



Corporate Governance Rating Report



5 November 2020

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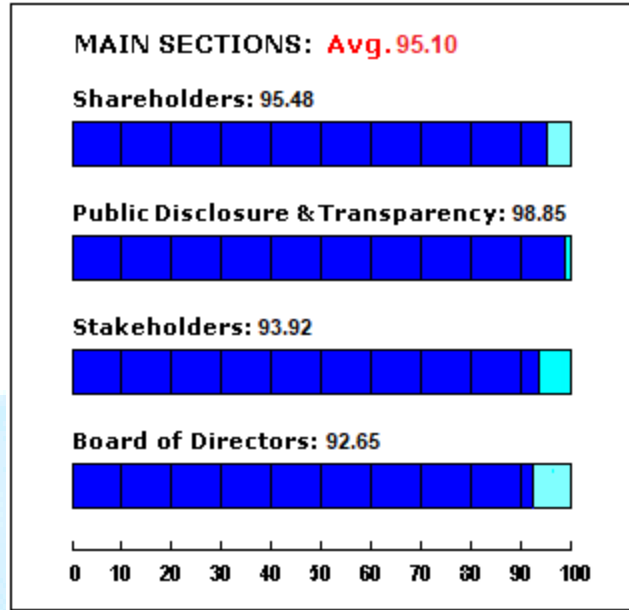
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Rating and Executive Summary

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş. (DOHOL)

 SAHA
Corporate Governance Rating:

9.51



EXECUTIVE SUMMARY

The Corporate Governance Rating of 9.50 that has been assigned to Doğan Şirketler Grubu Holding A.Ş. ("Doğan Holding" or "the Company") on November 5, 2019 is hereby revised as **9.51**. SAHA's rating methodology is based on the Capital Markets Board's (CMB) "Corporate Governance Principles" ("the Communiqué") released on January of 2014.

SAHA publishes (annually) the World Corporate Governance Index (WCGI) which ranks countries in terms of their level of compliance with corporate governance principles as well as their germane institutions, rules, codes, and regulations together with international standards and indices which evaluate countries in a vast array of areas such as transparency, corruption, ease of doing business, etc.. Doğan Holding is analysed as a Turkish company and Turkey takes place at the top classification of the WCGI which is Group 1. Details of the World Corporate Governance Index (WCGI) published by SAHA on October 8, 2019 can be accessed at <http://www.saharating.com>.

Doğan Holding is rated with **9.55** under the **Shareholders** heading. Exercise of shareholders' rights complies with the legislation, articles of association and other internal rules and regulations, and measures have been taken to ensure the exercise of these rights. Company carries out the shareholder relations obligations through the Investor Relations Department. There is no upper limit or privileges on voting rights. All procedures prior to the general shareholders' meeting as well as the conduct of the meeting comply with the legislation. A policy on donations and grants is established and submitted to the general shareholders' meeting for approval. There is a publicly disclosed, consistent dividend policy of the Company. There are no restrictions on transfer of shares. On the other hand, there is no provision in the articles of association on holding general shareholders' meetings open to public and prescribed rate of minority rights for public joint stock companies (5%) is adopted as it is in the articles of association of the Company.

Doğan Holding attained **9.89** under the **Public Disclosure and Transparency** chapter. There is a comprehensive web site that includes all information listed in the CMB's Corporate Governance Principles pertinent to "Public Disclosure". Public announcements are made via all communications channels and are in accordance with CMB and Borsa Istanbul A.Ş. (BIST) rules and regulations. Company's web site is also prepared in English for the benefit of international investors. The annual report covering 2019 activities is in compliance with the legislation, comprehensive and informative. The names of the Company's ultimate controlling individual shareholders over 5% as identified after being released from indirect or cross shareholding relationships between co-owners are disclosed to the public. However, benefits provided to board members and senior executives are not listed on individual basis in the annual report.

On the topic of **Stakeholders**, Doğan Holding scored **9.39**. The exercise of stakeholders' rights has been facilitated. A written compensation policy for the employees is established and disclosed to the public on the corporate web site. During the rating period, the Company was not held liable by any public authority for any punishment/sanctions. Code of ethics is publicly available through the Company's web site. Company has a documented human resources policy. Sustainability policy and practices and social responsibility studies are at top level. On the other hand, the fact that the mechanisms supporting the stakeholders' participation in the Company management have not been put in writing with the internal regulations is an area open for improvement under this heading.

From the perspective of the principles regarding the **Board of Directors**, Doğan Holding's tally is **9.27**. Company's vision and strategic goals have been determined. The board of directors consists of eleven members, of which only one is executive. There are four independent members on the board. CMB criteria are complied with in designation of the independent members. Board of directors' female membership rate is 45%. Corporate Governance, Audit, and Early Detection of Risk Committees are established within the board of directors and their working principles are disclosed to the public. Conduct of board meetings is determined in the articles of association. Principles of remuneration of board members and senior executives are available on the Company's web site. The company does not lend any funds or extend credit to the members of the board of directors or senior executives. An area in need of further refinement is that the manager liability insurance policy coverage is below 25% of the Company's capital.

Rating Methodology

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

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

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

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

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


SAHA assigns ratings between 1 (weakest) and 10 (strongest). In order to obtain a rating of 10, a company should be in full and perfect compliance with the Principles (see Rating Definitions, p.22).

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

Shareholders: **25%**
Public Disclosure and Transparency: **25%**
Stakeholders: **15%**
Board of Directors: **35%**

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

Company Overview

Doğan Şirketler Grubu Holding A.Ş.	
	Chairwoman of the Board of Directors Y. Begümhan DOĞAN FARALYALI Chief Executive Officer Çağlar GÖĞÜŞ
Burhaniye Mah., Kısıklı Cad., No:65, 34676 Üsküdar, İstanbul www.doganholding.com.tr	Head of Investor Relations Department Murat DOĞU Tel: (0 216) 556 90 00 mdogu@doganholding.com.tr

Doğan Holding, whose roots date back to 1959, was registered in İstanbul in 1980. Today, it operates in the fields of petroleum products retail, electricity production and trade, industry and trade, automotive trade and market, finance and investment, internet, entertainment and real estate investment through its subsidiaries. Having strategic cooperation with many local and foreign groups, Doğan Holding operates in a wide geography, especially in European countries.

According to the independent audit report data, as of June 30, 2020, the total number of personnel in subsidiaries and joint ventures included in the consolidated financial statements of the Company is 3,122 and the number of domestic personnel employed is 2,816 (December 31, 2019: the total number of personnel is 3,250, the number of domestic personnel is 2,955). The number of personnel employed within the Holding is 44 (December 31, 2019: 44). Current capital structure of Doğan Holding is given below:

Capital Structure		
Shareholder	Share Value (TL)	Share %
Adilbey Holding A.Ş.*	1,290,679,019.00	49.66
Aydın DOĞAN	222,047,300.00	8.49
Doğan Family	156,579,225.00	5.98
Shares Traded on BIST**	938,632,744.00	35.87
Total	2,616,938,288.00	100.00

*Names, amount and rate of the shares held by the Company's ultimate controlling individual shareholders over 5% as identified after being released from indirect or cross shareholding relationships between co-owners is disclosed to the public. Adilbey Holding A.Ş. is under control of Doğan Family members.

** Rate of shares in actual circulation as of our report date.

Company shares are traded under "DOHOL" code at BIST Stars Market and Doğan Holding, which went public in 1993, is a constituent of BIST 100 (XU100), BIST 50 (XU050), BIST 30 (XU030), BIST All Shares (XUTUM), BIST Financials (XUMAL), BIST Stars (XYLDZ), BIST Istanbul (XSIST), BIST Holding and Investment (XHOLD), BIST Sustainability (XUSRD) and BIST Corporate Governance (XKURY) indices.

As of the date of our report, the structure of the board of directors and the Committees established within the board of directors within the scope of the Communiqué numbered II-17.1 are as follows:

Board of Directors	
Name	Title
Y. Begümhan DOĞAN FARALYALI	Chairwoman
Hanzade V. DOĞAN BOYNER	Vice Chairwoman
Arzuhan DOĞAN YALÇINDAĞ	Board Member
Vuslat DOĞAN SABANCI	Board Member
Çağlar GÖĞÜŞ*	Executive Director
İmre BARMANBEK	Board Member
Ahmet TOKSOY	Board Member
Dr. A. Vural AKIŞIK	Independent Board Member
Hacı Ahmet KILIÇOĞLU	Independent Board Member
Hüseyin Faik AÇIKALIN	Independent Board Member
Agâh UĞUR	Independent Board Member

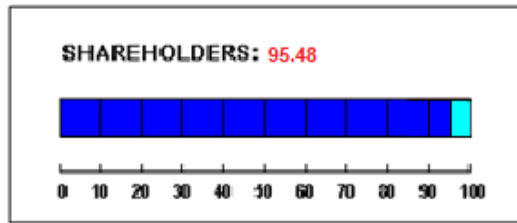
* 1 member has executive duty in the board of directors consisting of 11 members.

Corporate Governance Committee	
Members	Title
Agâh UĞUR	Chairman
Hacı Ahmet KILIÇOĞLU	Member
Murat DOĞU	Member

Audit Committee	
Members	Title
Hüseyin Faik AÇIKALIN	Chairman
Hacı Ahmet KILIÇOĞLU	Member

Early Detection of Risk Committee	
Members	Title
Hüseyin Faik AÇIKALIN	Chairman
Hacı Ahmet KILIÇOĞLU	Member
Agâh UĞUR	Member
Ahmet TOKSOY	Member
Bora YALINAY	Member

SECTION 1: SHAREHOLDERS



SYNOPSIS

+	Active Investor Relations Department.
+	Policy on donations and grants is established and submitted to the general shareholders' meeting for approval.
+	General shareholders' meetings are conducted in compliance with the legislation.
+	No privileges on voting rights.
+	Specific and consistent dividend distribution policy.
+	No restrictions on transfer of shares.
=	No provision in the articles of association permitting general shareholders' meetings to be held open to public.
-	Minority rights are not recognized for shareholders who possess an amount less than one-twentieth of the share capital.

1.1. Facilitating the Exercise of Shareholders' Statutory Rights:

Relations with shareholders in Doğan Holding are carried out within the Investor Relations Department. It has been observed that the Department officials possess the qualifications specified in the Communiqué.

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

shareholders' rights and in particular the right to obtain and review information, and its duties are as follows;

- To ensure that the records relating to the written correspondence with the investors and other information are kept in a healthy, safe and updated manner.
- To respond to the queries of the shareholders requesting written information on the Company.
- To ensure the general shareholders' meeting is held in compliance with the applicable legislation, articles of association and other Company by-laws.
- To prepare the documents that might be used by shareholders in the general shareholders' meeting.
- To supervise the fulfilment of the obligations arising from capital markets legislation including all corporate governance and public disclosure matters.

The Investor Relations Department submits a report to the board of directors at least once a year on its conducted activities. The number of physically held Board of Directors meetings in 2019 is 9 and it has been declared by the Company officials that information notes regarding the Company's share performance and investor relations activities are prepared for each meeting.

Doğan Holding's Investor Relations Department physically attended 3 international conferences organized

with investment firm representatives in 2019. Meetings were held with 136 analysts and investors through investor meetings and teleconferences, including these 3 conferences.

We have come to the conclusion that information and explanations that may affect use of shareholders' rights is available up to date on the corporate web site. The fact that no such related penalty/warning was received during the period supports our opinion.

1.2. Shareholders' Right to Obtain and Evaluate Information:

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

All kinds of information about the Company are provided in a complete, timely, honest, and diligent manner and there is no fine/warning received in this direction within the rating period.

The Company has established a disclosure policy and disclosed it to the public on the corporate web site.

1.3. General Shareholders' Meeting:

In addition to the methods of invitation in the legislation and in order to ensure attendance of maximum number of shareholders, the invitation to the general shareholders' meeting held on March 27, 2020 covering 2019 fiscal year is performed through all means of communication available to the Company on March the 4th 2020 in accordance with the Corporate Governance Principles.

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

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

Besides, the Company has prepared a descriptive disclosure document on agenda items.

Commencing from the date of announcement of invitation for the general shareholders' meeting; the annual report, financial statements and reports, and all other related documents pertaining to the agenda items are made available to all shareholders for examination purposes in convenient locations including the headquarters of the Company, and the electronic media.

Shareholders are informed of the total number of shares and voting rights reflecting the Company's shareholding structure as of the date of disclosure and whether there are any privileged share groups within the Company capital via the corporate web site.

Agenda items were put under a separate heading and expressed clearly in a manner not to result in any misinterpretations. Expressions like "other" and "various" were not used. Information submitted to the shareholders prior to the conduct of the general shareholders' meeting was related to the agenda items.

Due to the Covid-19 pandemic, our observers did not attend the general shareholders' meeting held in 2020, and the statement of the Company officials was referred for some of the control points highlighted by us in the past years. In this context, it has been declared that items on the agenda were conveyed in detail and in a clear and understandable way by the chairman of the meeting and shareholders were given equal opportunity to voice their opinions and

ask questions. The Company statement is in line with the opinion we have reached over the past years.

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

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

Shareholders are informed, with a separate agenda item, on all donations effectuated during the period and the amount of benefits and beneficiaries. In addition, a policy on donations and grants is submitted to the general shareholders' meeting for approval.

General shareholders' meetings are conducted with the attendance of stakeholders and media with no voting rights, but there is no provision in the articles of association nor in the internal guidelines of the general shareholders' meeting in this respect.

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

1.4. Voting Rights:

There are no voting privileges at Doğan Holding.

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

1.5. Minority Rights:

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

There is no evidence of any conflict of interest between the majority shareholders and that of the Company.

1.6. Dividend Rights:

The dividend policy of the Company is clearly defined and disclosed to the public on the corporate web site and submitted to the shareholders for approval at the general shareholders' meeting.

The Company's dividend distribution policy contains minimum information clear enough for investors to predict any future dividend distribution procedures and principles. It has been evaluated that a balanced policy is followed between the interests of the shareholders and that of the Company.

At the general shareholders' meeting for the 2019 fiscal year, the proposal of the board of directors to distribute a total of TL 100,000,000 (gross), TL 85,000,000 (net) cash dividend from the net distributable profit for the period, in accordance with the provisions of the Tax Procedure Law, was accepted by majority vote.

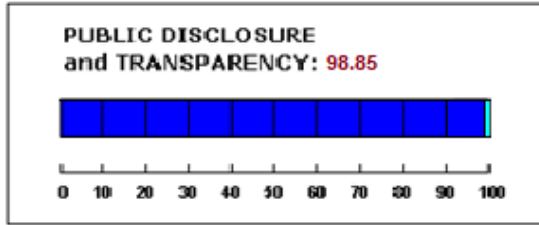
1.7. Transfer of Shares:

Neither the articles of association of the Company nor any decisions adopted at the general shareholders' meeting contain any provisions that impede the transfer of shares which are publicly traded.

The articles of association of the Company have a provision stating that "For the transfer of shares; Turkish Commercial Code, Capital Markets Law, Capital Markets Regulations, other relevant regulations of Capital Markets legislations, Central Registration System rules and other relevant regulations on registration of shares shall be observed."



SECTION 2: PUBLIC DISCLOSURE AND TRANSPARENCY



SYNOPSIS

+	Comprehensive web site, actively used for public disclosure.
+	Annual report complies with the legislation, comprehensive and informative.
+	Important events and developments disclosed in accordance with the legislation.
+	English version of the web site for international investors.
+	Ultimate controlling individual shareholders over 5% are disclosed to public.
-	Benefits provided to board members and senior executives are not mentioned on individual basis.

2.1. Corporate Web Site:

Company's web site is actively used for disclosure purposes and the information contained therein is timely updated.

Along with the information required to be disclosed pursuant to the legislation, the Company's web site includes; trade register information, information about latest shareholder and management structure, information on inexistence of any privileged shares, the date and the number of the trade registry gazette on which the changes are published along with the final version of the Company's articles of association,

publicly disclosed material information, annual reports, periodical financial statements, prospectuses and circulars and other public disclosure documents, agendas of the general shareholders' meetings and list of participants and minutes of the general shareholders' meeting, form for proxy voting at the general shareholders' meeting, disclosure policy, dividend distribution policy, ethical rules of the Company, frequently asked questions including requests for information, questions and notices, and responses thereof.

The information contained on the web site exists also in English (exactly same with the Turkish content) for the benefit of international investors.

The Company's web site also includes; investor presentations, working principles of the Committees, important board decisions under the heading of material disclosures, the vision/mission of the Company established by the board, information on capital increases and dividend payments, general shareholders' meeting internal guidelines, news, social responsibility activities, information on senior management, financial data, main ratio analysis, timetable on events/developments which considers investments, and the human resources policy.

As per the CMB decision dated January 10, 2019 and numbered 2/49 published on the Bulletin no: 2019/2, The Corporate Governance Compliance Report prepared in accordance with the Corporate Governance Communiqué number II-17.1 must be disclosed through the PDP in The Corporate Governance Compliance Report (CRF) and the Corporate Governance Information Form (CGIF)

templates. Doğan Holding realized its CGIF and CRF notifications via PDP on February 27, 2020, within the specified notification period.

In addition, the names, amount and rate of the shares held by the Company's ultimate controlling individual shareholders over 5% as identified after being released from indirect or cross shareholding relationships between co-owners are disclosed to the public.

2.2. Annual Report:

It has been concluded that the annual report is prepared in detail by the board of directors to provide public access to complete and accurate information on the Company.

It covers information such as;

- Period covered by the report, the title of the Company, trade register number, contact information,
- The names and surnames of the chairman, members and executive members involved in the management and supervisory boards during the covered period, their limits of authority, tenure of office (with start and end dates),
- The sector in which the Company operates and information on its position in the sector,
- Qualifications of the departments within the Company, general explanations regarding the activities during the year and developments witnessed,
- Progress on investments,

- CGIF and CRF templates' site address,
- Information on related party transactions,
- Other issues not included in the financial statements, but are beneficial for users,
- Company's organization, capital and ownership structure and any changes in the related accounting period,
- All benefits provided to staff and workers, information on number of personnel,
- Information on non-existence of privileged shares,
- Research and development activities,
- Dividend distribution policy,
- Basic ratios on the financial position, profitability and solvency,
- Company's financing resources and risk management policies,
- Information on major events occurred between the closing of the accounting period and the date of the general shareholders' meeting where financial statements are evaluated.

In addition to the matters specified in the legislation, following issues also took place in the annual report:

- External duties of board members and executives,
- Members of the Committees within the board and the frequency of meetings held, assessment of the board of

- directors regarding the working principles and the effectiveness of the Committees, including the activities carried out,
- Number of board meetings held during the year and status of participation of the members,
 - Changes in legislation which could significantly affect the Company's operations,
 - Major court cases against the Company and possible consequences,
 - Information on shareholding in excess of 5% of the capital,
 - Benefits and vocational training of employees, and other Company activities that give rise to social and environmental results,
 - Rating results,
 - Corporate Governance Compliance Declaration.

However, benefits provided to board members and senior executives are mentioned collectively, but best application of Corporate Governance Communiqué dictate that this information is given on an individual basis.

2.3. External Audit:

The external audit of the Company is conducted by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.

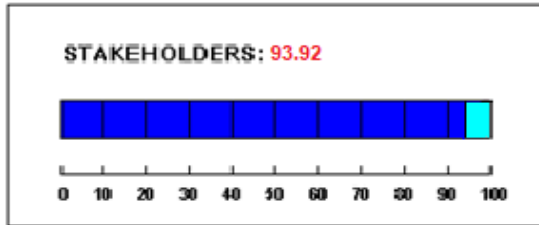
There has not been a situation where the external auditor avoided to express its opinion and not signed the audit report, nor has reported a qualified opinion. Also, it has been declared that there has been no legal

conflict between the Company and the external audit firm.

External audit firm and their audit staff did not provide consulting services for a price or free of charge during the audit period.

No consulting company in which the external audit firm is in a dominant position either directly or indirectly in management or capital provided any consulting services during the same period.

SECTION 3: STAKEHOLDERS



SYNOPSIS

+	Measures to safeguard stakeholders' rights are facilitated.
+	A set of code of ethics is prepared and disclosed to public.
+	A written compensation policy for employees established and disclosed to the public.
+	Company is not held liable by any public authority for any punishment/sanctions within the rating period.
+	Social Responsibility and Sustainability activities are at top level.
=	There are mechanisms to support stakeholders' participation in the Company management, but they are not put in writing.

3.1. Company Policy Regarding Stakeholders:

Doğan Holding recognizes the rights of stakeholders established by law or through any other mutual agreement. In case the rights of the stakeholders are not regulated by the relevant legislation and protected by contracts, the Company protects the interest of stakeholders under good faith principles and within the capabilities of the Company. Effective and expeditious compensation is provided in case of violation of the rights.

It is considered that the web site of the Company is actively used to

provide adequate information on policies and procedures towards the protection of stakeholders' rights.

The corporate governance structure of the Company ensures that its stakeholders, including its employees and representatives, report their concerns to the management concerning any illegal or unethical transactions.

In addition, a written compensation policy is established and disclosed to the public.

3.2. Stakeholders' Participation in the Company Management:

Doğan Holding has developed models for stakeholders, particularly employees to participate in management without impeding the operations of the Company. Requests are evaluated and solutions are developed by establishing contact with relevant departments. Employees are kept apprised of the general activities of the Company, and their suggestions are evaluated via the intranet site.

On the other hand, it is seen on the Company's CRF notification that these models are not included in the internal regulations of the Company.

3.3. Company Policy on Human Resources:

The Company has a written human resources policy which is available on the corporate web site.

Within this scope, the Company offers equal opportunity to persons with the same qualifications in recruitment and career planning.

In cases which management reshuffle could cause disruptions, succession planning for determination of new manager appointments is in place.

In addition, as per the CRF and CGIF notifications given in 2020;

- The criteria for recruitment are determined in writing and adhered to,
- Employees are treated equally with regard to their rights. Training programs are organized and training policies are developed to enhance the knowledge, skills, and conduct of personnel,
- Meetings are held for employees on matters such as financial status of the Company, wage, career, education, health, and opinions are exchanged,
- Decisions taken or developments concerning employees are notified to employees or their representatives,
- Job descriptions, distribution of duties, performance and rewarding criteria are shared with employees,
- Productivity is taken into account in determining the wages and other benefits of employees,
- The Company does not discriminate among its employees in terms of their race, religious belief, language or gender, and takes precautions to protect employees against all kinds of physical, emotional or spiritual abuse, and

- Safe working environment and conditions provided for employees.

3.4. Relations with Customers and Suppliers:

It is again seen on the CRF notification of the Company that Doğan Holding complies with quality standards in services provided and that care is taken on the confidentiality of all trade secret data and information on customers and suppliers.

During the rating period, we have witnessed no evidence on non-market pricing of goods and services that the Company offers.

3.5. Ethical Rules & Social Responsibility:

Ethical rules of the Company are disclosed to the public on the corporate web site.

In addition, Doğan Holding has a social responsibility policy disclosed to the public on its corporate web site. Company's activities within the scope of social responsibility are generally considered to be at a top level by us.

Aydın Doğan Foundation was established in 1996 to contribute to education, health, scientific research, culture, arts and sports. Especially, the Foundation, which adopts the education of young girls as a mission, aims to contribute to the economy and the development of qualified workforce, and to enable young girls to participate in the society as productive individuals with the activities carried out with the slogan of 'Empowered Girls Empowered Futures'. In addition, the Foundation organizes Aydın Doğan Awards, Aydın Dogan International Cartoon Competition, and Turkish Journalists' Society Aydın Doğan Young Communicators Competition.

Furthermore, Doğan Holding aims to raise awareness and support efforts to solve important problems of the nation through social responsibility projects such as the "Common Values Movement", "No! To Domestic Violence", "Rightful Women Platform", and "Kelkit Venture". Detailed information about these initiatives is available on the Company's corporate web site.

The Company has not been subject to any significant sanctions by the public administrations during the course of the period.

Doğan Holding has established an "Anti-Corruption and Anti-Bribery Policy", disclosed it to the public and declared through the URF notification that it is fighting against all kinds of corruption, including extortion and bribery.

We have come to the conclusion that the Company complies with ethical rules through its regulations relating to the environment, the consumer, public health and respects internationally recognized human rights.

3.6. Sustainability:

The Company has policies and internal regulations on environment, nature, energy saving, recycling and education.

Within the scope of the "Doğan Holding Environmental Management Policy" announced to the public on the web site, the following five main issues are focused:

1. Energy.
2. Waste Management, Disposal and Recycling.
3. Water Usage.
4. Transport.
5. Air Emissions.

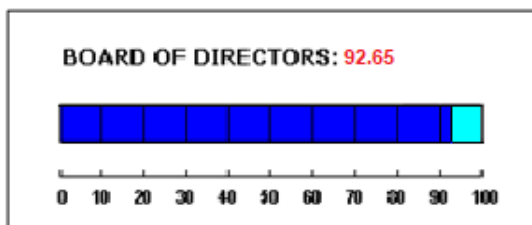
Doğan Group's Environmental Policy is followed by the Holding and all Group companies. Group companies participate in the determination of environmental objectives. The Early Detection of Risk Committee is charged with implementing the Environmental Policy.

The Early Detection of Risk Committee is responsible for setting environmental objectives, establishing the environmental management system, determining performance criteria, and creating action plans. The efficiency of the environmental management system is audited by the audit departments of the Holding and Group companies, and the results are submitted for the assessment of the Audit Committee and the Board of Directors.

There are no fines or any lawsuits filed against the Company for damages to the environment during the rating period. The Company has announced to the public the details of the environmental projects it carries out on its corporate web site.

In addition, Doğan Holding is included in the BIST Sustainability Index as well as the Corporate Governance Index (XKURY). BIST Sustainability Index has been established and calculated as price and return with the code "XUSRD" as of November 2014 in order to create an index in which companies with high corporate sustainability performances traded on Borsa Istanbul will take place. Index methodology includes evaluations under the topics of environment, biodiversity, climate change, board of directors' structure, anti-bribery, human rights, supply chain, health and safety, banking criteria and public disclosure.

SECTION 4: BOARD OF DIRECTORS



SYNOPSIS

+	The board of directors has been structured in accordance with the Communiqué.
+	Four independent members on the board.
+	Rate of female board membership is 45%.
+	Audit, Corporate Governance, Early Detection of Risk and Executive Committees are established.
+	Principles of remuneration of board members and senior executives are established and disclosed to the public.
+	Conduct of board meetings is documented.
=	Although there is manager liability insurance, the policy coverage is below 25% of the capital.

4.1. Functions of the Board of Directors:

Strategic decisions of the board of directors aim to manage the Company's risk, growth, and return balance at an appropriate level and conduct a rational and cautious risk management approach with a view to the long-term interests of the Company. The board administers and represents the Company within these parameters.

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

The board also oversees that Company activities are managed in compliance with the legislation, articles of association, internal procedures and established policies.

4.2. Principles of Activity of the Board of Directors:

During the rating period, Doğan Holding signed the principles of "United Nations Global Compact" which sets the standards for the strategies and operations of companies worldwide, their practices in the fields of human rights, labour standards, environment and anti-corruption and also based on the articles of the "International Labour Organization ("ILO") Declaration of Fundamental Principles and Rights at Work".

It is considered that the board of directors performs its activities in a transparent, accountable, fair and responsible manner, and no contrary finding has been encountered.

Distribution of tasks between the members of the board of directors is explained in the annual report. In addition, CRF and CGIF templates are included in the content of the decision to be taken by the board of directors regarding the approval of the financial statements and annual reports and the declaration to be made in this context.

The board of directors established various internal control systems which are inclusive of risk management, information systems, and processes by

also taking into consideration the views of the Committees. In this context, the board reviews the effectiveness of risk management and internal control systems at least once a year. The presence, functioning, and effectiveness of internal controls and internal audit are explained in the annual report.

Chairman of the board and chief executive officer/general manager's executive powers are clearly separated in the articles of association.

The board of directors plays a leading role in maintaining effective communication between the Company and the shareholders and settling any disputes which may arise. The board works in close coordination with the Corporate Governance Committee and the Investor Relations Department in this context.

There is a manager liability insurance covering the rating period related to compensation for damages incurred by the Company and third parties due to the executives not performing their duties duly. However, the policy coverage does not exceed 25% of the Company's capital as recommended in the Communiqué, and there is no PDP disclosure regarding the policy.

4.3. Structure of the Board of Directors:

The Company's board of directors consists of eleven members. The number of executive board members, which were two in the previous rating period, has decreased to one in the current period. Among the non-executive board members there are four independent members who have the ability to execute their duties without being influenced under any circumstances.

CMB criteria are complied with in determining independent candidates.

As included in the CGIF statement; the Corporate Governance Committee have prepared a report on the candidates proposed by the board and shareholders, by taking into consideration of whether or not the candidate meets the independency criteria and submitted this assessment as a report to the board for approval. Independent candidates for the board of directors have signed a declaration of independence within the framework of the legislation, articles of association, and the CMB criteria.

There are five female members on the board, bringing the current female membership rate to 45%.

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

Board meetings take place with sufficient frequency. As per the CGIF notification, board of directors held 9 meetings in 2019. Member participation rate to these meetings was 79%.

The conduct of the board of directors meetings is regulated in the articles of association.

Chairman of the board of directors sets the agenda for board meetings in consultation with other members and the chief executive officer/general manager. Information on the agenda items of the board of directors is made available to the members in reasonable time prior to the meeting date by a coordinated flow of information. Each member of the board has a right to one vote.

4.5. Committees Established Within the Board of Directors:

A Corporate Governance Committee, an Audit Committee, and an Early Detection of Risk Committee are established from within the board of

directors in order to fulfil its duties and responsibilities.

Functions of the Committees, their working principles, and its members are designated by the board of directors and disclosed to the public on the Company's web site.

All members of the Audit Committee and the chairmen and certain members of the other Committees are elected among the independent board members. The chief executive officer/general manager is not on the Committees. In accordance with the Communiqué, the majority of the members of the Committees are non-executive members. With the exception of the independent members, care is taken to avoid appointment of a board member on multiple committees.

All necessary resource and support needed to fulfil the tasks of the committees are provided by the board of directors. Committees can invite any manager as they deem necessary to their meetings and obtain their views.

The frequency of Committee meetings is found sufficient. According to the CGIF notification, Corporate Governance and the Audit Committees met four times each in 2019 and the Early Detection of Risk Committee held six meetings. Committee reports submitted to the board of directors regarding their activities are evaluated as sufficient in terms of quantity.

Based on the general opinion we have obtained from the Committee meeting minutes, which were seen by us personally at the Company headquarters during the previous rating periods, as well as the Committee working principles disclosed to the public;

The Corporate Governance Committee is established in order to determine whether or not corporate governance principles are being fully implemented by the Company, if implementation of some of the principles are not possible, the reason thereof, and assess any conflict of interests arising as a result of imperfect implementation of these principles, and present remedial advices to the board of directors. In addition, it oversees the work of the Investor Relations Department.

In accordance with the Communiqué, Head of Investor Relations Department Mr. Murat Doğu is a member of the Corporate Governance Committee.

The Audit Committee;

- Supervises the operation and efficiency of the Company's accounting system, public disclosure, external audit and internal audit systems,
- Determines the methods and criteria to be applied on reviewing complaints that are received by the Company regarding Company accounting, internal and external independent audit systems, within the framework of the principle of confidentiality and finalizes them,
- Following taking the opinion of responsible managers of the Company and the external auditor, notifies the board in writing on whether the annual and interim statements disclosed to the public is in accordance with the Company's accounting principles, true and accurate,
- Immediately notifies the board in writing on findings related to their duties and responsibilities

and the related assessment and recommendations.

It is considered that Audit Committee members possess the qualifications mentioned in the Communiqué.

The annual report contains information on working principles of the Audit Committee, number of written notices given to the board of directors in the fiscal year and the meeting results. In 2019 the Committee held 4 meetings and submitted 5 reports to the board of directors on activities conducted.

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

The Early Detection of Risk Committee reviews risk management systems at least once a year. It achieves early identification of risks that may jeopardize the Company's existence and continued development, implements the necessary measures identified with the associated risks and conducts studies to manage such risks.

In accordance with the Communiqué, the Corporate Governance Committee carries out the duties of the Nomination and Remuneration Committees, since they are not established yet.

4.6. Remuneration of the Board of Directors and Senior Management:

The principles of remuneration of board members and senior executives has been documented in writing and submitted to the shareholders as a

separate item in the general shareholders' meeting.

A remuneration policy prepared for this purpose can be found on the corporate web site. The fact that the stock options or performance-based payments are not included in the remuneration package of the independent board members is evaluated positively by us.

As disclosed through the CRF notification, the Company does not lend any funds or extend any credits to a member of the board or to senior executives, or grant any personal loans through a third party, or extend any guarantees.

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

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

Orientation process for newly appointed managers is determined in writing in the Company's internal regulations.

Rating Definitions

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

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