



Corporate Governance and Credit Rating Services, Inc.

## Corporate Governance Rating Report



31 May 2023

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## Rating and Executive Summary

### DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



Corporate Governance Rating:

**9.53**



MAIN SECTIONS : **Ort. 95.32**

Shareholders : 94.20



Public Disclosure & Transparency : 96.84



Stakeholders : 96.70



Board of Directors : 94.45



0 10 20 30 40 50 60 70 80 90 100

## EXECUTIVE SUMMARY

This report on rating of Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.'s (Doğuş REIT) compliance with Corporate Governance Principles is prepared upon conclusions following detailed analysis of the Company. Our rating methodology (page 5) is based on the Capital Markets Board's (CMB) "Corporate Governance Principles".

Doğuş REIT is rated with **9.53** as a result of the Corporate Governance study conducted by SAHA. The Company's corporate governance rating has shaped up as above in consideration with the importance given by Doğuş REIT to corporate governance principles, its willingness to carry out the compliance process continuously and dynamically and improvements which had been initiated in this direction.

SAHA publishes (annually) the World Corporate Governance Index (WCGI) which ranks countries in terms of their level of compliance with corporate governance principles as well as their germane institutions, rules, codes, and regulations together with international standards and indices which evaluate countries in a vast array of areas such as transparency, corruption, ease of doing business, etc.. Doğuş REIT is analyzed as a Turkish company and Turkey takes place at the top classification of the WCGI which is Group 1. Details of the World Corporate Governance Index (WCGI) published by SAHA on May 10, 2022 can be accessed at <http://www.saharating.com>.

Doğuş REIT is rated with **9.42** under the **Shareholders** heading. Exercise of shareholders' rights complies with the legislation, Articles of Association and other internal rules and regulations. Measures are in place to ensure the exercise of such rights. Company carries out the shareholder relations obligations via the Investor Relations Department. All procedures prior to the general shareholders' meeting and the conduct of the meeting comply with the legislation and regulations. The Company has publicly disclosed dividend distribution and donation policies. There are no restrictions on free transfer of shares. On the other hand, there are areas for improvement like adoption as it is, of the rate of minority rights in the Company's Articles of Association as prescribed for public joint stock companies (%5), and existence of privileges on Board of Directors nominations.

Doğuş REIT attained **9.68** under the **Public Disclosure and Transparency** chapter. The Company has a comprehensive corporate web site. Public announcements are made via all communications channels and are in accordance with the CMB and Borsa Istanbul (BIST) regulations. The Corporate Governance Compliance Report (CRF) and the Corporate Governance Information Form (CGIF) have been disclosed to the public through Public Disclosure Platform (PDP) in accordance with the legislation. The Annual Report is regulatory, comprehensive and informative. Agreements and studies conducted with the external audit firm are in compliance with the legislation. Ultimate controlling individual shareholders with shares higher than 5% are disclosed on cognomen basis only. Furthermore, non-disclosure of all benefits provided to Board members and senior management on individual basis stands out as an area in need of further refinement.

On the topic of **Stakeholders**, Doğuş REIT scored **9.67**. In case of violation of stakeholders' rights drawn up in line with the legislation and mutual agreements, Doğuş REIT enables an effective and speedy compensation. The Company has a written human resources policy. Models supporting the participation of stakeholders in management are included in the internal regulations of the Company. The Company has a code of ethics and an employee compensation policy, both disclosed to the public through the corporate web site. Doğuş REIT was not held liable by any public authority for any sanctions within the reporting period. The Company complies with environmental laws. Corporate Social Responsibility and Sustainability works are satisfactory.

From the perspective of the principles regarding the **Board of Directors**, Doğuş REIT's tally is **9.45**. The Board fulfills all duties regarding Company needs. The Board of Directors consists of 6 members, of which 2 are independent and their declaration of independence are included in the Annual Report. Losses that may be incurred by the Company as a result of not performing the Board members' duties duly are insured for a coverage in excess of 25% of the Company capital and disclosed on PDP (Public Disclosure Platform). Corporate Governance, Audit, and Early Risk Detection Committees are established from within the Board of Directors. The working principles of the Committees are disclosed to the public. Principles of remuneration of Board members and senior executives are available on the Company's web site. There is 1 female member on the Board of Directors. On the other hand, benefits provided to Board members and senior executives are not disclosed on individual basis in the Annual Report.

## Rating Methodology

SAHA's methodology for rating the degree of compliance with the Principles of Corporate Governance is based upon the CMB's "Corporate Governance Principles" released on January 2014.

The CMB based these principles on the leading work of The World Bank, The Organization of Economic Cooperation and Development (OECD), and the Global Corporate Governance Forum (GCGF) which has been established in cooperation with the representatives of the preceding two organizations and private sector. Experts and representatives from the CMB, Borsa Istanbul and the Turkish Corporate Governance Forum have participated in the committee that was established by the CMB for this purpose. Additionally; many qualified academicians, private sector representatives as well as various professional organizations and NGOs have stated their views and opinions, which were added to the Principles after taking into account country specific issues. Accordingly, these Principles have been established as a product of contributions from all high-level bodies.

Certain applications of the Principles are based on "comply or explain" approach and others are mandatory. However, the explanation concerning the implementation status of the Principles, if not detailed reasoning thereof, conflicts arising from inadequate implementation of these Principles, and explanation on whether there is a plan for change in the Holding's governance practices in future should be mentioned in the annual report and disclosed to public.

The Principles consist of four main sections: shareholders, public disclosure and transparency, stakeholders, and the board of directors.

Based on these Principles, the SAHA Corporate Governance Rating methodology features around 330 sub-criteria. During the rating process, each criterion is evaluated on the basis of information provided by the company officials and disclosed publicly. Some of these criteria can be evaluated by a simple YES/NO answer; others require more detailed analysis and examination.

SAHA assigns ratings between 1 (weakest) and 10 (strongest). In order to obtain a rating of 10, a company should be in full and perfect compliance with the Principles (see Rating Definitions, p.21).

To determine the total rating score for each main section parallel to the CMB's Corporate Governance Principles, SAHA allocates the following weights:

Shareholders: **25%**


Public Disclosure and Transparency: **25%**

Stakeholders: **15%**

Board of Directors: **35%**

To determine the final overall rating, SAHA utilizes its proprietary methodology which consists of sub-section weightings and weightings for the criteria there under. A separate rating is assigned to each one of the main sections as well.

## Company Overview

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.	
	<b>CHAIRMAN OF THE BOARD</b> Hüsnü AKHAN  <b>GENERAL MANAGER</b> Çağan ERKAN
Maslak Mah. Ahi Evran Cad No 4/7 Doğuş Center Maslak Sariyer-Istanbul <a href="http://www.dogusgyo.com">www.dogusgyo.com</a>	<b>Investor Relations Department Manager</b> Hasan Hüsnü Güzelöz Tel: (0212) 335 28 50 <a href="mailto:hguzeloz@dogusgrubu.com.tr">hguzeloz@dogusgrubu.com.tr</a>

Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. ("the Company") was established on July 25, 1997 in accordance with the provisions of the Capital Markets Law. Traded in Borsa Istanbul A.Ş. since 25 March 1998, the Company's field of activity is to establish and manage a portfolio of real estate and real estate-based capital market instruments, to effect changes in the portfolio when necessary, to minimize the investment risk by diversifying the portfolio, to invest in projects, to constantly monitor developments in real estate and real estate-based instruments, to take necessary measures regarding portfolio management, and to conduct research to protect and increase the value of the portfolio.

As of the end of 2022, Doğuş REIT's investment property portfolio value has reached TL 5.05 billion, consisting of Doğuş Center Maslak, D-Ofis Maslak, Doğuş Etiler Sports Center, Gebze Center - Shopping Center, Gebze Center - Hotel (Hyatt House Gebze), Gebze Center - Automotive Showroom and Service (Doğuş Oto Gebze).

The Company shares are traded under "DGGYO" code at Borsa Istanbul (BIST) and constituent of BIST ALL SHARES-100 / BIST ALL SHARES / BIST MAIN / BIST CORPORATE GOVERNANCE / BIST FINANCIALS and BIST REAL ESTATE INVESTMENT TRUSTS indices.

The upper limit of the registered capital of the Company is TL 500,000,000 and the capital structure as of March 31,2023 is as follows:

Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. Capital Structure			
Shareholder	Share Group	Share Value (TL)	Share %
Doğuş Holding A.Ş	A	2,604,451	0.78
Doğuş Otomotiv Servis ve Ticaret A.Ş	B	310,931,094	93.65
Other	B	18,472,241	5.57
<b>Total</b>		<b>332,007,786</b>	<b>100.00</b>

Doğuş Otomotiv Servis ve Ticaret A.Ş. purchased 93.65% of the Company's shares from Doğuş Holding A.Ş. on March 9, 2023 in return for cash payment.

As detailed here below, Company shares consist of A and B Group shares.

Information on Shares Representing the Company				
Group	Registered/Bearer	Share Value (TL)	%	Privilege Held
A	Registered	2,604,451	0.78	Privilege to nominate
B	Bearer	329,403,335	99.22	No nomination privileges
<b>Total</b>		<b>332,007,786</b>	<b>100.00</b>	

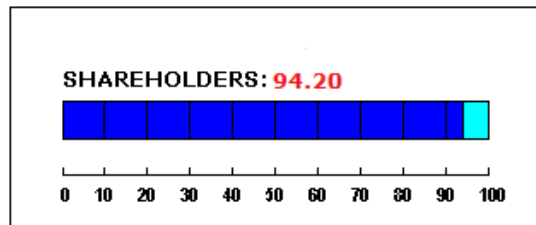
Group A shares are not traded on the Stock Exchange. According to the Company's Articles of Association, all members of the Board of Directors are selected from among the candidates nominated by Group A shareholders.

The members of the Board of Directors elected for 1 year at the Ordinary General Shareholders' meeting held on March 30, 2023 are as follows:

Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş. Board of Directors		
Name	Title	Committees Served
Hüsnü AKHAN	Chairman	
Ekrem Nevzat ÖZTANGUT	Member	
Hasan Hüsnü GÜZELÖZ	Executive Member	Corporate Governance Committee Member / Early Risk Detection Committee Member
Erdem TAVAS	Member	
Murat Bahadır TEKER	Independent Member	Early Risk Detection Committee Chairman / Audit Committee Member / Corporate Governance Committee Member
Prof. Dr. Güler ARAS	Independent Member	Audit Committee Chairwoman / Corporate Governance Committee Chairwoman / Early Risk Detection Committee Member

There is 1 Board member holding executive duties. There is 1 female member on the Board of Directors.

## SECTION 1: SHAREHOLDERS



### SYNOPSIS

+	The Investor Relations Department plays an active role in protecting and exercising the rights of shareholders.
+	General shareholders' meetings are conducted in compliance with the legislation. Preparation and disclosure prior to the meeting are satisfactory.
+	There are no voting restrictions nor any applications that make it difficult to exercise voting rights.
+	A dividend policy established and disclosed to the public.
+	No restrictions on free transfer of shares.
+	Company has a donation policy submitted to the attention of general shareholders' meeting.
=	Minority rights are not recognized for shareholders who possess an amount less than one-twentieth of the share capital.
-	Group A shares have the privilege to nominate candidates to the Board of Directors.

#### 1.1. Facilitating the Exercise of Shareholders' Statutory Rights:

The Company carries out shareholder relations obligations through the Investor Relations Department.

Along with other units of the Company the "Investor Relations Department" plays an active role in protecting and

facilitating shareholders' rights and in particular the right to obtain and review information. The unit fulfills the following duties:

- Ensure that the records relating to the written correspondence with the investors and other information are kept in a healthy, safe and updated manner.
- Respond to the queries of shareholders requesting written information on the Company.
- Ensure that the general shareholders' meeting is held in compliance with the applicable legislation, Articles of Association and other Company by-laws.
- Prepare the documents that might be used by shareholders in the general shareholders' meeting.
- Supervise the fulfillment of the obligations arising from capital markets legislation including all corporate governance and public disclosure matters.

The Investor Relations Department submits a report to the Board of Directors at least once a year on the activities conducted.

Information and explanations that may affect use of shareholders' rights is available up to date on the corporate web site.

Mr. Hasan Hüsnü Güzelöz, the manager of the Investor Relations Department, and Ms. Nazlı Yılmaz, the department officer holds the licenses specified in the Corporate Governance Principles Communiqué and both serve

on the Corporate Governance Committee.

### **1.2. Shareholders' Right to Obtain and Evaluate Information:**

There is no evidence of any hindering process or application regarding the appointment of a special auditor at the request of shareholders.

All kinds of information about the Company are provided in a complete, timely, honest, and diligent manner and there is no fine or warning received in this regard.

The disclosure policy was submitted to the attention of shareholders at the general shareholders' meeting held on March 29, 2013 and disclosed to public on the corporate web site.

### **1.3 Minority Rights:**

Maximum care is given to the exercise of minority rights. However, minority rights are not recognized for shareholders who hold an amount less than one-twentieth of the share capital and the Company has adopted exactly the rate foreseen in the legislation for listed companies.

### **1.4. General Shareholders' Meeting:**

In addition to the methods of invitation in the legislation and in order to ensure attendance of maximum number of shareholders, the invitation to the general shareholders' meeting is performed through all means of communication available to the Company three weeks in advance in accordance with the Corporate Governance Principles.

All announcements prior to the general shareholders' meeting included information such as the date and time of the meeting; without any ambiguity exact location of the meeting; agenda

items of the meeting; the body inviting to the general shareholders' meeting; and the exact location where Annual Report, financial statements and other meeting documents can be examined.

In addition, a descriptive disclosure document on agenda items has been prepared.

Commencing from the date of announcement of invitation for the general shareholders' meeting, following documents are made available to all shareholders for examination purposes in convenient locations including the headquarters or branches of the Company, and the electronic media

- the Annual Report
- financial statements and reports
- dividend distribution proposal
- all other related documents pertaining to the agenda items

Shareholders are informed of the following issues prior to the general shareholders' meeting via the corporate web site:

- a. The total number of shares and voting rights reflecting Doğuş REIT's shareholding structure as of the date of disclosure, and information on privileged share groups within the share capital.
- b. Board member candidates' backgrounds and tasks carried out in the last years, the nature and significance level of their relationship with the Company and its related parties, whether they are independent or not, and information on similar issues.

Agenda items were put under a separate heading and expressed clearly in a manner not to result in any misinterpretations. Expressions like

"other" and "various" were not used. Information submitted to the shareholders prior to the conduct of the general shareholders' meeting was related to the agenda items.

The general shareholders' meeting was held at the Company headquarters in Istanbul.

At the general shareholders' meeting held on March 30, 2023 we have observed that items on the agenda were conveyed in detail and in a clear and understandable way by the chairman of the meeting, shareholders were given equal opportunity to voice their opinions and ask questions and the chairman made sure that each question is answered directly at the meeting provided that they do not constitute a trade secret.

Agenda of the general shareholders' meeting included the proposal for the permission to be granted to shareholders who have control of the management, members of the Board of Directors, managers with administrative responsibility, their spouses and up to second degree blood relatives to execute transactions and compete with the Company and/or its affiliates, to make a commercial business transaction for himself or on behalf of others or to join to another company dealing with the same type of commercial business as a partner with unlimited responsibility.

Members of the Board of Directors related with those issues of a special nature on the agenda, other related persons, authorized persons who are responsible for preparing the financial statements and auditors were present to give necessary information and to answer questions at the general shareholders' meeting.

General shareholders' meeting was also attended by the representative of the external auditor.

The Company has established a policy on donations and grants and submitted it to the general shareholders' meeting for approval on March 26, 2014.

Shareholders are informed, with a separate agenda item, that no donations and grants took place during the reporting period.

It is regulated by the Articles of Association of the Company that the General Shareholders' Meetings will be held open to the public, including the stakeholders and the media, without the right to vote.

### **1.5. Voting Rights:**

At Doğuş REIT all shareholders, including those who reside abroad, are given the opportunity to exercise their voting rights conveniently and appropriately and the Company avoids applications that make it difficult to exercise voting rights.

There are no voting privileges at Doğuş REIT. Privilege exists only on Board of Directors' nominations in line with the Communiqué on Principles Regarding Real Estate Investment Trusts, which is one of the founding conditions of Real Estate Investment Trusts, stating that "real estate investment trusts can not issue any privileged securities other than shares that grant privileges to nominate candidates for election of members of the Board of Directors".

As per the Company's Articles of Association, all members of the Board of Directors are selected from among the candidates nominated by the holders of group A shares.

### **1.6. Dividend Rights:**

The dividend policy of the Company is clearly defined. It is submitted to the

approval of the shareholders at the general shareholders' meeting held on March 28, 2017 and disclosed to public on the corporate web site. Company's dividend distribution policy contains minimum information clear enough for investors to predict any future dividend distribution procedures and principles.

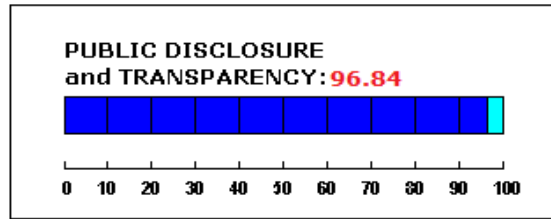
As indicated on the dividend policy document, a balanced policy is followed between the interests of the shareholders and those of the Company.

Also, the Articles of Association contain a provision on advance dividend payments.

#### **1.7. Transfer of Shares:**

Regarding the transfer of shares, there are no complicating provisions or practices for the publicly held shares, either in the Articles of Association or in the general shareholders' meeting resolutions.

## SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY



### SYNOPSIS

+	Comprehensive web site, actively used for public disclosure, exists also in English.
+	The Corporate Governance Compliance Report (CRF) and the Corporate Governance Information Form (CGIF) have been prepared and disclosed to the public in accordance with the relevant legislation.
+	Annual Report complies with the legislation, comprehensive and informative.
+	Agreement and studies conducted with external auditors comply with the legislation.
=	Shareholders with more than 5% share in the shareholding structure are disclosed on family name-basis.
-	All benefits provided to Board members and senior executives are not mentioned on individual basis.

### 2.1. Corporate Web Site:

The Company's web site ([www.dogusgyo.com](http://www.dogusgyo.com)) is actively used for disclosure purposes and the information contained therein is timely updated.

Along with the information required to be disclosed pursuant to the legislation, the corporate web site includes; trade register information, information about latest shareholder

structure, information on privileged shares, the date and the number of the trade registry gazette on which the changes are published along with the final version of the Company's Articles of Association, publicly disclosed material information, periodical financial statements, annual reports, other public disclosure documents, agendas of the general shareholders' meetings and list of participants and minutes of the general shareholders' meeting, form for proxy voting at the general shareholders' meeting, disclosure policy, dividend distribution policy and ethical rules of the Company.

With the exception of material disclosures and footnotes, in accordance with the Capital Markets legislation, the Company also discloses financial statements on PDP and simultaneously in English.

The information contained on the web site exists also in English for the benefit of international investors and is close to the Turkish content.

The Company's web site also includes; investor presentations, working principles of the Committees, the donation policy, important Board decisions under the heading of material disclosures, the vision/mission of the Company established by the Board of Directors, information on dividend payments and capital increases, news, general shareholders' meeting internal guidelines, information on senior management, financial data, main ratio analyses, and the human resources policy.

The Corporate Governance Compliance Report (CRF) and the Corporate

Governance Information Form (CGIF) were prepared and disclosed at least three weeks prior to the date of the general shareholders' meeting via the Public Disclosure Platform.

However, the shareholding structure of the Company, amount and rate of the shares held by the ultimate controlling individual shareholders over 5% as identified after being released from indirect or cross shareholding relationships between co-owners have been disclosed by giving family names, not on the basis of individuals.

## **2.2. Annual Report:**

Annual Report is prepared in detail by the Board of Directors to provide public access to complete and accurate information on the Company and it covers information such as;

- a. Period covered by the Report, the title of the Company, trade register number, contact information,
- b. The names and surnames of the chairman, members and executive members involved in the management and supervisory boards during the covered period, their limits of authority, tenure of office (with start and end dates),
- c. The sector in which the Company operates and information on its position in the sector,
- d. Progress on investments, the eligibility status on incentives, and to what extent,
- e. Corporate Governance Principles Compliance Report,
- f. Information on related party transactions,
- g. Other issues not included in the financial statements, but are beneficial for users,
- h. Company's organization, capital and ownership structure, and any changes in the related accounting period

- i. Benefits provided to staff and workers, information on number of personnel,
- j. Explanations on privileged shares and their amount,
- k. Information on research and development activities,
- l. The dividend distribution policy,
- m. Basic ratios on the financial position, profitability and solvency,
- n. Company's financing resources and risk management policies,
- o. Information on major events occurred between the closing of the accounting period and the date of the general shareholders' meeting where financial statements are evaluated.

In addition to the content specified in the legislation, the following also took place in the Annual Report:

- a. Information on external duties of Board members and executives, their declarations of independence,
- b. Committees established within the Board, their members and assessment of the Board of Directors on the efficiency of the Committees,
- c. The number of Board meetings held during the year and participation rate of the members,
- d. Major court cases against the Company and possible consequences,
- e. Benefits and vocational training of employees, and other Company activities that give rise to social and environmental results,

In accordance with the CMB communiqué, the Annual Report includes information on whether or not the corporate governance principles are being fully implemented by the Company, if implementation of some of the principles are not possible, the reason thereof, and assess any conflict of interests arising as a result of lack of implementation of these principles along with the

statement as to whether there is a plan to make changes in the management practices of the Company within the framework of these principles in the future, and the content of the Corporate Governance Principles Compliance Report (CRF) and the Corporate Governance Information Form (CGIF).

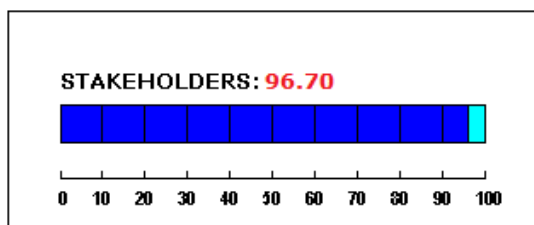
On the other hand, all benefits provided to Board members and senior executives are not included in the Annual Report on an individual basis.

### **2.3. External Audit:**

The external auditor hired for the audit of the fiscal year 2023 is KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

There has not been a situation during the last reporting period where the external auditor avoided to express its opinion and not signed the audit report, nor has reported a qualified opinion. Also there has been no legal conflict between the Company and the external audit firm.

## SECTION 3: STAKEHOLDERS



### SYNOPSIS

+	Compensation is provided in case of violation of the stakeholder rights safeguarded by relevant legislation and mutual agreements.
+	A compensation policy for employees is established and disclosed to public via the web site.
+	Efficient Human Resources policy.
+	A set of code of ethics has been prepared and disclosed to the public.
+	Company complies with environmental laws, Corporate Social Responsibility and Sustainability studies are at satisfactory levels.
=	Models for stakeholders and employees to participate in management without impeding the operations of the Company is included in the internal regulations.

### 3.1. Company Policy Regarding Stakeholders:

We have not come across a significant or repetitive situation in which the rights of stakeholders established by any law or agreement are not recognized. In order to comply, a "Company Policy Regarding Stakeholders" was established with the resolution of the Board of Directors dated June 27, 2016 No: 441.

The Company recognizes the rights of stakeholders established by law or through any other mutual agreement.

The corporate web site of the Company is also actively used to provide adequate information on policies and procedures towards the protection of stakeholders' rights.

Stakeholders can convey any transaction that contradicts with the legislation and is ethically inappropriate to the Corporate Governance Committee or to the Audit Committee.

When a conflict of interest occurs between the stakeholders or in the case that a stakeholder is a member of more than one interest group, a policy which is as much balanced as possible for the protection of the owned rights is pursued and it is aimed to protect each right independently of each other.

The Company has established a compensation policy for employees and disclosed it to the public through the corporate web site.

### 3.2. Stakeholders' Participation in the Company Management:

Models for stakeholders, particularly employees to participate in management without impeding the operations of the Company is included in the internal regulations.

Opinions and comments of stakeholders are evaluated equally, regardless of their shareholding status, in important decisions that have consequences for them.

Where necessary, the Company also takes into account any comments and recommendations transmitted by other stakeholders.

### **3.3. Company Policy on Human Resources:**

The Human Resources policy has been established with the Board of Directors resolution dated July 20, 2015 and numbered 421 in order to employ a sufficient number of personnel in line with the vision and mission of the Company and in line with the needs, and to enable the employees to work in the fields most appropriate to their knowledge and experience.

In the establishment of the recruitment policies and drawing up of career plans, the principle of providing equal opportunity to persons under equal conditions has been adopted. In the cases when it is foreseen that change of duty of managers would cause disruption in the management of the Company, a succession plan is drawn up regarding determination of managers to be newly assigned.

We have come to the conclusion that measures are taken to prevent discrimination among employees on the basis of race, religion, language, or sex, to protect employees against physical, mental, or emotional abuse, and a finding in the opposite direction has not been observed.

There is no active trade union in the Company. Doğuş REIT is not in a position to require union activity in terms of the number of employees.

### **3.4. Relations with Customers and Suppliers:**

Doğuş REIT has taken all necessary precautions to attain customer satisfaction in the sales and marketing of its products and services.

Within the framework of protection of trade secrets, care is taken on the confidentiality of information about customers and suppliers.

No evidence has been witnessed on non-market pricing of goods and services of the Company.

### **3.5. Ethical Rules & Social Responsibility:**

The ethical rules of Doğuş REIT are established and publicly disclosed through the corporate web site.

There have been no cases in which the Company was held liable for by the public authority within the last year.

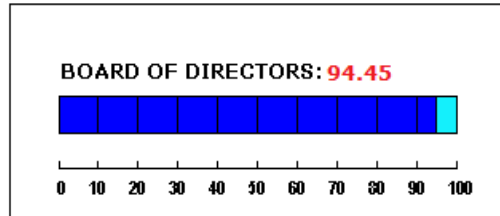
The Company pays utmost attention to the adoption and implementation of innovative and environmentally compatible technologies within the scope of its environmental policy and quality policy.

### **3.6. Sustainability:**

The Company has policies, internal regulations, goals, initiatives and campaigns on environment, nature, energy conservation, recycling and education issues.

The report prepared within the scope of the Sustainability Compliance Principles Framework is included in the Annual Report.

## SECTION 4: BOARD OF DIRECTORS



### SYNOPSIS

+	The Board works efficiently and staffed with qualified members.
+	Board of Directors meeting and decision quorum is defined in the Articles of Association.
+	2 independent and 1 executive member on the 6-member Board of Directors.
+	Audit, Corporate Governance and Early Risk Detection Committees are established and working actively.
+	Losses that may be incurred by the Company as a result of not performing the Board members' duties duly are insured for a coverage in excess of 25% of the share capital and disclosed on PDP.
=	The rate of female members in the Board of Directors is below 25% with 1 female member.
-	All benefits provided to Board members and senior executives are not disclosed on individual basis.

#### 4.1. Functions of the Board of Directors:

Strategic decisions of the Board of Directors aim to manage Doğuş REIT's risk, growth, and return balance at an appropriate level and conduct a rational and cautious risk management approach with a view to the long-term

interests of the Company. It is thought that the Board administers and represents the Company within these parameters.

The Board of Directors has defined the Company's strategic goals and identified the needs in human and financial resources, and controls management's performance.

#### 4.2. Principles of Activity of the Board of Directors:

It is believed that the Board of Directors performs its activities in a transparent, accountable, fair and responsible manner.

Distribution of tasks between the members of the Board of Directors is explained in the Annual Report.

The Board of Directors established internal control systems which are inclusive of risk management, information systems, and processes by also taking into consideration the views of the Committees.

It is declared in the Annual Report that the Board of Directors reviews the effectiveness of risk management and internal control systems at least once a year.

The presence, functioning, and effectiveness of internal controls and internal audit are explained in the Annual Report.

The Board of Directors has taken a decision regarding the acceptance of the financial statement and the Annual Report, and the Corporate Governance Compliance Report (CRF) and

Corporate Governance Information Form (CGIF) are included in the content of this declaration.

Chairman of the Board of Directors and general manager's executive powers are separated and this separation is documented in the Articles of Association.

Losses that may be incurred by the Company as a result of not performing the Board members' duties duly are insured for a coverage in excess of 25% of the share capital and such matter is disclosed on PDP.

Analyzing the Company organization, it is seen that there is no person in the Company who has unlimited authority to take decisions alone and this is considered as positive by us.

#### **4.3. Structure of the Board of Directors:**

Doğuş REIT's Board of Directors is composed of 6 members with 1 executive member. There are 2 independent members in order for the Board to fulfill its functions more effectively.

The Corporate Governance Committee have prepared a report on the candidates proposed by the Board of Directors and shareholders, by taking into consideration of whether or not the candidate meets the independency criteria, and submitted this assessment as a report to the Board for its approval. CMB criteria are complied with in determining independent candidates. Independent candidates for the Board of Directors have each signed a declaration of independence within the framework of the legislation, Articles of Association, and the CMB criteria.

There is 1 female member on the Board of Directors. In this context, the criterion of 25% of the Board of

Directors consisting of female members, which is the recommendation of the corporate governance principles, is partially met and with the Board resolution dated June 27, 2016 and numbered 441, the Board of Directors Female Members Policy was established and announced to the public via the web site.

#### **4.4. Conduct of the Meetings of the Board of Directors:**

Board of Directors meetings take place with sufficient frequency. It has been disclosed in the Annual Report that 25 meetings were held with a participation rate of 92% and 30 resolutions were reached in the course of 2022.

Chairman of the Board of Directors sets the agenda for Board meetings in consultation with other members and the general manager.

Information on the agenda items of the Board of Directors meeting is made available to the members in sufficient time prior to the meeting date. Each member is entitled to a single vote.

Shareholders are informed of external duties of the Board members through the agenda of the general shareholders' meeting in which the Board of Directors election is discussed.

The conduct of the Board of Directors meetings and the decision quorum is documented in the Articles of Association.

#### **4.5. Committees Established Within the Board of Directors:**

Corporate Governance, Audit and Early Risk Detection Committees are established from within the Board of Directors in order to fulfill its duties and responsibilities duly.

Functions of the Committees, their working principles, and members are designated by the Board of Directors and disclosed to public on the corporate web site.

All members of the Audit Committee and the chairmen of the other Committees are elected among the independent Board members. General manager and the chairman of the Board of Directors are not members of the Committees.

With the exception of independent members, care is given that a member of the Board of Directors does not undertake duty in more than one Committee.

Investor Relations Department Manager Mr. Hasan Hüsnü Güzelöz and the Department officer Ms. Nazlı Yılmaz are appointed to the Corporate Governance Committee as members. Absence of any other executive members on the Committees is considered positive by us.

All necessary resources and support needed to fulfill the tasks of the Committees are provided by the Board of Directors.

The meeting frequency of the Committees has been found sufficient by us.

The Corporate Governance Committee is established in order to determine whether or not the corporate governance principles are being fully implemented by the Company, if implementation of some of the principles are not possible, the reasons thereof, and assess any conflict of interests arising as a result of lack of implementation of these principles, and present remedial advices to the Board of Directors. In addition, it oversees the work of the shareholder relations unit.

Audit Committee supervises the operation and efficiency of the Company's accounting system, public disclosure, external audit and internal audit systems, reviews complaints that are received by the Company regarding Company accounting, internal and external independent audit systems, within the framework of the principle of confidentiality and finalizes them, immediately notifies the Board of Directors in writing on findings related to their duties and responsibilities and the related assessment and recommendations, following taking the opinion of responsible managers of the Company and the external auditor, notifies the Board of Directors in writing on whether the annual and interim statements disclosed to the public is in accordance with the Company's accounting principles, true and accurate.

We are also convinced that members of the Audit Committee have the qualifications mentioned in the Communiqué.

The Annual Report contains information on working principles of the Audit Committee and number of written notices given to the Board of Directors within the reporting period.

The nomination and election process of the external audit firm, taking into account its competence and independence, starts with a proposal from the Audit Committee to the Board of Directors and ends with the Board's choice being presented and approved at the general shareholders' meeting.

The Early Risk Detection Committee carries out its tasks towards early detection of risks which may jeopardize the Company's assets, its development and progression, and measures taken to mitigate and manage those risks. It reviews risk

management systems at least once a year.

The tasks of Nomination and Remuneration Committees are performed by the Corporate Governance Committee. In this context, it has been included in the minutes submitted to us that the Corporate Governance Committee works to determine independent candidates and that the Remuneration Committee offers its suggestions regarding the remuneration of the members of the Board of Directors and executives with administrative responsibility.

#### **4.6. Remuneration of the Board of Directors and Managers with Administrative Responsibility:**

The principles of remuneration of Board members and senior executives have been documented in writing and submitted to the shareholders as a separate item at the general shareholders' meeting.

A remuneration policy prepared accordingly can be accessed on the Company's web site. Stock options or performance-based payments are not included in the remuneration package of the independent members of the Board of Directors.

It has been declared that the Company does not lend any funds or extend any credits to a member of the Board of Directors or to senior executives, or grant any personal loans through a third party, or extend any guarantees.

We are convinced that the executives have the required professional qualifications in order to perform the assigned duties and they comply with the legislation, Articles of Association, and in-house regulations and policies in fulfilling their duties.

There have been no cases where the executives used confidential and non-public Company information in favor of themselves or others. There are no executives who accepted a gift or favor directly or indirectly related to the Company's affairs, and provided unfair advantage.

An insurance policy exists on compensation for losses incurred by the Company, and third parties, as a result of not performing the executives' duties duly.

In addition, the orientation process for newly appointed managers is documented in the staff regulations.

However, the remuneration and all other benefits provided to the members of the Board of Directors and senior executives are not disclosed on an individual basis in the Annual Report.

## Rating Definitions

Rating	Definition
<b>9 - 10</b>	The company performs <b>very good</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified and actively managed all significant corporate governance risks through comprehensive internal controls and management systems. The company's performance is considered to represent best practice, and it had almost no deficiencies in any of the areas rated.
<b>7 - 8</b>	The company performs <b>good</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified all its material corporate governance risks and is actively managing the majority of them through internal controls and management systems. During the rating process, minor deficiencies were found in one or two of the areas rated.
<b>6</b>	The company performs <b>fair</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified the majority of its material corporate governance risks and is beginning to actively manage them. Deserved to be included in the BIST Corporate Governance Index and management accountability is considered in accordance with national standards but may be lagging behind international best practice. During the ratings process, minor deficiencies were identified in more than two of the areas rated.
<b>4 - 5</b>	The company performs <b>weakly</b> as a result of poor corporate governance policies and practices. The company has, to varying degrees, identified its minimum obligations but does not demonstrate an effective, integrated system of controls for managing related risks. Assurance mechanisms are weak. The rating has identified significant deficiencies in a number (but not the majority) of areas rated.
<b>&lt;4</b>	The company performs <b>very weakly</b> and its corporate governance policies and practices are overall very poor. The company shows limited awareness of corporate governance risks, and internal controls are almost non-existent. Significant deficiencies are apparent in the majority of areas rated and have led to significant material loss and investor concern.

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