

Client Alert

Turkey| March 2025

Capital Markets Board's New Principle Decision on Share Buybacks

The Capital Markets Board ("**CMB**") has introduced important regulations regarding share buy-back processes with the Resolution numbered i-SPK.22.9 ("**Decision**") published on 19 March 2025. The provisions of the Decision will apply until further notice.

1. Initiation of Share Buy-Back Program without a General Assembly Resolution

With the Decision, listed companies and their subsidiaries may initiate a buy-back program by a board of directors' resolution without a general assembly resolution, to be submitted to the information of shareholders at the first general assembly meeting to be held. The resolution of the board of directors must include **(i)** the purpose of the re-purchase, **(ii)** the maximum foreseen duration of the buy-back program, **(iii)** the maximum number of shares to be purchased, and **(iv)** the maximum amount of funds to be used. The resolution of the board of directors must be disclosed to the public in accordance with the CMB's regulations on material event disclosures.

2. Continuation of Existing Buy-Back Programs

Publicly-traded companies and their subsidiaries that have a buy-back program in force will be able to continue their buy-back program under the conditions specified in this resolution without the need for a separate board of directors resolution.

3. Applicable Provisions to Share Buybacks

In the share buy-backs to be carried out in accordance with the Decision, the provisions of the Communiqué on Buy-Backed Shares numbered II-22.1 ("**Communiqué**") will be applied as follows:

- The daily transaction limit (25% of the average transaction amount of the last 20 days) regarding the nominal value limit of the buy-backed shares (10% of the capital) and the total amount of shares that can be buy-backed by the corporation and/or its subsidiaries in a day will not be applied,
- The public disclosure obligations regarding the buy-back processes and the regulations regarding the disposal of the buy-backed shares contrary to the Communiqué within

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one year at the latest or their redemption through capital reduction will not be applied, and

- Capital increase periods in which repurchase/sale will be prohibited to be applied limited to cash increases.

4. Restriction on Sale and Disposal of Buy-Backes Shares

Shares buy-backed pursuant to the Decision will not be sold for a period of 30 days from the date of buy-backed. The 30-day period will be calculated using the "first-in, first-out" method. After the expiry of the 30-day period, the relevant shares will be disposed of within a maximum period of three years or may be retained, provided that the limitations in the Communiqué are complied with.

The Decision will apply until further notice.

Please contact us if you need further information on this matter.