



Corporate Governance Compliance Rating Report



Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.

31 May 2022

Validity Period 31.05.2022-31.05.2023

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. is compiled;

in accordance with the criteria stated in CMB's Corporate Governance Communiqué, no II-17.1, published in the Official Gazette edition 28871 on 03.01.2014, "Communiqué on Change in Corporate Governance Communiqué (II-17,1)" (II-17,1. a), published in the Official Gazette dated 02.10.2020, No 31262 and regulations on the framework for compliance with voluntary sustainability principles; as well as the CMB's board decision taken at the Board meeting on 01.02.2013, no 4 / 105.

The criteria, established for the companies whose shares are traded at BIST, are organized separately as First Group, Second Group and Third Group companies and investment partnerships, taking into consideration the group distinctions stated by CMB's Corporate Governance Principles in Item 2 - Article 5 of communiqué no II-17.1, published in the Official Gazette edition 28871 on 03.01.2014.

The Corporate Governance Compliance Rating Report issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. is based on 106 copies of documents, data and files transmitted by the firm electronically, including data open to general public and examinations and interviews made by our rating experts on site.

Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. has formulated its Ethical Rules according to the Banking Act, the CMB and BRSA Communiqué's on the Operations of Rating Companies, generally accepted ethical rules of the IOSCO and OECD including generally accepted ethical customs, which is shared with the public through its Internet website (www.kobirate.com.tr).

Although rating is an assessment based on numerous data, it is consequently the institutional opinion of Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. formed accordingly to the methodology disclosed.

The rating grade does not constitute a recommendation to purchase, to hold or to dispose of any kind of borrowing instrument. KOBIRATE A.Ş. may not be held liable for any losses incurred or investments made to the company referring to this report.

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TABLE OF CONTENTS

1. Rating Result and Summary of Rating Process	3
2. Rating Methodology	6
3. Company Profile	9
4. Sections of Rating Process	
A. Shareholders	14
a. Facilitating Exercise of Shareholders Rights	14
b. Right to Obtain Information and to Examine	15
c. General Assembly	15
d. Voting Right	16
e. Minority Rights	17
f. Dividend Right	17
g. Transfer of Shares	18
B. Public Disclosure and Transparency	19
a. Corporate Website	20
b. Annual Report	20
C. Stakeholders	22
a. Corporation's Policy on Stakeholders	22
b. Supporting the Participation of Stakeholders in Corporation's Management	23
c. Human Resources Policy of the Corporation	23
d. Relations with Customers and Suppliers	24
e. Ethical Rules and Social Responsibility	24
f. Sustainability	24
D. Board of Directors	26
a. Functions of the Board of Directors	26
b. Principles of Activity of the Board of Directors	27
c. Structure of the Board of Directors	27
d. Procedure of Board of Directors Meetings	28
e. Committees Formed within the Structure of the Board of Directors	28
f. Financial Rights Provided for Members of the Board of Directors and Executives	29
5. Corporate Governance Compliance Grades and Descriptions	30

9.32

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ve Kurumsal Yönetim Hizmetleri A.Ş.**

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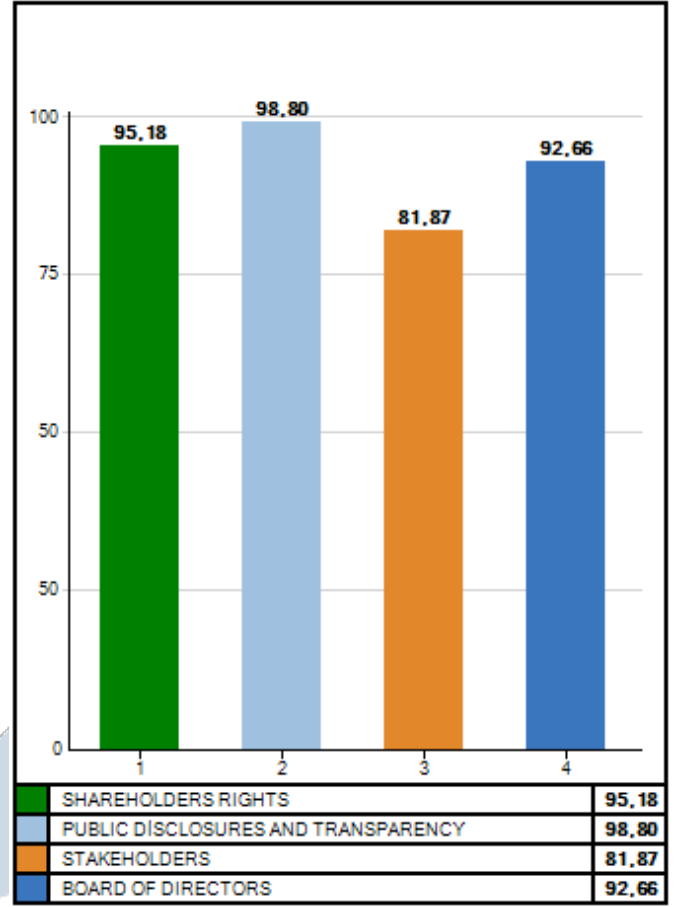
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RATING SUMMARY

The process of rating of compliance of Doğuş GYO A.Ş. with the Corporate Governance Principles is concluded in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Yönetim Hizmetleri A.Ş.; through onsite examination of the documents and information open to public, interviews held with executives and persons involved and other reviews.

Methodology and rating process are based on the criteria stated in CMB's Corporate Governance Communiqué, no II-17.1,



published in the Official Gazette edition 28871 on 03.01.2014 and "Communiqué on Change in Corporate Governance Communiqué (II-17,1)" (II-17,1.a), published in the Official Gazette dated 02.10.2020, No 31262.

The Company has been assessed through examination of 451 criteria described by the methodology of Kobirate A.Ş. for "BIST Investment Partnerships."

The rating has been carried out under the main headings of Shareholders, Public Disclosure and Transparency, Stakeholders and Board of

Directors and Corporate Governance Compliance Rating Grade of Doğuş GYO A.Ş. has been determined as **9.32**.

This result signifies that the Company has achieved compliance with the CMB's Corporate Governance Principles to a large extent. All possible risks for the Company are determined and actively controlled. Public disclosure and transparency activities are conducted at the highest level. Rights of shareholders and stakeholders are treated fairly, but further actions are needed in accordance with the sustainability compliance framework. The structure and working conditions of board of directors is compliant with corporate governance principles to a significant degree. With this grade, the company highly deserves to be in the BIST Corporate Governance Index

A summary of the rating process under main headings:

In the section of shareholders Doğuş GYO has achieved a grade of **95.18**.

It is generally observed in this section that the Company has achieved compliance with CMB Corporate Governance Principles at a rather good level. The existence of Investors Relation Department that keeps healthy relations with shareholders, timely and duly convention of general assemblies and their proper invitations, preparation of a detailed information document enabling shareholders to reach sufficient information about agenda items and having dividend policy presented for the approval of the general assembly and disclosing it to public on the corporate website are salient positive achievements. The Company has achieved full compliance with obligatory articles of CMB's Corporate Governance Communiqué dated 03.01.2014, No II-17.1.

Company's grade for the section of Public Disclosure and Transparency is determined as **98.80**. The Company conducts its public disclosures in accordance with its disclosure policy that it published at its corporate website. It has been deemed positive that the

Company provides access to several current data on its corporate website (www.turcas.com.tr), which might be needed by the investors. Company's corporate website and annual reports comply with corporate governance principles to a great extent in terms of public disclosure and transparency.

In the section for Stakeholders the Company has achieved a grade of **81.87**.

In this section the Company has achieved a significant compliance with CMB's Corporate Governance Principles. A very comprehensive human resources policy has been established; internal procedures have been made and disclosed to the employees including recruitment, performance appraisal, promotion, awarding, employee satisfaction, leave and social benefits. Management Organization Chart for the company has been prepared and regulations and internal arrangements have been completed in accordance with this structure. Duties of departments, job descriptions and processes have been determined. Employees have been informed about internal regulations.

A comprehensive ethical code has been prepared and introduced to employees to act pursuant to such rules.

Company's work on sustainability compliance has just started. Therefore, it should accelerate its sustainability activities in order to achieve compliance with the principles.

As for the Board of Directors Section, the Company's grade is **92.66**.

It has been confirmed that the Board has set Company's strategic goals, audits performance of its management and pays further attention to the company affairs to be in compliance with the legislation, the Articles of Association and internal regulations.

The posts of Chairman of the Board and Chief Executive Officer are held by separate individuals.

The Audit, Corporate Governance and Early Detection of Risk Committees, referred to by the principles have been established, their work principles determined and written down. In the other hand, the Board of Directors comprises six (6) members, two (2) of them independents and there is one (1) woman member. This strengthens compliance with the principles. Remuneration policy for Board members and executives have been prepared and presented to the shareholders at the general assembly meeting as a separate item of agenda.



2. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether or not the firm's management structures and management styles, the arrangements for shareholders and stakeholders and the process of informing in transparency and accuracy are performed in accordance with the modern corporate governance principles and which assigns a grade corresponding to the existing situation.

Organization for Economic Co-operation and Development (OECD) established a working group in 1998 in order to assess member countries' opinions on corporate governance and to prepare some non – binding principles.

The fact that principles are open to change in time was also accepted at this work. Although at first these principles were focused on the companies whose shares were quoted in stock exchange, it was emphasized by OECD that it would be also useful to implement these principles in public enterprises and companies whose shares were not quoted in stock exchange.

In 1999, OECD Corporate Governance Principles were approved at the OECD Meeting of Ministers and published. Since then, these principles have been regarded as international references for the decision – makers, investors, shareholders, companies and stakeholders throughout the world.

Since their approval, these principles kept the concept of corporate governance on the agenda and became guidelines for the laws and regulations in OECD members, as well as other countries.

There are four basic principles of corporate governance in OECD Corporate Governance Principles. These are: fairness, transparency, accountability and responsibility.

Turkey has been closely monitoring these developments. A working group, established

within TUSIAD in 2001, prepared the guide, titled, "Corporate governance: The best implementation code". Then CMB issued "Capital Market Board Corporate Governance Principles" in 2003 and updated it in 2005, 2010, 2012, 2013 and 2014, according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "implement or disclose", and to declare it became part of companies' lives in 2004. Putting the Declaration of Compliance to Corporate Governance in the annual reports became obligatory the following year.

CMB has decided to implement a new framework for reporting corporate governance and the new framework was disclosed to public with CMB Bulletin dated 10.01.2019, No 2019/2 and with a statement dated 11.01.2019. New reporting framework included following disclosures: Disclosure of Compliance Report Format (URF) to report on voluntary compliance with the principles and Corporate Governance Information Form (KYBF) to give information about current corporate governance policies. According to Turkish Commercial Code and CMB Corporate Governance Communiqué (II-17.1), URF and KYBF should be disclosed on the Public Disclosure Platform at least three weeks before the general assembly meeting, simultaneously with annual reports and not later than the expiry of duration of financial reports' announcement on the Public Disclosure Platform.

"Communiqué on Change in Corporate Governance Communiqué (II-17,1)" (II-17,1. a), published in the Official Gazette dated 02.10.2020, No 31262 brought some regulations on compliance with voluntary sustainability principles.

Compliance framework has been published on CMB website. Sustainability Compliance Framework has been examined under the

headings of A – General Principles, B – Environmental Principles, C – Social Principles and D – Corporate Governance Principles.

Implementation in accordance with the “implement or disclose” principle has been determined. It has been prescribed that annual reports should include information on whether the sustainability principles are implemented or not, an explanation in case they are not implemented and on their impacts. It was also prescribed that if changes take place within the period, they should be described in midterm reports.

Corporate Governance Principles are grouped under four main headings, namely: the Shareholders, Public Disclosure and Transparency, Stakeholders and the Board of Directors.

The Revised Corporate Governance Compliance Rating Methodology has been prepared by Kobirate A.Ş. in February 2022 for companies whose shares are traded on BIST, banks, investment partnerships and non – quoted companies.

The methodology is based on the criteria stated in CMB’s Corporate Governance Communiqué, no II-17.1, published in the Official Gazette edition 28871 on 03.01.2014, “Communiqué on Change in Corporate Governance Communiqué (II-17,1)” (II-17,1. a), published in the Official Gazette dated 02.10.2020, No 31262 and regulations on the framework for compliance with voluntary sustainability principles; as well as the CMB’s board decision taken at the Board meeting on 01.02.2013, no 4 / 105.

In a rating process, full compliance of work flow and analysis technique with Kobirate A.Ş.’s Ethical Rules is taken into consideration.

In order to evaluate BIST Investment Partnerships’ compliance with corporate governance principles 451 criteria are used in the rating process. These criteria are translated into Corporate Governance Rating

Question Sets through Kobirate A.S.’s unique software PERFECRATE.

The weighting scheme for the four main sections in the new Corporate Governance Compliance Rating, determined by CMB’s memorandum dated 12.04.2013 and numbered 36231672-410.99 (KBRT)-267/3854, is applied completely by Kobirate A.Ş. The weightings are as below:

Shareholders 25 %

Public Disclosure and Transparency 25 %

Stakeholders 15 %

Board of Directors 35 %.

CMB decision dated 01.02.2013 and numbered 4/105 states that in case the minimum requirements of corporate governance principles are met, 85 % of full points can be given at most for that principle and it is required to add new questions / methods into the methodology to ensure that good corporate governance principles, which go beyond meeting the minimum requirements are included in the rating grade. Our company has been informed about this requirement by CMB notification dated 19.07.2013 and numbered 36231672-410.99 (KBRT) 452.

The revised corporate governance compliance rating methodology prepared by our company in February 2022 is in line with CMB Communiqué of Corporate Governance published on 03.01.2014, numbered II-17.1, which states that the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles is restricted to 85 % of the full points.

The rating system completes the grade to 100 through factors including Company’s efficiency in applying CMB’s Corporate Governance Principles, degree to which the company is internalized these practices and company’s compliance with and implementation of different good corporate governance policy criteria determined by our company.

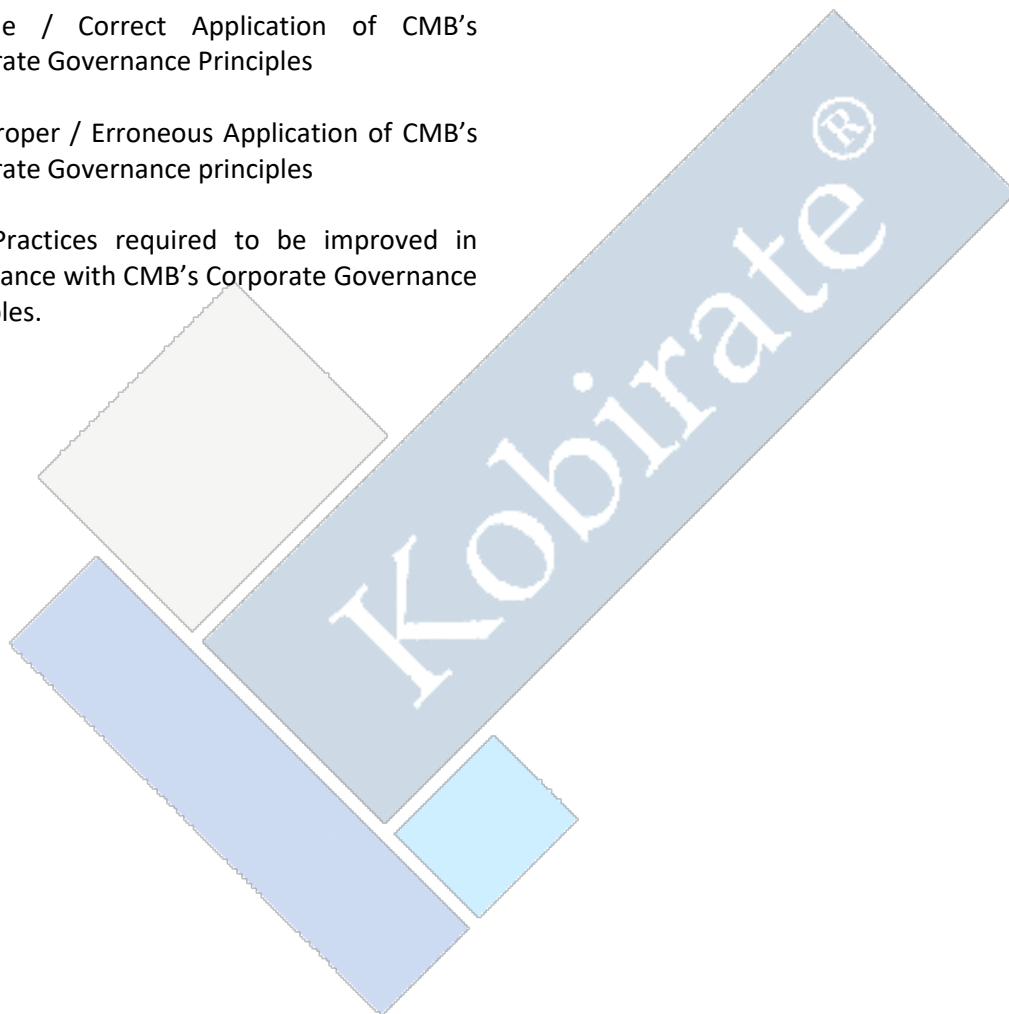
The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grade, “10” points mean excellent, full compliance with CMB’s Corporate Governance Principles while grade “0” means that there is no compliance with CMB’s Corporate Governance Principles, in any sense, in the existing weak structure.

In this report the following legends have the these meanings:

✓ Due / Correct Application of CMB’s Corporate Governance Principles

✗ Improper / Erroneous Application of CMB’s Corporate Governance principles

✓/✗ Practices required to be improved in compliance with CMB’s Corporate Governance Principles.



3. COMPANY PROFILE



Company Name	: Doğuş Gayrimenkul Yatırım Ortaklığı Anonim Şirketi
Company Address	: Doğuş Center Maslak, Maslak Mah. Ahi Evran Caddesi No: 4/23 34398 Maslak Sarıyer-İstanbul
Company Phone	: (0 212) 335 28 50
Company Facsimile	: (0 212) 335 28 99
Company's Web Address	: http://www.dogusgyo.com/
Company's E-Mail Address	: info@dogusgyo.com.tr
Date of Incorporation	: 30 Temmuz 1997
Registered Number	: 373764-321346
Line of Business	: Investment on real estate and real estate-based capital market instruments, real estate projects, real estate-based rights and capital market instruments.
Company's Sector	: Real Estate Investment Trust

Company's Representative in Charge of Rating:

Nazlı Yılmaz

Assistant General Manager for Financial Affairs

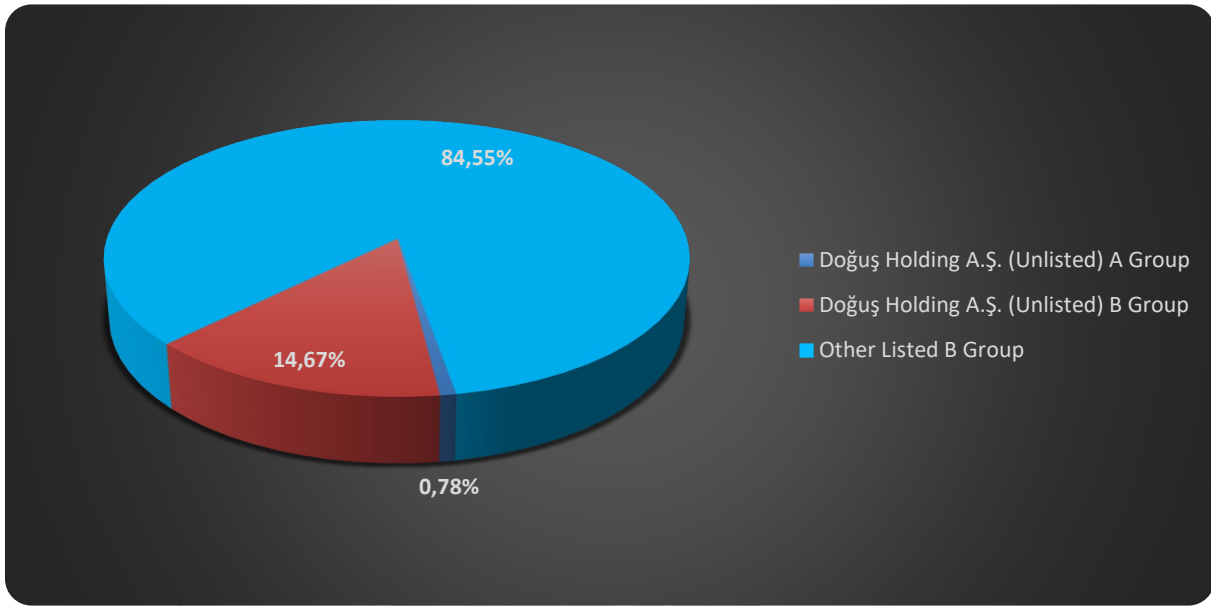
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(0212) 3352850

Shareholder Structure

Shareholder Name	Group	Share Kind	Share TL	31.12.2021 Share (%)
Doğuş Holding A.Ş. (Unlisted)	A	Name	2.604.451,09	0,78
Doğuş Holding A.Ş. (Unlisted)	B	Bearer	48.693.872,06	14,67
Other Listed	B	Bearer	280.709.462,85	84,55
Total			332.007.786,00	100,00

Source: www.dogusgyo.com.tr



Board of Directors (as of 24/05/2022)

Name/ Surname	Title	Executive/Non-Executive
Hüsnü Akhan	Chairman of Board of Directors	Non-executive
Hasan Hüsnü Güzelöz	Member of Board of Directors	Executive
Ekrem Nevzat Öztangut	Member of Board of Directors	Non-executive
Erdem Tavas	Member of Board of Directors	Non-executive
Prof. Dr. Güler Aras	Member of Board of Directors (Independent)	Non-executive
Murat Bahadır Teker	Member of Board of Directors (Independent)	Non-executive

Source: www.kap.gov.tr

COMMITTEES OF BOARD OF DIRECTORS

AUDIT COMMITTEE

Member Name/ Surname	Title
Prof. Dr. Güler Aras	Chairman / Independent Member of Board
Murat Bahadır Teker	Member / Independent Member of Board

CORPORATE GOVERNANCE COMMITTEE

Member Name/ Surname	Title
Prof. Dr. Güler Aras	Chairman / Independent Member of Board
Murat Bahadır Teker	Member / Independent Member of Board
Hasan Hüsnü Güzelöz	Member / Member of Board - IRD Director

EARLY DETECTION OF RISK COMMITTEE

Member Name/ Surname	Title
Murat Bahadır Teker	Chairman / Independent Member of Board
Prof. Dr. Güler Aras	Member / Independent Member of Board
Hasan Hüsnü Güzelöz	Member / Member of Board - IRD Director

Top Management

Name/ Surname	Title
Çağan Erkan	General Manager
Nazlı Yılmaz	Assistant General Manager –Financial Affairs
Cem Engin	Assistant General Manager -Corporate Communication and Marketing

Balance-Sheet Comparison of Bank's Certain Selected Items for yearends of last two years

	2020/12 (TL)	2021/12 (TL)	(%)
Current Assets	40.228.154	410.506.872	920,70
Fixed Assets	1.923.018.413	2.029.402.417	5,53
Total Assets	1.963.246.567	2.439.909.289	24,28
Short Term Liabilities	121.587.363	348.755.440	186,84
Long Term Liabilities	1.218.660.360	1.685.792.728	38,33
Equity	622.998.844	405.361.121	-34,93

Source: www.kap.gov.tr / 01.01.2021-31.12.2021 Doğuş GYO A.Ş. Annual Report

**The Bottom and Peak Closing Values of Company's Shares traded on the BIST for last year
(01.05.2021-01.05.2022)**

<i>Bottom (TL)</i>	<i>Peak (TL)</i>
7,65-TL (08.07.2021)	12,06-TL (28.09.2021)

Source: Doğuş GYO A.Ş.

Brief History of the Company

The company started its activities under the title of Osmanlı GYO on July 25, 1997. IPO was done on 25.03.1998 as the third Real Estate Investment Trust (REIT) quoted in the BIST stock exchange.

At the end of 2001, as a result of merger between Osmanlı and Garanti Banks (both Doğuş Group banks), Garanti Bank owned 51 % of the company and it became a subsidiary of Garanti Bank, as Garanti GYO.

Foundation of EVIDEA Project, Garanti GYO's first housing project, was laid in November 2004. Total area of the land is 34,000 m2. It comprises 101,000 m2 construction area, including 73,000 m2 housing and 24,500 m2 social facilities.

All flats in the EVIDEA Project, which is a result of Garanti GYO and Yapı Kredi Koray combining their know how in property development and finance, were delivered to their owners as of yearend 2017.

Garanti GYO started construction of Doğuş Center Maslak Project in Maslak, Istanbul in June 2005. Its total construction area is 63,202 m2 and 47,398 m2 of it is made of rentable areas. Doğuş Center Maslak was opened on 9.11.2006.

After Garanti Bank sold its Garanti GYO stocks to General Electric Capital Corporation and Doğuş Holding, company's shareholder structure changed as of December 1, 2006, as 25.5 % Doğuş Holding A.Ş., 25.5 % GE Real Estate Europe and 49 % open to public. Commercial title was also changed as Doğuş-GE GYO A.Ş.

General Electric Capital Corporation sold its shares in Doğuş-GE Gayrimenkul Yatırım Ortaklığı A.Ş. to Doğuş Holding and this transaction was completed as of January 2011. Company's shareholder structure changed as 51% Doğuş Holding and 49 % open to public. At the same date, Company's commercial title was changed as Doğuş GYO A.Ş.

As a result of the partial division completed on 26.12.2013 Gebze Center AVM was taken into the property investment portfolio of Doğuş GYO. Doğuş Gayrimenkul Yatırım ve İşletme A.Ş. started construction of Gebze Center AVM in August 2008. It was put into operation on 03.09.2010, with 59,054 m2 rentable area, about 130 stores and USD 180 million investment budget.

With the inclusion of Gebze Center AVM into Doğuş GYO property investment portfolio, work has started to enlarge current shopping mall and create a life center adding buildings and a Hotel Project. Construction began on 20.02.2015 with the receival of building permit. The project covers a construction site of 47,045 m2 and includes a hotel with 158 rooms, as well as different commercial units.

As a result of partial division, which was completed on 06.09.2016, Doğuş Center Etiler has joined Doğuş GYO's real estate investment portfolio. Total land area of Doğuş Center Etiler is 36,440.80 m2 and it comprises 45 independent sections. Its total rental area is 9.827 m2. With its offices and social facilities, Doğuş Center Etiler is one of the leading business centers in the region.

Investment for Gebze Center Hotel and additional buildings project started in 2015. The project was completed in 2017 and the hotel was opened under the brand of "Hyatt House Gebze". Automotive showroom and service area, as well as additional shopping mall units are all rented.

In June 2018, sale process of Antalya 2000 Plaza was completed and the property got out of Company's portfolio.

In December 2018, D-Ofis Maslak office building – one of Istanbul's most important business and trade centers – and the Sport Center in the Doğuş Center Etiler facility, which comprises independent units numbered 16 and 17, were purchased by the Company. D-Ofis Maslak is a valuable office building at a prestigious location with offices, shopping centers, luxurious residences and it has 40,438 m2 usable area. Sport Center in the Doğuş Center Etiler facility is run by D-Gym – one of the most prestigious sports centers in Istanbul – and it has 6,745 m2 rentable area.

At the end of 2021, Doğuş GYO's real estate investment portfolio included: Doğuş Center Maslak, D-Ofis Maslak, Doğuş Center Etiler – Office Building, Doğuş Center Etiler – Sports Center, Gebze Center – Shopping Mall, Gebze Center – Hotel (Hyatt House Gebze), Gebze Center – Automotive Showroom and Service (Doğuş Oto Gebze). The value of Doğuş GYOs portfolio of investment properties reached TRY 2.37 billion.

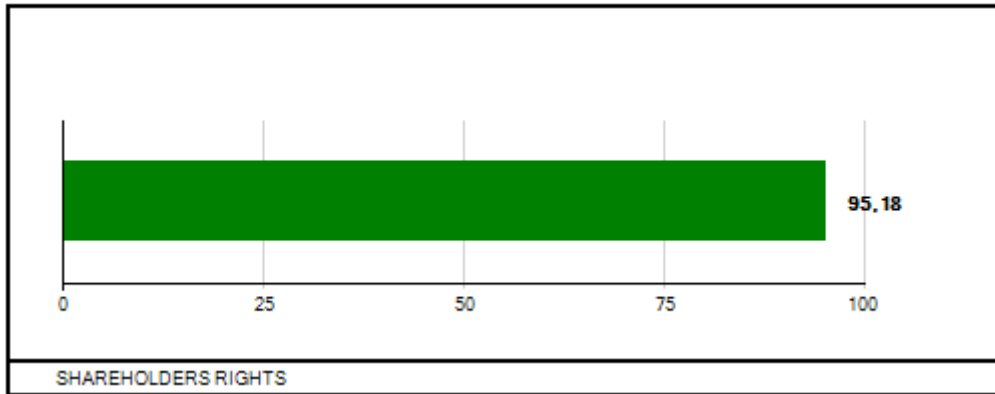
Source: Doğuş GYO A.Ş. 01.01.2021-31.12.2021 Annual report.

The Company is currently listed at BIST ALL-100 / BIST ALL / BIST MAIN / BIST CORPORATE GOVERNANCE / BIST FINANCIAL / BIST REAL ESTATE INV.PART. indexes.

The Company is in MAIN MARKET.

4. RATING SECTIONS

A. SHAREHOLDERS



Overview

- ✓ Investor Relations Department has been established and carries out all duties concerning shareholders.
- ✓ Director of Investor Relations Department has been appointed as a member of Corporate Governance Committee.
- ✓ There are no regulations that make private audit difficult.
- ✓ General Assemblies are held in accordance with laws, regulations and the Articles of Association.
- ✓ General Assembly meetings are held open to public and there is provision in the Articles of Association about this.
- ✓ There are no regulations that make the use of voting right difficult and there is no upper limit for the number of votes.
- ✓ Donations and Aid policies of the company are prepared, presented for the approval of the General Assembly and disclosed to public.
- ✓ There is a provision in the Articles of Associations allowing for advance dividend payment.

- ✗ A Group shares have privilege in the election of Board Members.
- ✗ Minority rights are not recognized in the Articles of Association for the

shareholders with less than 1/20 of the capital.

In this section, as stated by CMB's Corporate Governance Principles, the company has been evaluated on 114 different criteria, under the headings of Facilitating Exercise of Shareholders' Rights, Right to Obtain and to Examine Information, General Assembly, Voting Rights, Minority Rights, Dividend Right and Transfer of Shares. The company's grade for this section is 95.18.

a. Facilitating Exercise of Shareholders' Rights

Relations with shareholders and investors are conducted by Investor Relations Department (IRD) in Doğuş GYO. IRD reports directly to the General Manager Çağan ERKAN. Its duties and responsibilities are determined in Company's inner guidelines within the framework of CMB's Corporate Governance Communiqué published by the Official Gazette on 03.01.2014. Main duties of Investor Relations Department are as below:

- To ensure and monitor that the Company carries out all its responsibilities stemming from CMB regulations, including those in the areas of corporate governance and public disclosure,

- To keep healthy, safe and current records of correspondence between shareholders and the Company and other information and documents,

- To meet information requests of shareholders about the Company,

- To prepare documents to be presented to shareholders at the general assembly meeting and to ensure that the meeting takes place in accordance with relevant regulations, Articles of Association and internal guidelines.

Activities of Investor Relations Department (IRD) are carried out by Nazlı YILMAZ (Assistant General Manager for Financial Affairs) under coordination and supervision of Hasan Hüsni Güzelöz (Board Member). Güzelöz has Capital Market Activities Level-3 and Corporate Governance Rating Licenses (700296). Hasan Hüsni Güzelöz was also appointed as a member of Corporate Governance Committee since 09.04.2015 as required by CMB's Communiqué No II-17.1. Nazlı YILMAZ also have Capital Market Activities Level-3 (213039) and Corporate Governance Rating Licenses (703070).

It has been observed that the director and the staff working in the Investor Relations Department have adequate qualifications in terms of knowledge and experience required for the task, that they play an effective role in protection and facilitation of shareholders' rights, starting with the right to obtain and examine information.

It has been determined that the Investor Relations Department reports regularly to Board of Directors. It presents comprehensive reports on its activities to the Board twice a year. It sent two reports to the Board in 2021.

Any data that might affect the exercise of shareholders' rights are currently at disposal of shareholders on the corporate website.

In this subsection the Company has achieved full compliance with the corporate governance principles.

b. Right to Obtain Information and to Examine

The information required for the proper exercise of shareholders' rights are presented to the shareholders and the company's web site (www.dogusgyo.com.tr) is used efficiently to this end.

The Company conducts its disclosure within the framework of "Disclosure Policy", approved by the Board. The policy is published on the website, explaining in detail the shareholders' right to obtain and examine information under the aforementioned policies.

It has been learned that inquiries and requests of shareholders by phone or other means of communication or in written format are met and questions are answered through e-mail or face to face meetings.

Between 01.01.2021 and 31.12.2021, IRD answered 84 requests made through phone, e-mail or internet.

The Company made 84 disclosures at Public Disclosure Platform on various subjects.

There is no practice of cancelling or restricting shareholders' right to obtain and review information, imposed by the Articles of Association and/or a decision by any corporate department.

There are no regulations and practices making it difficult for the shareholders to use their right to demand appointment of a special auditor from the General Assembly. However, no provision has been made on this issue in the Articles of Association and inner procedures.

c. General Assembly

Due to the practices at the general assembly, Doğu Gayrimenkul Yatırım Ortaklığı has achieved very good compliance with the principles in this subsection.

It has been found that general assembly meeting announcement is made through all kinds of communication means, as well as through methods required by regulations, 3 weeks before the meeting, to reach as much shareholders as possible. It has also been determined that all documents, which should be ready for the review of shareholders according to the Article 437 of the Turkish Commercial Act 6102, as well as other statements and announcements that corporation should make in accordance with regulations and Corporate Governance Principles, are disclosed to public through public disclosure platform. have been presented to shareholders 3 weeks before the General Assembly.

The ordinary general assembly meeting to discuss activities of 2021 was held on 31.03.2022. Invitation to the meeting was made appropriately through Trade Registry Gazette dated 08.03.2022, no 10532, Public Disclosure Platform on 03.03.2022, e- general assembly system (EGKS) and Company's corporate website on 27.02.2015 - 3 weeks before the meeting as required by the principles – through Public Disclosure Platform and corporate website.

When the agenda was being prepared, special care was given to express the items clearly in order not to cause different interpretations and to avoid using expressions like "other" or "various".

With the meeting announcement, the Company has prepared an information kit, which included general assembly process, voting, agenda items and other detailed explanations; thus, enabled shareholders to have an opinion of the meeting. Within the framework of additional explanations done within the scope of CMB regulations, the document has been found very comprehensive.

It has been learned that the Board takes written requests of shareholders to put subjects on the agenda into consideration. There have been no such requests from

shareholders before the Ordinary General Assembly meeting for the activities of 2021, which took place on 31.03.2022.

In order to increase participation of shareholders, general assemblies are held in a certain fashion to avoid inequalities among shareholders and enable them to participate with minimum costs. The general assembly meeting convened at a suitable place.

General Assembly meetings are held open to stakeholders and public, including the media, without right to address and there is provision in Article 21 of Articles of Association about this.

Board Member Hasan Hüsnü GÜZELÖZ physically attended the ordinary general assembly meeting to discuss 2021 activities.

Çağan ERKAN (General Manager), Nazlı YILMAZ (Assistant General Manager for Financial Affairs) and Sinem GÖK (Representative of Independent Audit Company) have attended the meeting to answer possible questions.

Upon interviews with officials and examination of meeting minutes it has been found that agenda items were voted separately, they were counted and disclosed to shareholders before the end of meeting.

Upon examination of the minutes, it has been determined that the meeting chairman ensured that all questions of shareholders, except those that were considered commercial secrets were answered directly at the meeting. Those questions and answers are published on the corporate website.

It is our opinion that the Company has achieved very good compliance with the principles in this subsection.

d. Voting Right

Neither the Articles of Association nor the internal procedures contain any difficulties for shareholders to exercise their voting right and

no cap is introduced on the number of votes that they can use at the general assembly meeting. The opportunity to exercise the voting right in the easiest and most convenient manner is given to each shareholder.

It is possible for the shareholders to exercise their voting right in person or by proxies, whether member or not, at the general assemblies; the members are submitted with the specimen proxies to be used for this purpose at firm's headquarters, on the corporate website and on the add supplement. According to Article 29 of Articles of Association each share has one vote at the general assembly meeting. The same article regulates the method of voting. This method is published on the corporate website and shareholders informed about it at the meetings.

The company doesn't have a subsidiary with mutual relationship which brings sovereignty.

However, the privilege of (A) group registered shareholders in the election of Board members is seen as an area, which is not in compliance with principles of corporate governance.

e. Minority Rights

There has not been any violation of exercise on minority shareholders' rights such as attendance to general assembly, representation by proxy, imposition of no upper limit for voting rights. In this manner it is found that care is given to the exercise of minority rights.

Article 21 of the Articles of Association states that "Shareholders with at least 1/20 of the capital can request a general assembly meeting from the Board on the condition that they put into writing and state the reasons and agenda, or they can add items on subjects that concern them to the agenda of a coming meeting. Although these rights are not extended to those shareholders with less than 1/20 of the capital, the fact that it is regulated in the Articles of Association has been deemed

positive in terms of compliance with Corporate Governance Principles. However, there is no additional provision about the rights of those shareholders with less than 1/20 of the capital in the Articles of Association.

f. Dividend Right

Pursuant to the criteria laid down by CMB directives and by the Turkish Commercial Act, the Company has prepared its Dividend Policy and disclosed it to public in the electronic environment. It has been determined that dividend policy contains the minimum data enabling the investors to foresee the procedure and guidelines for distribution of profit to be generated by the company in future periods.

Company's profit distribution policy states: "The Board of Directors prepares its proposal for profit distribution and submits it to the General Meeting for approval in accordance with the pertinent provisions of the Capital Market Legislation, Tax Legislation and Articles of Association concerning the profit distribution policy. Whether the profit is to be distributed and, when and how it will be distributed are discussed and a resolution is adopted accordingly at the respective General Meeting and, all notices are carried out within the respective legal periods set forth under the pertinent legislation."

Following points are also disclosed to public as part of profit distribution policy:

- A balanced policy is followed in execution of the profit distribution policy between the shareholders' benefits and the partnership's benefits.
- The date and method of distribution of the annual profit is decided by the General Assembly within the framework of CMB's relevant regulations and upon recommendation of the Board and the profit, which is distributed in line with articles of Articles of Association cannot be taken back.

- Dividends are distributed equally to all existing shares on the date of the dividend distribution, regardless of the date of issue or acquisition.

There are no privileges in dividend distribution.

Article 31 of the Articles of Association regulates dividend advance but it has not yet been implemented.

Activities of 2021 resulted in TRY -229,276,304 loss (according to CMB) and TRY - 405,461,544.73 loss (according to records kept in compliance with Tax Method Law). At the general assembly on 31.03.2022 shareholders were informed that there would be no profit distribution because of the losses.

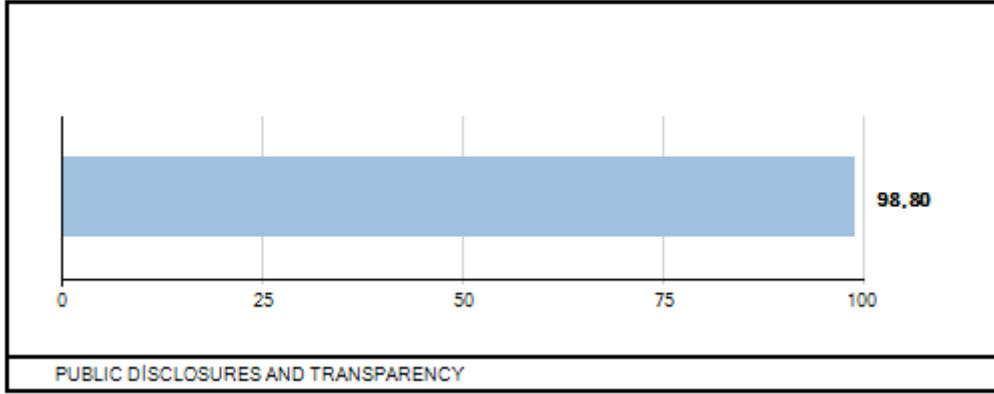
Board's profit distribution decision and profit distribution table were published on the same date with the invitation to the general assembly meeting.

Doğuş GYO has achieved high level compliance with the principles in this subsection.

g. Transfer of Shares

There is no provision in the Articles of Association that makes transfer of shares difficult.

B. PUBLIC DISCLOSURE AND TRANSPARENCY



Overview

- ✓ Public disclosure activities are carried out within the framework of disclosure policies.
- ✓ Corporate website includes information and documents referred by the principles and it is continuously updated.
- ✓ The information and documents on the corporate website cover last five years.
- ✓ Information in the corporate website is also published in English.
- ✓ Public disclosures of financial statements are made through Public Disclosure Platform simultaneously in Turkish and English.
- ✓ Content of the annual report is compatible with the principles and other legal regulations.

As for this section, the Company has been evaluated by **93** different criteria under the headings of **Corporate Website** and **Annual Report** as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company has deserved the grade of **98.80**.

Doğuş GYO carries out public disclosures in compliance with its "Public Disclosure Policy", which is disclosed on the corporate website and Public Disclosure Platform.

Board Member Hasan Hüsnü Güzelöz and Assistant General Manager for Financial Affairs Nazlı Yılmaz have the responsibility and signatory authority for public statements. These officials are charged with monitoring and supervising all subjects relevant to public disclosure.

Independent audit of the Company for 2021 has been conducted by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited). There have been no cases in the report where the independent auditor avoided expressing opinions, expressed conditional opinions or avoided signing. Company officials told us that there have been no legal conflicts or developments between the Company and independent auditor and its representatives that could harm the independence.

Independent audit company and its auditors did not provide any consultancy services (free or with fee) during the period when they provide independent audit services to the Company.

Any other consultancy company – on which the independent audit company has a dominant relationship - and its employees have not provided consultancy services for the Company in the same period.

On the suggestion of Audit Committee and by the approval of general assembly, it has been decided that audit for 2022 would be carried out by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

a. Corporate Website

Information to be disclosed for public is on Company's corporate website at the address of (www.dogusgyo.com.tr) for public use. These documents are correct, full, comprehensible, interpretable and helpful for people and corporations to make decisions. They are also easy to access with low cost. The corporate website serves as an active and effective platform for public disclosure and its content is updated continuously. The information on the corporate website is consistent with announcements made pursuant to the relevant regulation and doesn't contain conflicting and missing information.

The corporate website contains commercial registry details, the shareholder and management structure as of the latest situation, detailed information about privileged shares, dates and numbers of commercial registry newspapers where changes were published and final text of the company's Articles of Association, material event disclosures, financial reports, annual reports, explanations and other means of public disclosure, agendas of the general assemblies, lists of attendees, proceedings of the assemblies, the specimen Proxy, share purchase offer, Company policy on buying back its own shares, dividend policy, disclosure policy, remuneration and compensation policies, ethical rules developed by the Company and information requests, questions and notifications and answers given under frequently-asked questions title in addition to the coverage of mandatory disclosure pursuant to the legislation. These documents and information cover last 5 years. Information about shareholder structure, amounts and percentage of shares in capital are also found on the corporate website. Important material event disclosures are also published in English

on the corporate website in English for international investors.

The Company has achieved very good level compliance with corporate governance principles in this subsection.

b. Annual Report

Board of Directors prepares the annual report in such a detail that it gives public access to sufficient information about company's activities.

In addition to subjects underlined by relevant regulations and other parts of Corporate Governance Principles, the content of annual reports includes:

- a) Information on jobs that Board members and managers hold outside the Company,
- b) Information on members of Board committees and their meeting frequency,
- c) Number of annual Board meetings,
- d) Important Board decisions,
- e) Information about regulatory changes that may have a significant impact on Company activities,
- f) Information on important lawsuits launched against the Company and their possible outcomes,
- g) Information on conflicts of interests between the Company and other companies that provide services like investment consultancy and rating and the precautions taken to prevent these conflicts of interests,
- h) Information about the efficiency of Board committees,
- i) Information on social benefits and professional training of employees, social responsibility projects and other Company projects that have an impact on society and environment.

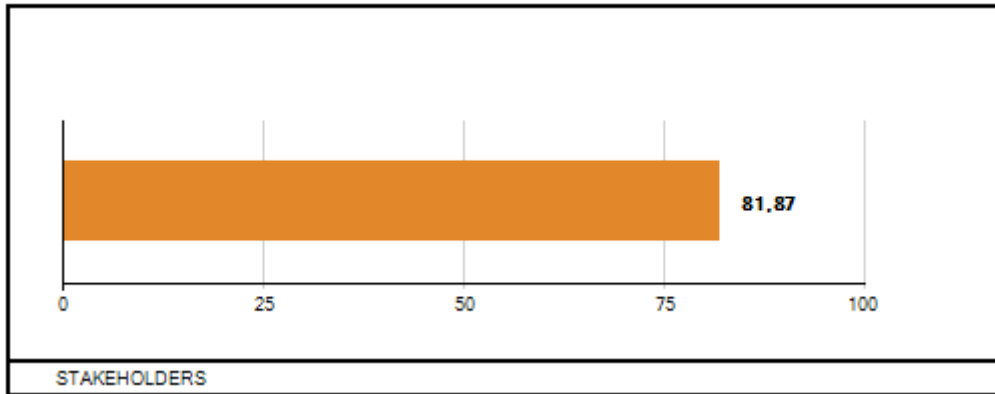
Annual reports of last 5 years are disclosed to shareholders and the public in the electronic environment. The policies of the Company in this subsection are in very

good compliance with the principles stated in CMB's Corporate Governance Communiqué numbered II-17.1.

Small difference between Company's previous and current grades on Public Disclosure and Transparency comes from methodological updating and criteria, which have been taken out of the methodology.



C. STAKEHOLDERS



Overview

- ✓ Ethical Principles and Rules are published in the electronic environment.
- ✓ There are no regulations that make it difficult for stakeholders to exercise their rights.
- ✓ Employees are provided with a safe and pleasant working environment.
- ✓ There are no complaints by employees about discrimination or being unable to get their rights.
- ✓ There is a comprehensive human resources policy.
- ✓ There are inner regulations about recruiting, promotions, rewarding and disciplinary actions and practices are compatible with these regulations.
- ✓ Care is given to confidentiality of information about stakeholders on trade secret basis.
- ✓ Corporate social responsibility policies have been prepared and disclosed to public.
- ✓ A comprehensive company policy has been prepared for stakeholders.
- ✗ Sustainability policy has not been prepared and disclosed to public.
- ✗ Stock option plans for employees have not been made.

✓/✗ Through internal regulations, models and mechanisms have been developed to support employee's and stakeholders' participation to Company management, but there is no provision in the Articles of Association on this subject.

As for this section, the Company has been assessed by **104** different criteria under the headings of Corporate Policy on Stakeholders, Supporting Stakeholders' Participation in Company Management, Human Resources Policy of the Company, Relations with Customers and Suppliers, Ethical Rules and Social Responsibility and Sustainability as laid down in the Corporate Governance Principles of the Capital Market Board, for which the Company has deserved the grade of **81.87**.

a. Corporate Policy on Stakeholders

The Corporate Governance Principles describe the Stakeholders as an individual, organization or interest group as employees, creditors, customers, suppliers, trade unions, various non-governmental organizations having an interest in attainment of company's objectives or in its operations. It is concluded that Doğuş GYO protects the stakeholders' rights specified in regulations and mutual contracts.

It has been concluded that the company respects the stakeholders' rights, specified in regulations and mutual agreements. The impression is that in case of the rights of the stakeholders not regulated under the pertinent legislations and agreements, the benefits of the stakeholders shall be in good faith safeguarded considering the rights, abilities and reputation of the company. It has been observed that many internal regulations were prepared to this end.

It is thought that an efficient and fast compensation is provided in case of a violation against stakeholders' rights, which are protected by the regulations and contracts. The Company also makes the use of mechanisms like compensation, which are provided with the relevant regulations, easy. On the other hand, Compensation Policy towards employees has been prepared in compliance with relevant legal regulations and disclosed to public via corporate website.

It has been learned that the stakeholders are sufficiently informed of the policies and procedures of the company regarding the protection of their rights also through the corporate web site.

"Corporate Policy on Stakeholders" was approved by the Board on 27.06.2016 and published on the corporate website. It covers corporate policies on protection of, informing and supporting participation to company management of all stakeholders, regulation of relationship with clients and suppliers. It is open to all stakeholders. This policy also includes procedures to convey transactions that are against regulations and unethical to the corporate governance committee.

In this subsection the Company has achieved significant compliance with the Corporate Governance Principles.

b. Supporting Stakeholders Participation in Company Management

Doğuş GYO management believes that strengthening communication with

employees, learning their expectations and acting in collaboration with them, creates a much more productive business environment.

It has been learned that meetings are held presided by the general manager on a weekly basis with the participation of the line managers for the purpose of establishing a coordination. Opinions and recommendations of the employees about the business operations of the company are reviewed and deliberated at these meetings.

"Corporate Policy on Stakeholders" ensures efficient participation of employees in the decision processes through a system called "Employee Satisfaction Survey". The results of this survey held once a year to obtain opinions of the employees are assessed by the company's management and the employees are informed accordingly. This system allows the company's management to assess the opinions and recommendations for enhancing and improving the working conditions of the employees and consider those found to be feasible in determining the respective policies of the company.

There are no provisions in the Articles of Association supporting participation of employees and stakeholders in Company management. However, internal regulations have been set up for aforementioned formations. These activities will be monitored during coming rating processes.

c. Human Resources Policy of the Company

The Company has a "Human Resources and Training Policy".

There are comprehensive procedures and internal regulations on subjects like recruitment, working conditions, disciplinary practices, power and responsibilities of employees, remuneration, health rights, leave rights, promotion, task alteration and dismissal, death, resignation, retirement within the scope of this policy. Our impression

is that the company sticks to these policies in practice. It has been seen that the Company acted in accordance with the principle of providing equal opportunities for individuals with equal status, both in determining these policies and planning careers.

Performance and reward criteria have been disclosed to employees by the Company. It has also been mentioned that the results of performance assessment directly affect total earnings of employees and they are taken into consideration for assignments, promotions and development plans.

It is our impression that the Company respects human rights and under no circumstances discriminates in terms of gender, age, religion, race, ethnicity, etc. and takes great care to treat the employees and stakeholders equally at every stage of its work processes. It has been declared that no complaints of malpractices from employees have reached to the management so far.

Upon examination of documents, it has been seen that training policies for employees were prepared and training programs in line with these policies have been developed.

As of 31.12.2021, Doğuş GYO employed 13 (8 men, 5 women) people.

It has been learned that a total of 16 hours of professional and language training was provided for employees.

According to the information received during our talks with Company managers and employees, there is no restriction for employees to join association activities, on the condition of getting permission first.

The employees are not involved in any union organization.

There are no employee stock-options schemes.

Doğuş GYO, has achieved good level compliance Corporate Governance Principles in this subsection.

d. Relations with Customers and Suppliers

The Company continued rent support policy for its tenants (customers) in 2021, which started in 2020 because of Covid-19 pandemic.

Transactions regarding suppliers are carried out by signing separate contracts with each supplier and relations with them are disclosed through instruments of public disclosure.

Upon examination of documents, selected through method of sampling, it is our impression that the works with suppliers of products and services are carried out in accordance with internal procedures.

The Company maintains the confidentiality for the information of suppliers under the scope of trade secrets. It has been understood that employees are sufficiently informed about confidentiality and give necessary attention to this subject.

e. Ethical Rules and Social Responsibility

Ethical Rules required to be complied by all employees are laid down, approved by the Board of Directors and published on the company website.

During interviews with Company officials, it has been learned that work to update ethical rules would be carried out.

Doğuş GYO, has determined its social responsibilities as policies and disclosed them to public.

With its policies in this subsection, the Company has achieved rather good compliance with Corporate Governance Principles.

f. Sustainability

The Company describes its sustainability activities in the following statement:

“Doğuş GYO prioritizes sustainability policies focusing on ensuring compliance with the regulations on human rights, working conditions, and the environment, promoting gender equality and equal opportunities in recruitment, improving working standards, prioritizing women’s employment, investing in employees, ensuring occupational health and safety, encouraging transparency in stakeholder relations, promoting efficient use of resources and energy efficiency, and advancing digitalization and innovation. Starting with the Company itself, it will achieve long-term sustainability targets in all portfolio real estates.”

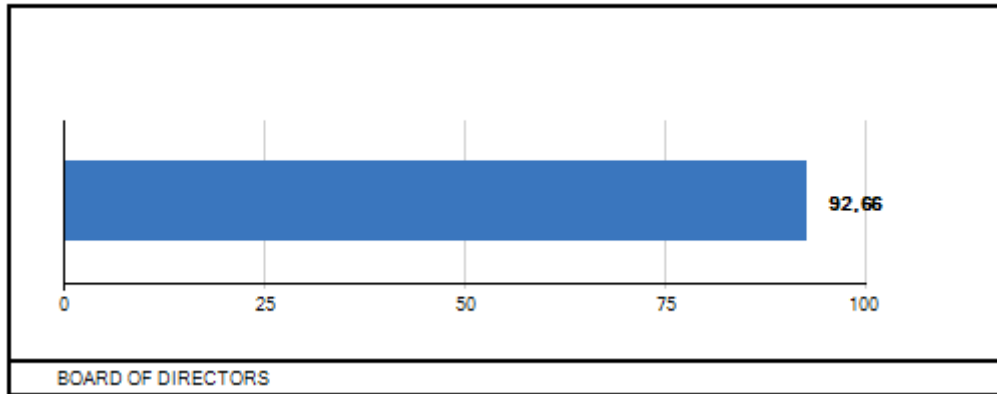
Within the scope of complying with environmental principles, Doğuş GYO works on “Waste Management”, “Clean Air Zone”, “Water Efficiency” and “Energy Efficiency” across all properties in its portfolio.

Within the scope of complying with social principles, the Company conducts its relations with stakeholders within the framework of “Disclosure Policy, Ethical Principles and Rules, Human Resources Policy and Corporate Policy on Stakeholders”.

The Company doesn’t have a comprehensive sustainability report, prepared within the framework of sustainability principles.

If the Company prepares its Environmental and Social Risk Management policies, strategy, procedures, committees and their working principles, action plans and projects related to sustainability and discloses them to public, it will strengthen its compliance with the principles.

D. Board of Directors



Overview

- ✓ Company's strategic targets, human and financial sources it requires are determined by the Board of Directors.
- ✓ Number of Board Members is sufficient for the Board to carry out productive and constructive works.
- ✓ Majority of Board Members are non-executive members.
- ✓ There are two independent Board Members.
- ✓ There is one woman Board Member.
- ✓ Each Board Member has one vote.
- ✓ Corporate Governance, Audit and Early Detection of Risk Committees work actively and effectively.
- ✓ Possible damages to the company due to defects of Board of Directors Members while performing their duties have been insured and disclosed at Public Disclosure Platform.
- ✓/✗ The ratio of women Board Members is under 25%.
- ✓/✗ Benefits provided for Board Members and Executives are not disclosed in the annual report on personal basis.

In this section, the Company has been assessed by **140** different criteria under the headings of Function of the Board of Directors, Principles of Activity of the Board of Directors, Structure of the Board of Directors, Procedure of Board of Directors Meetings, Committees formed within the Structure of the Board of Directors and *Financial Rights Provided for the Members of the Board of Directors and Executives* as laid down by the Capital Market Board's Corporate Governance Principles, for which the Bank has gained the grade of **92.66**.

a. Function of the Board of Directors

By the strategic decisions it takes, the Board manages and represents the company by keeping the risk, growth and return in balance while paying attention primarily to company's long-term interests, under a reasonable and prudent risk management approach. In this sense, the Board of Directors has described the corporate strategic objectives and determined human and financial resources that are required.

The Board of Directors monitors company activities to be compatible with regulations, Articles of Association, internal procedures and established policies and supervises management performance.

The Board of Directors is authorized to make decisions, to determine the strategy and represent the company at the highest level.

The Company has achieved high level compliance with Corporate Governance Principles in this subsection.

b. Principles of Activity of the Board of Directors

Board of Directors conducts its activities in a transparent, accountable, fair and responsible fashion.

The distribution of responsibilities among Board Members, duties and powers of members are disclosed in the annual report.

The Board of Directors has developed internal control systems including risk management and IT systems to minimize effects of risk and processes on stakeholders, starting with shareholders. The Audit Committee reports relevant subjects to the Board of Directors within the framework of internal audit reports prepared by Doğuş Holding A.Ş. (main shareholder) Internal Audit team.

Board of Directors has determined Company's strategic targets. Chairman of Board of Directors and General Manager are different persons. Differentiation between powers of Chairman of Board and CEO / General Manager is clearly described in the Articles of Association. Duties of the Chairman of Board, Board Members and General Manager are also described in detail in the Guidelines that set the principles of activity of the Board of Directors. These job descriptions are in line with the principles to a great extent.

Our impression is that the Board of Directors plays a leading role in the maintenance of effective communication and in easing and resolving disputes that might arise between the company and the shareholders. To this end, the Board of Directors is in close cooperation with the Corporate Governance Committee and Investor Relations Department. It has also been observed that

the Board of Directors is in continuous and effective cooperation with managers while performing its duties and responsibilities and it has been learned that managers attend Board of Directors meetings whenever necessary. It is aimed to provide uninterrupted and healthy flow of information between Board of Directors and professionals in strategic decision-making process by having both Board Members and Top Managers in the Executive Committee.

Possible damages to the company due to defects of Board of Directors Members while performing their duties are insured for an amount not exceeding 25 % of company's capital. It was disclosed on Public Disclosure Platform on 10.09.2021.

Doğuş GYO policies in this subsection are in compliance with the Corporate Governance Principles to significant extent.

c. Structure of the Board of Directors

Company's Board of Directors comprises six (6) individuals; one Chairman and five (5) members. Thus, the minimum number of members requirement of the Corporate Governance Principles is met. This structure is found sufficient for the Board Members to serve effectively and constructively and to form and arrange organization of committees.

The Board of Directors has five (5) non – executive members and thus its structure is in compliance with Corporate Governance Principles. Two (2) of the non – executive Directors of the Board are independent. Independent Directors have presented their written representations that they are independent under the legislation, the Articles of Association and the criteria laid down by the Principles of Corporate Governance. The Nomination Committee (Nomination Committees function is undertaken by the Governance Committee in the Company) has presented proposed candidates for independent memberships and its assessment on whether the candidates had the required criteria for independence, for the approval of

Board of Directors. The Company disclosed the final list of candidates for independent memberships to public, simultaneously with the announcement of general assembly meeting. Articles of Association restricts the mandate of Board Members with maximum 3 years and allows re – election at the end of this period.

There is one (1) Member of Board and it is not in compliance with CMB's recommendation that ratio of women Board Members must be at least 25%. However, the Company continues to work on this subject. "Doğuş GYO A.Ş. Women Board Member Policy", which was approved on 24.06.2016 is still in implementation.

Having at least 25% of Board made of women, as stated in Article 4.3.9 of corporate governance principles, will strengthen compliance with the principles.

In this subsection, Doğuş GYO, has achieved generally a good level of compliance with the Corporate Governance Principles.

d. Procedure of Board of Directors Meetings

Number of Board meetings, as well as required majority to convene and to take decisions are written in the Articles of Association.

Article 13 of Articles of Association describes procedure of Board of Directors meetings.

Procedures have also written down in internal regulations. It has been seen that Internal Policy for Board of Directors, dated 04.05.2018, No: 2018/01 is compliant with regulations, Articles of Association and the principles and that the Board sticks to these guidelines in practice.

In order to ensure that Board Members do not hinder their duties, Internal Policy for Board of Directors states: *"Board Member allocates sufficient time for Company business. Board Member can be a manager or board member in*

another company or provide consultancy services to another company if this situation doesn't create conflict of interest and doesn't hinder his duties in the Company."

Each Board Member has right for one vote and no member has veto power.

In this subsection Doğuş GYO has achieved a good level of compliance with Corporate Governance Principles.

e. Committees formed within the Structure of the Board of Directors

In order for the Board of Directors fulfill its duties and responsibilities soundly; Audit Committee, Corporate Governance Committee and Early Detection of Risk Committees are formed. A Separate Nomination Committee and Remuneration Committee haven't been established because of the Board of Directors' structure. Duties of these committees are carried out by the Corporate Governance Committee.

Mandates, working rules and membership composition for all three committees have been determined and approved by the Board of Directors in written documents. The members of these committees have been disclosed at the Public Disclosure Platform.

In compliance with the relevant principle, all members of the Audit Committee and at the minimum the chairpersons of other committees are appointed from independent members. The General Manager / CEO has no assignment in any committee.

The Audit Committee comprises two (2) independent members. All members of the Committee are board members. The Committee held eight (8) meetings in 2021 and reported meeting results to the Board.

The Corporate Governance Committee comprises three (3) members. Two (2) of them are non – executive board members and the Chairman is an independent board member. Investor Relations Department Director was

appointed as a member of Corporate Governance Committee since 09.04.2015 in accordance with CMB Corporate Governance Communiqué number II.17-1. The Committee held 4 meetings in 2021 and reported meeting results to the Board.

Early Detection of Risk Committee has been established within the Board of Directors to monitor possible risks and develop necessary policies to implement risk management processes. It is regulated by internal provisions that it reviews the risk management system for minimum once a year. The Committee comprises three (3) members, including two (2) independent board members and one (1) executive board member. Early Detection of Risk Committee held seven (7) meetings in 2021 and reported meeting results to the Board.

All resources and support are provided by the Board of Directors to ensure that the committees perform their responsibilities.

Committees invite appropriate executives to meetings to benefit from their opinions and all discussions in committees are recorded in writing.

It is our opinion that the Company has achieved good compliance with CMB's Corporate Governance Principles.

f. Financial Rights Provided for Members of the Board of Directors and Executives

Guidelines on compensation of the Directors and top executives have been put on written documents and disclosed in electronic environment. Guidelines on compensation of the Directors and top Executives were presented to the shareholders at the general assembly meeting on 17.04.2012. Examination of meeting minutes and interviews with officials revealed that shareholders were given the opportunity to express their opinions.

As required by the relevant principle, stock-options or payment plans based on the corporate performance are not used for remuneration of the independent directors. The emoluments of independent directors are thought to be sufficient to protect their independency.

It has been learned that the Company has not lent and extended loan to any Director or top executive or made available any credit under personal loan through any third person or provided securities such as surety in favour of them.

Remuneration and other benefits that are provided for members of Board of Directors and top executives are explained in the annual report and distinction is made between Board of Directors and top executives. It would be appropriate to disclose this information on individual basis in accordance with Corporate Governance Communiqué numbered II-17.1.

5. KOBİRATE ULUSLARARASI KREDİ DERCELENDİRME VE KURUMSAL YÖNETİM HİZMETLERİ
A. Ş. CORPORATE GOVERNANCE RATING GRADES AND DESCRIPTIONS

GRADE	DEFINITION
9–10	The Company achieved a substantial compliance with to the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are established and are operational. Any risks to which the Company might be exposed are recognised and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency are high. Interests of the stakeholders are fairly considered. The structure and the working conditions of the Board of Directors are in full compliance with the Corporate Governance Principles. The Company is eligible for inclusion in the BIST corporate governance index.
7–8,9	The Company complied considerably with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place, and operational, although some improvements are required. Potential risks, which the Company may be exposed are identified and can be managed. Benefits of the shareholders are fairly taken care of. Public Disclosure and transparency are at high levels. Interests of the stakeholders are equitably considered. Composition and operational conditions of the Board comply with the Corporate Governance Principles. Some improvements are needed in compliance with the Corporate Governance Principles even though they do not constitute serious risks. The company is eligible for inclusion in the BIST Corporate Governance Index.
6–6,9	The Company has moderately complied with the Corporate Governance Principles issued by the Capital Market Board. Internal Control systems at moderate level have been established and operated, however, improvement is required. Potential risks that the Company may be exposed are identified and can be managed. The interests of the shareholders are taken care of although improvement is needed. Although public disclosure and transparency are taken care of, there is need for improvement. Benefits of the stakeholders are taken care of but improvement is needed. Some improvement is required in the structure and working conditions of the Board. Under these conditions, the Company is not eligible for inclusion in the BIST Corporate Governance Index.

GRADE	DEFINITION
4–5,9	<p>The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board.</p> <p>Internal control systems are in place at a minimum level, but are not full and efficient.</p> <p>Potential risks that the company is exposed to are not properly identified and are not under control.</p> <p>Substantial improvements are required to comply with the Corporate Governance Principles in terms of the benefits of both the shareholders and stakeholders, public disclosure, transparency, the structure and working conditions of the Board.</p> <p>Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.</p>
< 4	<p>Corporate Governance Principles issued by the Capital Market Board.</p> <p>It also failed to establish its internal control systems.</p> <p>Potential risks that the company might be exposed are not identified and cannot be managed.</p> <p>The company is not responsive to the Corporate Governance Principles at all levels.</p> <p>There are major weaknesses in the interest of the shareholders and the stakeholders, public disclosure, transparency.</p> <p>Structure and working conditions of the Board appear to be at a level that might cause the investor to incur material losses.</p>