



profit distribution policy

KUZEYBORU®

1. Purpose, Scope and Basis

Kuzey Boru A.Ş. (Company) profit distribution policy (Policy) aims to determine the principles and practices regarding how much of the Company's profit will be distributed as dividends, how much will be placed in the Company's reserves and how much will be reinvested. The dividend distribution policy is created taking into consideration the company's financial situation, growth strategies and shareholder expectations.

This policy is based on the Turkish Commercial Code (TTK) no. 6102, the Capital Markets Law (CMB) no. 6362, the Capital Markets Board's (CMB) Dividend Communiqué no. It has been prepared within the framework of the provisions regarding distribution.

2. Authority And Responsibility

The Board of Directors is responsible for establishing, auditing, developing and updating our Company's Profit Distribution Policy when necessary. The policy prepared within the framework of the Capital Markets Legislation, taking into account the sustainability and financial health of the Company, is submitted to the approval of the general assembly.

3. General Principles Regarding Profit Distribution

· The implementation of this policy and the dividend rate to be distributed in cash, the Company's investment and financing strategies and needs, changes and developments in the relevant legislation, the Company's medium and long-term strategies, capital and investment requirements, profitability, financial situation, indebtedness and cash situation, national and It will be determined depending on many factors such as global economic conditions. In this regard, the general principles of the profit distribution policy are as follows:

· Dividends will be distributed equally to all existing shares. The distribution will be made on the date and within the legal periods determined by the General Assembly, following the approval of the General Assembly. Dividend distribution can be made all at once or in installments.

· The profit distribution decision made by the general assembly in accordance with the relevant legislation and the company's articles of association cannot be withdrawn.

· In dividend distribution; Cash dividend distribution and bonus share distribution methods can be used.

· Unless legally required reserve funds and dividends are allocated for the sha-

reholders determined in the articles of association; The decision to allocate additional reserve funds and transfer profits to the following year can only be made by the general assembly upon the reasoned proposal of the board of directors. Otherwise, unless the legally required reserves and dividends are set aside for the shareholders determined in the articles of association, no other reserve funds can be set aside and profits cannot be transferred to the next year.

- If the board of directors proposes to the general assembly not to distribute profits, information about the reasons for this and the way the undistributed profits will be used are included in the agenda item regarding profit distribution, and this issue is presented to the shareholders for their information and approval at the general assembly.

- Unless the legally required reserve funds and dividends are allocated for the shareholders determined in the articles of association, it cannot be decided to allocate shares of profit to the members of the board of directors and partnership employees. Unless the cash dividend determined by the general assembly decision is paid to the shareholders, no dividend payment is made to the members of the board of directors and the Company employees.

- The rate of annual profit to be distributed in cash or unembodied shares and the amount of annual profit to be distributed calculated based on this rate will be determined by first calculating the "distributable profit" within the framework of the provisions of the Capital Markets Legislation and the determined targets.

- Our company has adopted the cash dividend distribution method as a principle. However, as long as the relevant regulations and financial possibilities allow, as long as it can be met from the resources available in our legal records, taking into account market expectations, long-term company strategy, investment and financing policies, profitability and cash position, the annual period to be distributed within the framework of the Capital Markets Regulations and with the approval of the general assembly is calculated for the relevant year. A part of the profit may also be distributed to shareholders in the form of free shares.

- The company aims to adopt a stable and predictable approach to profit distribution. In this context, it aims to distribute as cash dividends between a minimum of 10% and a maximum of 30% of its calculated annual distributable profit, within the framework of the CMB and TCC provisions. This rate will be determined every year by taking into account many factors such as the company's financial situation, capital structure, investment strategies, national and international economic conditions.

· In line with these conditions, the rate range and method of distributable profit may be increased or decreased every year with the proposal of the board of directors and the approval of the general assembly, or it may be decided not to distribute any profit within the framework of the principles contained in this policy.

· According to the relevant legislative provisions and the company's articles of association, the Company may distribute advance dividends in accordance with the Turkish Commercial Code and Capital Markets legislation.

· The proposal of the board of directors regarding profit distribution or the decision of the board of directors regarding the distribution of advance dividends is announced to the public within the scope of relevant regulations, together with its form and content

4. Enforcement

This policy has been accepted by the decision of the Board of Directors and is submitted to the opinion and approval of the shareholders at the General Assembly meeting. Any changes to be made here will enter into force and be announced using the same procedure.

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