

LİMAK DOĞU ANADOLU ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ
(the ‘Company’)
DIVIDEND DISTRIBUTION POLICY

1. Objective

The purpose of this dividend distribution policy (the ‘**Dividend Distribution Policy**’) is to define the principles for distributing dividends by the Company in accordance with the applicable regulations and the provisions of the Company’s articles of association and enable shareholders to stipulate the procedures and principles for distributing the profit that the Company is expected to earn in future periods. The Company exercises utmost care in balancing the interests of the shareholders with the Company’s own interests regarding profit distribution.

The Company complies with the Capital Market Law No. 6362, the Turkish Commercial Code No. 6102 (‘**TCC**’), capital market regulations, and other applicable regulations related to profit distribution. The Company exercises utmost care in complying with the principles outlined in the corporate governance principles (the ‘**Corporate Governance Principles**’), as established in the Capital Markets Board’s (‘**CMB**’) Corporate Governance Communiqué No. II-17.1, which is currently in force and may be amended from time to time.

The Dividend Distribution Policy has been issued in accordance with the CMB’s Corporate Governance Communiqué No. II-17.1 and Communiqué No. II-19.1 on Dividends, and it has been communicated to all stakeholders, particularly the shareholders, through the Company’s website (<https://www.limakdoguanadolucimento.com/>).

2. Authority and Responsibility

The Dividend Distribution Policy is created by the Board of Directors within the framework of the Corporate Governance Principles and submitted for approval by the shareholders during the Company’s general assembly meeting. Monitoring, oversight, development, and implementation of necessary revisions or updates to the Company’s Dividend Distribution Policy fall under the authority and responsibility of the Board of Directors. Following the resolution of the Board of Directors, any changes to the Dividend Distribution Policy, along with their justifications, are publicly disclosed in accordance with the regulations on the public disclosure of material events. These changes are then submitted for approval by the shareholders during the general assembly meeting and published on the Company’s website (<https://www.limakdoguanadolucimento.com/>).

3. Profit Distribution Principles

As a principle, decisions regarding the distribution of profit can be made by considering various factors, including but not limited to market expectations, the Company’s long-term strategy, capital requirements, investment and financing policies, changes in applicable regulations, indebtedness, profitability, cash position, and national and global economic conditions, to the extent permitted by relevant regulations and financial resources. In profit distribution, a consistent policy is followed to balance the interests of the shareholders with those of the Company, in accordance with the Corporate Governance Principles. In this context, the Company aims to distribute dividends in the form of cash and/or bonus shares from the distributable net profit, in accordance with applicable regulations, while considering the investment and financing requirements determined based on the Company’s projections.

The Board of Directors makes a resolution on its proposal for dividend distribution each year, within the framework of the Dividend Distribution Policy, and submits it for approval to the general assembly of shareholders. If the Board of Directors submits a proposal to the general assembly advising against the distribution of dividends, justified reasons and information on the intended use of the undistributed profit will be included in the agenda item related to profit distribution. This matter will be presented for the information and approval of the shareholders during the general assembly meeting.

Dividends are distributed equally to all existing shares as of the distribution date, in proportion to each shareholder’s ownership percentage, regardless of their issue and acquisition dates. Our Company does not have any shares with dividend privileges.

Unless the reserve funds required by the Turkish Commercial Code (TCC) and the dividends to be distributed to shareholders as specified in the Company's articles of association or the Dividend Distribution Policy have been allocated, it is prohibited to allocate any other reserve funds, transfer profits to the next year, or make a resolution to distribute any portion of profits to anyone other than the members of the Board of Directors, company employees, and shareholders. Furthermore, no portion of the profits may be distributed to such individuals unless the dividends determined for the shareholders have been paid in cash.

Distributable profits are paid following the general assembly meeting, provided that the payment begins no later than the end of the accounting period in which the meeting making the resolution for profit distribution is held. The general assembly decides on the date of profit distribution. The general assembly or the Board of Directors, if authorized by the general assembly, may decide on the distribution of dividends in installments in accordance with capital market regulations.

The Board of Directors may distribute a dividend advance, provided that it is duly authorized by the general assembly and complies with capital market regulations.

4. Dividend Distribution Principles

The principles of dividend distribution are defined in Article 14, titled '*Determination and Distribution of Profit*,' of the Company's articles of association, and the provisions related to profit distribution are cited below:

The Company complies with the regulations set forth in the Turkish Commercial Code and Capital Market legislation regarding the determination and distribution of profit.

The remaining profit for the period, as shown in the annual balance sheet, is calculated after deducting the amounts that must be paid or allocated by the Company, such as general expenses, various depreciations, and taxes that must be paid by the Company as a legal entity, from the income determined at the end of the Company's operating period. After deducting any losses from previous years, the final remaining amount is distributed in the manner shown below:

a. General Legal Reserve Funds: Until it reaches 20% (twenty percent) of the capital, 5% (five percent) is allocated to the legal reserve fund.

b. First Dividend: From the remainder, the first dividend is allocated based on the amount to be calculated by adding any donations during the year within the framework of the Company's profit distribution policy in compliance with the Turkish Commercial Code and capital market legislation.

c. After the aforementioned deductions, the general assembly is entitled to decide on the distribution of dividends to individuals other than the members of the board of directors, company employees, and shareholders.

d. Second Dividend: For the remaining amount, after deducting the specified amounts in paragraphs (a), (b), and (c) from the net profit for the period, the general assembly is authorized to distribute this remaining amount, either in part or in whole, as a second dividend or to voluntarily allocate it as a reserve fund pursuant to Article 521 of the Turkish Commercial Code.

e. General Legal Reserve Funds: Ten percent of the amount remaining after deducting a dividend equal to five percent of the capital from the portion decided to be distributed to shareholders and other profit participants is added to the general legal reserve fund, in accordance with Article 519, paragraph 2 of the Turkish Commercial Code.

Unless the reserve funds required by the Turkish Commercial Code (TCC) and the dividends to be distributed to shareholders as specified in the Company's Articles of Association or the dividend distribution policy have been allocated, it is prohibited to allocate any other reserve funds, transfer profits to the next year, or make a resolution to distribute any portion of profits to anyone other than the members of the board of directors, company employees, and shareholders. Furthermore, no portion of the profits may be distributed to such individuals unless the dividends determined for the shareholders have been paid in cash.

Dividends are distributed equally to all existing shares as of the distribution date, regardless of their issue and acquisition dates.

Taking into consideration the Company's financial position, initiatives, and investments, the amount of profit to be distributed and the method of distribution will be determined by the general assembly, considering the relevant regulations of the Capital Markets Board and the recommendation of the board of directors. The method and timing of the distribution of the profit decided to be distributed shall be determined by the general assembly based on the proposal of the board of directors.

The dividend distribution decision made by the general assembly in accordance with the provisions of this Articles of Association cannot be revoked.'

5. Dividend Advance Distribution Principles

Pursuant to Article 14, titled 'Determination and Distribution of Profit,' of the Company's articles of association, 'The general assembly may decide to distribute dividend advances to shareholders within the framework of Capital Markets Board regulations and applicable legislation. Subject to being limited to the relevant financial accounting period, the general assembly may grant the board of directors the authority to distribute dividend advances.'