company as well as the representatives level I and II (according to regulations) for implementing transactions and making settlements.

Article 4- The office space and premises used by the broker must be deemed proper and accepted by the Exchange.

Article 5- The software used by the broker must be capable of providing the data required by the Exchange and the SEO.

Article 6- Prior to beginning the operation, the broker is obliged to deposit warranties and collaterals required by the clearing house as per regulations.

Article 7- The broker is required to open bank accounts for his/her transactions according to Exchange instructions.

Article 8- The commencement of the broker's operation shall be after being qualified for registration and is subject to issuance of the permission of the board of the directors of the Exchange.

Part III – Broker’s Operation Requirements

Article 1- The broker is authorized to utilize the marketing services rendered by the person or legal entities, and is obliged to submit a duplicate of the signed contract to the Secretary in charge of the brokers’ affairs of the Exchange.

Article 2- The broker is required to receive the client’s order in person, by phone, through fax transmission or internet in order to register in the special order placement forms inserting the date, exact time and the details of the order recipient.

Article 3- The broker is obliged to keep the records of all the order registration documents in a manner to be reviewable by competent authorities.

Article 4- The broker is required to set up internet-based system for information transmission and to keep the necessary coordination with the IT section of the Exchange.

Article 5- The manager of the commodity section of the broker companies (brokers of others exchanges) are to pass the training courses introduced by the Exchange.

Article 6- The broker’s representatives level I and II are bound to pass the training courses determined by the Exchange and to win the required score in the relevant exams.

Article 7- The qualitative and quantitative performance of the broker shall be reviewed investigated within six-month periods by the Exchange and the broker shall be ranked and rated accordingly. The procedure for ranking the brokers shall be regulated and ratified by the Exchange board of directors.

Article 8- Periodical reports must be provided by the broker according to the standards of the Exchange and the SEO.

Article 9-The brokers are obliged to prepare and provide the statistics and data required by the Exchange and the SEO based on the inventory format provided by the Exchange.

Article 10- The broker is obligated to abide by the rules and regulations of the capital market, resolutions and procedures of SEO and Exchange in all circumstances.

This procedure is regulated and provided in line with the implementation of Article 34 of SML and is effective upon ratification of the SEO.