

# D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş.

## CORPORATE GOVERNANCE GUIDELINES

### A. Statement

The following are the corporate governance guidelines (the “**Guidelines**”) of D-MARKET ELEKTRONİK HİZMETLER VE TİCARET A.Ş. (“**Hepsiburada**” or the “**Company**”) in order to provide the framework for the governance of the Company, along with the charters and key practices of the committees of the Board of Directors (the “**Board**”) of the Company.

This Guidelines have been adopted by the Board on June 30, 2021 and amended by the Board on 03.11.2022.

The Corporate Governance Committee of the Board (the “**Corporate Governance Committee**”) may review and recommend changes to these Guidelines from time to time as and when deemed necessary.

### B. Mission and Responsibilities of the Board

The mission of the Board is to oversee the performance of the Chief Executive Officer (the “**CEO**”) and other members of executive management, and to assure that the best interests of shareholders are being served. To satisfy this responsibility, the Board is expected to:

- (i) review, and where appropriate, approve and evaluate the financial and business strategies, major corporate actions and internal controls of the Company;
- (ii) regularly monitor the effectiveness of management policies and decisions, including the execution of the Company’s strategies;
- (iii) select, evaluate and compensate the CEO and other members of executive management and review management succession planning;
- (iv) assess major risks facing the Company and review options for their mitigation; and
- (v) seek to ensure that the Company’s business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations.

In addition to fulfilling its primary mission, the Board should maintain a sense of responsibility to the Company’s business partners, employees and the communities in which the Company operates its business.

### C. Director Qualifications and Selection; Board Structure

#### 1. Independence and Other Qualifications

1/3 of the members of the Board of Directors will be independent in accordance with the requirements of Turkish Capital Markets Laws and Regulations. The independent members of the Board must meet the criteria of independence required by The Nasdaq Stock Market

(“**Nasdaq**”) corporate governance standards (the “**Nasdaq Rules**”).

Pursuant to the definition and criteria for independence set forth in Rule 5605(a)(2) of the Nasdaq Rules, independent members of the Board must meet the following criteria:

- An independent member of the Board cannot be an executive officer or employee of the Company.
- An independent member of the Board should not be a person who is currently, or at any time during the past three years was employed by the Company. Being employed as an executive officer on an interim basis for a period of less than one year does not impair independence as of the termination of the temporary duty.
- Neither the independent member of the Board nor their family member should have accepted any compensation from the Company in excess of USD 120,000 during any period of twelve consecutive months within the three years, other than the following:
  - i) Compensation for membership of the Board or duties in the committees of the Board.
  - ii) Compensation paid to a family member of the independent member of the Board who is an employee, other than an executive officer, of the Company.
  - iii) Benefits under a tax-qualified retirement plan or non-discretionary compensation.
  - iv) Compensation for an executive officer position on an interim basis for a period of less than one.
- The family member of an independent member of the Board should not be a person who is currently, or at any time during the past three years was, employed by the Company as an executive officer.
- The Company should not be involved in a payment relationship for property or services in the current or any of the past three fiscal years that exceeds i) 5% of the recipient's consolidated gross revenues for that year, or ii) USD 200,000, whichever is higher, with an entity of which an independent member of the Board or their family member is a partner, controlling shareholder or an executive officer. The following cases constitute exceptions to this rule:
  - i) Payments arising solely from investments in the Company's securities; or
  - ii) Payments under non-discretionary charitable contribution matching programs.
- The Company should not have made a donation to a charitable organization of which the independent member of the Board or their family member is an executive officer, in an amount exceeding 5% of the relevant charity's revenues or USD 200,000.

- The independent member of the Board or a family member should not be employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company serve on the compensation committee of such other entity.
- Neither the independent member of the Board nor their family member should be a person who is or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

In addition to the foregoing, to be considered independent, the Board must affirmatively determine that the person has no relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In terms of the independence criteria, the Company includes the parent company or subsidiaries of the Company.

Independent directors who will be members of the Audit Committee must meet the following independence criteria pursuant to Rule 5605(c)(2) of the Nasdaq Rules and Rule 10A-3 of the Securities Exchange Act of 1934, as amended:

- Independent members of the Board should not accept any consulting, advisory or other compensatory fee from the Company or its subsidiaries for any reason other than their duties as a member of the Board, Audit Committee or other committees. Fixed amounts of compensation received under a retirement plan for prior services shall not impair independence.
- The independent member of the Board who will be a member of the Audit Committee should not be an affiliated person of the Company or its subsidiaries. In terms of this criterion, an affiliated person is a person who directly or indirectly controls, or is controlled by, the Company or its subsidiaries.
- The independent member of the Board who will be a member of the Audit Committee should not have participated in the preparation of the financial statements of the Company or any current subsidiaries of the Company at any time during the past three years.

In addition, the Company will endeavor to comply with the conditions and provisions of the Turkish Capital Markets Board's corporate governance principles (and will comply to the extent compliance becomes mandatory) regarding the conditions to be met by the independent members of the Board, including the following:

- Not to have a relationship in terms of employment at an executive level to assume significant duty and responsibilities at any time during the past five years, not to own more than 5% of the capital or voting rights or privileged shares either jointly or solely, or not to have established a significant commercial relation between the Company, companies, in which the Company has management control or significant effect, shareholders who have management control of the Company or significant effect in the Company, legal entities in which these shareholders have management control and the

independent member of the Board them self, their spouse and their relatives by blood or marriage up to second degree.

- Not to have been a shareholder (5% and more), an employee at an executive level with significant duty and responsibilities or member of the Board at any time during the past five years in companies from which the Company purchased or to which the Company sold goods or service to a significant level under concluded contracts, especially on audit (including tax audit, statutory audit, internal audit), rating and consulting of the Company, at the time period of purchases or sales of services or goods.
- To have professional education, knowledge and experience in order to duly fulfill the duties assigned for being an independent member of the Board.
- Not to be a full time employee at public authorities and institutions after being elected, except being an academic member at university provided that is in compliance with the relevant legislation.
- To be residing in Turkey in accordance with the Income Tax Law dated 31 December 1960 and numbered 193.
- To be capable to contribute positively to the operations of the Company, to maintain their objectivity in conflicts of interests between the Company and shareholders, to have strong ethical standards, professional reputation and experience to freely take decisions by considering rights of stakeholders.
- To be able to allocate time for the Company's business in order to follow up activities of the Company and duly fulfill allocated duties.
- Not to have conducted membership of the Board more than a term of six years within the past ten years.
- Same person should not be serving as an independent board member in more than three of the companies controlled by the Company or the shareholders who control the management of the company, and in more than five of the companies listed on the stock exchange in total.
- Not to be registered and announced as the representative on behalf of a legal entity that is a member of the Board of the Company.

The Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, whether directors satisfy the independence requirements of applicable rules and regulations. No director will qualify as independent unless the Board affirmatively determines that such director is independent.

The majority of the members of the Board shall consist of members who do not have an executive duty. A non-executive member of the Board is a person who does not have any executive duties in the Company other than membership of the Board or an executive unit

operating under them and who is not involved in the daily work routine and ordinary activities of the Company.

The Corporate Governance Committee is also accountable for annually reviewing with the Board the requisite skills and characteristics required for new directors, as well as the composition of the Board as a whole. This review will focus, among other things, on the following areas of Board composition: (i) diversity, age, background, skills and experience; (ii) personal qualities and characteristics, accomplishments and reputation in the business community; (iii) knowledge and contacts in the communities in which the Company conducts business; (iv) ability and willingness to devote time to serve on the Board and its committees; (v) knowledge and expertise in various activities deemed relevant by the Board; and (vi) fit of the individual's skills, experience and personality with those of other directors in maintain an effective and responsive Board.

2. Board Size

The number of directors on the Board must be no less than six and no more than 12, appointed by the general assembly within the framework of the provisions of the Turkish Commercial Code ("TCC") and the Company's articles of association. The minimum and maximum number of directors may be changed by amending the articles of association by a shareholders' general assembly meeting resolution adopted in line with the provisions of the TCC and the articles of association of the Company. The number of the members of the Board will be determined in a manner to enable the Board to carry out efficient and constructive works, to take speedy and rational decisions and to effectively organize the composition of committees and their works.

3. Annual Review by the Corporate Governance Committee of Nomination of New Directors

The Corporate Governance Committee will review with the Board, on an annual basis, the appropriate skills and characteristics required of directors in the context of the current make-up of the Board and any perceived needs in accordance with the independence requirements of applicable rules and regulations. The Corporate Governance Committee will screen, select and consider director candidates in accordance with the criteria approved by the Board as well as with its charter.

4. Election and Re-election of Directors

Board members are appointed for a maximum term of 3 (three) years. Term of each Board member terminates upon expiry of its term or upon its resignation, loss of legal capacity, death or receipt of the written notice dismissing such member from duty. Unless dismissed, board members whose terms of office expires may be re-elected.

If one of the Board members is declared bankrupt or if a Board member's capacity is restricted or a member ceases to possess the legal requirements necessary for membership or qualifications envisaged in the Company's articles of association, such person's membership automatically terminates without need for any further procedure.

Board members may always be dismissed prior to the expiry of their term of office upon a

resolution of the general assembly in accordance with the Company's articles of association. A legal person who is a Board member may replace the person registered on its behalf, at any time.

5. Invitation to Join the Board

The invitation to join the Board may be extended on behalf of the Board, by the Chair of the Board and the Chair of the Corporate Governance Committee.

**D. Board Leadership and Term**

Each year, the Board shall elect from among its members a chairperson and a vice-chairperson to act as the chairperson's proxy when they are absent.

**E. Duties of Directors**

1. Director Time Commitment

Directors must be willing to devote sufficient time and effort to learning the business of the Company and the Board, and must ensure that other existing and planned future commitments do not materially interfere with his or her service as a director. Directors are expected to attend Board meetings and meetings of committees on which they serve, and to meet as frequently as necessary to properly discharge their responsibilities. Directors are also strongly encouraged to attend the Company's annual meeting of shareholders.

2. Service on Other Boards / Committees

Acknowledging the negative impact of competing time commitments when directors serve on multiple boards, directors are encouraged to limit the number of other boards (excluding non-profit boards) on which they serve, taking into account the potential impact on attendance, participation and effectiveness with respect to the Board.

Directors should advise the Corporate Governance Committee in advance of accepting an invitation to serve on another company board.

3. Conflicts of Interest

Directors are required to disclose to the Board (and any applicable committee) any financial interest or personal interest that they have in any contract or transaction that is being considered by the Board or Audit Committee for approval. After such disclosure and responding to any questions the Board may have, the interested director should abstain from participating in the discussion and voting on the matter and should leave the meeting while the remaining directors discuss and vote on such matter. Disclosed conflicts of interest must be documented in the minutes of the meeting.

If a director has any significant conflict of interest with the Company that cannot be resolved, such director must promptly resign.

4. Change in Primary Employment

Directors are required to notify the Corporate Governance Committee of his or her retirement, any change in employer and any other significant change in professional roles and responsibilities. The Corporate Governance Committee must evaluate the continued appropriateness of the Board composition under the new circumstances and make a recommendation to the Board as to any action to be taken. In order to meet the Company's regulatory obligations and applicable filing deadlines, directors must provide the notification described above in advance and as soon as practicable.

5. Company Loans and Corporate Opportunities

Directors must make business opportunities related to the Company's business available to the Company before pursuing the opportunity for the director's own or another's account. The Company will not make any personal loans or extensions of credit to directors or executive officers, or, provide credit facilities under the name of personal credit through a third party, or provide guarantees such as surety in their favor.

6. Director Orientation and Continuing Education

In furtherance of its policy of having major decisions made by the Board as a whole, the Company has an orientation and continuing education program for the Board that includes meetings with management. Each new director orientation should be conducted following the meeting at which a new director is elected. The orientation may include presentations by senior management to familiarize each new director with the Company's strategic plans; its significant financial, accounting and risk management issues; its compliance programs; its Code of Conduct; its executive officers; and its internal and independent auditors.

The directors should also attend ongoing corporate governance and other educational programs related to their service on the Board.

**F. Director Compensation**

In accordance with its charter, the Corporate Governance Committee will review, periodically evaluate and make recommendations to the Board regarding the compensation and benefits, direct and indirect, for the Company's non-employee directors, taking into account the Remuneration Policy.

**G. Board Meetings and Communications**

1. Attendance at Board Meetings

The Board should have no less than four regularly scheduled meetings each year. In addition, special meetings are called as necessary or appropriate. It is the responsibility of the directors to regularly attend meetings of the Board and committees on which such director sits, with the understanding that on occasion a director may be unable to attend a meeting. A director who is unable to attend a meeting is expected to notify the Chair of the Board or the Chair of the appropriate committee in advance of such meeting.

2. Board Material Distribution

Board materials related to agenda items should, to the extent practicable, be distributed to the Board sufficiently in advance of Board meetings to allow the directors to prepare for discussion of the items at the meeting.

3. Access to Management and Independent Advisors

Directors have access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the CEO, the CFO or the General Counsel or directly by the director in appropriate circumstances. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent deemed appropriate by the director, inform the CEO that such communications are taking place.

The Board has the power to direct the hiring of independent legal, financial or other advisors as they may deem necessary, without obtaining the approval of any officer of the Company in advance.

## **H. Evaluation and Succession**

1. Annual Performance Evaluation

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Corporate Governance Committee will establish a process for the evaluation of the performance of the Board and each of its committees, which should include a solicitation of comments from all directors and a report annually to the Board on the results of this evaluation. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the contribution of the Board or the relevant committee to the Company, and specifically focus on areas in which the Board or management believes that the Board or the committee could improve.

2. CEO Evaluation

The Chairperson will lead the annual review of the CEO's performance to ensure that the CEO is providing the best leadership for the Company in the long- and short-term.

The evaluation should be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, the handling of extraordinary events and development of management. The criteria should ensure that the CEO's interests are aligned with the long-term interests of the Company's shareholders. The evaluation will be used in the course of its deliberations when considering the compensation of the CEO.

3. Management Succession

The Corporate Governance Committee should provide an annual report to the Board on succession planning which should include, without limitation, policies and principles for CEO selection and performance review as well as policies regarding succession in the event of an emergency or the retirement of the CEO. The CEO should at all times make available his or



her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

## **I. Board Committees**

### **1. Establishment of Committees**

The Board will have the following three standing committees: (1) Audit Committee, (2) Risk Committee, and (3) Corporate Governance Committee. All of the members of these committees will satisfy any applicable requirements of the Securities and Exchange Commission, Nasdaq, the TCC and the Turkish capital markets legislation.

Subject to limitations in the Company's amended and restated articles of association as well as in the TCC and the Turkish capital markets legislation, the Board may from time to time establish additional committees as necessary or appropriate, delegating to such committees all or part of the Board's powers. In general, committees of the Board are utilized to focus on issues that may require more in-depth scrutiny. All significant findings of a committee are presented to the full Board for discussion and review.

### **2. Committee Charters and Responsibilities**

The Board will adopt charters setting forth the purposes, goals and responsibilities of each of its standing committees and any other committees the Board deems appropriate, as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

### **3. Committee Meetings and Agendas**

The Chair of each committee, in consultation with the committee members, should determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chair of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of the year each committee should establish a schedule of agenda subjects to be discussed during the year. The schedule for each committee should be furnished to all directors.

## **J. Code of Conduct**

All directors, officers and employees must comply with the Company's Code of Conduct which provides that the Company will conduct business according to high moral and ethical principles and in compliance with applicable law.