



Corporate Governance Compliance Rating Report



***Doğanlar Mobilya Grubu İmalat Sanayi ve
Ticaret A.Ş.***

23th May 2025

Validity Period : 15.04.2024-15.04.2025

LIMITATIONS

This Corporate Governance Rating Report, issued by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş. for Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.

has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17.1) (II-17.1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871

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 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 concerned firm electronically, including data open to public and examinations 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 Directives 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 the 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 according 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. KOBİRATE 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 Summary	3
2. Rating Methodology	6
3. Company Profile	9
4. Sections of the Rating Process	
A. Shareholders	15
a. Facilitating the Exercise of Shareholders' Rights	15
b. Right to Obtain Information and to Examine	16
c. Right to Attend the General Assembly	16
d. Voting Right	18
e. Minority Rights	18
f. Dividend Right	18
g. Transfer of Shares	19
B. Public Disclosure and Transparency	20
a. Corporate Website	21
b. Annual Report	21
C. Stakeholders	23
a. Corporation's Policy on Stakeholders	23
b. Supporting Participation of Stakeholders in Corporation's Management	24
c. Human Resources Policy of the Company	24
d. Relations with Customers and Suppliers	25
e. Ethical Rules, Social Responsibility	26
f. Sustainability	26
D. Board of Directors	28
a. The function of the Board of Directors	28
b. Principles of Activity of the Board of Directors	29
c. Structure of the Board of Directors	29
d. Procedure of Board of Directors Meetings	30
e. Committees Formed within the Structure of the Board of Directors	30
f. Financial Rights Provided for Members of the Board of Directors and Executives	32
5. Corporate Governance Compliance Grades and Descriptions	34



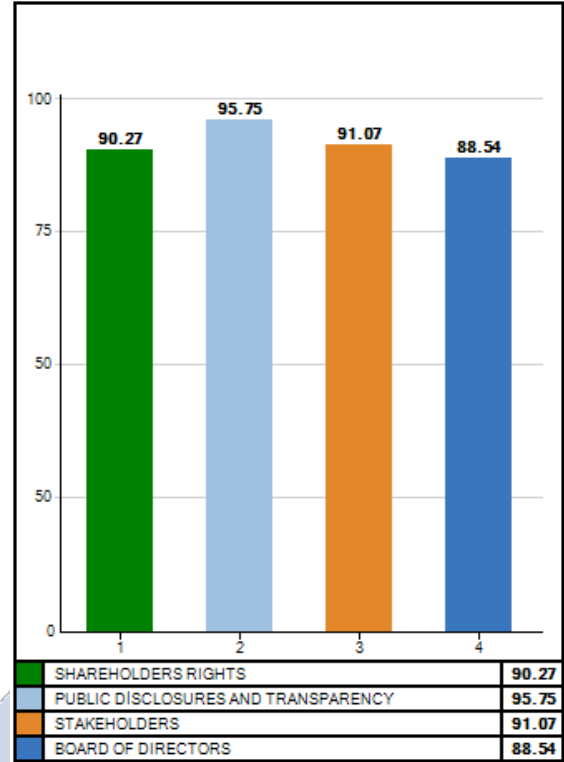
**DOĞANLAR MOBİLYA GRUBU
İMALAT SANAYİ VE TİCARET A.Ş.**

**CMB CORPORATE GOVERNANCE
PRINCIPLES COMPLIANCE GRADE**

9.12

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RATING SUMMARY

This report of rating of compliance of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. with the Corporate Governance Principles is concluded through onsite examinations of the documents and information open to the public, interviews held with executives and persons involved, and of other examinations and observations. The study has been held in accordance with the Corporate Governance Compliance Rating Methodology developed by Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.

In the methodology and rating process, in addition to the Capital Markets Board's Corporate Governance Communiqué No. II-17.1, the Communiqué Amending the "Corporate Governance Communiqué (II-17.1) (II-17.1.a)" published by the Board has been considered in addition to the regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board

meeting dated 01.02.2013 and numbered 4/105

According to the Board resolution dated January 16, 2025, No. 3/76, Doğanlar Mobilya Grubu is listed among the BIST 1st Group Companies list. The Company has been evaluated through examination of 456 criteria described in Kobirate Uluslararası Kredi Derecelendirme ve Kurumsal Yönetim Hizmetleri A.Ş.'s methodology of "BIST 1st Group Companies".

At the end of the examination of criteria under the main headings of Shareholders, Public Disclosure and Transparency, the Stakeholders and the Board of Directors, Corporate Governance Compliance Rating Grade of Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. has been determined as **9.12**. This result signifies that Doğanlar Mobilya Grubu has achieved a significant level of compliance with CMB's Corporate

Governance Principles and deserves to be on the BİST corporate governance index.

Possible risks for the Company are determined to a significant extent. Rights of shareholders and stakeholders are treated fairly. Public disclosure and transparency activities are conducted at a good level. The structure and working conditions of board of directors are compliant with corporate governance principles. However, some improvements are expected to be made within the framework of corporate governance principles.

In view of the rating process under main headings in brief;

It has been seen that the Company has obtained the grade of **90.27** in the Shareholders Section and achieved good level of compliance with CMB Corporate Governance Principles. Existence of Investor Relations Department to conduct healthy relationship with shareholders, duly convention of general assemblies, preparation of dividend policy and having no restrictions on transfer of shares are among positive policies.

Doğanlar Mobilya has achieved a grade of **95.75** for the section on Public Disclosure and Transparency. It has prepared a disclosure policy and disclosed it to the public. Its corporate website has been designed to allow investors easy access to the information they require, as described by Principles.

The annual report's content is sufficient and information is given in a graphic and easy-to-understand format. It has been determined that the Company is in compliance with the principles in the field of public disclosure and transparency.

The Company has obtained **91.07** in the Stakeholders section.

The Company has achieved significant compliance with CMB's Corporate Governance Principles in this section. Human resources policy has been prepared. Issues concerning employees, such as recruitment,

job descriptions, performance evaluation, promotion, rewarding, leaves and social rights have been regulated and disclosed to the employees.

Work processes and standards have been established and it has been observed that customers and suppliers are informed about these processes.

Methods to procure products and services from outside have been determined and put into written documents.

Ethical Rules are set forth and introduced to employees to act pursuant to such rules. There are statements about sustainability and corporate social responsibility activities both in the annual report and on the corporate website.

As for the Board of Directors Section, the Company's grade is **88.54**, representing good compliance with CMB's Corporate Governance Principles. However, some improvements are needed.

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

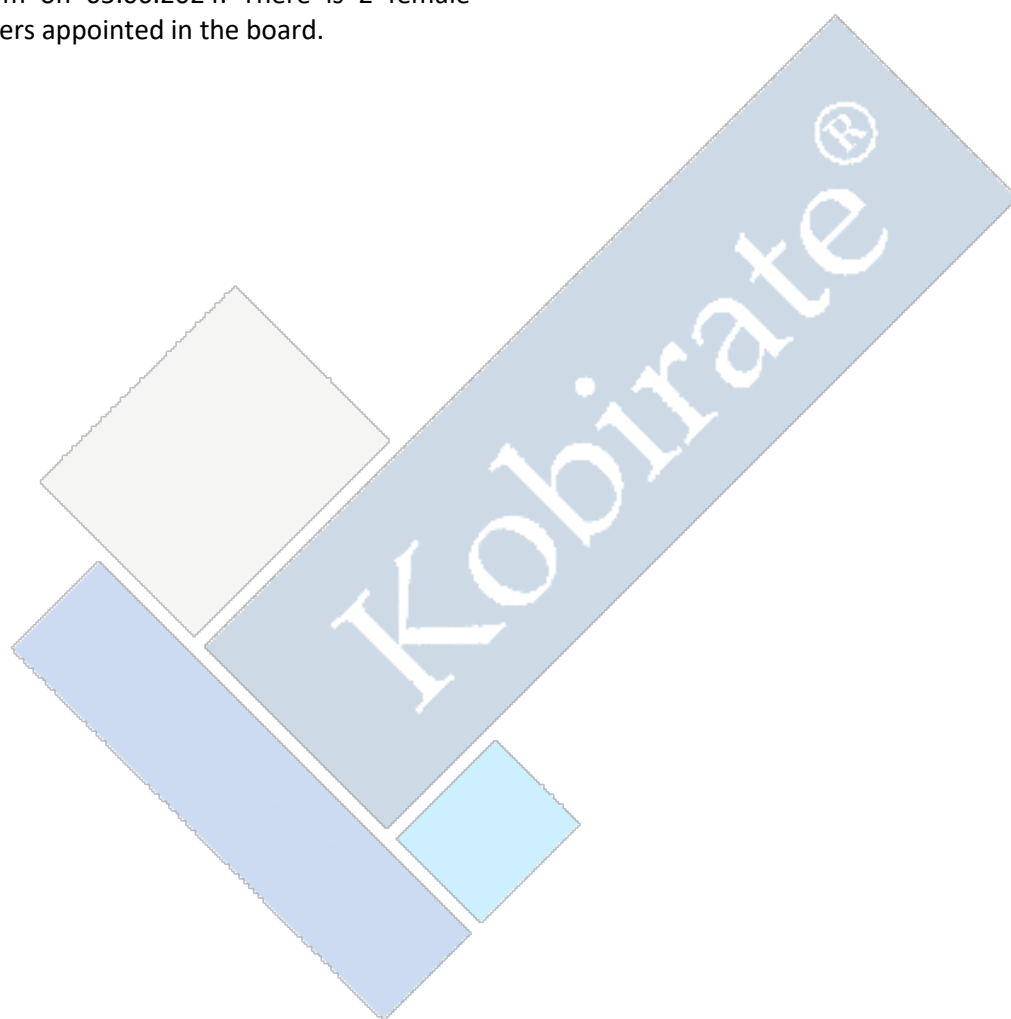
The posts of Chairperson of the Board of Directors and General Manager are held by separate individuals. There is no one in the Company with sole, unlimited authority to make decisions.

The Board of Directors convenes regularly. Meeting procedures are written in the Articles of Association and internal regulations.

The Audit, Corporate Governance and Early Risk Detection Committees, referred to by the Principles, have been established, and their working principles have been prepared as written documents.

On the other hand, there are other positive practices in terms of compliance with the Corporate Governance Principles, such as having a majority of non – executive members and having determined remuneration principles for top managers and disclosed them at the corporate website. There are three independent members on the board.

Board Members have been included in “Manager Liability Insurance policy”, against defects of them in carrying out their duties and has been disclosed on Public Disclosure Platform on 05.06.2024. There is 2 female members appointed in the board.



2. RATING METHODOLOGY

The Corporate Governance Compliance Rating is a system which audits whether 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 have kept the concept of corporate governance on the agenda and become guidelines for the laws and regulations of OECD members, as well as other countries. The Corporate Governance Principles, first announced by the OECD in 1999, were updated for the first time in 2004 and took their final form in Istanbul on April 10, 2015, during Turkey's G20 Presidency.

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, 2014 and 2020 according to international developments in this field.

Obligation to comply with CMB's Corporate Governance Principles, based on the principle of "comply or explain," 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.

The CMB has decided to create a new corporate governance reporting framework, and the new framework has been shared with the public with the Capital Markets Board Bulletin dated 10.01.2019 and numbered 2019/2 and the announcement dated 11.01.2019. Within the scope of the new reporting framework, it has been decided that the explanations will be made in the following order. Disclosure of the Compliance Report Format ("CRF") to report compliance with voluntary principles and disclosure of the Corporate Governance Information Form ("CGIF") to provide information on current corporate governance practices. In accordance with the Turkish Commercial Code and the CMB's Corporate Governance Communiqué (II-17.1), CRF and CGIF must be announced on the Public Disclosure Platform at least three weeks before the date of the general assembly meeting on the same date as the annual activity reports, and before the due date of the announcement period of the annual financial reports on the Public Disclosure Platform.

The Communiqué on Amending the "Corporate Governance Communiqué (II-17.1)" published in the Official Gazette numbered 31262 on October 2, 2020, by the Capital Markets Board (II-17.1.a) and regulations regarding the

voluntary sustainability principles compliance framework were included.

The compliance framework has been published on the Capital Markets Board website. The Sustainability Compliance Framework is examined under the Headings A- General Principles B- Environmental Principles C- Social Principles D- Corporate Governance Principles.

The practice has been determined according to the "Comply or Explain" principle. It is anticipated that the annual reports include whether the sustainability principles are applied or not, and if not, a reasoned explanation and an explanation of the effects that have occurred. In case of a significant change during the period, it is anticipated that the relevant change will be included in the interim annual reports.

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

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

It has been prepared by considering Communiqué Amending the "Corporate Governance Communiqué (II-17.1) (II-17.1.a)" published in the Official Gazette No. 31262 on 02 October 2020 by the Board, as well as regulations regarding the voluntary sustainability principles compliance framework and the board decisions taken at the CMB's board meeting dated 01.02.2013 and numbered 4/105 in addition to the criteria specified in the "Corporate Governance Communiqué No. II-17.1" of the Capital Markets Board published in the Official Gazette dated 03 January 2014 and numbered 28871.

In this analysis, the full compliance of workflow and analysis technique with Kobirate A.Ş.'s Ethical Rules is considered.

448 criteria are used in the rating process for BIST 2nd Group Companies in order to measure the compliance of firms with corporate governance principles. These criteria are translated into "Corporate Governance Rating Question Sets" through Kobirate A.Ş.'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 follows:

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 in order 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.

In the FEBRUARY 2022 revised corporate governance compliance rating methodology, created by our company, the grade that can be given to a related criterion in that subsection for meeting minimum requirements of corporate governance principles, stated by CMB Communiqué of Corporate Governance published on 03.01.2014 is restricted to 85% of the full points.

A rating is made with a system that completes the section grades up to 100 by the company's compliance and implementation of the corporate governance practices, which include the good implementation and internalization of the criteria determined in the corporate

governance principles, and the different good corporate governance practice criteria determined by our company.

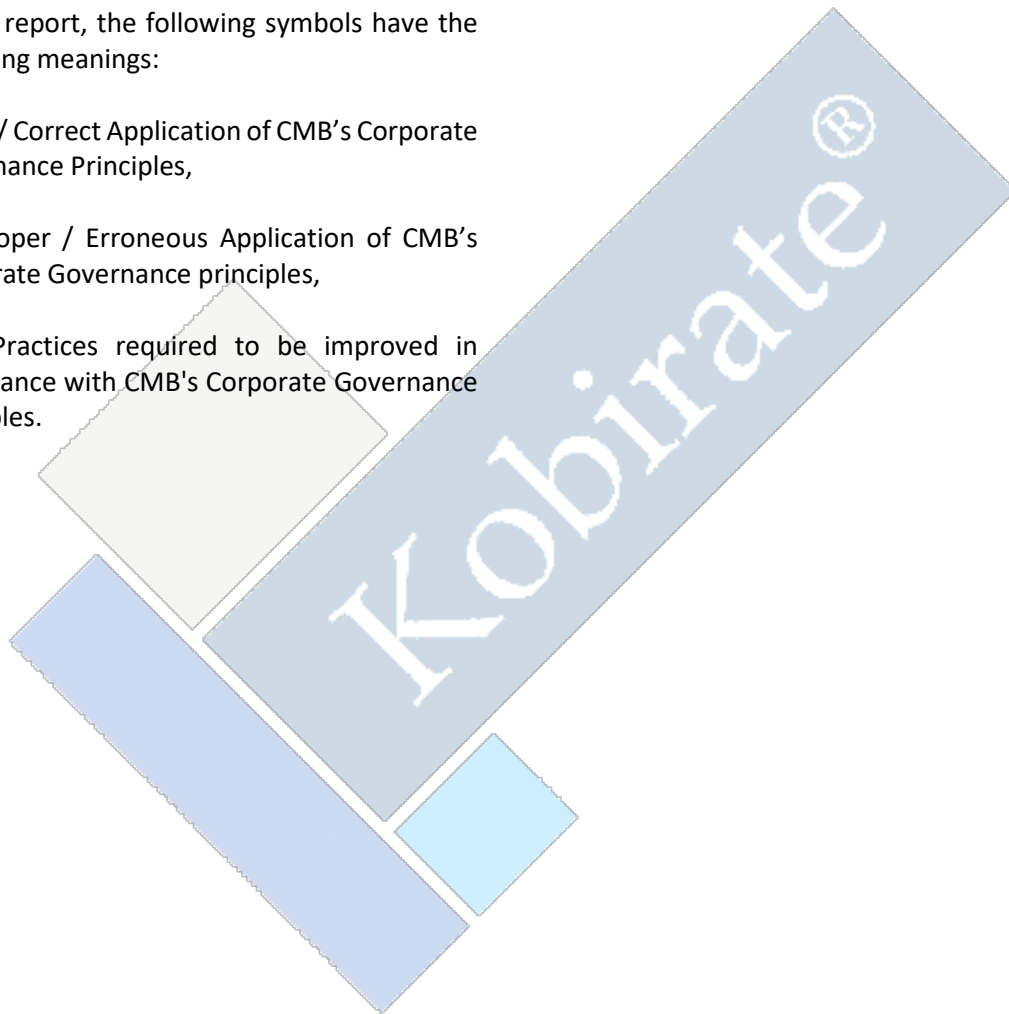
The grade to be assigned by the Corporate Governance Rating Committee to the firm ranges between 0-10. In this scale of grade, “10” points mean excellent, full compliance with CMB’s Corporate Governance Principles while grade “0” means that there is no compliance with CMB’s Corporate Governance Principles,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

In this report, the following symbols have the following 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	: Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.
Company Address	: İdealtepe Mahallesi Rifkî Tongsir Caddesi No:107 Maltepe/İstanbul
Company Phone	: 0 216 425 0002
Company Fax Number	: 0 216 425 0008
Company's Web Address	: www.doganlarmobilyagrubu.com
Email	: r@doganlarmobilyagrubu.com
Date of Incorporation	: 20/08/1935
Trade Registry Number	: 21271-5523
Paid-in Capital	: 350,000,000 TL
Line of Business	: Manufacturing, purchasing, and sales of furniture and seating groups for all types of spaces and commercial premises.
Company's Sector	: Manufacturing / Forest Products and Furniture

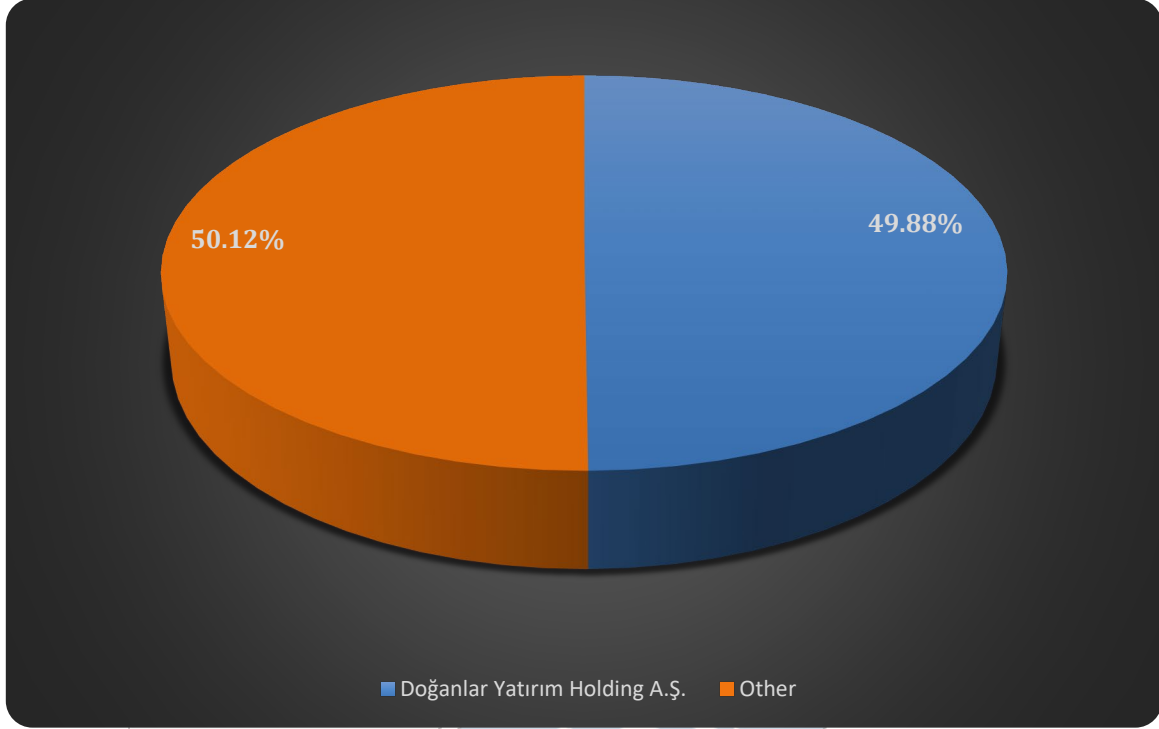
Company's Representative in Charge of Rating:

Aysun VARDAN
Investor Relations Manager

ir@dogtaskelebek.com

0 216 425 1224

DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET A.Ş.
Quality of Shareholder Structure



Shareholder Name	Share(TL)	Share(%)
Doğanlar Yatırım Holding A.Ş.	174,569,552.79	49.88
Other	175,430,447.21	50.12
Total	350,000,000	100.00

Source: www.kap.org.tr

Company's Real Person Ultimate Controlling Shareholders
Doğanlar Yatırım Holding A.Ş. Quality of Shareholder Structure

Shareholder Name	Share(TL)	Share(%)
Davut DOĞAN	83,500,000	16.67
Adnan DOĞAN	83,500,000	16.67
Şadan DOĞAN	83,500,000	16.67
İsmail DOĞAN	83,500,000	16.67
İlhan DOĞAN	83,500,000	16.67
Murat DOĞAN	83,500,000	16.67
TOTAL	501,000,000	100.00

Source: Doğanlar Mobilya Grubu İmalat San. ve Tic. A.Ş.

Board of Directors

Name/ Surname	Title	Executive/ Non - Executive
Adnan DOĞAN	Chairperson	Executive
Davut DOĞAN	Honorary Chairperson – Member of Board of Directors	Non - Executive
Şadan DOĞAN	Deputy Chairperson	Executive
İsmail DOĞAN	Member of the Board of Directors / CEO	Executive
Berna AKYÜZ ÖĞÜT	Independent Member of Board of Directors	Non - Executive
Zeynep YALIM UZUN	Independent Member of Board of Directors	Non - Executive
Muhterem ŞENEL	Independent Member of Board of Directors	Non - Executive

Source: www.kap.org.tr

Senior Management of the Company

Name / Surname	Duty
İsmail DOĞAN	General Manager - CEO
Ali DEMİRKAN	Deputy General Manager - CFO
İlhan TUNÇMAN	DOĞTAŞ General Manager
Taner KIRCI	CSO (International Markets)
Yaşar Ramazan ÇİFTÇİ	Strategic Planning Director
Çağla YÜCEL	Human Resources Director
Gözde ÇİVİCİ	General Secretary
Av. Gülçin DİREK YILMAZ	Legal Counsel

Source: Doğanlar Mobilya Grubu İmalat San. ve Tic. A.Ş.

Committees Formed Within Board of Directors

THE AUDIT COMMITTEE

Muhterem ŞENEL	Independent Member of Board of Directors (Chairperson)
Zeynep YALIM UZUN	Independent Member of Board of Directors (Member)

CORPORATE GOVERNANCE COMMITTEE

Berna AKYÜZ ÖĞÜT	Independent Member of Board of Directors (Chairperson)
Davut DOĞAN	Honorary Chairperson – Member of Board of Directors (Member)
Muhterem ŞENEL	Independent Member of Board of Directors (Member)
Mesut TOK	Doğanlar Yatırım Holding A.Ş. Corporate Planning Director (Member)
Çağla YÜCEL	Human Resources Director (Member)
Aysun VARDAN	Investor Relations Manager (Member)

EARLY DETECTION OF RISK COMMITTEE

Zeynep YALIM UZUN	Independent Member of Board of Directors (Chairperson)
Muhterem ŞENEL	Independent Member of Board of Directors (Member)
Adnan DOĞAN	Chairperson (Member)

INVESTOR RELATIONS

TITLE

CONTACT

Aysun VARDAN	Investor Relations Manager	0 216 425 1224 ir@dogtaskelebek.com
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Source: www.kap.org.tr

Consolidated Balance-Sheet comparison of the Company's certain selected items of the last three years (TL)

	2022/12	2023/12	2024/12	Change % (2023-2024)
Current Assets	3,228,183,138	4,621,009,123	3,065,512,337	- 34
Trade Receivables	674,922,157	1,025,527,789	706,150,906	- 31
Stocks	1,562,128,067	2,064,322,442	1,804,696,769	- 13
Fixed Assets	3,485,676,312	5,286,525,298	6,766,423,608	28
Total Assets	6,713,859,450	9,907,534,421	9,831,935,945	- 0.8
Short-Term Liabilities	3,683,663,755	6,107,044,016	5,555,028,528	- 9
Long-Term Liabilities	1,316,859,008	1,221,545,842	1,082,370,620	- 11
Total Liabilities	5,000,522,763	7,328,589,858	6,637,399,148	- 9
Paid-in capital	350,000,000	350,000,000	350,000,000	-
Equity	1,713,336,687	2,578,944,563	3,194,536,797	24

Source: Doğanlar Mobilya Grubu İmalat San. ve Tic. A.Ş. 01.01.2022-31.12.2022, 01.01.2023-31.12.2023, and 01.01.2024-31.12.2024 Period Consolidated Financial Statements and Independent Audit Report

Consolidated Income Sheet Comparison of Some Items of Last Three Years (TL)

	2022/12	2023/12	2024/12	Change % (2023-2024)
Revenue	7,469,783,047	12,109,162,850	11,836,689,052	- 2.25
Cost of Sales	(4,593,757,322)	(7,985,710,967)	(8,226,802,907)	3
Main Operational Profit / Loss	721,544,529	884,947,975	(188,957,769)	- 121
Operational Profit or Loss Before Tax	376,271,443	893,765,798	(825,290,241)	- 192
Period Profit / Loss	352,677,622	847,622,148	(453,775,868)	- 154
Earnings/Loss Per Share	0.0117	0.0256	(0.0130)	-

Source: Doğanlar Mobilya Grubu İmalat San. ve Tic. A.Ş. 01.01.2022-31.12.2022, 01.01.2023-31.12.2023, and 01.01.2024-31.12.2024 Period Consolidated Financial Statements and Independent Audit Report

The Market where the Capital Market Instrument is Traded and the Indexes that the Company is Included

BIST Code : DGNMO

Market where the Capital Market Instrument is Traded : ANA PAZAR

Indices in which it is included : BIST SINAİ / BIST 500 / BIST ANA / BIST TÜM-100 / BIST TÜM / BIST ORMAN, KAĞIT, BASIM / BIST KATILIM TÜM

Source: www.kap.org. tr

**Peak and Bottom Closing Values of Company shares traded at BIST
between 13.05.2024-13.05.2025**

Bottom (TL)	Peak (TL)
6.37 (07.04.2025)	14.96 (14.05.2024)

Source: Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş.

Brief History of the Company and Information About Its Operations

Doğanlar Mobilya Grubu, of which foundations were laid by Hacı Ali Doğan in a small workshop in the Biga district of Çanakkale in 1972, today shapes the Turkish furniture industry with its six brands. Doğtaş, which began its branding journey in 1987, strengthened its position in the furniture sector by acquiring 67% of Kelebek Mobilya, one of the most established industrial enterprises in the history of the Republic, founded in 1935 to produce plywood for aircraft wings, in 2012. In 2013, Doğtaş Doğanlar Mobilya İmalat Enerji Üretim Sanayi A.Ş. and Kelebek Mobilya Sanayi ve Ticaret A.Ş. were merged through acquisition, and the company's trade name was changed to Doğtaş Kelebek Sanayi ve Ticaret A.Ş. As of 2021, considering the individual journeys of the existing and future brands within the group, the company's trade name was changed to "Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş." In order to strengthen its international operations and establish its international market organization, the company established Doğtaş Senegal, Doğtaş Cyprus, and Doğtaş Furniture USA INC., respectively, in 2021. In 2022, Kelebek UK was established. In 2023, D'Afrik Senegal was acquired and incorporated into the group.

Doğanlar Mobilya Grubu, with its six leading brands in the furniture sector, operates under one roof, with shared values and a high standard of quality, producing for the entire world. Through its brands Doğtaş, Kelebek, Lova Yatak, Kelebek Mutfak-Banyo, Ruum Store, and Biga Home, the company develops environmentally friendly products and manufactures and sells seating groups, bedroom, dining room, youth room, kitchen and bathroom furniture, and mattresses for all types of spaces. In addition to accessories, lighting, and decorative products under the Home category, the company also carries out sales of garden furniture under the Garden category and home textiles under the Sleep category. In 2023, through its newly established corporate sales and kitchen project departments, the company began conducting project-based and corporate sales.

The company carries out its production at its factories located in Düzce, Çanakkale-Biga, and Senegal. It also has logistics centers in Ankara, Bursa-İnegöl, İstanbul-Hadımköy, İstanbul-Tuzla, İzmir, and Kayseri.

Doğanlar Mobilya Grubu reaches consumers through 685 domestic sales points, consisting of 270 Doğtaş Mobilya, 250 Kelebek Mobilya, 51 Kelebek Mutfak-Banyo, and 114 Lova Yatak points of sale. The number of international sales points is 110. Thus, as of December 31, 2024, the total number of sales points is 795.

Being the third largest furniture company in Turkey by number of stores, the group has been included since 2017 in Brand Finance's annually published Brand Turkey 100 list, which features Turkey's most valuable brands. It also ranks higher every year in the ISO 500 list of Turkey's top 500 industrial enterprises, as well as in the Capital 500 and Fortune 500 surveys conducted by business magazines.

In 2024, the company received four major awards at the A' Design Award & Competition, held during a trade fair in Italy, under the Doğtaş brand; 1 Silver, 2 Bronze, and 1 Iron awards. At The ONE Awards

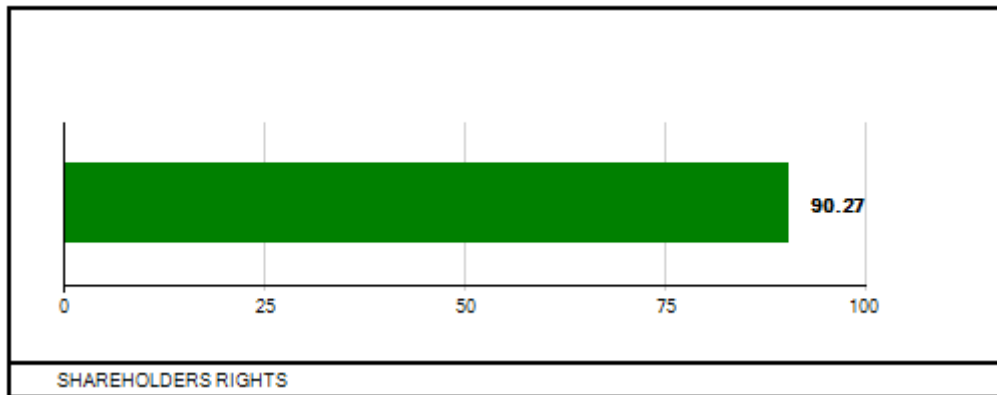
Integrated Marketing Awards, organized in collaboration with Marketing Türkiye and Akademetre, Dođtař was awarded the “Most Reputable Furniture Brand of the Year” in the furniture category.

The shares of Dođanlar Mobilya Grubu have been traded on Borsa İstanbul A.ř. (BİST) since 1990, with the code DGNMO. As of December 31, 2024, the company’s free float rate is 50.07%.



4. RATING SECTIONS

A. SHAREHOLDERS



Overview

- ✓ The Investor Relations Department has been established to conduct relations with shareholders.
- ✓ The general meetings were held in accordance with the relevant laws, regulations and articles of association.
- ✓ General Assembly meetings are held open to the public.
- ✓ The donation and aid policy was created, submitted to the approval of the general assembly and disclosed to the public.
- ✓ There is no privilege for voting.
- ✓ There are no arrangements making the exercise of voting rights difficult.
- ✓ The dividend distribution policy has been prepared, presented for approval by the General Assembly, and disclosed to the public.
- ✓ There is no restriction on the transfer of shares.
- ✓ A provision has been included in the articles of association stating that minority rights regulated by law cannot be restricted or obstructed.

✓/✗ It would be appropriate to include a provision in the articles of association

stating that general assembly meetings may be held open to the public.

✓/✗ It would be appropriate to grant minority rights to shareholders holding less than one-twentieth of the share capital.

In this section, as stated by CMB's Corporate Governance Principles, the company was evaluated on **111** different criteria under the headings of **Facilitating the Exercise of Shareholders' Rights**, **Shareholders' Right to Obtain Information and to Examine**, **Shareholders' Right to Attend the General Assembly**, **Shareholders' Right to Vote**, **Rights of Minority Shareholders**, **Shareholders' Right for Dividend** and **Shareholders' Right to Transfer Their Shares** to whomever they want, whenever they want. The company's grade for this section is **90.27** points.

a. Facilitating the Exercise of Shareholders' Rights

The Investor Relations Department of Doğanlar Mobilya Grubu operates under the CFO.

Investor Relations Department Manager Ms. Aysun VARDAN has Capital Market Activities Level 3 and Corporate Governance Rating Specialist Licenses. Ms. VARDAN has also been appointed as a member of the Corporate Governance Committee in accordance with the Corporate Governance Principles.

It has been found that the employees of 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 review information.

An Investor Relations Department Operating Procedure has been established, and the job descriptions of the employees have been defined. It has been observed that this internal regulation also covers the duties listed in Article 11/5 of the CMB's Communiqué on Corporate Governance No. II-17.1.

The Investors Relations Department regularly reports to the Board of Directors and Corporate Governance Committee about its activities and shares' performance. The Department has reported to the governance board once in 2024. In addition, the Investor Relations Department delivers presentations regarding the company's share performance and related developments during Board of Directors meetings. Furthermore, through the Investor Relations Bulletin, which is prepared on a weekly and regular basis, information is shared with the Board of Directors and senior management regarding the share price trend, relative price changes compared to the BIST 100 index, peer company share performance comparisons, company market capitalization, and sector news.

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

It has been determined that the Company has achieved rather good compliance with the

Corporate Governance Principles in this subsection.

b. Right to Obtain Information and to Examine

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

The "Disclosure Policy" approved by the Board of Directors is published on the corporate website of the Company. Shareholders' right to obtain information is explained in detail in the aforementioned policy.

All information concerning the company has been given on time, truthfully and completely. There have been no warnings or penalties on this issue given by Regulatory authorities.

It has been seen that inquiries of shareholders have been responded rapidly and care has been given to let shareholders exercise their right to obtain information and to examine.

Shareholders' right to obtain information and to examine is not canceled or restricted by the Articles of Association or any department of the Company.

There are no regulations or practices that complicate the shareholders' right to request the appointment of a special auditor from the general assembly, and the annual report provides information on the exercise of this right.

In this subsection, company practices are in accordance with the principles.

c. Right to Attend the General Assembly

Due to the practices in the general assembly, Doğanlar Mobilya has adjusted good compliance with many principles hereunder.

The General Assembly meeting to discuss the operations of 2024 took place on 13.05.2025.

The invitation to the meeting was duly made in the Turkish Trade Registry Gazette (TTRG) dated 21.04.2025 and numbered 11316, on the Public Disclosure Platform (PDP) and the Central Registry Agency e-general assembly system (EGAS) on 17.04.2025 and on the corporate website of the company.

The date, time, place, agenda, and sending department are clearly described in the invitation.

It has been understood that the financial statements, annual report, audit reports, profit distribution proposal of the board of directors, notifications and explanations required by the partnership in accordance with the relevant legislation and Corporate Governance Principles, which should be made available for the examination of the shareholders within the framework of Article 437 of the TCC numbered 6102, were submitted to the information of the shareholders 3 weeks in advance.

In order to increase the participation of the shareholders, the general assembly meeting was held in a way that does not cause inequality among the shareholders and ensures the participation of the shareholders at the lowest possible cost and in company headquarter. It is possible for shareholders to attend the meetings physically, through a representative or through the electronic general assembly system (EGKS).

Along with the general assembly meeting announcement, the information document was prepared in accordance with Article 1.3.1 of the General Assembly of the Capital Markets Board's Corporate Governance Communiqué No. II-17.1 was published on the company's website. In this document, it has been determined that as of the date of the announcement, information about the total number of shares and voting rights reflecting the shareholding structure of the company, whether there are privileged shares in the company's capital, and the nature and scope of the privileges are shared with the shareholders. Similarly, it has been seen that information about the changes that will

significantly affect the management and activities of the partnership and its subsidiaries, and whether the shareholders have requests to add an item to the agenda and whether there are any changes in the articles of association are also included.

While preparing the general assembly agenda, it was determined that the topics of the agenda were expressed clearly and in a way that would not lead to different interpretations, and care was taken not to include phrases such as "other" and "various" on the agenda.

At the General Assembly meeting, Mr. İsmail DOĞAN (Member of the Board of Directors - CEO), Mr. Ali DEMİRKAN (CFO), Ms. Gözde ÇİVİCİ (Investor Relations Director-General Secretary), Ms. Aysun VARDAN (Investor Relations Manager) and Ms. Gülçin DİREK YILMAZ (Legal Counsel) were present. In addition, the representative of the independent audit firm conducting the company's external audit attended the meeting.

When the minutes of the General Assembly are examined, it is determined that the agenda items were voted separately, and the votes were counted and announced to the shareholders before the end of the meeting. It was observed that the Chairperson of the meeting took care to convey the topics on the agenda in an impartial and detailed manner, with a clear and understandable method, and the shareholders were given the opportunity to express their thoughts and ask questions under equal conditions.

It is understood from the explanations in the minutes of the general assembly and the interviews made with the relevant parties in the company that the Chairperson of the meeting ensures that every question asked by the shareholders at the general assembly meeting, which is not within the scope of trade secrets, is answered directly at the general assembly meeting.

In accordance with the provisions of the CMB's Communiqué numbered II-17.1, the general assembly was informed about the transactions made with related parties and the guarantees, pledges and mortgages given in favor of third parties.

The shareholders were informed about the donations made during the period and their beneficiaries, and the donation limit was also determined.

Stakeholders and press members are allowed to attend general assembly meetings without the right to speak. This information is included both in the general assembly invitation and in the information document. However, regulating the articles of association so that the general assembly meetings are open to the public will strengthen compliance with corporate governance principles.

The company's practices in this subsection rather comply with the principles.

d. Voting Right

Neither the Articles of Association nor the internal procedures contain any difficulties to exercise the voting right and 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 rights in person or by proxies, whether a shareholder or not, at the general assembly meetings. The members are submitted with the specimen proxies to be used for this purpose at the firm's headquarters and on the corporate internet website.

In the articles of association, it is stipulated that each share has one voting right at the General Assembly meetings.

Detailed information regarding the shareholding structure of the Company, the voting rights attached to the shares, and the absence of any privileges related to voting or

other matters is provided through the corporate website, annual activity reports, and general assembly information documents.

The Company doesn't have a mutual subsidiary, which creates a relationship of sovereignty.

The company's practices in this subsection fully comply with corporate governance principles.

e. Minority Rights

There has been no violation of exercising basic minority shareholders' rights like attendance at the general assembly meeting, representation by proxy, and the imposition of no upper limit for voting rights. In this manner, it has been observed that care is given to the exercise of minority rights. Furthermore, Article 15 of the Articles of Association clearly states that "The rights of minority shareholders representing one-twentieth of the capital, as regulated under Articles 360, 411, 420, 439, 486, 531, 559 and other relevant provisions of the Turkish Commercial Code, as well as under the Capital Markets Legislation, the regulations of the Capital Markets Board, and other applicable legislation, cannot be restricted or impeded." This highlights the Company's commitment to the exercise of minority rights.

However, there is no adjustments made to extend minority rights with Articles of Association and covering those shareholders who have less than 1 / 20 of the capital.

f. Dividend Right

The method to be applied in profit distribution is regulated in Article 12 of the articles of association. In Article 20, it is regulated that the company can distribute dividend advances to the shareholders in accordance with the Capital Markets Legislation.

The dividend Policy contains minimum information enabling the investors to foresee the procedure and guidelines for the distribution of profit to be generated by the company in future periods. It has been

emphasized that this policy was prepared, taking into consideration the delicate balance between the expectations of shareholders and the needs of the company.

Information like dividend distribution ratio, payment method and time have also been disclosed to the public in this document. Likewise, the policy also includes the information that dividend advances can be distributed.

For the fiscal year 2024, the Company reported a net loss of (453,520,324) TL in accordance with Capital Markets Board (CMB) regulations and a statutory net loss of (326,705,032.73) TL as per legal records. Additionally, the legal records indicate prior years' accumulated losses amounting to (274,262,244.45) TL.

At the Board of Directors meeting held on April 17, 2025, it was unanimously resolved that: "The consolidated financial statements for the accounting period between January 1, 2024, and December 31, 2024, show a net loss of 453,520,324 TL attributable to the parent company. As there is a net loss in the consolidated financial statements, it has been unanimously decided to propose to the Ordinary General Assembly that the loss for 2024 be transferred to previous years' losses and that no dividend distribution be made."

The said resolution of the board of directors was discussed as the 6th item of the agenda at the ordinary general assembly held on 13th May 2025 and approved by the shareholders.

The profit distribution decision of the board of directors and the profit distribution table were published on the Public Disclosure Platform on the same day as the invitation to the general assembly.

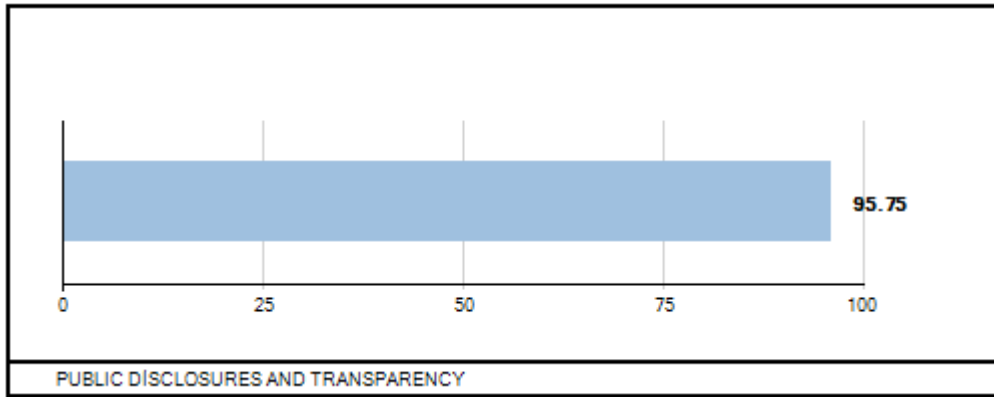
The company's practices in this subsection are very well in accordance with the corporate governance principles.

g. Transfer of Shares

There is no provision restricting the transfer of shares in the articles of association of the

company, and there are no practices that make it difficult for the shares to be freely transferred.

B. PUBLIC DISCLOSURE AND TRANSPARENCY



Overview

- ✓ A disclosure policy has been prepared and disclosed to the public through electronic media.
 - ✓ The disclosure policy was presented to the information of the shareholders at the general assembly.
 - ✓ Corporate website is used effectively as a current tool for public disclosures within the context as stated by the principles.
 - ✓ The annual report is comprehensive, and its content mostly complies with the principles.
 - ✓ The annual Report contains the Board's decision and state of responsibility regarding the approval of the Company's balance – sheet and income statement by the Board of Directors and its presentation to the General Assembly for approval.
- ✓/* It would be appropriate for the annual activity report to disclose, on an individual basis, the salaries, bonuses, and other benefits provided to members of the Board of Directors and senior management.

As for this section, the Company has been assessed 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 **95.75**. Doğanlar Mobilya Grubu carries out public disclosures within the scope of its Public Disclosures Policies developed by the board and disclosed to public.

The officials in the Company who are responsible for the public disclosures and have the authority for signature are: Mr. Davut Doğan (Honorary Chairmen of the Board of Directors), Gözde ÇİVİCİ (Investor Relations Director-General Secretary), and Ms. Aysun VARDAN (Investor Relations Manager).

The Company's independent external audit for the years 2022 and 2023 was conducted by Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş., while the 2024 audit was carried out by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. In the audit reports issued, both firms expressed a "Qualified Positive Opinion." Due to this type of opinion being issued for the past ten consecutive periods, the Company has regularly informed shareholders at general assemblies regarding the measures to be taken in response.

It has been learned from company officials that no event took place with the independent audit company or with its auditors that could

damage this company's independence and there was no legal conflict with it.

Based on the recommendation of the Audit Committee and the affirmative opinion of the Board of Directors, it was decided that the independent audit for 2025 would also be conducted by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. This decision was submitted for shareholder approval at the Ordinary General Assembly held on May 13, 2025.

a. Corporate Website

The corporate website (www.doganlarmobilyagrubu.com) is updated regularly and the website is being used as an active and effective platform for disclosure to the public. Information in corporate website is consistent with the statements made as part of regulations and there is no missing or conflicting information.

On the company's website, alongside the information bound to be disclosed by regulations, there is commercial registry info, information on latest shareholder and management structure, committees of board of directors and their working principles, information on whether there are privileged shares or not in the capital, dates and numbers of commercial registry newspapers where changes were published along with the final text of company's Articles of Association, registration statement and circular, material disclosures, important board decisions, financial reports, annual reports, agendas of general assembly meetings, the lists of attendees, the proceedings of the assemblies, the specimen Proxy, dividend policy, disclosure policy, remuneration policy, compensation policy, donation and sponsorship policy, business ethics rules and regulations, human resources policy and policies on many issues that concern all stakeholders. On the other hand, it is possible to reach the information requests, questions and notices received by the company under the heading of frequently asked questions and the answers given to them on the website.

The aforementioned information has been provided to shareholders and potential investors regularly and up to date since the public offering.

Some of this information on the website is published in English and French for international investors.

On the other hand, financial statement statements, which are required to be disclosed to the public in accordance with the capital market legislation, are disclosed simultaneously in English as well as Turkish on the Public Disclosure Platform.

The real person ultimate controlling shareholders of the company are disclosed both on the corporate website and on the Public Disclosure Platform.

In this subsection, the Company has achieved very good compliance with corporate governance principles.

b. Annual Report

It is seen that board of directors has prepared the annual report in such a way that public can access comprehensive, complete and correct information on company activities. The report also clearly points out the development of the company and the risks it is likely to face and includes the evaluation of the board of directors on these issues.

The annual report for the accounting period ended on 31.12.2024 was approved and disclosed to the public by the decision of the Board of Directors dated 11.03.2025 and numbered 89/18.

It is possible to reach many topics in the annual report, including;

Board members' and managers' ongoing jobs outside the company,

Independence declaration of the board members,

Evaluation of the board of directors regarding the members of the committees formed within the body of the board of directors, the frequency of their meetings, the working

principles including the activities carried out, and the effectiveness of the committees,

Number of Board meetings in that year and attendance of Board Members,

Changes in regulations, which might significantly affect company operations,

Information about important lawsuits filed against the company and their possible consequences,

Information about conflicts of interest between the Company and other enterprises that provide services like investment consultancy or rating and these measures taken by the Company to prevent conflicts of interest,

Information about subsidiaries where the direct participation ratio is over 5 %,

Social rights and professional training of employees, as well as other company activities that have social and environmental impacts and corporate social responsibility activities,

Information about the sector that the company operates in and about its position within the sector.

Also, in addition to the issues specified in the legislation and other parts of the corporate governance principles, the annual reports include;

The period of the report, the title of the partnership, the trade registry number, contact information,

General explanations regarding the characteristics of business units and production volumes,

Sales and the developments seen in them during the year, productivity rates,

Information on developments in investments,

The financial resources of the company and the nature and amount of the capital market instruments, if any,

Changes made to the articles of association during the period and their reasons,

Profit distribution policy,

Declaration on Compliance with Corporate Governance Principles

Mandatory information to be provided to shareholders regarding related party transactions and balances,

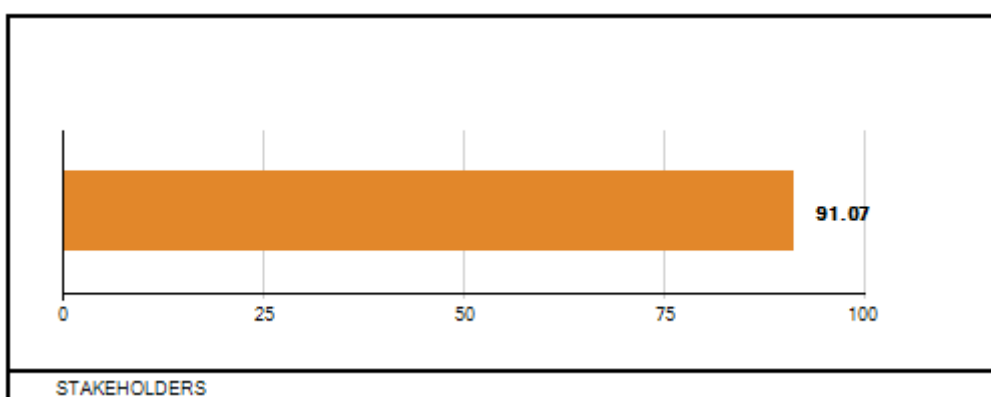
A lot of information, including other matters, is not included in the financial statements, but that would be useful to users.

The annual report also includes the company's sustainability approach and the "Communiqué Amending the Corporate Governance Communiqué (II-17,1)" and the compliance report in accordance with the voluntary sustainability principles compliance framework format.

In the annual report, salaries, bonuses and similar benefits provided to the members of the board of directors and senior executives are disclosed in total, not on an individual basis.

It has been determined that the Company has achieved very good compliance with the Corporate Governance Principles in this subsection.

C. STAKEHOLDERS



Overview

- ✓ Ethical Principles and Rules of Conduct have been established and published electronically.
- ✓ There are no regulations that make it difficult for stakeholders to exercise their rights.
- ✓ Human resources policy was established, and many internal regulations concerning customers and stakeholders have been prepared.
- ✓ Employees are provided with a safe and pleasant working environment.
- ✓ There are no complaints made by employees about discrimination and difficulties in getting their rights.
- ✓ Compensation policy for employees has been prepared and disclosed to the public.
- ✓ Care is given to confidentiality of information about customers and suppliers on a trade secret basis.
- ✓ The Company has publicly disclosed its activities within the scope of Corporate Social Responsibility.
- ✓ The company has established its Sustainability Approach and disclosed the compliance framework to the public.

✓/* It would be appropriate to develop regulations that support the participation of stakeholders in the company's management and to include such provisions in the articles of association and internal regulations.

✓/* It would be appropriate to establish or improve mechanisms that allow stakeholders to report the company's unlawful or ethically inappropriate practices to the Corporate Governance Committee or the Audit Committee.

✓/* It would be appropriate to establish corporate social responsibility policies.

In this section, the Company has been assessed by **104** different criteria under the headings of Corporate Policies on Stakeholders, Supporting Stakeholders' Participation in Company Management, Company Policy on Human Resources, 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 **91.07**.

a. Corporate Policies on Stakeholders

The Corporate Governance Principles describe the Stakeholders as individuals, organizations or interest groups as employees, creditors,

customers, suppliers, trade unions, and various non-governmental organizations having an interest in the attainment of the company's objectives or in its operations. It is concluded that Doğanlar Mobilya protects stakeholders' rights, which are specified in regulations and mutual contracts. The impression is that if there is a lack of regulation, the company respects stakeholders' rights within goodwill rules and the company's reputation. It has been observed that many internal regulations were prepared to this end.

The Compensation Policy for employees has been prepared and disclosed to the public via the corporate website.

The impression is that in case of lack of any regulation, the company respects stakeholders' rights within goodwill rules and company's reputation. It has been observed that many internal regulations were prepared to this end. The said rules are disclosed to the public in the annual reports and on the corporate website.

Stakeholders are adequately informed on company policies and procedures to protect their rights and company's corporate website (www.doganlarmobilyagrubu.com) is being actively used for this purpose.

Doğanlar Mobilya has put the communication line into service in order to inform the corporate governance committee or the audit committee about the company's transactions that are contrary to the relevant legislation and unethical.

Reported or identified ethical violations are reviewed by the audit unit or the human resources department, and if necessary, the process is carried out in accordance with the decision of the Disciplinary Board or the opinion of the Labor Law Attorney.

Many of the company's practices related to this subsection comply with the Principles.

b. Supporting Participation of Stakeholders in Corporation's Management

Even though there are no regulations in the articles of association that support the direct participation of stakeholders in the company management, there are in-house practices for this purpose, although they are limited. It has been learned that continuous improvements are made within the scope of the Corporate Governance Principles Framework, and studies on best practices are carried out in order to support the direct participation of stakeholders in company management. Developing models that support the participation of stakeholders in company management and including these models in the company's internal regulations and/or articles of association will strengthen compliance with the principles.

Some platforms have been created for employees to convey their requests, suggestions and opinions. The Company commissions an "Employee Satisfaction and Engagement Survey" from independent research institutions on an annual basis. Doğanlar Mobilya Grubu ranked first in the furniture sector in the "Happiest Workplaces in Turkey" survey, which is conducted annually by the collaboration of Happy Place to Work and Capital magazine.

The company's practices in this section generally comply with the principles.

c. Human Resources Policy of the Company

Doğanlar Mobilya Grubu has established its "Human Resources Policy" and disclosed it to the public. It is stated that the Human Resources Policy aims to ensure continuous development by enabling employees to focus on both corporate and individual goals in a balanced manner, thereby supporting their contribution to the organization throughout this process. Procedures on recruitment, rewarding, disciplinary practices, power and responsibilities of employees, remuneration,

health rights, leave rights, career planning, promotions, task alterations, dismissal, death, resignation, retirement, and training have been developed. Existing procedures are reviewed and updated as needed.

Both during the development of the policies and in practice, we got the impression that equal opportunity is given to individuals under equal conditions.

It has been learned that the determined performance and rewarding criteria have been announced to the employees and that the aforementioned criteria have been complied with in determining the benefits provided to the employees.

The Company has established Training Policies for its employees, and annual training programs are carried out in line with these policies. In 2024, approximately 977 individuals, including those at headquarters, production facilities, and domestic and international distributors, received a total of 15,355 man/hours of training.

It is thought that the Company's organizational structure is in line with work conditions.

It has been learned that a safe working environment and conditions are provided for the employees, and that no race, religion, language or gender discrimination is made among the employees.

On the other hand, the company has established a comprehensive "Diversity and Equal Opportunity Policy" and has publicly disclosed its approach and commitments to human resources.

As of the end of 2024, Doğanlar Mobilya Grubu employed 2,647 people. Among them, 1,233 blue-collar workers are covered by the Öz-Ağaç Labor Union. A two-year collective bargaining agreement was signed between Doğanlar Mobilya Grubu and the Öz-Ağaç Labor Union, effective as of January 1, 2025.

There are no practices that prevent employees from engaging in voluntary activities (legal aid organizations, associations or non-governmental organizations, etc.) provided that the corporate title and position are not used during the activity, in a way that does not disrupt their duties and responsibilities in the institution.

Employee stock-options schemes are not developed.

In this subsection, it has been determined that company practices are compliant with corporate governance principles.

d. Relations with Customers and Suppliers

Methods regarding relations with customers, suppliers, etc., have been determined and standards have been defined. It is thought that care is taken to observe the principles of honesty, trust, consistency, professionalism, long-term relations and respect for mutual interests in relations with the aforementioned groups.

Relations with customers, suppliers and other persons and institutions that the company has business relations with are also defined in the Code of Business Ethics, and their responsibilities and sanctions are determined.

Doğanlar Mobilya Grubu holds the following certifications:

- ISO 45001 Occupational Health and Safety Management System Certificate,
- ISO 10002 Customer Satisfaction Management System Certificate
- ISO 9001 Quality Management System Certificate
- ISO 14001 Environmental Management System Certificate
- ISO 50001 Energy Management System Certificate
- ISO 27001 Information Security System
- FSC® Certificate
- After-Sales Service Competency Certificate – Biga Plant
- After-Sales Service Competency Certificate – Düzce Plant

- Service Competency Certificate – Biga Plant
- Service Competency Certificate – Düzce Plant
- OEKO-TEX® STANDARD 100 Certificate

On the other hand,

A comprehensive quality management process has been adopted, covering system and product certification, new product development, inspection of purchased raw materials, statistical process control (SPC) during production, and final product evaluation. High standards of quality and safety are maintained throughout both prototype and mass production stages. Products such as mattresses (TS EN 1725), domestic seating units (TS EN 12520), tables (TS EN 12521), and home and kitchen cabinets (TS EN 14749) are fully compliant with the safety, durability, and quality standards set by the Turkish Standards Institution (TSI) and are certified with the Certificate of Conformity to Turkish Standards. Required inspections and tests are carried out by TSI laboratories, and compliance is documented through official test reports.

The company's practices in this subsection comply with the principles.

e. Ethical Rules, Corporate Social Responsibility

A Code of Business Ethics, which Doğanlar Mobilya Grubu employees must comply with, has been established, and employees have been informed about the said regulation.

The Code of Ethics has been determined in great detail and has been disclosed to the public on the corporate website of the company. It has been learned that activities are conducted within the framework of these rules.

The company's relations with individuals and institutions such as employees, creditors, customers, suppliers, public institutions, and various non-governmental organizations are

defined in the "Business Ethics Rules Regulation", and also policies are created and disclosed to the public.

Some of these policies include:

- Quality Policy,
- Employee Rights Policy
- Integrated Management Systems Policy
- Environmental Policy
- Occupational Health and Safety Policy
- Diversity and Equal Opportunity Policy,
- Human Rights Policy

Doğanlar Mobilya Grubu creates various corporate responsibility projects in order to contribute to the sustainable development of society by trying to fulfill its social and environmental responsibilities. These projects are included in detail in the annual reports and on the corporate website. However, establishing a "Corporate Social Responsibility Policy" and carrying out the projects in accordance with this policy will strengthen compliance with the principles.

f. Sustainability and Sustainability Strategy

The Company has designed its Sustainability Strategy as a holistic approach integrated into every stage of its business processes. At the core of the strategy lies the principle of double materiality, which considers not only the financial implications of sustainability issues but also their environmental and social impacts within the company's sphere of influence.

The sustainability approach is structured around four successive phases:

- Responsible Procurement Processes
- Nature-Compatible Operations
- Sustainable Living Spaces
- Shared Value with Stakeholders

In line with its "Furniture of the Future" vision, Doğanlar Furniture Group publicly disclosed

its first Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) Standards and outlining its sustainability strategy, aligned targets, best practices in environmental, social, and governance (ESG) areas, and 2023 performance, on December 10, 2024, via its corporate website and the Public Disclosure Platform (PDP).

In line with its sustainability goals, the Company aims to minimize its carbon footprint and achieve net-zero emissions by 2050.

Sustainability Management

Processes for the formulation, implementation, and monitoring of strategies have been established with the participation of the Executive Committee and all employees. These processes are managed by the Sustainability Board, the Sustainability Committee, and dedicated Sustainability Task Forces, through a highly coordinated and results-oriented approach with clearly defined areas of responsibility. This structure has strengthened the infrastructure required to achieve sustainability targets, enhanced decision-making processes, and fostered governance practices across the organization.

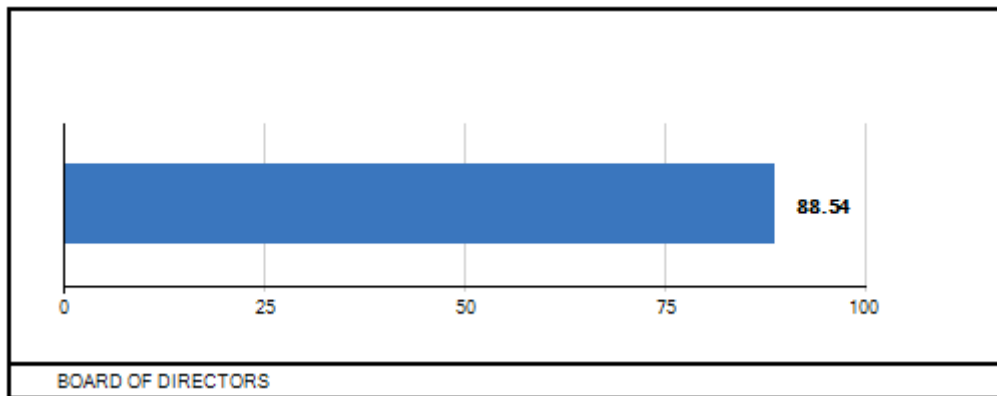
Doğanlar Mobilya Grubu has disclosed to the public the information requested and the declaration of compliance within the scope of the voluntary sustainability principles compliance framework with the Communiqué on Amendments to the Corporate Governance Communiqué (II-17.1) as well.

At its Board of Directors meeting held on May 12, 2025, the Company resolved to appoint Güreli Yeminli Mali Müşavirlik ve Bağımsız Denetim Hizmetleri A.Ş. to carry out the mandatory sustainability assurance audit for the reporting periods of 2024 and 2025, in accordance with the Türkiye Sustainability Reporting Standards (TSRS) published by the Public Oversight, Accounting and Auditing Standards Authority (POA), and submitted this

resolution for shareholder approval at the Ordinary General Assembly held on May 13, 2025.

Detailed information on the sustainability activities of the company can be found both in the annual reports and on the corporate website.

D BOARD OF DIRECTORS



Overview

- ✓ The company's strategic targets and human and financial sources it requires are determined by the Board of Directors.
- ✓ The posts of Chairperson and CEO are carried out by separate individuals and there isn't any person with solely unlimited authority in the company.
- ✓ The number of Board Members is adequate for them to work productively and constructively.
- ✓ The majority of Board Members are non-executives.
- ✓ There are three independent members on the board.
- ✓ There are two female members on the Board of Directors.
- ✓ Each member has one voting right on the Board of Directors. There are no veto powers for any member.
- ✓ There isn't any loan/credit involvement between Board Members and the company.
- ✓ The Committees mentioned in the Principles were established, and their working principles were determined and disclosed to the public.
- ✓ Remuneration principles for members of the board and top executives have been determined and disclosed to the public.
- ✓ The Company has insured against the potential damages that may arise

from the faults of Board Members in the course of their duties,

and this has been publicly disclosed via the Public Disclosure Platform (PDP).

- ✓/✗ Although performance evaluations are conducted for the Board of Directors both collectively and individually, further development of this practice is expected.
- ✓/✗ There is no existing practice of rewarding or dismissing Board Members based on their performance.
- ✓/✗ Fees and benefits given to the board of directors and directors with administrative responsibilities are not disclosed in the annual report on an individual basis.

In this section, the Company has been assessed by **148** 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 Company has been given the grade of **88.54**.

a. Function of the Board of Directors

By the strategic decisions it takes, Board of Directors manages and represents the company, 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, Board of Directors has described the corporate strategic objectives, and determined necessary human and financial resources.

Board of Directors monitors company activities to be in compliance with regulations, Articles of Association, internal procedures and policies and it supervises management performance.

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

In this subsection, the Company has achieved a rather good compliance with corporate governance principles.

b. Principles of Activity of the Board of Directors

It is our impression that the Company Board of Directors conducts its activities in an open, accountable, fair and responsible fashion.

The distribution of responsibilities among board members, as well as their duties and powers are disclosed to public in the annual report.

The Board of Directors has established internal control systems, including risk management and information systems and processes, that can minimize the effects of risks that may affect the company's stakeholders, especially the shareholders. It has been learned that the Board is reviewing

the effectiveness of risk management and internal control systems.

No person in the Company has the authority to decide solely and in an unrestricted fashion. Positions of Chairperson of the Board and CEO are held by different individuals.

It is thought that 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 is in close cooperation with the Corporate Governance Committee and Investor Relations Department.

The damage to be caused to the company by the faults of the members of the board of directors during their duties is covered by insurance and disclosed on the Public Disclosure Platform.

In this subsection, the Company has achieved very good compliance with corporate governance principles.

c. Structure of the Board of Directors

The Company's Board of Directors consists of a total of 7 (seven) members, comprising 1 (one) Honorary Chairperson, 1 (one) Chairperson, and 5 (five) members. The requirement of having at least 5 (five) members to form the Board has been met and the number of Board Members found sufficient to serve effectively and constructively and to form and efficiently organize activities of committees.

3 (three) Board members are executives, while 4 (four) of them are non-executives. 3 (three) non-executive members are independent members who satisfy the independence criteria laid down by the Corporate Governance Principles.

The Corporate Governance Committee (Nomination Committee) has submitted its evaluations regarding the candidate's proposals for independent membership and

whether the candidate fulfills the independence criteria to the Board of Directors. In this process, independent member candidates also submitted their written declarations regarding their independence to the corporate governance committee within the framework of the criteria included in the legislation, articles of association and principles. The Board of Directors prepared the independent member candidate list within the framework of the report of the corporate governance committee and sent it to the Board together with the committee report and the resolution of the Board of Directors before the general assembly meeting and received the affirmative opinion.

There are 2 (two) female members on the Board of Directors, and the rate of female members specified in the principles was achieved.

In this subsection, the Company has complied with corporate governance principles.

d. Procedure of Board of Directors Meetings

According to the Articles of Association, the Board of Directors shall convene as required by the Company's business and at least 6 (six) times per year. Again, in the articles of association, it is stated that the relevant provisions of the TCC and capital markets legislation will be applied on matters such as the meeting method of the board of directors, its agenda, invitation to the meeting, voting, meeting and decision quorum.

It has been understood that the Board of Directors comes together frequently enough to carry out its duties efficiently. In 2024, the Board convened 13 (thirteen) times. As of March 2025, 2 (two) meetings have been held.

It has been observed that the meetings of the Board of Directors were held in compliance with the relevant legislation and the Articles of Association. However, establishing a "Regulation on the Working Principles of the

Board of Directors" that sets out the duties, authorities, responsibilities, and working principles of the Board would enhance compliance with corporate governance principles.

Each member has one voting right on the Board of Directors. There are no veto powers for any member.

The company's articles of association does not contain restrictions on the members of the board of directors taking on other duties or duties outside the company.

The secretariat of the board of directors is carried out by Ms. Gözde ÇİVİCİ (Secretary General – Investor Relations Director).

The company's practices in this subsection comply with the principles.

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

In order for the Board of Directors to fulfil its duties and responsibilities soundly, Audit Committee, Corporate Governance Committee and Early Detection of Risk Committees have been established. Separate Nomination and Remuneration Committees haven't been established because of the Board's structure. These duties are carried out by Corporate Governance Committee. The Corporate Governance Committee Working Regulations also cover the working principles of the other two committees.

The committees' duties, working principles and their members have been determined and approved by the Board of Directors as documents in writing; then they have been disclosed to public via electronic means and Public Disclosure Platform.

The company has stuck with the principle, which requires that all members of the Audit Committee and, at minimum, the Chairmen of other committees are appointed from independent members, and the General Manager has not been assigned to any committee.

All sources and support are provided by the Board to ensure that the committees perform their duties.

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

Committees convene with the frequency deemed necessary for the efficiency of their activities. They report information on their activities and the results of their meetings to the board of directors.

- **The Audit Committee** audits the compliance of the annual and interim financial statements and footnotes to be disclosed to the public with current legislation and international accounting standards and informs the board of directors in writing, together with its own evaluations, by taking the opinions of the responsible managers and independent auditors of the company regarding the accounting principles followed by the company and their accuracy and truthfulness.

The Committee reviews the annual report to be disclosed to the public and reviews whether the information contained therein is correct and consistent with respect to the information they have. In addition, the committee oversees the company's accounting system, the independent auditing and public disclosure of financial information, and the functioning and effectiveness of the internal control system in general terms.

The Committee comprises 2 (two) independent members. One of them meets the principle of "At least one of the Audit Committee members should have 5 years of experience in audit/accounting and finance.

The Audit Committee convened 6 (six) times in 2024 and 1 (one) time as of March 2025, subsequently presenting the outcomes of each meeting to the Board of Directors in the form of reports.

Internal Audit

A risk management and internal control mechanism has been established by the Board of Directors. All potential risks are periodically reviewed by both the Early Detection of Risk Committee and the Audit Committee, both of which are composed of members of the Board of Directors.

The internal audit activities of Doğanlar Mobilya Grubu are carried out under the supervision of the Audit Directorate of Doğanlar Holding. The objectives of the internal audit function are as follows:

- To safeguard the tangible and intangible assets of Doğanlar Mobilya Grubu,
- To ensure that all activities are conducted in compliance with internal and external regulations,
- To strengthen internal control processes aimed at enhancing the efficiency and effectiveness of business operations,
- To ensure the timely implementation of corrective actions.

Internal audit activities are executed in line with a quarterly Audit Plan / Schedule prepared and periodically updated by the Audit Directorate. The findings, evaluations, and recommendations identified through internal audit processes are first shared with relevant stakeholders for evaluation and subsequently reported. Following the issuance of the report, a Corrective and Preventive Action (CAPA) Meeting is held within a defined timeframe to address each finding. For every issue identified, a responsible party and a target date for the corresponding corrective action are determined. In this way, it is ensured that the necessary complementary and preventive measures are taken and implemented quickly, and appropriate and applicable solutions that improve processes and activities are carried out timely. All work carried out is constantly monitored and evaluated by the company management and internal audit unit, as well as by the process owners. The Board of Directors and the Audit Committee are periodically

informed about the Internal Control System and Internal Audit activities.

The risk management and internal audit system of Doğanlar Mobilya Grubu has been structured to ensure that all identified financial and operational risks associated with its activities are consistently maintained at a reasonable and controlled level.

The Internal Audit Unit conducted 39 (thirty-nine) audits on various matters in 2024 and reported the results to the Audit Committee.

- **The Corporate Governance Committee** monitors whether the corporate governance principles are applied in the company and, if not, the reasons and conflicts of interest arising from not fully complying with these principles. Likewise, it is in charge of making recommendations for corporate governance policies, improving the quality of corporate governance practices and informing the board of directors about the effective follow-up of the legislation of the Capital Markets Board on corporate governance principles and the corporate governance principles generally accepted in international capital markets, and the implementation of the applicable ones. The Committee also fulfills its objectives to work on identifying, evaluating and training suitable candidates for the board of directors, determining the principles of remuneration for the members of the board of directors and senior executives of the company, and presenting suggestions to the board of directors. The Committee convened 4 (four) times in 2024 and reported the outcomes of its meetings to the Board of Directors.

The Corporate Governance Committee is composed of 6 (six) members: 2 (two) independent board members, 1 (one) Honorary Chairperson and a Board Member, and 2 (two) members appointed from the executive management level. In accordance with CMB Corporate Governance Communiqué number II.17-1, another member is the Investor Relations Manager. Investor Relations Manager Ms. Aysun

VARDAN was appointed to this position on 25.12.2015, and this was disclosed on the Public Disclosure Platform on the same date.

The Investor Relations Department, which operates in close coordination with the Corporate Governance Committee, presented reports to the Board of Directors regarding its activities and share performance 11 (eleven) times in 2024 and 1 (one) time as of March 2025. In addition, a short presentation under the title of "Investor Relations Agenda" is made at the Board of Directors meeting every month. The annual Investor Relations Department Report, covering all activities carried out throughout the year, was also submitted to the Board of Directors on 19 December 2024.

- **The Early Detection of Risk Committee** fulfills the duty to evaluate and define the probabilities and effects of all risks that may endanger the existence, development and continuation of the company, to inform the board of directors about the creation of risk measurement models and risk management systems and the use of risk factors in decision processes and making necessary warnings, and to make recommendations to the board of directors to improve risk management practices and models.

The Committee carries out the necessary studies on the adoption and implementation of risk management policies and practices by all company units and employees.

The Early Detection of Risk Committee reviews the risk management systems at least once a year and reports to the board of directors.

The Early Detection of Risk Committee is composed of 3 (three) board members, including 2 (two) independent members and 1 (one) executive member. The Committee convened 6 (six) times in 2024 and 1 (one) time as of March 2025. The Committee has submitted the results of the meeting as a report to the board of directors.

The secretarial function of the committees is carried out by Ms. Gözde ÇİVİCİ (Investor Relations Director-General Secretary).

Doğanlar Mobilya's practices in this section comply with the principles.

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

Guidelines for the remuneration of board members and top executives have been written, approved by the general assembly, and disclosed to the public in the electronic environment.

It has been seen that actions have been taken in compliance with the principle, which states that stock-options or payment plans based on corporate performance should not be used for remuneration of independent members of board. The emoluments of independent directors are sufficient to protect their independency.

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

Corporate governance principle of disclosing remuneration and all other benefits provided to directors and top executives on individual basis is not met. This information is disclosed collectively in the annual activity reports.

The most recent performance evaluation of the Board of Directors and its members was conducted in 2023 through a survey administered internally within the Board.

There is no practice of rewarding or dismissing the members of the board of directors based on their performance. The implementation of the aforementioned method will strengthen compliance with the principles.

The company's practices in this section comply with the principles.

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

GRADE	DEFINITIONS
9-10	The Company achieved substantial compliance with 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 recognized and controlled effectively. The rights of the shareholders are impartially taken care of. The level of public disclosure and transparency is high. The 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 operational and in place, although some improvements are required. Potential risks to which the Company may be exposed are identified and can be managed. The rights of the shareholders are impartially taken care of. Public Disclosure and transparency are at high levels. The interests of the stakeholders are fairly considered. The 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 a 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 a need for improvement. The 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.

GRADE	DEFINITIONS
4–5.9	The Company has minimum compliance with the Corporate Governance Principles issued by the Capital Market Board. Internal control systems are in place at a minimum level but are not full and efficient. Potential risks that the company is exposed to are not properly identified and are not under control. 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, and the structure, as well as the working conditions of the Board. Under the current conditions, the Company is not eligible to be listed in the BIST Corporate Governance Index.
< 4	The Company has failed to comply with the Corporate Governance Principles issued by the Capital Market Board. It also failed to establish its internal control systems. Potential risks that the company might be exposed to are not identified and cannot be managed. The company is not responsive to the Corporate Governance Principles at all levels. There are major weaknesses in the interest of the shareholders and the stakeholders, such as public disclosure, transparency, structure, and working conditions of the Board, and they are at a level that might cause the investor to incur material losses.

