



pricing policy

KUZEYBORU®

1. Purpose, Scope And Basis

Kuzey Boru A.Ş. (Company) Remuneration Policy (Policy); It has been prepared to define the remuneration principles of Board members and senior managers.

The policy covers the remuneration systems and practices of our board members, senior managers and those who have administrative responsibilities within the scope of CMB regulations.

This policy is primarily in accordance with the Capital Markets Board's Corporate Governance Communiqué numbered II-17.1 (Communiqué); All Capital Markets Legislation, together with the Turkish Commercial Code and other relevant legislative elements, and the Ethical Principles annexed to the Corporate Governance Communiqué have been created based on our Company's strategies, objectives, ethical principles and corporate values.

2. Authority And Responsibility

The Board of Directors is responsible for establishing, auditing, developing and, when necessary, updating and approving our Company's Remuneration Policy. The policy created in accordance with the Capital Markets Legislation and the CMB Corporate Governance Principles and by taking into account the ethical principles, corporate values, goals and strategies of our Company is submitted to the general assembly. Unless an exclusive "Remuneration Committee" is established in our Company, the "Corporate Governance Committee" is responsible for the execution of the policy.

3. General Principles Regarding Pricing

The general principles to be followed in the remuneration of Board members and senior managers are as follows:

· Remuneration is based on macroeconomic conditions and indicators, market, sector, field of activity and market conditions.

· Merit determined according to criteria such as knowledge, skills, education level, competence and experience level, factors such as working time in our Company and scope of responsibility are also taken into consideration.

· Board members and senior managers are paid equally for equal work. However, performance is encouraged and used as a criterion in determining wages, and the evaluation criteria and details are explained to the relevant people. In this way, fairness in pricing is ensured.

· In case of premium-based payments; Rates or amounts can be determined by taking into account corporate financial indicators and individual performance indicators. However, care is taken to ensure that these rates or amounts are not large enough to negatively affect the risk appetite of the individuals in question and push individuals to manipulate financial information in order to obtain higher premiums. Necessary measures are taken in this direction.

· Our company, to any member of the board of directors or senior managers or managers with administrative responsibilities who have access to inside information; It does not lend or extend loans other than advances given on its fixed fees to be offset in the same accounting period. It does not provide loans under the name of personal loans through third parties or provide guarantees such as surety in its favor.

Remuneration and benefits provided to Board members and senior managers are disclosed within the scope of transparency. Remunerations and all other benefits provided to the members of the Board of Directors and senior managers during the year are disclosed to the public through the annual activity report and presented to the information of the partners at the General Assembly meeting held for the year in question.

4. Remuneration Principles Of Board Members

· The remuneration principles of board members are as follows:

· A fixed fee is determined at the ordinary general assembly meeting every year, valid for all members of the board of directors.

· In addition to the fixed fee determined at the General Assembly, the chairman and members of the Executive Committee who serve in the Executive Committee of our Company may be paid or benefited in an amount determined by the Board of Directors within the framework of the opinion of the Corporate Governance Committee, due to the duties they undertake. These are determined based on the contributions they provide, their participation in meetings, the content of the duties they perform, the responsibilities they take and the time they spend in the decision-making process, and within the scope of the principles specified in the following articles regarding the remuneration policy of senior managers.

· In addition to the fixed fee determined at the General Assembly, members of the Board of Directors who are assigned to carry out certain functions in order to contribute to the activities of our company or who serve in other committees established within the Board of Directors may be paid an additional payment in the amount determined

by the Board of Directors per meeting they attend, within the framework of the opinion of the Corporate Governance Committee, due to the duty they undertake, or benefit can be provided.

- Payment plans based on our Company's performance such as revenue, profit, dividend or share options are not used in the remuneration of independent Board members. However, care is taken to ensure that the remuneration of independent Board members is at a level that preserves their independence.

Members of the Board of Directors are paid on a pro-rata basis, taking into account the period they have served as of their appointment and resignation dates. Transportation, telephone, insurance, etc. incurred by the members of the board of directors due to their contributions to our Company. expenses may be covered by our Company.

5. Remuneration Principles Of Senior Managers

- The remuneration principles of senior managers are as follows:

- Fixed monthly salaries are determined for Senior Managers. Additionally, performance-based bonuses may be provided as well as fixed wages.

- When determining the monthly fixed salaries of senior managers, macroeconomic conditions and indicators, market, sector, field of activity and market conditions and data, our Company's size, financial possibilities and long-term goals are taken into consideration. Positions of individuals and scope of responsibilities of positions; Merit is determined according to criteria such as knowledge, skills, education level, competence and experience level; Working hours in our company are determined in accordance with legal obligations and international standards, in line with the wage policies valid in the market and our Company's Human Resources Policies.

In addition to the monthly fixed wage, bonuses and some premium-based amounts may be paid in certain numbers per year, either as a whole or a certain proportion of the monthly fixed wage, by the decision of the Board of Directors.

- Bonus bases are created in line with the corporate performance of our Company, the units or activities for which senior managers are responsible, and their own individual performances, taking into account the senior management bonus policies in the market. These bases may vary depending on the business size of the senior managers' positions. Premium bases are updated according to these criteria at the beginning of each year.

- Our company's corporate performance is determined by measuring the financial, operational and functional targets defined at the beginning of the period for each department or unit at the end of the period. When defining targets, care is taken to



ensure that they are concrete, realizable and sustainable, and that they include improvements compared to previous years.

· In determining department or unit performances and individual performance, goals related to issues such as employees, customers, process, technology and long-term strategy are taken into consideration holistically, along with our Company's corporate goals. In measuring department or unit performances and individual performance, the principle of long-term sustainable improvement is taken into consideration, in parallel with the performance of our Company, outside of financial areas.

· In order for bonuses and premium-based payments to be made available, our Company must have achieved its corporate goals, and the units or activities for which senior managers are responsible and their individual performances must be appropriate.

· Fringe benefits and benefits are considered as a part of the remuneration policy to support wage management with additional benefits. Within the framework of our company's internal regulations and procedures, senior managers may also be provided with side benefits such as private health insurance, corporate lines and company vehicles.

Our company may pay a termination bonus if senior managers leave their jobs. Termination bonus; It is calculated by taking into account the total time they have worked in our company, the time they have served as senior managers, the contribution they have made, their last target bonuses before the date of departure, and the salary and premiums paid in the last year.

6. Enforcement

· This policy comes into force with the approval of the Board of Directors and is submitted to the opinion of the shareholders at the first ordinary General Assembly meeting to be held thereafter. Any changes to be made here will enter into force and be announced using the same procedure.

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