

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

Dođanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. (“Dođanlar Furniture Group”) operates pursuant to the Corporate Governance Principles published by the Capital Markets Board (“CMB”) (II-17.1). Dođanlar Furniture Group conducts its relations with shareholders, employees, customers, and all relevant parties through effective management and oversight, embracing core corporate governance principles of accountability, fairness, transparency, and responsibility.

The Group adheres to all mandatory principles outlined in the Corporate Governance Communique no. II-17.1 and follows the majority of the recommended non-mandatory principles. While striving for full adherence to the non-mandatory Corporate Governance Principles, the Group acknowledges that practical challenges and discrepancies between some principles and the current market and Company structure have prevented achieving this objective. We are currently working on the principles yet to be implemented and will enact them once the necessary administrative, legal, and technical frameworks are established, facilitating the Company’s effective management.

The Company’s Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) for the accounting period January 1, 2023–December 31, 2023, have been prepared in accordance with the presentation principles set forth by the CMB’s resolution no. 2/49 dated January 10, 2019, and the CMB’s Corporate Governance Communiqué no. II-17.1. Dođanlar Furniture Group’s Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) for the accounting period January 1, 2023–December 31, 2023, are available on the Company’s corporate website (www.doganlarmobilyagrubu.com) under the heading “Corporate Governance/Corporate Governance Principles Compliance Report” as well as on the Public Disclosure Platform’s website (kap.gov.tr).

General Assembly Meetings

The General Assembly meetings of our Company are organized in strict adherence to the guidelines specified under the “General Assembly” section of the Corporate Governance Principles, the Turkish Commercial Code, and the Regulation on the Procedures and Principles of General Assembly Meetings of Joint Stock Companies and the Turkish Ministry of Trade Representatives to Be Present at These Meetings.

Upon the announcement of the General Assembly Meeting on the website of our company, the notifications and explanations required by the legislation, as well as all other matters that are required to be included by the Corporate Governance Principles are announced to the shareholders in accordance with the principles.

As such:

»We published on the corporate website the total number of shares, which shows the Company's share structure, and information on the right to vote, on the General Assembly Meeting announcement date.

»We prepared the General Assembly agenda by putting each proposal under a separate title and describing the agenda item headings clearly to prevent misinterpretations. Care has been taken to avoid the use of phrases such as “other” or “miscellaneous” in the agenda. The information provided prior to the General Assembly meeting is posted based on the agenda items.

» During preparation of the Ordinary General Assembly agenda, there were no matters that the shareholders requested in writing from the Company’s Investor Relations Department to add to the agenda items. Similarly, the shareholders, the CMB, or other organizations and institutions related to the Company did not request any items to be included on the agenda.

» The meeting method of the General Assembly aims to achieve maximum participation from the shareholders. We hold General Assembly meetings to prevent any inequality between the shareholders. General Assembly meetings are held at the Company headquarters.

The 2022 Ordinary General Assembly meeting held on May 2, 2023, and the Extraordinary General Assembly meeting held on August 8, 2023, were held in Istanbul, where the Company headquarters is located, in accordance with the Company’s Articles of Association. The Company’s Articles of Association allow the meetings to be held at other locations of the city where its headquarters is located.

» The meeting chair made the necessary arrangements and obtained the essential information prior to running the General Assembly pursuant to the TCC, the applicable law, and the relevant legislation.

» The meeting chair endeavoured to ensure agenda items were handled in a clear and understandable way during the Ordinary General Assembly. Shareholders were given equal opportunity to express their views and ask questions. The meeting chair ensured that the shareholders’ questions, except those that fell into the category of trade secrets, were answered directly at the General Assembly.

»Executive Board Members, at least one other Board Member and a representative of the independent audit company participate in the General Assembly meetings. Additionally, those with responsibilities relating to the agenda items and those who need to make statements are required to be present. If those other than the ones required to be present by the law cannot attend the meeting, the chair submits to the General Assembly their reason for not being present. The CMB resolution no. 4/89 dated February 1, 2013, applies

in this regard. Our shareholders, our Chairman of the Board of Directors, members of the Board of Directors, the CEO of the Company, the Independent Auditor, and employees of the Company participated at the Ordinary General Assembly with regard to the 2022 fiscal year.

The 2022 Ordinary General Assembly meeting was held on May 2, 2023, at 10:30 a.m. at Kavacık Mah. Ertürk Sk. No.: 3/1 İç Kapı No.: 1 Beykoz/Istanbul. At the General Assembly Meeting, 17,737,910,947 shares out of the 35 billion shares, which accounted for the Company capital on that date, were represented.

On August 8, 2023, the Extraordinary General Assembly meeting was held at 10:30 a.m. at İdealtepe Mah. Rıfki Tongsir Caddesi No.: 107 Maltepe İstanbul. At the General Assembly Meeting, 17,581,272,047 shares out of the 35 billion shares, which accounted for the Company capital on that date, were represented.

Agenda item questions by shareholders that attended the meeting personally or by proxy were answered during the meeting. Meeting minutes and a list of attendants were disclosed to the public through the PDP on the same day. Meeting minutes and a list of attendants are available for the shareholders on the corporate website.

Pursuant to Article 12 of the Articles of Association, the General Assembly determines the upper limit of donations. Any donation exceeding such a limit is prohibited, and the donations made will be added to the distributable profit base. The Company's donations must not violate the Capital Market Law's ban on illegal transfer pricing, the Turkish Commercial Code (TCC), or any other applicable laws. Material event disclosures are required, and shareholders must be informed about donations at the General Assembly. At the May 2, 2023, General Assembly Meeting, it was reported that the company donated 100,000 Turkish lira in 2022, and the upper limit for donations and aids was designated as 6 million Turkish lira for 2023.

Meeting minutes of the General Assembly, including for past years, are available on the corporate website on www.doganlarmobilyagrubu.com.

Voting and Minority Rights

The Company avoids practices that make it hard for the shareholders to vote. It puts in place the mechanisms necessary to provide each shareholder to exercise the right to vote in the easiest and most appropriate way. According to subparagraph 3 of Article 10 of the Company's Articles of Association regarding Electronic Attendance to the General Assembly Meeting, the right holders who are entitled to attend the General Assembly Meetings of the Company under the "Regulation on General Assembly Meetings of Joint Stock Companies to be Held Electronically" may attend these meetings electronically in accordance with Article 1527 of the Turkish Commercial Code. At the 2022 Ordinary General Assembly meeting, in accordance with this provision of the Articles of

Association, it was ensured that the right holders and their representatives could exercise their rights specified in the aforementioned regulation through the system established.

There are no privileged shares and thus no voting shares in the Company's Articles of Association. Each share has one vote. The partnership structure of the Company does not include a legal entity with which it has a mutual affiliate relationship. There is no regulation on minority shares to be represented in the management. The Articles of Association does not include a cumulative voting method.

Transfer of Shares

The Company's Articles of Association does not have a provision that restricts the transfer of shares. The transfer of the Company's shares is carried out in accordance with the Turkish Commercial Code, capital markets legislation and other relevant legislation. Shares may be transferred outside of the stock exchange without restrictions. No restrictions may be imposed on the transfer of shares traded and to be traded on the stock exchange.

When the Company buys back its shares, it follows capital markets legislation and other relevant laws and ensures that all necessary material event disclosures are made.

Public Disclosure and Transparency

Doğanlar Mobilya Grubu İmalat Sanayi ve Ticaret A.Ş. strives to make all legislated disclosures to the public. The Company pursues an active and transparent disclosure policy. It complies with the Capital Market Law in all public disclosure practices and aims to employ the most effective communication policy within the scope of the CMB Corporate Governance Principles.

The Company's Articles of Association sets forth the information, other than that required by the legislation, to be disclosed to the public; the frequency and method of the disclosure; the approach to responding to the questions sent to the Company; and other matters.

The information to be made public pursuant to the Public Disclosure and Transparency principle is disclosed on the "Public Disclosure Platform" at the www.kap.org.tr address and on the corporate website on www.doganlarmobilyagrubu.com on time, in full, and in a comprehensible, interpretable and low-cost manner to help in decision-making by the individuals and institutions that will benefit from the disclosure.

There were 28 material event disclosures made in the year in accordance with the CMB regulations. All of the material event disclosures were made on time and published on our website.

The Disclosure Policy is available on the corporate website.

CORPORATE GOVERNANCE PRINCIPLES INFORMATION FORM AND COMPLIANCE REPORT

The Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) for the accounting period January 1, 2023–December 31, 2023 are available on the Company’s corporate website (www.doganlarmobilyagrubu.com) under the heading “Corporate Governance/Corporate Governance Principles Compliance Report” as well as on the Public Disclosure Platform’s website (kap.gov.tr).



KAMUYU AYDINLATMA PLATFORMU

**DOĞANLAR MOBİLYA GRUBU İMALAT SANAYİ VE TİCARET
A.Ş.
Corporate Governance Compliance Report
2023 - Annual Notification**

Summary

Corporate Governance Compliance Report

Related Companies

Related Funds

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
Corporate Governance Compliance Report						
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	Such a situation has not occurred.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	There is no cross-shareholding relationship in the capital of our Company.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			There is no definition of minority in our Articles of Association other than the definition of minority in the Capital Markets legislation. The provisions of the Turkish Commercial Code and Capital Markets Board are applied regarding minority rights.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						

1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	X					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	X					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					The majority of the Turkish content is in English and some of it is in French.
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	X					We do not have any special policy towards stakeholders. The rights of stakeholders are protected within the framework of general regulations, contracts and goodwill rules.
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	X					There is no provision on the subject in the articles of association. Employees are encouraged to participate in management through internal practices.
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	X					Stakeholders' requests, suggestions and complaints are received, surveys are conducted and evaluated in important decisions that have consequences for some of the stakeholders.
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					An equal opportunity employment policy has been adopted, but there is no succession planning for key management positions.
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	X					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	X					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	X					
3.3.9 - A safe working environment for employees is maintained.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						

3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.		X				The Company's code of ethics has been determined and announced to employees through the integrated system that ensures internal communication.
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	X					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			There is no policy on the minimum 25% target for the ratio of female members on the board of directors.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attend the majority of the board meetings in person or via an electronic board meeting system	X					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.	X					
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.					X	There is no restriction on board members taking on other duties outside the company. The resumes of the members of the Board of Directors and their duties are included in the annual reports.

4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Due to the number of independent board members, board members serve on more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.	X					
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	X					
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	X					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.			X			Salaries, bonuses and similar benefits provided to senior executives are disclosed collectively in the annual report, but not on an individual basis .