

## **Türk Telekomünikasyon A.Ş.**

### **Dividend Policy**

Our Company's dividend policy, as set out in the Company's Articles of Association, is to distribute the maximum amount of distributable profit in accordance with Articles 28, 29 and 30 of our Company's Articles of Association.

#### **DISTRIBUTION OF PROFITS**

##### **Article 28.**

Net profits calculated and shown in the annual balance sheet after deducting all general expenses, any depreciation amounts, the amounts that the Company is obliged to pay or set aside, and taxes to be paid by the Company as a legal entity, from the revenues determined at the end of the fiscal period, shall be distributed after deducting the previous year's losses, if any, as follows:

- a. 5% of the net profit is allocated to a legal reserve as to first paragraph of the article 466 of the Turkish Code of Commerce regulated in Article 29 until it reaches 1/5 of the paid-in capital of the Company.
- b. From the net distributable profit, the first statutory dividend specified by the Capital Markets Board in ratio and amount is set aside for distribution to the shareholders. The statutory first dividend legally required to be set aside is equally distributed to the existing shareholders as of the fiscal year without taking into consideration the issuance and acquisition dates of those shares.
- c. After deducting the amounts mentioned in a and b above from the net profit, the General Assembly is authorized to distribute the whole or a part of the remaining amount as second statutory dividend or to set aside as extraordinary legal reserve.
- d. After deducting an amount equal to 5% of the paid-in capital from the amount to be distributed to shareholders and persons participating in profit, 1/10 of the remaining amount shall be allocated as a second reserve and added to the statutory reserve in compliance with the paragraph 2, subparagraph 3 of the Article 466 of the Turkish Code of Commerce.
- e. Unless the legal reserves are set aside or the first statutory dividends determined for the shareholders in the Articles of Association are distributed in cash and/or in the form of shares, no decisions may be rendered for setting aside further legal reserves, transferring profit to the subsequent year or distributing dividend to the shareholders that are privileged in terms of dividend distribution, to the holders of participating redeemable shares, founders shares and ordinary usufruct shares, to the members of the Board of Directors or the Board of Statutory Auditors and officers and employees and to the foundations established for various purposes and similar persons and/or entities.
- f. The company may distribute interim dividend in accordance with the capital markets and tax legislation on condition that the General Assembly of Shareholders authorizes the Board of Directors, limited with the relevant year. In case the period in which the interim dividend has been distributed is resulted with loss or the annual profit is not sufficient to meet the interim dividend distributed, the amount is deducted from the contingent legal reserves set aside as per the proceeding years' financial statements in compliance with the legislation regarding

capital markets and, if these contingent reserves are not sufficient, from the amount to be derived from the encashment of the securities received in consideration of the interim dividends.

The date and form of distribution of dividends to the shareholders are determined by the General Assembly of Shareholders upon the Board of Directors' request in accordance with Capital Markets Law and other applicable laws.

Group C Shareholder is not entitled to receive dividends.

## **RESERVES**

### **Article 29.**

Every financial year, 5% of the net profit continue to be allocated to a first legal reserve by the Company as to the article 466 of the Turkish Code of Commerce until it reaches 20% of the paid-in capital of the Company, save for the provisions of the Article 466 of the Turkish Code of Commerce.

5% of the net profit of the Company shall continue to be re-allocated to the first legal reserve until it reaches to %20 of the paid-in capital., in the event that the amount of the first legal reserve falls beneath 20% of the paid-in capital of the Company.

## **PAYMENT OF DIVIDENDS AND ITS TERM**

### **Article 30.**

The Auditors shall be instructed to report (at the expense of the Company) the amount of the profits lawfully available for distribution by the Company at the time as they sign their report on the Audited Accounts.

The Board of Directors shall by way of a simple majority of those present at the relevant meeting of the Board propose the distribution of the maximum of the Company's profits lawfully available for distribution in each financial year subject to the Board making reasonable provisions and transfers to reserves and complying with the conditions set out below.

If the conditions set out below are not met, or would not be met if the relevant distribution were made, then subject to the following paragraph, the Company shall distribute the maximum amount of its profits which may be distributed without breaching those conditions.

Provided that it is not against the legislation regarding capital markets, the net profit may not be distributed, if:

- (a) the distribution would result in a breach of any covenant or undertaking given by any Group Company to any lender or would, in the opinion of the simple majority of those present at the relevant meeting of the Board of Directors , be likely to cause such breach within the following 12 months; or
- (b) the Board of Directors resolves by way of a simple majority of those present at the relevant meeting of the Board that the distribution is materially prejudicial to the interests of any Group Company having regard to: (i) implementation of the investment programme approved by the Board of Directors in the business plan or the budget; or (ii)

the trading prospects of the Group Companies and the need to maintain the sound financial standing of the Group Companies.

Regulations of the Capital Markets Board regarding the profit distribution are preserved.