



sponsorship, donations
and aid policy

KUZEYBORU®

1. Purpose, Scope And Basis

Kuzey Boru A.Ş. The purpose of the (Company) Sponsorship, Donations and Aids Policy (Policy); The standards, principles and rules to be followed in the sponsorship, donation and aid transactions carried out by our company; to determine on the basis of relevant legislation, ethical principles, our Company's articles of association and our values. Our company is based on our belief that we should contribute to social development; It considers sponsorships, donations and aid in line with the concept of sustainability and sees them as an important way to support the society in economic, environmental and social dimensions.

·The obligation to act in accordance with this policy, which is a part of our ethical principles and corporate values, covers all personnel of our Company and all transactions in the form of sponsorship, donations and aid. In addition, our Company expects all stakeholders it interacts with to act in accordance with this policy to the extent of its applicability to the relevant parties and/or transactions, and takes the necessary steps to ensure this.

·This policy is based on Income Tax Law No. 193, Tax Procedure Law No. 213, Value Added Tax Law No. 3065, Corporate Tax Law No. 5520, Turkish Code of Obligations No. 6098, Turkish Commercial Code No. 6102 and Capital Market Law No. 6362 and related communiqués and Capital Markets Law No. 6362. It was created on the basis of other legislation related to the market, Corporate Governance Principles, our Company's articles of association and our ethical principles.

·The meanings of the terms donation, aid and sponsorship as used in this policy are defined below.

·Donations and aid: In order to contribute to the achievement of a social goal by serving the public interest and without expecting any financial or non-financial response or benefit on behalf of our Company; institutions such as associations, unions and other non-profit organizations; universities; It refers to cash and/or in-kind support for schools and other private or public institutions and organizations to meet some of their needs based on social benefit.

Sponsorship: To individuals, associations and sports clubs operating on social, artistic, sporting or cultural issues, or together with other non-profit organizations, based on a contract, in order to obtain benefits for our company's marketing and corporate purposes, especially to provide visibility and increase recognition. It refers to the cash or in-kind support given to social, artistic, sports or cultural events organized by institutions such as institutions, universities, student societies, schools and other private or public institutions and organizations.



2. Authority and Responsibility

Establishing our Company's Sponsorship, Donation and Aid Policy; submission to the general Board for approval; updated and developed when necessary; The Board of Directors is responsible for the execution and supervision of sponsorship, donation and aid amounts in accordance with the relevant legislation and ethical principles. In accordance with Corporate Governance Principles 1.3.10, the policy created is submitted to the general Board for approval. In line with this policy, the partners are informed about the amount and beneficiaries of all sponsorships, donations and aids made during the period, as well as policy changes, with a separate agenda item at the general Board meeting, and these are submitted for the approval of the general Board.

3. Principles Of Sponsorship, Donations and Aid Policy

3.1. General Principles

· Our company's general principles regarding sponsorship, donations and aid are listed below.

· In accordance with the principles specified in the Capital Markets Legislation, within the framework of our Company's corporate social responsibility approach; In order to support social sustainability and social development in matters such as education, culture, art, environment, health and sports, or to individuals, associations and foundations, non-governmental organizations and public institutions and organizations operating related to our Company's field of activity, we may make donations and aid; may sponsor some of their activities and events.

· Our company complies with Capital Markets Legislation, Turkish Commercial Code, Code of Obligations, Tax Procedure Law and relevant regulations, directives and communiqués, Corporate Governance Principles and our Company's ethical principles and corporate values, especially CMB Article 19-1, regarding sponsorships, donations and aids. It is essential that sponsorships, donations and aid are carried out in accordance with our Company's strategies, core corporate values and ethical standards and contribute to social development. Our company does not aim to gain any benefit or create commercial opportunities regarding the support it provides within the scope of donations and aid.

· Within the framework of the Capital Markets legislation, if the donations and aid made by the Company exceed at least 1% of the last balance sheet total assets disclosed to the public, or if the total of donations and aid below 1% reaches at least 1% of the last publicly disclosed balance sheet total assets, Special situation explanations are made.

· The upper limit of sponsorships, donations and aids will not exceed the 5% of the corporate income calculated in accordance with the tax laws of the relevant year, which is allowed to be deducted from the Corporate Tax base, taking into account the minimum rate. It is essential that all supports to be given be presented to the shareholders at the General Board meeting, that the aids do not violate the disguised profit transfer regulations stipulated by the Capital Markets Legislation, that the necessary special situation disclosures are made, and that the donations made during the year are made in a way that does not disrupt the purpose and subject of the company.

· The upper limit applicable to the total donations and aid that can be made by our company in each fiscal year is submitted to the approval of the shareholders at the ordinary General Board meeting to be held by the Board of Directors for the previous fiscal year. The Board of Directors is authorized to decide on donations and aid within the upper limit determined at the ordinary General Board meeting.

· The monetary amount of sponsorships, donations and aids made by our company within the relevant fiscal year are added to the distributable profit base.

Donations and aid can be made in cash or in kind. These can be one-time, or they can be done continuously, by connecting them to periods such as monthly or yearly. Support provided within the scope of sponsorship is contractual.

Our company provides sponsorships, donations and aid without any political purpose and regardless of religion, language, ethnicity, etc. He does it without any discrimination. However, when the needs of the individuals or organizations to be supported in donations and aid are of equal importance; relatives of martyrs, widows (women), orphans and homeless individuals, women, nature, environment, etc. Priority is given to organizations that focus on these issues.

Support within the scope of sponsorship is provided based on a contract. The other party is warned when it violates its contractual obligations. If it is not fulfilled, the sponsorship is terminated in accordance with the provisions of the contract and, if necessary, legal authority is contacted. Sponsorship agreements are notified to KAP and announced to the public.

When necessary, the proposed changes to this policy are presented to our shareholders at the General Board meeting by the Board of Directors, and the approved changes come into force with the decision of the General Board.

3.2. Authorized people

Within the framework of Articles 3-6 of our Company's articles of association, the Board of Directors is authorized to provide sponsorship, donations and aid on behalf of our Company within the upper limit to be determined by the shareholders at the General Board meeting. In this regard, the Board of Directors acts in accordance with the principles set out in the Policy and the regulations to be made by the Capital Markets Board on the subject.

The evaluation of sponsorship, donation and aid requests and offers is made by the Board of Directors. The board of directors may authorize one or more members regarding this matter. Requests and offers deemed appropriate are approved by the Finance Unit manager in terms of financial resource adequacy; is submitted to the approval of the board of directors. Official documents regarding supports in the form of cash, in-kind or services (transportation, transportation, hospitality, etc.) are forwarded to the accounting department by the relevant unit providing these supports. The compliance of monetary amounts of sponsorships, donations and aids in kind or in cash with the legislation, ethical principles and this policy is controlled and monitored by the Board of Directors.

3.3. How the Sponsorship, Donation and Aid Process Works

In accordance with Articles 3-6 of our company's articles of association; The upper limit of donations to be made is determined by the general Board, donations exceeding this limit cannot be made and donations made are added to the distributable profit base. The Capital Markets Board has the authority to impose an upper limit on the amount of donations to be made. Donations cannot constitute a violation of CMB's disguised earnings transfer regulations, and necessary special situation disclosures are made. The amount of all sponsorships, donations and aids made in each fiscal year and information on their beneficiaries are presented to the information of the partners under a separate agenda item at the general Board.

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 Board meeting. Any changes to be made here will enter into force and be announced using the same procedure.

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