Procedure for Receiving and Executing Customer Buy-Sell and Transfer Orders

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Contents

1. INTRODUCTION

This procedure has been prepared to ensure the secure, transparent, and effective processing of customer orders on the crypto asset trading platform operated by Finnova Crypto Asset Trading Platform Inc. Considering the dynamic nature of cryptocurrency markets, the processes for receiving, processing, and executing customer buy-sell and transfer orders are defined in detail. This procedure has been created within the framework of Finnova Crypto Asset Trading Platform

Inc.'s policies on regulatory compliance, customer security, liquidity management, and risk control, and is updated according to the rules set by regulatory authorities and best market practices.

2. PURPOSE AND SCOPE

This procedure details all processes related to the receipt, processing, and execution of customer orders within the crypto trading and transfer services offered by Finnova Crypto Asset Trading Platform Inc.

3. LEGAL BASIS

This policy is established pursuant to the provisions of the Capital Markets Board Communiqué (III-35/B.1) regarding the Establishment and Operating Principles of Crypto Asset Service Providers.

4. DEFINITIONS AND ABBREVIATIONS

- **Finnova:** Refers to Finnova Crypto Asset Trading Platform Inc.

- **Platform:** Refers to the crypto asset trading platform operated by Finnova Crypto Asset Trading Platform Inc.

- **Customer:** Refers to natural persons who open accounts and perform trading or transfer transactions.

- **Liquidity Provider (LP):** Liquidity firms quoting prices to fulfill customer orders.

- **Order:** Buy, sell, or transfer request submitted by the customer to the exchange.

- **Limit Order:** Order placed at a specified price; it is executed only when the price is reached.

- **Market Order:** An order submitted by the customer to buy or sell immediately at the best available market price.

- **Order Result Form:** The official transaction notification form sent to the customer after the execution of buy, sell, or transfer orders, including transaction date, type, crypto asset type, quantity, price, commission, and total amount.

- **Aggregation:** A technological solution and integration used to route trading orders among LPs to select the best price, ensuring efficient liquidity and risk management.

- **KYC (Know Your Customer):** Customer identification procedures.

- **AML (Anti-Money Laundering):** Procedures to prevent money laundering.

5. GENERAL PRINCIPLES

- Customer orders are executed in accordance with Finnova's internal regulations, written workflows, control procedures, and the terms of the framework agreement under the order execution policy. The company commits to diligently fulfilling all orders to achieve the best execution of customer orders while adhering to company principles.

- Finnova effectively utilizes its resources to sustain cryptocurrency trading activities and processes customer orders fairly and quickly based on order type, time, and priority. The company applies necessary diligence and speed to execute all orders efficiently.

- Finnova is responsible for protecting the confidentiality of customer orders. Order

information belonging to customers shall not be disclosed to third parties without customer consent and shall not be used to the benefit or detriment of third parties or customers. The company takes all necessary precautions to ensure the security of customer information.

- Finnova monitors accounts and transactions on a per-customer basis. Customer orders are transmitted with the customer's account number and tracked by this number.

- All received customer orders are recorded and stored in accordance with applicable legal regulations and retention periods.

6. ORDER RECEIVING AND EXECUTION PROCESS

6.1 Receiving Orders

Customers can submit various types of orders such as market orders or limit orders through the platform or mobile application. During order receipt, the system automatically records customer number, order type, buy/sell direction, crypto asset, price, quantity, date and time the order was received, validity period (if any), sequence number, and currency/pair details. For electronic orders, the customer's IP address and transaction logs are saved. Customer balance, transaction limits, and AML/KYC compliance are checked. After an order is placed, a transaction result form is prepared and sent to the customer's email or made available on the platform at the end of the day. It is essential that the customer has sufficient assets when placing the order. Conflict of interest policies are applied during the entire process. Orders deemed market-disrupting may be rejected. When customer orders are received, customer balance, minimum and maximum transaction limits, and AML/KYC compliance are verified.

6.2 Validity Period of Orders

Customer orders do not have a predefined validity period. The order remains active in the system until canceled by the customer.

6.3 Cancellation and Modification of Orders

Customers may cancel unexecuted or partially executed orders. Customers may change price or quantity for unexecuted or partially executed orders. Executed orders cannot be canceled or changed. However, cancellations or price changes may be applied to rectify customer losses caused by technical problems in the trading platform.

6.4 Processing and Execution of Orders

Buy or sell orders submitted by the customer are fulfilled by liquidity providers contracted with the platform. The platform integrates multiple LPs via the Integral application to provide reliable liquidity aggregation for crypto trading. The platform works with different liquidity providers to offer reliable and best pricing. The goal is to achieve maximum efficiency in trading results through cost reduction, risk management, and liquidity strategies.

7. NOTIFICATION TO CUSTOMER REGARDING COMPLETED TRANSACTIONS

Upon completion of a transaction, a transaction result form containing transaction details such as price, quantity, date, and time is generated simultaneously. These forms are sequentially numbered and sent by email or displayed on the account screen according to customer preference. Customers may access their transaction history and detailed account statements anytime on the platform. Monthly account statements are sent within 5 business days following the relevant period to the

email address provided by the customer or made accessible on the platform. Statements clearly display transaction dates, asset names, transaction types (buy/sell/transfer), prices, quantities, commissions, and other fees.

8. TRANSFER ORDERS AND EXECUTION PROCESS

Finnova takes necessary precautions to ensure that crypto transfer transactions are conducted securely, orderly, and in compliance with regulations. Responsibility for these transactions is shared among the User, risk and compliance unit, finance and operations unit, and technical support unit.

8.1 Receiving Transfer Orders

The customer issues a transfer order for the relevant asset via the Platform. The customer is fully responsible for entering the correct wallet address, selecting the correct blockchain network, verifying the transfer amount, and the nature of the transaction. All necessary information must be provided during the transfer order. The customer views and accepts the applicable fee in advance. After submitting the transfer order, the corresponding balance is temporarily blocked. The blocked balance is deducted from the customer's balance upon completion. Finnova performs balance checks, suspicious transaction monitoring, and KYC/AML controls for the customer's assets before creating the transfer order. Multi-factor authentication (2FA), SMS, or email verification is used to confirm the transfer.

8.2 Cancellation of Transfer Orders

Customers may cancel a transfer order if the transaction has not yet occurred. However, once the transfer order has been fully processed and sent to the blockchain, it cannot be canceled.

8.3 Travel Rule and Wallet AML Processes for Transfer Orders

Crypto asset transfers are reviewed by Finnova in accordance with FATF Travel Rule and AML requirements.

8.3.1 Travel Rule

Under the Travel Rule, when the customer issues a transfer order, information related to the sending wallet address is requested. For all transfer orders exceeding 15,000 TL, the customer provides which Crypto Asset Service Provider (CASP) owns the sending wallet, the recipient's full name, and basic information. The Travel Rule system contacts the sending wallet and CASP to verify the wallet and recipient. If the transaction is approved, the transfer can be submitted to the blockchain.

8.3.2 Wallet AML Control

Finnova performs all required regulatory and compliance checks after receiving the order from the customer. The wallet address for sending is scanned with third-party integrated systems and undergoes AML screening based on risk scores. Transfers to addresses involved in suspicious money transfers, gambling, money laundering, drug trafficking, etc., are blocked. If the wallet address has a high-risk score and is deemed risky by the compliance department, the transfer is frozen and not executed. Additional detailed information and documentation about the transaction and recipient wallet address may be requested from the customer.

9. PROCESSING AND EXECUTION OF TRANSFER ORDERS

The customer's order, after approval through all relevant processes, is finally sent to the blockchain. This action is irreversible. The customer may cancel the order before blockchain submission but

cannot do so afterward. Before submission to the blockchain, a transaction detail result form is generated and shared with the customer. Once the transfer is sent to the blockchain, a transaction ID (TXID) is generated and communicated via email, SMS, or mobile notification. Finnova must monitor the hot wallet balance during order execution. The transfer order is sent from the hot wallet to the blockchain. The transfer is not completed until sufficient miner confirmations are received. The TXID created on the blockchain can be viewed and inspected by the customer.

10. RISK MANAGEMENT AND FRAUD PREVENTION

Finnova reviews all buy-sell orders under AML/KYC policies. If suspicious activity is detected in customer transactions, the order is not executed and is reviewed by the compliance unit. Transfer orders exceeding 100,000 TL undergo manual review. Orders to risky wallet addresses are not executed. All suspicious activities are reported to MASAK (Financial Crimes Investigation Board). Customer activities are monitored to detect abnormal trading volumes and unusual transaction patterns and can be suspended accordingly.

11. TECHNICAL INFRASTRUCTURE AND BUSINESS CONTINUITY

Finnova builds its technical infrastructure with the principle of uninterrupted operation. The primary goal is to ensure orders are processed accurately and promptly. Backup and contingency plans are implemented against possible system interruptions. Under the Emergency Action Plan, issues such as inability to process orders, inability to access customer balances, or failure to update prices are handled within Finnova's emergency procedures.

12. FEE AND COMMISSION POLICY

Customers pay commission rates determined by Finnova for limit and market orders. These commission rates are transparently presented to customers.
Customers are responsible for paying blockchain transaction fees for each transfer order. Due to the dynamic nature of blockchain costs, Finnova cannot offer a fixed commission rate. Transfer fees and service charges are provided dynamically and displayed transparently to customers.

13. CONFIDENTIALITY PRINCIPLE

Protecting the confidentiality of customer orders is fundamental at Finnova. Accordingly:

- All personnel involved in order acceptance and transmission, as well as all employees with access to customer order information due to their duties, are responsible for maintaining confidentiality.

- Information about customer orders cannot be used by any third party, institution, or employee to the detriment or benefit of the customer or any third party.

- Customer orders may only be shared with market makers, liquidity providers, or other market participants for the purpose of order transmission and execution.

- Customer order information requested by regulatory authorities such as the Capital Markets Board (SPK) or MASAK can be shared legally and is not considered a breach of customer confidentiality.

14. CUSTOMER COMPLAINT MANAGEMENT

The platform is responsible for handling customer complaints transparently and systematically. Complaint records include:

- Complainant's full name, account number, and contact information

- Date the complaint was received

- Summary of the complaint and relevant regulatory references

- Actions and solutions provided by the platform
  These records are retained for 10 years along with other transaction records. The customer complaint unit's contact information is clearly available on the platform's website and account statements.

15. AUDIT, STORAGE, AND ENFORCEMENT

The platform archives all received order records in a manner that prevents deletion or alteration and includes timestamp protection. These records include IP logs, order details, transaction result forms, and account statements. Records are archived electronically with daily integrity checks. Written documents cannot be erased or tampered with. All order transmission processes are conducted transparently and reliably, in full compliance with current capital markets legislation and relevant regulatory rules. All documents and records are retained for 10 years as required by Article 82 of the Turkish Commercial Code No. 6102. The implementation and oversight of this procedure are regularly audited by the internal control unit. Finnova updates this procedure periodically to remain compliant with current regulations.