

Millî Reasürans T.A.Ş. Dividend Distribution Policy

Regarding the dividend distribution, the balance between the interests of the Company and the expectations of the shareholders as well as the Company's profitability status is taken into consideration.

The principles on dividend distribution, which are determined in accordance with the related legislation and the Articles of Association of the Company are specified as follows:

The distribution of the Company's profit shall be decided by the General Assembly upon the proposal of the Board of Directors which shall consider the provisions of the Turkish Code of Commerce and other legislation applicable to the Company.

The amount remaining at the end of the fiscal year after the deduction of overall expenses, depreciation, necessary provisions, taxes and similar legal and financial liabilities as well as the losses of the previous year, if any, from the income obtained in the relevant fiscal year shall constitute the net profit of the Company

The net profit calculated in such method shall be divided and distributed in the order and manner indicated below:

- a) 5% of the annual net profit shall be set aside every year as legal reserves until they reach 20% of the paid-in capital.
- b) Amounts sought in subparagraph a and b of paragraph 2 of article 519 of the Turkish Code of Commerce shall be added to legal reserves even after the reaching of the legal limit.
- c) 10% of the sum remaining from the net profit shall be distributed to shareholders as a first dividend.
- d) In the event whereby the Company has acquired its own shares, reserves in an amount sufficient to cover the prices of the acquisitions shall be set aside in accordance with the provisions of article 520 of the Turkish Code of Commerce.
- e) If it is deemed necessary, amounts to be determined by a resolution of the General Assembly upon a proposal of the Board of Directors may be set aside from the balance remaining, as natural disaster and catastrophe fund.
- f) Out of the sum remaining after the deduction of the above-mentioned legal reserves, first dividend and funds from the net profit mentioned herein above, up to 3% shall be paid to employees provided that it may not exceed the equivalent of three months of salary.

- g) A second dividend shall be paid to the shareholders upon the proposal of the Board of Directors and by the decision of the General Assembly, over the remaining amount after the above-mentioned distinctions and distributions are made, without prejudice to the provisions of the relevant legislation.
- h) Pursuant to the provisions of article 519/2(c), 10% of the total amount to be distributed to individuals entitled to receive a share from the profit shall be added to legal reserves.
- i) The balance shall be used in the way and the manner to be determined by the General Assembly.

The provisions of the paragraph 3 of article 519 of Turkish Code of Commerce are reserved.

No decision can be made to set aside any legal reserve, to defer profit on following years or to distribute profit to employees, unless the reserves stipulated in applicable legislation are set aside and first dividend is distributed to the shareholders as mentioned in the Articles of Association.

Cash dividend distribution shall be completed latest until the end of the two months after the General Assembly meeting in which the decision of dividend distribution is made. Dividend distribution in the form of uncertificated securities shall be made following the legal permissions.

Effective Date

Dividend Distribution Policy of Milli Reasürans T.A.Ş has been approved in the meeting of Board of Directors dated December 22, 2016 with number 1250 and became effective on the same date. Dividend Distribution Policy which was approved in the meeting of the Board of Directors dated 28 February 2014 with number 1202 is revoked.