



## Pınar Süt Mamulleri Sanayii A.Ş.

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**Date:** March 2, 2020

**Subject:** Board of Directors Decision for Dividend Distribution

At its meeting dated March 2, 2020 the Company's Board of Directors; concluded to submit the following Profit Distribution Proposal for approval at the Annual General Assembly meeting;

In calculating the net distributable profit for 2019; taking into account the requirements of the Turkish Commercial Code, Capital Markets Legislation, Corporate Income Tax Law, Income Tax Law and other applicable legislation, dividend distribution provisions of the Company's articles of incorporation and the Profit Distribution Policy; as the Company financial tables created in accordance with the Capital Markets Board Communiqué II-14.1 and Turkish Accounting Standards and audited by the independent auditor; among TL 34,679,832 which is the net term profit of 2019, the legal limit has been reached and therefore no General Legal Reserve will be set aside and the net distributable term profit is TL 34,679,832.

The following proposal concerning the allocation of the TL 34,679,832 distributable profit, is concluded to be submitted to the approval of the Ordinary General Assembly:

TL 7,416,052 will be distributed to shareholders as first dividend. This corresponds to 20% of distributable profit when TL 2,400,426 that was paid out as charitable donations during the year in line with the CMB rules taken into account, of the remainder, Board of Directors allocation will be set aside, which will not be in excess of 5% as stipulated in the articles of incorporation, of the remainder amount will be distributed to the foundations for various purposes that is not to exceed 3%. The amount of TL 9,890,103 will be distributed among shareholders as a second dividend. The net combined total of first and second dividends amounts to TL 14,710,232. This corresponds to 32.73% of our issued capital, which amounts to TL 44,951,051, of the remainder, TL 1,719,454 will be set aside as a General Legal Reserve, of the remainder, all will be set aside as Extraordinary Reserves.

If this proposal is approved, the Company will be paying out a net cash dividend amounting to TL 0.3273 on each share of its stock with a par value of TL 1.00.

Yours Sincerely,  
PINAR SÜT MAMULLERİ SANAYİİ A.Ş.

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