

Dividend Distribution Policy

DIVIDEND DISTRIBUTION POLICY

CAGDAS CAM SANAYI VE TICARET JOINT STOCK COMPANY (the "Company")

DIVIDEND DISTRIBUTION POLICY

1. Purpose

The purpose of the dividend distribution policy is, in compliance with the regulations to which the Company is subject and the provisions of its Articles of Association, to determine the principles of the Company's dividend distribution and to enable shareholders to foresee the procedures and principles of distributing profits that the Company will obtain in future periods. In matters of dividend distribution, the Company shows utmost care to balance the interests of the shareholders with those of the Company.

In matters of dividend distribution, the Company complies with the Capital Markets Law No. 6362 ("CML"), the Turkish Commercial Code No. 6102 ("TCC"), capital markets legislation, and other relevant legislation and regulations. The Company shows utmost care to realize the principles set out in the Corporate Governance Principles regulated in the Capital Markets Board's ("CMB") current Communiqué on Corporate Governance, which may be amended from time to time.

The Company's Dividend Distribution Policy has been prepared in accordance with the CMB's Communiqué on Corporate Governance (II-17.1) and Dividend Communiqué (II-19.1), and is announced to all stakeholders, especially shareholders, via the Company's website <https://tr.cagdascam.com/>.

2. Authority and Responsibility

The Dividend Distribution Policy is established by the Board of Directors within the framework of the CMB Corporate Governance Principles and is submitted to the approval of the shareholders at the Company's general assembly. Monitoring, oversight, improvement, and necessary updates of the Company's Dividend Distribution Policy fall under the authority and responsibility of the Board of Directors. Changes to the Dividend Distribution Policy are announced to the public together with their rationale within the framework of the regulations regarding public disclosure of material events following the Board of Directors' resolution, submitted to the approval of shareholders at the general assembly meeting, and published on the Company's website at <https://tr.cagdascam.com/>.

3. Principles of Dividend Distribution

As a principle, as long as legislation and financial means permit, a number of factors including but not limited to market expectations, the Company's long-term strategy, capital requirements, investment and financing policies, changes in relevant legislation, indebtedness, profitability and cash position, and national and global economic conditions

are taken into account in deciding on dividend distribution. In dividend distribution, a balanced and consistent policy is pursued between the interests of shareholders and those of the Company in accordance with the Corporate Governance Principles.

Within the framework of the dividend distribution policy, the board of directors resolves its proposal regarding dividend distribution each year and submits it to the general assembly for approval. In the event that the board of directors proposes to the general assembly that profits not be distributed, the reasons for this and information on the manner of use of the undistributed profits are included in the agenda item regarding dividend distribution and this matter is presented to the information and approval of the shareholders at the general assembly.

Dividends are distributed equally to all existing shares as of the date of distribution, in proportion to their shares, without taking into account their issuance and acquisition dates. Our Company has no shares privileged in dividends.

Unless the legal reserves required to be set aside under the TCC and the dividends determined for shareholders in the articles of association or dividend distribution policy are set aside, no decision can be taken to set aside other reserves, to carry forward profits to the following year, and to distribute profits to the members of the board of directors, employees of the company, and persons other than shareholders; likewise, unless the dividends determined for shareholders are paid in cash, no profit shares can be distributed to these persons.

Dividends are paid, provided that the payment starts at the latest as of the end of the fiscal period in which the general assembly meeting at which the distribution decision is taken is held, following the general assembly meeting. The General Assembly, or the Board of Directors if authorized, may resolve on installment distribution of dividends in accordance with the capital markets legislation.

The Board of Directors may distribute advance dividends provided that it is authorized by the General Assembly and complies with the capital markets legislation.

4. Principles of Dividend Distribution (per Articles of Association)

The principles of dividend distribution are regulated in Article 14 titled 'Determination and Distribution of Profit' of the Company's Articles of Association.

"The Company acts in accordance with the provisions of the TCC and capital markets legislation regarding the determination and distribution of profit.

After deducting from the Company's income determined at the end of the fiscal period the general expenses of the Company and amounts such as various depreciations which must be paid or set aside by the Company, as well as taxes that must be paid by the legal entity of the Company, the remaining amount shown as period profit in the annual balance sheet, after deducting previous years' losses, if any, shall be allocated and distributed as follows:

General Legal Reserve:

a) Five percent is set aside as legal reserve until it reaches twenty percent of the capital.

First Dividend:

b) From the remaining amount, by adding the amount of donations made within the year, if any, a first dividend is set aside for shareholders in accordance with the Company's dividend distribution policy and in compliance with the TCC and capital markets legislation.

c) After the above deductions, the general assembly has the right to decide to distribute profit shares to members of the Board of Directors, employees of the company, and persons other than shareholders.

Second Dividend:

From the net period profit, after deducting the amounts specified in subparagraphs (a), (b), and (c), the general assembly is authorized to distribute the remaining part partially or wholly as a second dividend or to set it aside as a voluntary reserve pursuant to Article 521 of the TCC.

General Legal Reserve:

Ten percent of the amount decided to be distributed to shareholders and to other persons participating in profit, after deducting a profit share at the rate of 5% of the capital, is added to the general legal reserve pursuant to Article 519/2 of the TCC.

Unless the legal reserves required to be set aside under the TCC and the dividends determined for shareholders in the articles of association or dividend distribution policy are set aside, no decision can be taken to set aside other reserves, to carry forward profits to the following year, and to distribute profits to the members of the board of directors, employees of the company, and persons other than shareholders; likewise, unless the dividends determined for shareholders are paid in cash, no profit shares can be distributed to these persons.

Dividends are distributed equally to all existing shares as of the date of distribution, without taking into account their issuance and acquisition dates.

The form and timing of the distribution of profit decided to be distributed are decided by the general assembly upon the proposal of the Board of Directors on this matter.

A dividend distribution resolution adopted by the general assembly pursuant to the provisions of these Articles of Association cannot be revoked."

5. Principles on Distribution of Advance Dividends

According to Article 15 titled 'Advance Dividend' of the Company's Articles of Association:

"The general assembly may resolve to distribute advance dividends to shareholders within the framework of the CML and other relevant legislation.

In the calculation and distribution of the advance dividend amount, the provisions of the relevant legislation are complied with.

For distribution of advance dividends, it is mandatory to authorize the Board of Directors, limited to the relevant accounting period, by a general assembly resolution."