

# Dođanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Őirketi

## Profit Distribution Policy

### 1 – Purpose

The purpose of the Profit Distribution Policy is to determine the Company's dividend distribution principles in accordance with the regulations to which Dođanlar Mobilya Grubu İmalat Sanayi ve Ticaret Anonim Őirketi (“Company”) is subject and the provisions of the Company's articles of association (“Articles of Association”), and to enable shareholders to predict the procedures and principles of distribution of the Company's future profits. The Company takes utmost care to balance the interests of the shareholders with the interests of the Company in the distribution of dividends.

The Company complies with the Capital Markets Law No. 6362 (“CMB Law”), Turkish Commercial Code No. 6102 (“TCC”), capital markets legislation, other relevant legislation and regulations regarding dividend distribution. The Company pays utmost attention to the realization of the principles set forth in the Corporate Governance Principles set forth in the Corporate Governance Communiqué of the Capital Markets Board (“CMB”), which may be amended and replaced from time to time.

This Profit Distribution Policy of the Company has been prepared in accordance with the CMB's Corporate Governance Communiqué (11-17.1) and Dividend Communiqué (11-19.1) and is disclosed to all stakeholders, primarily shareholders, via the Company's website ([www.doganlarmobilyagrubu.com](http://www.doganlarmobilyagrubu.com)).

### 2 - Authorization and Responsibility

The Profit Distribution Policy was established by the Company's Board of Directors within the framework of the CMB's Corporate Governance Principles and submitted to the approval of the shareholders as a separate article on the agenda of the Company's General Assembly meeting. The Board of Directors is authorized and responsible for monitoring, supervising, developing and making necessary updates to the Company's Profit Distribution Policy. Following the decision of the Board of Directors, any changes to be made in the Profit Distribution Policy, together with the justification thereof, are disclosed to the public within the framework of the regulations on the disclosure of material events to the public, submitted to the approval of the shareholders at the General Assembly Meeting and published on the Company's website ([www.doganlarmobilyagrubu.com](http://www.doganlarmobilyagrubu.com)).

### 3 – Principles of Profit Distribution

For the distribution of retained earnings and annual dividend payment, the Board of Directors submits a dividend distribution proposal to the General Assembly, taking into consideration the Company's performance in that year, economic conditions, investments and the Company's cash flow. The Company's main policy is to pursue a balanced policy between the interests of the shareholders and the interests of the Company in line with the criteria determined in accordance with the capital markets legislation.

In principle, as long as the relevant regulations and financial means allow, the distributable profit for the period calculated in accordance with the capital markets legislation, taking into account market expectations, our long-term strategy, the capital requirements, investment and financing policies, profitability and cash position of our Company, its subsidiaries and affiliates minimum 40% is distributed to shareholders. Dividends may be distributed to shareholders in cash or as bonus shares by way of capitalization of profits, or may be distributed in cash or as bonus shares.

Dividends are distributed equally to all shares existing as of the date of distribution, regardless of their issue and acquisition dates. The Company does not have any privileged dividend shares.

Unless the reserves required to be set aside in accordance with the Turkish Commercial Code and the dividend determined for shareholders in the Articles of Association or this Profit Distribution Policy are set aside, no decision can be taken to establish other reserves, to transfer profits to the following year or to distribute dividends to the members of the Board of Directors, employees of the Company or persons other than shareholders, nor can dividends be distributed to these persons unless the dividend determined for shareholders is paid in cash.

The place and time of the profit distribution, which is decided in accordance with the provisions of the applicable legislation at the General Assembly, are announced to the shareholders through the material disclosure sent through the Public Disclosure Platform and on the Company website. The aim is to make the profit distribution within one month at the latest after the General Assembly meeting, and the General Assembly decides on the profit distribution date. The General Assembly or, if authorized, the Board of Directors may decide to distribute the dividends in installments in accordance with the capital market 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**

Dividend distribution principles are defined in Article 12 of the Articles of Association titled “Distribution of Profit”.

*“The net profit for the period, which remains after deducting the Company's general expenses and the amounts required to be paid and set aside by the Company such as miscellaneous depreciation and the mandatory taxes to be paid by the Company's legal entity, and if any, the previous years' losses from the revenues determined at the end of the operating period of the Company and shown in the annual balance sheet, is distributed according to the below order and rules:*

*General Legal Reserves:*

*a) 5 percent shall be reserved as legal reserves.*

*The First Dividend:*

*b) The first dividend shall be reserved from the remainder based on the amount to be found by adding the donations made throughout the year, if any, as required by the profit distribution policy to be determined by the General Assembly and in accordance with the relevant legislation.*

*c) After the above-mentioned deductions are made, a dividend in the amount of a percentage to be determined by the General Assembly shall be allocated to the members of the Board of Directors to be divided among themselves, except for the Independent Members of the Board of Directors.*

*The Second Dividend:*

*d) The General Assembly is authorized to fully and partially distribute or set aside as voluntary reserve pursuant to Article 521 of the Turkish Commercial Code the remaining part after deduction of the amounts specified in items (a), (b) and (c) from the net profit for the period.*

*General Legal Reserves:*

*e) A tenth of the amount found after the deduction of a 5-percent dividend paid to the shareholders from the part that is resolved to be paid to shareholders and other participating entities shall be added to the general legal reserves in accordance with the Paragraph 2 of Article 519 of TCC.*

*Unless the legal reserves are set aside and the dividend prescribed for the shareholders in the articles of association is distributed in cash or as stocks, resolving to set aside additional reserves, carrying*

*over any profit to the coming year; and distributing dividends to board members, officers, employees, and workers, foundations established for various purposes or similar other individuals and/or organizations shall not be allowed.*

*The dividend shall be distributed equally to all current shares regardless of their issue and dates of acquisition.*

*The manner and time of distribution of the dividend resolved to be distributed shall be decided by the General Assembly upon such request of the board of directors. The distribution of the dividend resolved by the General Assembly in accordance with these articles of association may not be revoked.*

*The Company may make donations to various organizations, institutions, foundations, and associations through a General Assembly resolution within the framework of the Capital Market Law without hindering the Company's purpose and subject of activity provided that hidden income transfer regulations are not breached, necessary material event disclosures are made, and the donations made throughout the year are submitted for the information of shareholders at the General Assembly.*

*The upper limit of donations shall be determined by the general assembly. Any donation exceeding such limit shall not be allowed and the donations made shall be added to the distributable profit base.”*

#### **5 - Advance Dividend Distribution Principles**

Article 20 (“Advance Dividends”) of the Articles of Association of the Company provides as follows: *“The General Assembly may decide to distribute advance dividends to shareholders under the Capital Markets Law and other applicable legislation. Calculation and distribution of the amount of advance dividends are made according to the applicable legislation. The general assembly may decide to authorize the board of directors to distribute advance dividends, provided that such authorization is limited to the relevant accounting period.”*